

# Money in the Bank: Where Is Your Money?

**SUBMITTED BY:** Lee Jackson

**SUBJECT(S):** Personal Finance

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ OVERVIEW:

The purpose of this lesson is to introduce students to the various services that local banks provide.

## ≡ RELATED ARTICLES:

- [“The Fed Revealed: The Dangers of Monetary Policy”](#)
- [“British Couponer Extraordinaire: Jordon Cox Is a Savings Sensation”](#)
- [“A Trip to the Bank, Lollipops and World Savings Day”](#)
- [“A Bank Account Is Your First Step to Financial Freedom”](#)

## **NBEA Standard(s):**

X. Financial Decision Making

Achievement Standard: Analyze financial data influenced by internal and external factors in order to make short-term and long-term decisions.

## **Common Core Standard(s):**

Integrate and evaluate multiple sources of information presented in different media or formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a problem.

## **Objectives:**

- Following this lesson, students will be able to describe the services of a bank.
- Following this lesson, students will be able to identify the uses of bank credit and debit cards, plus checks.

**Other Resources/Materials:**

Markers, chart paper or bulletin board, PowerPoint for terms, copies or examples of bank statements, examples of credit/ debit cards, website for local bank.

**Tying It all Together:** First, begin a discussion of the types of services that banks provide consumers in addition to checking and savings accounts. The list should ultimately include checking accounts, savings accounts, credit cards, investments like CDs, auto loans, home loans, and small business loans.

- Why do some people not have bank accounts?
- What are some advantages of having a bank or credit union account?

*Demonstrate-*

Advantages of having a bank account are:

- Your money is safe from loss, theft, or fire.
- A canceled check is proof of payment.
- Banks and credit unions are less expensive than check- cashing stores.
- Regular attention to bank activity can help you keep track of how you use your money, and help with planning.

**Questions to generate discussion:**

- Has anyone you know ever been denied a bank account when they tried to open one?
- How do banks find out about your past account history?
- What can you do if you are denied a bank account because of incorrect information?

## Key Points on Account Verification Services:

- ChexSystems is the major source used by banks and credit unions to verify past bank activity.
- You might be listed in the Chexsystems database if you have ever abandoned a checking account while it has a negative balance.
- Information about overdrafts or abandoned accounts remain on file for five to seven years.
- You have the right to dispute incorrect information about your account.

Show students a sample report from Chexsystems.

In one area, there may be several banks. These banks can be local, regional (PNC), or national (Bank of America). While these banks may have several of the same services, various banks may require higher minimum balances and charge additional service fees. Remember, banks, like credit card companies, are businesses whose primary goal is to make money.

When a bank has a sign on it that says:”Insured by FDIC,” it means that if the bank is ever without the capital to reimburse its members, the FDIC (Federal Deposit Insurance Corporation) will make sure that all the depositors get their money up to the insurance limit (\$250,000). To be insured by the FDIC, a bank must prove that it is being run profitably and fairly.

Many people use banks to open a checking account. As the name implies, checking accounts give consumers quick access to monies via checks or ATM cards. Other services include savings accounts for longer-term deposits, direct deposits, and automatic payments.

Have students fill out an application for a checking account. What do they notice about the information that is requested? What are banks seeking to learn from this information? How might the information requested on the form apply to a) a credit score? b) getting a loan?

Next, students can complete the [Student Worksheet](#) in pairs.

**Practice Outside of the Classroom:** Ask students to visit a local bank and open a checking account if they don’t already have one. Have them describe what the process was like.

**What Worked and What I Would Do Differently:** This was a lot of information for students to take in at once. They liked the practice sheet, however. More practice in groups may work well.

**Sources:**

<http://www.investorwords.com/>

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