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
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.
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
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
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 - 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
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.
Identify examples of progressive and regressive taxes.

What is a “free rider?”

Identify examples of goods and services paid for by taxes.
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 online banking instead of checks?
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!