Financial Literacy Education Student Handouts

Lesson 5: Who is Who in the Financial System

Warm-Up

Imagine you earn $1 and spend it. How many people or organizations might handle your money along the way?

Learning Targets

I can:

- Explain what different financial institutions do.
- Describe the products and services different financial institutions offer.

Glossary

Automated teller machine (ATM): A machine that lets you access your bank account to withdraw cash, deposit money, check your balance, or transfer funds without going inside a bank.

Bank: A financial institution that accepts deposits, makes loans, safeguards money, and handles other basic financial transactions.

Bond: An investment where you lend money to a government or company, and they promise to pay you back later with interest.

Brokerage firm: A company that helps people buy and sell investments—like stocks, bonds, or mutual funds—and holds those investments for them.

Certificate of deposit (CD): A savings account where you agree to leave your money in the bank for a set amount of time. In return, the bank pays you interest, but you usually pay a penalty if you take the money out early.

Checking account: An account offered by a bank or credit union that allows frequent withdrawals and payments. It's used for everyday transactions like paying bills, writing checks, and using a debit card. Checking accounts provide liquidity and convenience for managing daily expenses.

Credit union: member-owned, not-for-profit financial cooperative that provides banking services.

Debit card: A card that lets you pay for things electronically by using money directly from your bank account, with the amount taken out right away.

Deposit: Money placed into a bank or credit union account, such as paychecks, cash deposits, or transfers. Deposits provide a safe place to store money, earn interest, and facilitate financial transactions.

Deposit insurance: A system that protects people's money in a bank or credit union. If a bank or credit union fails or goes out of business, deposit insurance guarantees that customers will get their deposited money back, up to a certain limit.

Financial services: Financial services encompass various offerings provided by banks, credit unions, investment firms, and insurance companies. Examples include banking, lending, investment management, and insurance. Access to financial services influences how individuals manage money, invest, and protect their assets.

Money order: A prepaid form of payment that works like a check. It is bought with cash or a debit card and the person receiving it can deposit or cash it safely.

Mutual fund: An investment where many people pool their money together to invest in a collection of stocks, bonds or other assets. This lets you own small pieces of many investments at once, which helps spread out risk.

Savings account: An account offered by a bank or credit union designed for accumulating funds over time. It typically offers interest but limits the number of withdrawals. Savings accounts promote saving, emergency funds, and short-term financial goals.

Stock: A small piece of ownership in a company. People invest in stocks to try to make their money grow by owning part of companies they believe will succeed.

Unbanked: Describes people or households that do not have a checking or savings account at a bank or credit union.

Underbanked: Describes people or households who have bank or credit union accounts but use alternative financial institutions and services such as check-cashing stores and payday loans.

Wire transfer: A fast electronic payment that sends money directly from one bank account to another, often used for large or time-sensitive payments.

Note Catcher

Main Ideas/Key Information

What are we discussing?

Notes

What did I learn?

Summary/Application

Why does it matter to me?

Oregon Bank and Credit Union Comparison

Name: .....

Directions: Work with your partner(s) to research the Oregon-based bank and Oregon-based credit union assigned to your group. Use each institution's website to complete the tables below. Record what you find and compare the products and services offered by both institutions. Be prepared to share what you learn with the class.

General Information

	Bank	Credit Union
Name		
Website URL		

Becoming a Customer or Member

Comparison Questions	Bank	Credit Union
Who is eligible to become a customer or member?		
How can someone sign up or open an account? Describe the steps briefly		
What information or documents do you need to sign up?		

Checking Accounts

Comparison Questions	Bank	Credit Union
What is/are the name(s) of the checking account(s) offered?		
Are there any fees for the checking account(s)? If yes, what and how much are they?		
Can the fees be avoided? If so, how?		
Is there a minimum balance required to open or keep the account? If yes, how much?		
What features come with the checking account? *(Select all that apply)*	☐ Online banking ☐ Mobile app ☐ Direct deposit ☐ Bill pay ☐ ATM access ☐ Other: *(List below)*	☐ Online banking ☐ Mobile app ☐ Direct deposit ☐ Bill pay ☐ ATM access ☐ Other: *(List below)*

Savings Accounts

Comparison Questions	Bank	Credit Union
What is/are the name(s) of the savings account(s) offered?		
Are there any fees for the savings account(s)? If yes, what and how much are they?		
Can the fees be avoided? If so, how?		
Is there a minimum balance or opening deposit required? If yes, how much?		
Does the savings account earn interest? If yes, what is the current interest rate offered?		

Youth or Teen Accounts (Under Age 18)

Comparison Questions	Bank	Credit Union
Are there checking and/or savings accounts for youth or teens under 18?		
What is/are the name of the youth/teen account(s)? *(If applicable)*		
What are the requirements to open youth account(s)? *(Age, parent approval, minimum deposit, etc.)*		
What features come with the youth account(s)?	☐ Online banking ☐ Mobile app ☐ No monthly fees ☐ Special interest rate(s) ☐ Financial education tools ☐ Other: *(List below)*	☐ Online banking ☐ Mobile app ☐ No monthly fees ☐ Special interest rate(s) ☐ Financial education tools ☐ Other: *(List below)*

Other Products and Services

Comparison Questions	Bank	Credit Union
What other products or services are offered?	☐ Credit cards ☐ Auto loans ☐ Student loans ☐ Mortgages or home loans ☐ Financial education resources ☐ Investment services ☐ Insurance services ☐ Business banking ☐ Money orders ☐ Wire transfers ☐ Other: *(List below)*	☐ Credit cards ☐ Auto loans ☐ Student loans ☐ Mortgages or home loans ☐ Financial education resources ☐ Investment services ☐ Insurance services ☐ Business banking ☐ Money orders ☐ Wire transfers ☐ Other: *(List below)*

Exit Ticket

Based on your research, would you recommend the bank or credit union you studied to high school students who are opening their first bank account? Provide at least two reasons for your recommendation.