Lesson 4.1: Financial Institutions

Lesson Author

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Standards and Benchmarks

See pages 6 and 7.

Lesson Description

In this lesson, students explore financial institutions and the services they provide. Students begin by considering where they would go in different financial situations, then build their understanding through a reading and graphic organizer. They will sort financial services into categories and reflect on which are most relevant to them now and in the future. Students apply this knowledge by selecting appropriate financial services and evaluating their advantages and disadvantages. A short video and discussion extend this thinking by exploring why individuals may choose alternative financial services which often come with higher-cost or higher-risk options. The lesson concludes with a check for understanding that reinforces real-world decision-making. To obtain answer keys for the handouts and assessment in this lesson, create an account on FederalReserveEducation.org.

Concepts

Bank
Check-cashing store
Credit union
Financial institution
Financial services
Payday lender

Objectives

Students will be able to:

- compare different types of financial institutions based on the financial services each provides.
- evaluate the advantages and disadvantages of the financial services offered by each financial institution.
- discuss the costs and benefits of using alternative financial services relative to traditional banking.

Compelling Question

How do financial institutions help people meet different financial goals?

Time Required

One 90-minute class or two 45-minute classes

Materials

- Financial Institutions Lesson 4.1 Slides
- Handout 4.1.1: Where Would You Go?, one copy for each student
- Handout 4.1.2: Financial Institutions Reading, one copy for each student
- Handout 4.1.3: Financial Institutions Graphic Organizer, one copy for each student
- Handout 4.1.4: Financial Service Cards, one set per pair of students (Print one-sided, cut apart, and scramble.)
- Handout 4.1.5: Financial Services Categorized
- Handout 4.1.6: Choosing the Right Financial Service, one scenario per group (Print one-sided and cut apart.)
- Handout 4.1.7: Video Questions
- Handout 4.1.8: Assessment, one copy for each student
- Handout 4.1.9: Optional extension activity, Documentary Conversation Starters
- Answer Key 4.1
- Poster paper (one sheet per group)
- Markers

Preparation

- You will need to cut apart Handout 4.1.4: Financial Service Cards.
- You will need to cut apart Handout 4.1.6: Choosing the Right Financial Service.

Procedure

1. Provide one copy of <u>Handout 4.1.1: Where Would You Go?</u> to each student to be completed independently. Review the instructions: For each situation, write where you think someone would go to solve the problem. Make your best guess and circle the situation in which you feel the least confident.

2. Have students work with a partner to compare answers and discuss any differences.

3. Debrief as a whole class and ask:
   a. Where did you have the same answers for a situation? (*Answers will vary, but these will most likely be the situations in which students feel the most confident*.)
   b. Where did you have different answers for a situation? (*Answers will vary*.)
   c. Which ones felt uncertain? (*Answers will vary, but students will most likely refer back to the situations they circled when independently completing the handout*.)

NOTE: Wait to provide the correct answers for Handout 4.1.1 as students will be asked to revisit their initial responses later in the lesson.

4. Display Slide 2. Provide the definition of a financial institution: A business that provides services to make deposits to or withdrawals from an account, take out a loan, invest, or exchange currency.

5. Ask students to identify any financial institutions they mentioned on Handout 4.1.1. (*Answers will vary, but students will most likely mention banks. They may not be familiar with other financial institutions. They may also mention mobile payment apps such as Venmo, Cash App, or PayPal. These apps help users move money and rely on financial institutions like banks to do so. This is an example of a financial service provided by a financial institution.*)

6. Display Slide 3. Review the list of financial institutions that will be covered in this lesson. Explain to students that different financial institutions offer different financial services, and understanding the advantages and disadvantages of each will help them save more, borrow smarter, and avoid costly mistakes.

7. Provide each student with a copy of Handout 4.1.2: Financial Institutions Reading and Handout 4.1.3: Financial Institutions Graphic Organizer. Have students read the descriptions of each financial institution on Handout 4.1.2 and complete the graphic organizer on Handout 4.1.3 by identifying key services, advantages, and disadvantages.

NOTE: The reading and graphic organizer may be completed independently or in small groups. For group work, assign each student one financial institution to read and summarize. Students should then share their findings with the group to complete the organizer.

8. Review the graphic organizer as a whole class by inviting students to share responses for each financial institution. Emphasize key differences among the institutions and clarify misconceptions as needed.

9. Have students return to Handout 4.1.1 and review their initial responses. Using their completed graphic organizers, instruct students to revise their answers based on their new understanding of financial institutions and the services they provide. Briefly debrief as a whole class.

10. Display Slide 4. Explain that financial institutions offer a wide range of financial services to consumers. Deposit services help people store money safely and access it for payments or withdrawals. Credit services allow people to borrow money that must be repaid over time. Investment services help people grow their money to meet future financial goals.

11. Have students work with the same partner from the beginning of the lesson. Provide each pair with one set of Handout 4.1.4: Financial Service Cards.

12. Instruct students to first identify and place the category cards face up on their workspace to create sorting headings: Deposit - Checking and Savings Accounts, Deposit - Withdrawals, Deposits, Payments, and Transfers, Credit, and Investment. Explain that deposit services have been divided into two subcategories because they include a wide range of financial activities.

13. Direct students to sort the remaining financial service cards under the category they believe best matches each description.

14. Provide each student a copy of Handout 4.1.5: Financial Services Categorized. Instruct partners to use the answer key in Part 1 to check their work. Ask students to share any services they were unsure about or may have miscategorized. Clarify as needed.

15. Refer to Part 2 on Handout 4.1.5. Instruct students to choose three financial services that are most relevant to them now and three they anticipate using in the future. For each service, have students write a brief, specific example of how they might use it. Use Slide 5 to model a sample response so students understand expectations.

16. Invite volunteers to share one financial service they chose for now and one they anticipate using in the future, along with their examples. Encourage a brief discussion about how financial needs and goals can change over time.

End of Day 1 / Class 1

17. Divide students into small groups and assign each group a scenario from Handout 4.1.6: Choosing the Right Financial Service. Provide each group with one sheet of poster paper and markers.

18. Display Slide 6**.** Instruct groups to read their assigned scenario and determine the most appropriate financial service based on the situation. Have each group record their responses on poster paper, including the recommended financial service, the appropriate financial institution, their reasoning, and the advantages and disadvantages of their choice.

19. After groups have completed their posters, have each group present their scenario and recommendation to the class. Facilitate a brief discussion after each presentation to allow for comparison of ideas, clarification of misconceptions, and reinforcement of key concepts related to financial services.

20. Display Slide 7. Explain to students that many financial services offered by banks and credit unions can also be accessed through alternative providers outside the traditional banking system, often with different costs and risks.

21. Provide each student with Handout 4.1.7: Video Questions and have them answer the multiple-choice questions as they watch the video *Banks vs. Alternatives*, paying attention to how the options compare.

NOTE: You can click the slide to play the video, or you can open the linked URL in a new window: https://youtu.be/l9dpwIcxs8o?si=QK8-gPpcBNnyfhu0.

22. Briefly debrief the video questions as a whole class, reviewing correct answers and clarifying any misconceptions.

23. Display Slide 8 and pose the discussion questions to the class.

    a. If financial services like payday loans and check-cashing stores can be expensive and risky, why do people still choose to use them? *(Answers will vary, but students may mention unexpected expenses or emergencies, wanting quick access to cash, convenience, not having a bank account, or not qualifying for traditional financial services.)*
    b. What factors might limit someone's ability to choose a lower-risk option? (*Answers will vary, but students may mention limited access to banks or credit unions, lack of a bank account, no or low credit history, time constraints or urgency, fees or minimum balance requirements, or lack of information about available options.*)

NOTE: Remind students that all financial services have advantages and disadvantages - even those that may seem higher risk, such as payday loans. The goal is to understand how and why different options are used in real-world situations. Since this discussion may touch on sensitive topics related to personal or family financial experiences, encourage students to approach the conversation with empathy and avoid judgment. Reinforce that financial decisions are often shaped by circumstances beyond a person's control, and the goal is to understand choices, not criticize them.

Closure

24. Display Slide 9 and ask the closure questions.
    a. Why is it important to understand the differences among financial institutions before choosing one? (*Different financial institutions offer a variety of services, each with different costs and benefits. If you understand how they compare, you can choose the option that fits your needs and avoid paying unnecessary fees or taking on risky debt.*)

b. How do financial services help people meet financial goals? (*Financial services help people manage money in different ways. Deposit services help people keep their money safe and make payments. Credit services help people borrow money when needed. Investment services help people grow their money for future goals.*)
c. Why might the "best" financial service be different for different people? (*People have different goals and situations. Someone saving for college might choose a savings account, while someone buying a car might use a loan. The best choice depends on a person's goals, situation, what they qualify for, and what they can afford.*)
d. What should someone consider before using any financial service? (T*hey should think about the costs, risks, benefits, and whether it matches their financial goal. They should also compare options to find the best fit.*)
e. What is one thing you learned in this lesson that you think will be most useful to you and why? (*Answers will vary.*)

Assessment

25. Provide each student a copy of Handout 4.1.8: Assessment. Instruct students to read the scenario carefully then recommend two financial services that would work well together for the situation. Students should identify the type of financial institution(s) where each service can be obtained and explain why their choices are appropriate. In addition, students should include the advantages and disadvantages of each service.

Optional Extension Activity: Documentary & Discussion

You may choose to extend this lesson by showing the documentary *Broke, Busted, and Disgusted* (2014), available on YouTube (https://youtu.be/YAxL4TB6pmQ?si=8Af8sfTjkaqWMPE5). Provide each student with a copy of Handout 4.1.9: Documentary Conversation Starters to complete while viewing. Have students share and discuss their responses after the documentary. An alternative would be to use the questions on Handout 4.1.9 to participate in a live class discussion using a monitored chat platform such as Chatzy.com during the documentary. Using a student-friendly chat platform allows students to share reactions, ask questions, and make connections in real time. Teachers can monitor the discussion and control access to ensure a safe and focused learning environment.

NOTE: This documentary was released in 2014, so some statistics or examples may be outdated.

Standards and Benchmarks

National Standards for Financial Literacy

Standard 3: Saving

People who have sufficient income can choose to save some of it for future uses such as emergencies or later purchases. Savings decisions depend on individual preferences and circumstances. Funds needed for transactions, bill-paying, or purchases, are commonly held in federally insured checking or savings accounts at financial institutions because these accounts offer easy access to their money and low risk. Interest rates, fees, and other account features vary by type of account and among financial institutions, with higher rates resulting in greater compound interest earned by savers.

Benchmarks: Grade 12

1. Financial institutions offer several types of savings accounts, including regular savings, money market accounts, and certificates of deposit (CDs), that differ in minimum deposits, rates, and deposit insurance coverage.
2. Deposit account interest rates and fees vary between financial institutions and depend on market conditions and competition.

Standard 5: Managing Credit

Credit allows people to purchase and enjoy goods and services today, while agreeing to pay for them in the future, usually with interest. There are many choices for borrowing money, and lenders charge higher interest and fees for riskier loans or riskier borrowers. Lenders evaluate creditworthiness of a borrower based on the type of credit, past credit history, and expected ability to repay the loan in the future. Credit reports compile information on a person’s credit history, and lenders use credit scores to assess a potential borrower’s creditworthiness. A low credit score can result in a lender denying credit to someone they perceive as having a low level of creditworthiness. Common types of credit include credit cards, auto loans, home mortgage loans, and student loans. The cost of post-secondary education can be financed through a combination of grants, scholarships, work-study, savings, and federal or private student loans.

Benchmarks: Grade 8

1. Interest rates and fees vary by type of lender, type of credit, and market conditions.

Benchmarks: Grade 12

13. Alternative financial services, such as payday loans, checkcashing services, pawnshops, and instant tax refunds, provide easy access to credit, often at relatively high cost.

Handout 4.1.1: Where Would You Go?

Instructions: For each situation, write where you think someone would go to solve the problem. Circle the situation in which you feel the least confident.

1. You want to cash your paycheck but don’t have a checking account.

2. You are looking for a quick $200 loan to cover an unexpected car repair.

3. You would like to purchase a car but don’t have enough cash saved.

4. Rent is due, but your landlord does not accept cash or personal checks.

5. You want to take out a loan to start a new business.

6. You want to purchase a home and are shopping for a mortgage.

7. You want a safe place to save your money.

8. You want to build your financial history and be part of a financial institution where members have a voice.

9. You want to begin investing your money in a retirement account.

Handout 4.1.2: Financial Institutions Reading (Page 1 of 2)

Overview

Financial institutions are businesses that help people manage their money. Through financial institutions, people can deposit money into and withdraw money from accounts, take out loans, transfer funds, and make investments. Different types of financial institutions offer different services, and each comes with its own advantages and disadvantages. Choosing the right financial institution depends on a person's individual financial goals and preferences, such as convenience, fees, and how they plan to use their money.

Below are descriptions of four types of financial institutions and the services they provide.

Bank

A bank is a business that accepts deposits and makes loans. People use banks to store money safely in checking and savings accounts, access cash through ATMs, and make payments using debit cards. Banks may also offer retirement and investment accounts to help people plan for the future. However, banks usually require customers to open an account to access many of these services. Checking and savings accounts are typically insured by the federal government, which helps protect customers' money. Banks also offer longer-term loans for large purchases, like a car or home. However, these loans often require credit and background checks, so approval is not guaranteed and funds may not be available immediately.

Check-Cashing Store

A check-cashing store is a business that cashes checks and offers payment and transfer services such as money orders and wire transfers. Money orders are prepaid paper documents used to make payments. Wire transfers are electronic transfers of money from one financial institution to another. Check-cashing stores do not require customers to have a bank account, allowing them to cash checks and access their money immediately, usually for a fee. Only a valid form of identification is required. While check-cashing stores offer convenience and quick access to cash, their fees are often higher than those charged by banks or credit unions and can add up over time. In addition, they do not provide opportunities to save money or build financial history.

Handout 4.1.2: Financial Institutions Reading (Page 2 of 2)

Credit Union

A credit union is a nonprofit financial institution that is owned by its members. When people join a credit union, they become both customers and partial owners, meaning they can vote on some decisions and benefit from lower fees and better rates. Credit unions offer many of the same services as banks, including checking and savings accounts, longer-term loans, and retirement and investment accounts. Like banks, deposits in credit unions are typically insured by the federal government. Because they are not focused on earning profits, credit unions often offer lower interest rates on loans and higher returns on savings. However, they may have fewer locations and require members to meet certain eligibility requirements. For example, a credit union may limit membership to individuals who live in a specific area, work for a particular employer, or have a family member who is already a member. Credit unions also require credit and background checks for loans, so approval is not guaranteed and funds may not be available immediately.

Payday Loan Store

A payday loan store is a business that provides small, short-term loans intended to cover a borrower's expenses until the next payday. These loans are often easy to obtain because payday lenders typically do not require a strong credit history or collateral. Collateral is something valuable, like a car or house, that a borrower agrees to give up if the loan is not repaid. Instead, payday lenders rely on proof of income and the borrower's next paycheck for repayment. Borrowers must be at least 18 years old, provide proof of employment, and have a checking account. While payday loans offer fast access to cash, they often come with extremely high fees and interest rates - sometimes up to 400% - which are far higher than those charged by banks or credit unions. This can make the loans expensive and difficult to repay. As a result, borrowers may need to take out additional loans, leading to ongoing financial challenges.

Handout 4.1.3: Financial Institutions Graphic Organizer

Directions: Use Handout 5.1.2 to complete this graphic organizer.

Financial Institution Description	Key Services Provided	Advantages	Disadvantages
Bank			
Check-Cashing Store			
Credit Union			
Payday Loan Store			

Category: Deposit Services – Checking & Savings Accounts

Certificate of Deposit (CD)

This type of account is insured by the federal government. It requires you to leave your money in the account for a set amount of time (usually 3 months to 5 years). During that time, you earn a fixed interest rate that is usually higher than a regular savings account. You may need a minimum deposit to open the account, and if you withdraw your money early, you may lose some of the interest you earned.

Checking Account

This type of account is convenient and insured by the federal government. You can make transactions using checks, debit cards, or online banking instead of cash, and records of transactions are provided. There may be a fee for checks; the account pays low or no interest; and it may require a minimum balance to avoid a monthly maintenance fee.

Deposit Insurance

The federal government reimburses depositors up to $250,000 if the financial institution fails; agencies providing this insurance are the Federal Deposit Insurance Corporation (FDIC) for banks and Savings & Loans or the National Credit Union Administration (NCUA) for credit unions.

Money Market Deposit Account

This type of account is insured by the federal government. It earns interest rates higher than a regular savings account but may require a larger minimum deposit and monthly balance. Interest rates vary on the account balance, and users are allowed a limited number of withdrawals without a service charge.

Savings Account

This type of account is insured by the federal government. Interest is earned on deposits, but interest rates vary depending on the account balance. Funds may be withdrawn via withdrawal slips and ATMs, but the number of withdrawals per month is limited; interest rates are typically lower than the rate of inflation.

Category: Deposit Services – Withdrawal, Deposit, Payment & Transfer Options

Automated Teller Machines (ATMs)

This electronic banking outlet allows customers to complete basic transactions without the aid of a bank teller. Anyone with a credit card or debit card can access their account to make deposits and withdrawals, transfer money between accounts, and check account balances. Access to money is available from multiple locations, 24 hours a day, but the user may be charged fees, which vary depending on the type of machine and the situation.

Automatic Deposit and Payment

Users can direct their employer to deposit their paychecks directly into their bank account or transfer money directly from their account to pay bills to businesses on a certain date each month. This avoids having to cash or write checks and pay postage to send payments, and bills can be paid on time. The user needs to monitor the account for accuracy and make sure enough money is in the account before spending it.

Check Cashing

A service that allows a person to exchange a check for cash, often for a fee. Customers must provide a valid form of identification but do not need a bank account, allowing quick access to their money. However, fees are often higher than those charged by banks or credit unions.

Handout 4.1.4: Financial Service Cards (Page 3 of 5)

Debit Card

This plastic card is used to deduct a purchase amount directly from a checking account. It is safer and more convenient than carrying cash. The user is not responsible for lost purchases made with a stolen card, provided they notify the institution promptly, and merchants often prefer this over cash. The card can also be used at ATMs to make deposits, withdrawals, and transfers and to check account balances, but fees may be charged.

Money Order

This is a paper document used for making payments without having a checking account. It is issued only after a buyer pays for it with cash or other funds. It is widely available, but fees vary by location and by the amount.

Online Banking

This allows customers to use their phone, tablet, or home computer to make financial transactions on a secure website operated by the financial institution. They may transfer money between accounts and make deposits or pay bills 24 hours a day. Users need to monitor their accounts, have enough money, and keep passwords secure.

Overdraft Protection

This feature provides an automatic loan from the financial institution to cover an overdraft, which happens when a withdrawal is greater than the amount of money in a checking account. The user must pay a fee.

Person-to-Person Accounts (P2P)

These are payments sent directly to another person via a mobile device or computer, with access to the internet. The account is linked to one or more of the user's bank accounts. Users must pay a fee and monitor the account to make sure they have enough money to send.

Handout 4.1.4: Financial Service Cards (Page 4 of 5)

Prepaid Debit Card

This is a plastic card that can be “loaded” with cash, and users can add more to the card when they run out. They do not require a credit card, so users cannot run up debt on them, but the user pays activation fees, reload charges, and ATM fees that vary widely.

Wire Transfer

This is an electronic movement of money from one financial institution to another. It allows people to quickly and safely transfer money around the world, but the user will pay a fee.

Category: Credit Services

Credit Card

Cards that represent an agreement between a lender, the institution issuing the card, and the cardholder. Credit cards may be used repeatedly to buy products or services or to borrow money on credit. Credit cards are issued by banks, savings and loan associations, retail stores, and other businesses. The user must pay fees for late payments; interest charges are added for unpaid balances each month; and there are fees for carrying more than the credit limit.

Installment Loans & Line of Credit

These types of loans provide opportunities to borrow money for major items such as new or used automobiles, home improvement, and other personal or household items. Interest rates vary and add to the cost of the purchases.

Mortgage

This type of loan provides opportunities to borrow for the purchase of a home or business property. Interest rates vary and add to the cost of the purchase.

Student Loan

This type of loan provides opportunities to borrow money to pay for a college education, often at below-market rates. Interest rates vary and add to the cost of your education.

Payday Loan

This type of loan is easy to get, even if you have little or no credit history, but it usually must be repaid within two weeks. To qualify, borrowers typically need proof of income, a checking account, and must be at least 18 years old. If they can't repay the loan by their next payday, they may need to take out another loan. Interest rates are extremely high and can reach 300–400% annually.

Category: Investment Services

Individual Retirement Account

This type of account provides a way for people to save a certain amount of money each year for their future non-working years at a lower tax rate. The holder may pay penalties for early withdrawal of funds.

Stock & Bond Accounts

This type of account provides a way for people to buy ownership of a corporation (a stock) or lend money to corporations and governments (bonds) to earn money for future financial wants. These accounts usually offer a higher return than savings accounts and CDs, but also involve varying amounts of risk and are not insured.

Handout 4.1.5: Financial Services Categorized (Page 1 of 5)

Part 1:

<u>Deposit Services – Checking & Savings Accounts</u>

Certificate of Deposit (CD)

This type of account is insured by the federal government. It requires you to leave your money in the account for a set amount of time (usually 3 months to 5 years). During that time, you earn a fixed interest rate that is usually higher than a regular savings account. You may need a minimum deposit to open the account, and if you withdraw your money early, you may lose some of the interest you earned.

Checking Account

This type of account is convenient and insured by the federal government. You can make transactions using checks, debit cards, or online banking instead of cash, and records of transactions are provided. There may be a fee for checks; the account pays low or no interest; and it may require a minimum balance to avoid a monthly maintenance fee.

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Money Order

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<u>Investment Services</u>

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Stock & Bond Accounts

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Handout 4.1.5: Financial Services Categorized (Page 5 of 5)

Part 2:

Choose three financial services that are most useful to you right now and three you think you will use in the future.

For each service:

- Name the financial service
- Write a brief, specific example of how you would use it

Useful to Me Now:

Financial Service	How I Would Use It

Useful to Me in the Future:

Financial Service	How I Would Use It

Handout 4.1.6: Choosing the Right Financial Service (Page 1 of 2)

Scenario 1: Aliyah just started her first part-time job and is earning money regularly. She wants a safe place to keep her money and needs to be able to make purchases and pay for things easily. She prefers not to carry cash and wants quick, convenient access to her money.

Scenario 2: Mateo needs $300 right away to fix his car so he can get to work. He doesn't have savings and has never taken out a loan before. He doesn't have a credit history and isn't sure he would qualify for a traditional loan.

Scenario 3: Casey gets paid with paper checks from her job but doesn't have a bank account. She needs a way to access her money quickly to pay for everyday expenses and bills. She may not have the documents or time needed to open a bank account right now.

Scenario 4: Jamal wants to start saving for college which he'll attend in a few years. He wants to earn interest on his money and make sure he doesn't spend it before he needs it. He already has a separate checking account for everyday spending.

Scenario 5: Priya is out to dinner with friends, and one person pays the full bill. Instead of splitting the check at the restaurant, everyone agrees to pay their share afterward. Priya wants to send her portion of the money to her friend immediately using her phone.

Handout 4.1.6: Choosing the Right Financial Service (Page 2 of 2)

Scenario 6: Hassan, is looking for a place to save money and possibly take out a loan in the future. He wants lower fees and better interest rates and likes the idea of being part of a member-focused financial institution.

Scenario 7: Mei has started saving money and wants a safe place to keep it. She would like her money to earn some interest over time but doesn’t plan to spend it often. She already has a way to pay for everyday purchases.

Scenario 8: Diego is at an event where only cash is accepted, but he doesn’t have any with him. His bank is closed, and he needs a fast way to get cash from his account.

Scenario 9: Lena runs a small business and needs to make frequent purchases for supplies. She doesn’t always have enough money available at the time, but she knows she will be paid within a few weeks and plans to pay off each purchase in full.

Scenario 10: Ethan wants to save money for the future and is willing to take on some risk to earn more over time. He is interested in options where his money can grow faster than a regular savings account and doesn’t need to use the money anytime soon.

Handout 4.1.7: Video Questions

Adapted from Introduction to FRE.org: Banks and Alternatives 101: Intro

After watching the video, answer the following questions:

1. True or False: Banks and credit unions typically charge much less for the same financial services that payday and title lenders, pawn shops, and check-cashing centers offer.
    a. True
    b. False

2. Which type of loan can you easily acquire with just an ID, Social Security card, paycheck stub and bank account number?
    a. Pawn shop loan
    b. Payday loan
    c. Title loan
    d. Mortgage loan

3. Which type of loan requires you to trade something valuable you own, like jewelry or tools, for cash?
    a. Pawn shop loan
    b. Payday loan
    c. Title loan
    d. Mortgage loan

4. Typically, how much does a check cashing place typically charge to cash a check?
    a. .50% of the total check amount
    b. 3.5% of the total check amount
    c. 5.5% of the total check amount
    d. 10.5% of the total check amount

5. How do pre-paid cards differ from using a standard debit card?
    a. A pre-paid card is a cash-free payment option.
    b. A pre-paid card is linked to your checking account.
    c. A pre-paid card often has a number of fees associated with it.
    d. A pre-paid card requires you to have a co-signer.

Handout 4.1.8: Assessment

Read the scenario then recommend two financial services that would work well given Amir's situation. Complete the graphic organizer for each recommendation.

Amir just started working part-time and is trying to manage his money more Amir just started working part-time and is trying to manage his money more responsibly. He receives a paper paycheck and wants a safe place to keep his money. He plans to spend some money on everyday expenses like food and transportation but also wants to set aside some of his earnings for future goals. Amir prefers not to carry cash. He would like easy access to some of his money while keeping the rest separate so he isn't tempted to spend it.

Financial service recommended:
Financial institution where this financial service can be obtained:
Explain why this financial service is a good fit:
Provide one advantage of this financial service:
Provide one disadvantage of this financial service:

Financial service recommended:
Financial institution where this financial service can be obtained:
Explain why this financial service is a good fit:
Provide one advantage of this financial service:
Provide one disadvantage of this financial service:

Handout 4.1.9: Documentary Conversation Starters

Instructions: While watching *Spent: Looking for Change*, respond to the questions below:

1. What are 1-2 moments in the documentary that surprised or shocked you? Why?

2. What are 1-2 moments in the documentary that didn't surprise you? Why do they feel familiar or expected?

3. What types of alternative financial services does each person highlighted in the documentary use and why (ex: pawn shops, payday loans)?

4. What are your thoughts on alternative financial services? Should they remain legal, be more restricted, or be made illegal? Explain your thinking.

5. Do these services seem to do more harm or more good for the people in the documentary? Use at least one example to support your answer.

6. What are your biggest takeaways or lessons learned from the documentary?