

Banks are important to Americans. We use banks to save money and earn interest, or borrow money and pay interest.

- National Council on Economic Education



Section VI I

Banking

Banks And Consumer Services

Banks are an integral part of the American economy. Using the services they offer is an important part of the lives of most adults. Choosing a bank is often a more difficult decision. In this lesson, students will investigate and analyze the services of several financial institutions and recommend the one they think best meets their needs.





Banks And Consumer Services

NCSCOS Civics and Economics Objective(s):

- 8.02 Describe how the free enterprise system encourages private ownership of property and promotes individual initiative.
- 8.08 Evaluate the investment decisions made by individuals, businesses, and the government.
- 8.09 Describe the role of money in trading, borrowing, and investing.
- 10.03 Evaluate the importance of supporting, nurturing, and educating oneself in the United States society.

Warm-Up/Bell Ringer Activity:

Have students answer the following questions prior to the beginning of the lesson. Do you or your parents have a bank account? Why? What do banks do? Why are they important in our society?

Key Questions:

1. What are banks?
2. What do they do?
3. How do individuals use them?

Materials Needed:

Access to Internet for students
Posters

Time/Pacing:

One to two days

Link(s) to Prior Learning:

One of the most basic elements of adulthood is establishing a banking relationship. However, not all banks are the same. Students will be asked to compare and contrast services that financial institutions offer, and choose which best meets their needs.

Purpose/Objective of this Lesson:

Using a cost benefit analysis, students will identify the banking services they might use.

Teacher Input:

Review the purposes of banks and why we need them.

Strategies for Differentiation:

- Allow students to work in small groups
- Use only two financial institutions to compare

Class Activity**Guided Practice:**

Review banks as providers of services, taking deposits, and making loans. Discuss margin, the difference between what a bank earns on loans, and what it pays on savings. Discuss services banks offer: checking and savings accounts, Certificates of Deposits, overdraft protection, ATM cards and access points, check cards, mortgages and loans, credit cards, and other services. Discuss fees (for bounced checks, safe deposit boxes, and other services). Discuss the differences between banks and credit unions (and savings and loans if necessary).

Independent Practice:

“Bank Scavenger Hunt” activity sheet

Homework:

Require each student or group to create a poster comparing the three financial institutions, and make a recommendation for the best financial institution. Ask students to present their posters to the class and explain their reasoning.

Summary/Closure:

Write a two-paragraph essay that compares and contrasts the financial institutions. Where would you choose to bank and why?



Student Activity

Name _____

Period _____ Date _____

Bank Scavenger Hunt

Identify six Financial Institutions:

1.

2.

3.

4.

5.

6.

Choose three of these institutions and complete the following form for each.

	Bank #1	Bank #2	Bank #3
Name			
Home Office			
In how many states does it have offices?			
Directions: List five branches in North Carolina, and indicate the closest one to your school by marking it with a *.			
Branch 1			
Branch 2			
Branch 3			
Branch 4			
Branch 5			

Personal Services			
Directions: List personal services the bank offers (as many as there are, up to six). Then give an example of each of the services.			
<i>Name of Bank</i>			
Personal service #1			
Example			
Personal service #2			
Example			
Personal service #3			
Example			
Personal service #4			
Example			
Personal service #5			
Example			
Personal service #6			
Example			

Business Services			
Directions: List services the bank offers to businesses and corporations (as many as there are, up to four). Then give an example of each of the services.			
Business Service #1			
Example			
Business Service #2			
Example			
Business Service #3			
Example			
Business Service #4			
Example			

Directions: List four types of deposit accounts offered by the bank. Include details and benefits of each.

Account #1			
Account #2			
Account #3			
Account #4			

Automated Banking Services
Directions: Describe the services. Are there fees? Minimum balances?

#1			
#2			
#3			

List some interesting facts and or services about the institution.

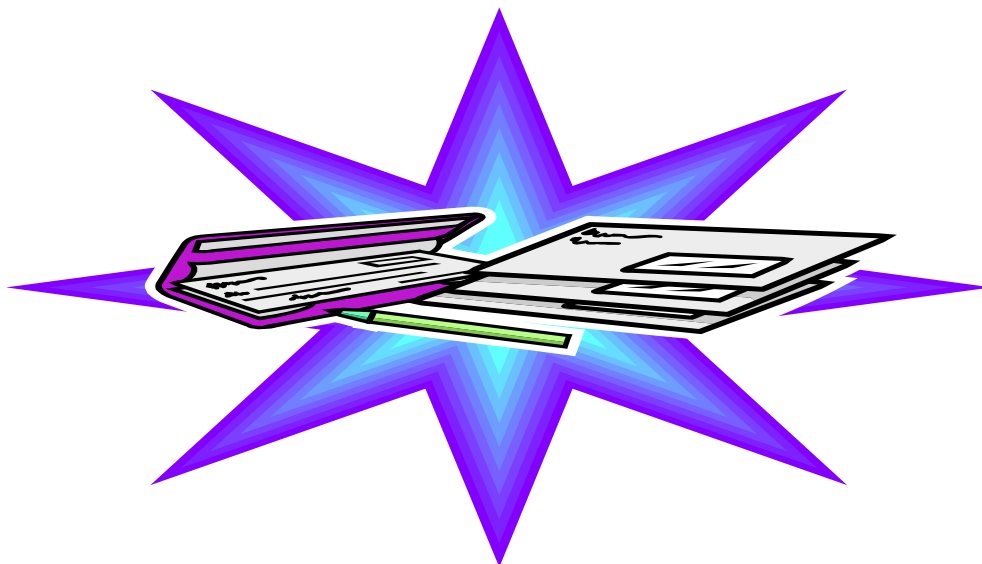
Fact #1			
Fact #2			

No Rubber Checks: Personal Budgeting

Teenagers are a valuable market to advertisers and businesses. Since students spend money, they also need to know how to budget money and make their money “work for them.”

This lesson plan covers the differences between fixed and flexible expenses, and teaches how to set up a monthly budget, to compare bank products to meet individual financial needs, and to write a personal check.

If students see practical, everyday application of why and how budgets work, they are more likely to understand the importance of balancing a budget and using credit with caution.



No Rubber Checks: Personal Budgeting

NCSCOS Civics and Economics Objective(s):

- 8.08 Evaluate the investment decisions made by individuals, businesses, and the government.
- 8.09 Describe the role of money in trading, borrowing, and investing.

Warm-Up/Bell Ringer Activity:

List five items you spend money on each week. What happens if you do not have enough money to buy the items you want?

Materials Needed:

"Personal Budgeting Class Notes"

"Personal Budgeting – Fixed Versus Flexible Expenses" activity sheet

"Banking Comparison" activity sheet

Personal Budget Pie Chart"

Teacher collected brochures on banking products and services from area banks and financial institutions (not provided)

Time/Pacing:

One block period or two forty-five minute classes

Link(s) to Prior Learning:

This lesson will assess prior knowledge of opportunity cost and trade-off.

Purpose/Objective of this lesson:

Students will be able to compare the differences between flexible and fixed expenses, as well as describe bank products offered by financial institutions. Students will be able to explain how a balanced budget can be achieved, as well as describe consumer behavior that will save money.

Teacher Input:

The teacher will review the notes on personal budgeting with the students. Using examples from area banking brochures, the teacher should explain to the class that each financial institution offers a variety of different types of savings and checking products to help consumers save money. To bring closure to the lesson, the teacher should model setting up a sample budget using a mock monthly income, with examples of fixed and flexible expenses. The teacher should also model how to write a check for sample expenses.

Key Questions:

1. What is the difference between a fixed and flexible expense?
2. What happens if a person does not balance his or her budget each month?

Class Activity**Guided Practice:**

The teacher should model both effective personal budgeting using the sample budget grid and sample check writing practice. Using a sample brochure from a financial institution, the teacher should review the services offered.

Independent Practice:

After the teacher models a sample budget and check writing, students should practice using mock monthly salaries and expenses. If a student's budget does not equal the monthly salary, then the teacher should check to see if the student knows how to make adjustments to balance the budget. Students will review the brochures on banking to complete the banking services comparison.

Summary/Closure:

The teacher should review the differences between fixed versus flexible expenses by asking students for examples based on their budgets. Have students show their budgets and completed sample checks, either on the board or the overhead.

Homework:

Students will continue practicing sample check writing or use of another sample budget, using a predetermined salary and expenses.

Continuous Assessment- Tools/Strategies:

Throughout the lesson the teacher should ask students for input as to what types of monthly expenses consumers have. (Sample answers may include rent/mortgage, food, transportation/ gas, clothing).

Students should be able to classify each expense as fixed or flexible.

When introducing banking products, the teacher should give scenarios of different types of customers (i.e., elderly, college students) to elicit that banks offer different products aimed at different populations.

Strategies for Differentiation/Expansion:

The teacher could easily expand this activity by assigning predetermined monthly incomes. Each income would include a list of required expenses, to test the students' knowledge of how to correctly set up a personal budget and how to write a check to cover monthly expenses.



Personal Budgeting Class Notes

When you budget your money you must decide how much of it should go to each of your needs. The ideal in budgeting money is to have a balanced budget meaning payments = money earned.

As a personal consumer, **you** decide how and where to spend your money. Using a personal budget is a way to track how much you spend and where.

When planning a budget you include **fixed expenses** (Items you buy or use every month that cost the SAME month to month) and **flexible expenses** (things you buy every month that vary in price each month)

Examples

Fixed
Mortgage

vs.

Flexible
Groceries

Ways to save money:

Use a checking or savings account to keep extra money in a safe place.

- Compare prices at different stores.
- Check the unit price.
- Do not buy items "just to buy something."
- Read consumer magazines before buying an expensive item.
- Shop at discount or warehouse stores.
- Use a budget or write down what you spend.
- Shop for an item that will last and is of good quality.



Student Activity

Name _____

Period _____ Date _____

Banking Comparison

Directions: Pick one or two brochures from area banks and financial institutions to determine which banking products would best suit your financial needs. Fill in the boxes below with information you find in the brochures.

Bank Product	Name of the account	Minimum Opening Deposit	Does the account earn interest? What percent and how often?	Is there a monthly service charge or fee? How much?	Does the account offer a check or debit card?	List any other special features that the account offers.
Checking Account						
Savings Account (can include Certificates of Deposit, Individual Retirement Accounts, and Money Markets)						



Name one additional bank product or service that you might use and why?

List any four items from your personal budget you will write checks for:

1. _____
2. _____
3. _____
4. _____

Using your prior knowledge of writing a personal check, complete the check below for one of the items you listed above from your budget.

Name _____	Check 102
Address _____	Date _____
Pay to the Order of _____	\$ _____
_____ Dollars	
Smart Saver Bank	
Memo _____	Signature _____
8738748839 92377983	



Student Activity

Name _____

Period _____ Date _____

Personal Budgeting - Fixed Versus Flexible Expenses

Using the fixed and flexible grid below, write in percentages of at least four fixed expenses and at least four flexible expenses for your personal budget. Your budget must equal your monthly income. Graph your percentages on a pie chart. Label each expense and the percentage given (i.e., housing 31%).

My monthly income is \$_____

Fixed Expenses- list type and amount needed	Flexible Expenses- list type and amount needed

Personal Budget Pie Chart

