

Finding Financial Services

Overview

This lesson covers the basics of banking and other financial services.

Lesson Objectives

Students will be able to:

- 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 in different situations.
- Evaluate the costs and benefits of using financial services.

Lesson Procedures

1. Have students read Lesson 3.1. Use the Introduction scenario to acquaint them with basic concepts of the lesson. Have students respond to the questions at the end to initiate class discussion.
2. Ask students to identify one item they purchased in the last week and how they paid for it. Discuss the various ways of making payments today, including checks, cash, credit cards, gift cards, and debit cards. (You may need to remind them that checks and debit cards are forms of cash while credit cards are loans that need to be repaid.)
3. Ask students why people put their money in banks. Remind them that the term “banks” has become generic for commercial banks, credit unions, and other financial service providers. Also, remind them that bank accounts are still frequently called “checking accounts” even though they may never use it for writing checks.
4. Review the vocabulary for this lesson, encouraging students to identify which financial institutions they or their family uses. Have students complete Activity 3.1A to enforce their understanding of these institutions. Ask students to discuss their answers.

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PERSONAL FINANCIAL LITERACY

PASS OBJECTIVE

Objective 3.1: Identify and compare the basic types of financial institutions (e.g., banks, mortgage companies, credit unions, brokerage firms, and finance companies).

Objective 3.2: Describe and compare the most common financial products and services (e.g., checking, credit cards, Automated Teller Machines (ATMs), savings, loans, investments, and insurance).

“When the purse becomes empty, the mind becomes full of issues.”

Ernest Agyemang Yeboah

VOCABULARY

ATM

Automatic deposit

Bank

Check cashing services

Checking accounts

Credit card

Credit union

Debit card

Financial services

Financial institutions

VOCABULARY
(Continued)

Insurance company

Investment bank

Money transfer

Mortgage company

Online banking

Overdraft

Overdraft protection

Safety deposit box

Savings account

Stock brokers/Stock
brokerage firm

Finding Financial Services

5. Explain the various types of services offered by different financial institutions. Ask students why people may need or want a variety of services rather than basic banking services. Use the table in Activity 3.1B to explain the costs (disadvantages) and benefits (advantages) of different financial services and service providers. Have students complete the questions in Activity 3.1B. Debrief their answers.
6. Conclude the lesson by revisiting the FINAL NOTE and discussing why Conney and Mino made the best choices.
7. Use Review 3.1 to assess student learning.

Card-Sorting Game

Overview

This activity can be used to review the terms presented in Standard 3. It uses an activity called card sorts where students work with a partner (or in a group up to four) to match terms and descriptions.

Materials

- Copies of Terms and Description Cards for each group, cut up into slips. Be sure to use different colors of paper for the two sets of cards to make it easier for you and the students to identify them.
- Envelopes for each set of cards.

Procedures

Preparation:

1. For each group, cut Term Cards and Description Cards into slips.
2. Place both sets of cards in one envelope for each group.

Activity:

1. Give each group an envelope with the two sets of cards.
2. Ask students to match the terms and the descriptions.
3. Once they have completed the activity, call on students to share their answers and explain their answers.

Descriptions Cards

A bank or credit union account that provides a safe place for your money. It allows you to make withdrawals by writing a check, but it doesn't usually pay interest.

A plastic card that allows you to buy now, but pay later. It is a lot safer than carrying cash, but it is tempting to overuse it. If you don't pay it in full each month, you will have to pay interest on what you owe.

A plastic card that is a lot safer than carrying cash, but you can only spend what is in your account. If you go over your balance you may be charged costly overdraft fees.

The withdrawing of money directly from a customer's bank account to pay bills. You save time and the cost of a stamp by using this, but you have to make sure there is plenty of money in your account and that the correct amount was withdrawn from your account.

The process of moving money from one account to another account. It is convenient, but if you move money from savings to checking you will lose interest from funds in the savings account.

The process allowing customers to make financial transactions on a secure web site operated by their financial institution; also called internet banking. It is safer than sending checks through the mail, but you have to take time to check for accuracy.

Customers and credit union members can use this to withdraw cash and make other financial transactions almost anywhere in the world, but fees or interest may be charged to use this service.

A checking account feature that provides an automatic loan from their financial institution to cover overdrafts. It keeps you from bouncing a check when you spend more than you have in it, but financial institutions may charge fees for the service.

A protected location in a secure bank vault where individuals can store valuables for a small fee. The downside is you can only get access during banking hours.

An interest-bearing account at a financial institution.

Term Cards

Checking account
Credit card
Debit cards
Automatic payments
Money transfer
Online banking
ATM (automatic teller machine)
Overdraft protection
Safety deposit box
Savings account

Extending the Lessons

Visit a local bank or credit union, or go online, to find information about the various types of accounts they offer. Have students compare the different types of accounts and decide which would be the best for them.

Use the quote in the Teacher’s Guide as an introductory discussion or review for the lesson.

Have students research related topics, such as: living in a cashless society, using virtual banks, or careers in the financial services industry.

Resources

Lessons:

It Just Adds Up Lesson 10: Banking Services www.econisok.org

Free lesson plans at <http://www.econedlink.org/>

Free lesson plans and other resources at <http://moneyisok.com/standards/standard-3-banking-and-financial-services/>

Videos/Online Resources:

Free Videos at www.bettermoneyhabits.com. Free lesson plans for some videos available under Better Money Habits tab at <http://www.econedlink.org/>

General personal finance resources available at:

- www.federalreserveeducation.org
- www.mymoney.gov
- www.jumpstart.org