Take It To The Bank

Management of Financial Resources:
Bank Accounts, Savings and Loan Associations and Credit Unions
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Bank Accounts

• You’ve got the income from your job….
• Where do you keep it while it’s still yours?
Financial Institutions

- The safest place to keep money is in a financial institution.
  - Commercial Bank
  - Savings and Loan Association
  - Credit Union
Commercial Bank

• A financial institution operated as a business. Shareholders or owners own the bank, and hire managers to run it. Services include:
  – Accepting deposits of money
  – Making loans
  – Provide investment services
  – Accepts deposits, pays interest to the account holder, and loans the money to customers at a higher interest.
Savings and Loan Association

• Originated as financial institutions that specialized in accepting deposits and promoting mortgage loans.

• Today, Savings and Loan Associations provide many financial services.

• Many are owned by depositors and profits revert to the depositors in the form of higher interest payments, sometimes referred to as dividends.
Credit Union

• A non-profit financial institution, chartered by the federal government, which provides banking services to members.

• Many are developed by large organizations or corporations for the benefit of the employees.
How Safe is My Money?

• Two government agencies protect banking customers:
  – FDIC (Federal Deposit Insurance Corporation)
  – NCUA (National Credit Union Administration)

• These agencies INSURE deposits in accounts up to $100,000.00
Types of Bank Accounts

Consumers commonly use two types of bank accounts:

• Checking Account
• Savings Account
Checking Accounts

Get some Checking Account Practice:

– Managing a Checking Account from "Learnfree.org"
– Cash, Check or Credit from "TheMint.org"
– How to Write a Check from "TheMint.org"
– Balance Your Checking Account from "TheMint.org"
Checking Accounts

• keep depositor money safe, while making it easy to withdraw cash or pay bills
• are basic, money management tools
Using Your Checking Account

• Let’s say you open your account with $1,000.00. This is your beginning balance.

• Each time you write a check, make a debit purchase or withdraw money from an ATM machine, you subtract from the balance.

• Any time you make a deposit, you add to the balance.
Other Banking Services

• Safe deposit boxes
• Money orders
• Bank drafts
Savings Account

• A Savings Account is a bank account a depositor can use to keep their money safe, but also earn INTEREST
  – Basically, the financial institution pays rent to the depositor to USE the depositor’s money to make loans to others, but still making it available to the depositor whenever he or she needs it.
Savings Account

• See how Savings Accounts Work:
  – Savings Accounts from "the Mint.org"
  – Managing a Savings Account from "Learnfree.org"
References and Resources

Images:
Microsoft Clip Art: Used with permission from Microsoft.

Textbooks:

Websites:
Financial Planning Association
Financial planning is the long-term process of wisely managing your finances so you can achieve your goals and dreams, while at the same time negotiating the financial barriers.
http://www.fpanet.org/WhatisFinancialPlanning/

GCF LearnFree.org
Money - Want to manage your money better? We have tutorials and learning interactives that range from very basic money skills, like checking cash back or paying bills, to useful money management tips for budgeting, retirement planning, smart shopping and more.
http://www.gcflearnfree.org/money

Investopedia
Personal finance terms.
http://www.investopedia.com/categories/personalfinance.asp

My Credit Union.gov
Locate answers to common financial questions about federal credit unions and financial issues.
http://www.mycreditunion.gov/Pages/default.aspx

It’s Easy to Understand What’s Going on with Your Money
Mint automatically organizes your spending into categories—like rent, gas, clothes, lattes—and shows you where your money goes in easy-to-understand charts.
https://www.mint.com/