

# Oklahoma's Personal Financial Literacy Passport

Standard 3: The student will describe the functions and uses of banks and other financial service providers.

## Standard 3. Financial Service Providers


Lesson 3.1 – Finding Financial Services


Handout 3.1.1 – Making a Financial Match


Handout 3.1.2 – Financial Services



Teacher Presentation Series 3



 Identify and compare the basic types of financial institutions (e.g., banks, mortgage companies, credit unions, brokerage firms, and finance companies).

 Describe and compare the most common financial products and services (e.g., checking, credit cards, Automated Teller Machines (ATMs), savings, loans, investments, and insurance).



# **Standard 3.**

# **Finding Financial Services**

# = *Payoff* =



- Identify the most common types of financial service providers.
- Explain the services offered by different financial institutions.
- Determine which kinds of financial service providers and services are appropriate for different situations.
- Weigh the costs and benefits of using financial services.

# Down Payment



 Dorey has a checking account at a local bank:

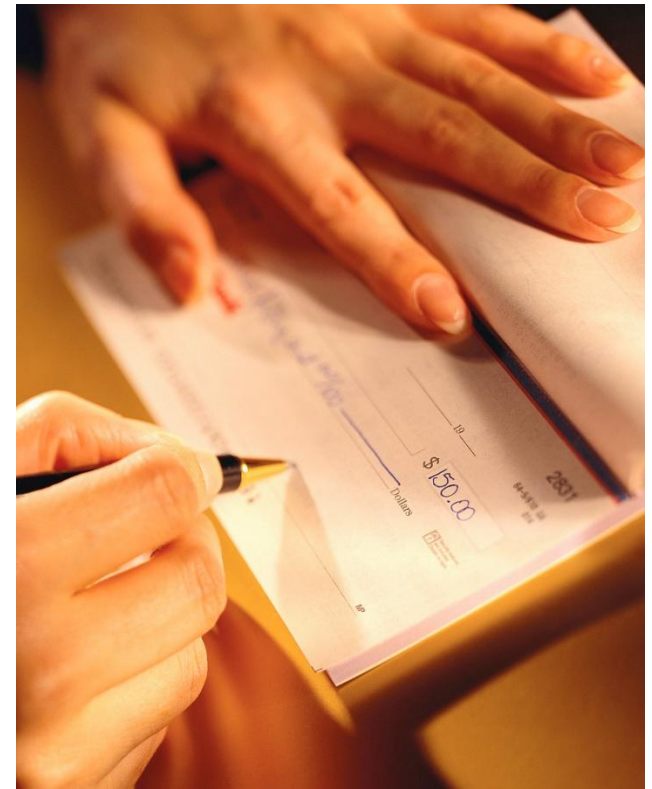
- Uses her debit card and the bank's online services to monitor her balance.
- Uses her debit card because her bank charges 20¢ for every check she writes, but has no charges for debit card transactions.

# Down Payment



Mino has a checking account at a credit union:

- He prefers to write checks instead of using his debit card because it is easier to track his spending.
- The credit union has online banking, but Mino does not use it.



# Down Payment



👤 Martin does not like banks.

- He thinks they charge too much and is not sure that his money is safe there.
- He only has a part-time job and does not make a lot of money.
- He uses a check cashing service for cashing his check, money orders for payments, and cash for local purchases.

# == Cache ==



💰 ATM

💰 Automatic Deposit and Payment

💰 Bank

💰 Check Cashing Service

💰 Checking Account

💰 Credit Card

💰 Credit Union

💰 Debit Card





# == Cache ==

- Financial Services
- Financial Institution
- Insurance Company
- Investment Bank
- Money Transfer
- Mortgage Company
- Online Banking
- Overdraft



# == *Cache* ==

- 👛 Overdraft Protection
- 👛 Safety Deposit Box
- 👛 Savings Account
- 👛 Stock Brokerage



# ≡ ***Building Interest*** ≡



- 💰 Why are there so many types of financial institutions?
- 💰 How has technology affected the financial industry and its service offerings?
- 💰 What kind of financial services do you currently use?

# **Building Interest**



- 👉 What percentage of people in the U. S. have banking accounts of some type?
- 👉 What are some of the possible reasons people choose not to have a bank account?
- 👉 What is the difference between a bank and a credit union?

# Financial Service Providers



- 🏦 Financial Service Providers - Businesses providing services similar to banks.
  - Banks, credit unions, credit card companies, insurance companies, stock brokerages, mortgage companies, and investment banks.
- 🏦 Changes in customer needs and technology have increased the level of competition for gaining and retaining customers.

# Choosing Financial Services



 Considerations should include:

- Fees
- Time
- Ability to access the services and your level of skills in using them

# Progressive and Regressive Taxes



## Benefits of on-line banking:

- 24-hours a day access.
- Easy transfers of money between your checking and savings account.
- Electronic bill payments through the bank, saving you money on postage and envelopes.



# == *Earnings* ==



- 💰 Changes in technology and customer needs has caused the number of financial service providers to increase.
- 💰 Types of services offered have also increased.
- 💰 Being an informed consumer will help you find the types of services you want and need, while saving money in getting them.



# **Balance Sheet**



Identify examples of progressive and regressive taxes.

What is a “free rider?”

Identify examples of goods and services paid for by taxes.

# ≡ **Balance Sheet** ≡



- 📁 Identify three types of financial institutions and the services they provide.
- 📁 Identify four financial services that allow you to pay for goods and services.
- 📁 What are the benefits of using on-line banking instead of checks?

## == ***Paid in Full*** ==



- Who is making the best decision?
- If you said Dorey or Mino, you are right!
  - There is little difference between using a bank or a credit union.
  - Having a checking or savings account helps to build a relationship with a financial service provider.
  - Using check cashing services and money orders is costly.
  - Keeping all of your money in cash is risky!