



# Bank or Bust: Selecting a Banking Partner

## LESSON 12: TEACHER'S GUIDE

Stashing their hard-earned bucks under the bed or in a dresser drawer isn't all that uncommon when it comes to teens' money-saving methods. But if they knew what banks or credit unions could do for their money, they may think twice about where to stash their cash. In this lesson, students will learn about the different types of financial institutions available and assess which option may work best for them. They will explore savings opportunities, bank fees and technology-enhanced banking services; and then determine which services they value the most and why.

**Topic:** Banking Services

**Time Required:** 65 minutes

### SUPPLIES:

- Notebooks
- Computers or tablets
- Speakers
- Internet access
- Student activity sheets (2)

### PREPARATION:

- Copy student activity sheets
- Load the FDIC podcast at [moneysmart.fdic.gov](http://moneysmart.fdic.gov)
- Review websites used in the lesson

### STUDENT ACTIVITY SHEETS:

#### **Bank, Credit or Thrift**

Students will listen to an FDIC podcast and distinguish between the features of a bank, credit union and thrift; evaluating which is right for them.

#### **Banking Partners: Battle for a Bargain**

Students will work in teams to find the best "bargain" bank, or the one that offers the most services with the lowest costs.

### LEARNING OBJECTIVES:

#### **Students will...**

- Assess different types of banking services and savings institutions
- Research and compare the fees banks charge for various services
- Analyze the relative value and importance of different bank services

### STANDARDS:

#### **Jump\$tart Standards:**

- Savings Standard 3
- Financial Responsibility Standard 2

#### **National Standards for Economics:**

- Standard 10: Institutions

#### **Common Core ELA Anchor Standards:**

- Reading: Key Ideas and Details
- Reading: Integration of Knowledge and Ideas
- Writing: Research to Build and Present Knowledge
- Speaking and Listening: Presentation of Knowledge and Ideas
- Speaking and Listening: Comprehension and Collaboration
- Language: Vocabulary Acquisition and Use

#### **Common Core Math Standards:**

- Numbers and Quantity: Quantities
- Modeling

**Essential Question***“How do I choose a financial institution that is right for me?”***Investigate: Where Do I Keep My Money?**

[Time Required: 10 minutes]

1. Ask students to reflect in their notebooks about where they keep their money and why. Do they keep it in their dressers at home, in a bank account or in a money jar? Give them three to five minutes to record their thoughts.
2. Invite volunteers to share their responses, and discuss the benefits of keeping money in the bank versus at home (e.g., if students keep their money at home and a fire, theft or other disaster occurs, what happens to their money?).

**Student Preparation: Choosing a Financial Institution**

[Time Required: 20 minutes]

3. Ask students if they know what their options are when it comes to banking. What kinds of institutions are available to help keep their money safe? Are all of these institutions the same?
4. Explain that there are three types of financial institutions: **banks** are owned by investors and are for-profit businesses; **credit unions** are not-for-profit and member-owned; and **thrift banks** specialize in home loans and serving small businesses within the community.
5. Distribute the student activity sheet **Bank, Credit or Thrift: Which One is Right for Me?** Then play the **FDIC** podcast at [practicalmoneyskills.com/HS50](http://practicalmoneyskills.com/HS50), which explains the differences between financial institutions in greater detail. Ask students to record the differences on the activity sheet.
6. Next, engage the class in a discussion of which institutions they would consider placing their money in and why.

**TEACHER'S TIPS****What is the Essential Question?**

The Essential Question is designed to “hook” the learner, promote inquiry and engagement with the lesson, and allow students to exercise problem-solving abilities. It addresses a larger concept, does not have a right or wrong answer, and requires higher-order thinking skills.

**Extension Idea:**

Ask students to interview one or more family members about where they keep their money and why. If they keep their money in a bank, what factors did they consider in choosing that institution?

**Link to Lesson 10:**

Remind students what they learned in **Lesson 10** about the different savings opportunities offered through banks—including CDs, savings accounts and money market accounts—and how these opportunities can help their money grow.

## Challenge: Services and Fees

[Time Required: 30 minutes]

7. Explain that, in the process of evaluating the different types of institutions, it's important to look at the services each offers.
8. Ask students: How often do you see people write checks for purchases? Odds are, it is not often. Explain that many people look for banks that offer opportunities to pay bills, make purchases and transfer money without having to use their checkbooks or visit a local branch.
9. Next, hand out the student activity sheet **Banking Partners: Battle for a Bargain** and ask students to work in teams of 4-5 to complete the assignment. Give them 15 minutes to conduct their research.
10. Assess which group got the biggest bang for their buck by finding the bank that offered the most services with the lowest associated costs.
11. Encourage other groups to ask questions of the winning team and engage the class in a discussion about which services they value the most and why (e.g., text message banking, online bill pay, etc.). Ask students about costs to avoid and how to do so (e.g., maintaining minimum balances, using designated ATMs that don't carry fees, etc.).

## Reflection

[Time Required: 5 minutes]

Ask students to reflect in their notebooks about what questions they would ask a bank where they were considering opening an account. For example: What terms, services and fees would they consider and why?



### TEACHER'S TIPS

#### Time Saver:

To speed up discussion time, ask students to listen to the podcast (or read the transcript) and complete the **Bank, Credit or Thrift: Which One is Right for Me?** activity sheet at home. Begin the following class by discussing their findings.

#### Extension Ideas:

For more information on banking practices, invite students to watch the free instructional videos on banking and money from the Khan Academy at [khanacademy.org/#browse](https://www.khanacademy.org/#browse).

#### Guest Speaker:

Invite a local banker to visit or Skype with your class to share more information about technology-specific services that banks offer.

#### What is Reflection?

The Reflection part of the class gives students the opportunity to reflect on the bigger-picture meaning of the exercise, and to assimilate and personalize some of the concepts and ideas learned about in the class.



# Bank, Credit or Thrift: Which One is Right for Me?

## LESSON 12: ANSWER KEY 1

### **Banks:**

1. For-profit institution
2. Makes loans, pays checks, accepts deposits and offers other banking services
3. Insured by the FDIC

### **Credit Unions:**

1. Not-for-profit institution
2. Owned by its members
3. Offers personal loans and other banking services
4. Insured by the National Credit Union Administration (NCUA)

### **Thriffs:**

1. A savings bank, credit union or savings and loan association
2. Similar to a bank
3. Main business is home loans