



FACILITATOR'S GUIDE

Banking Basics

Workshop: Banking Basics

Version: Updated December 2025

Audience: Adult Learners

Time: 45–60 minutes (approximately)

Principal Learning Objectives: Upon completing this workshop, participants should be able to:

1. Define common terms related to financial institutions and types of accounts.
2. Compare different types of accounts at financial institutions and explain the risks and benefits associated with each option.
3. Explain key ways to protect financial accounts and personal information.

** The information contained in this workshop is for educational and informational purposes only and should not be construed as financial or investment advice.*

Program Overview

This program is designed to help volunteers provide highly engaging instruction to reach consumers across the country.

This Facilitator Guide contains the materials and tools that will help you provide an interactive and engaging session for your participants. This guide includes references to a PowerPoint presentation that you may choose to use as a support throughout the workshop. If you are not in a facility with display capabilities, you may print copies of the PowerPoint presentation as a reference for participants.

If you are presenting the course online, there are notes for you to modify activities to fit an online environment. When you present online, plan to use the PowerPoint presentation.

The Facilitator Guide and Participant Guide provide a suggested structure, but they also allow individual facilitators the flexibility to tailor each session to the needs or interests of their participants and to their potential facility's limitations.

Overview of Materials

Here is a list of the materials you will need to facilitate the session. Review the list before you begin the session to verify that you have everything you need and that everything works properly.

Facilitator Materials

- Facilitator Guide
- PowerPoint deck
- **Optional:** PowerPoint deck printout
- **Optional:** Whiteboard, poster paper, or large sticky notes (to display notes and questions) and highlighters

Participant Materials

- Participant Registration Form (if virtual workshop, email to students prior to workshop or print and mail).
- Participant Guide (print one copy for each expected participant). If virtual workshop, email to students prior to workshop or print and mail.
- Pre- and Post-Assessment forms (print one copy for each expected participant). If facilitating online, email a copy to each participant.
- **Optional:** PowerPoint slides (print one copy for each anticipated participant). If facilitating online, email a copy to each participant.

Workshop Timeline

This workshop is designed to be completed in approximately 45-60 minutes. Here is a suggested sequence and timing for your session. You may restructure it as you believe is appropriate to best meet the needs or interests of your participants.

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Key to the Facilitator Guide

This Facilitator Guide is divided into topic areas, each containing a script, associated Participant Guide pages, and PowerPoint slides.

- Learning objectives and outcomes are listed at the start of each guide.
- Suggested timing, slide numbers, and slide images are in order and above instructions for that slide.
- Facilitator scripts and instructions accompany each slide image.
- Facilitator scripts and talking points are in normal type.
- Facilitator instructions, actions, and notes are in **bold type**.
- For online delivery, specific notes describe how to present the activity for the online participants.
- PowerPoint and Participant Guide cues and page numbers are **bolded and underlined**.

There are eight types of facilitator-led sections within each topic of this workshop.

1. Facilitator notes: This section is provided for facilitators to use for note-taking and annotating as they prepare to teach the workshop.
2. Introduction: This section includes the introduction to the topic.
3. Instruction: This section includes the content of each topic.
4. Discussion: This section includes topics for discussion with participants, including sample questions and possible participant responses.
5. Activity: This section includes the learning activity that participants will engage in, a step-by-step guide to the activity, and the solutions to it.
6. Transition: This section includes scripting to enable the facilitator to move smoothly from one topic to the next.
7. Polls: This section includes polling information for participants to answer questions.
8. Conclusion: This section includes the conclusion to the workshop.

Preparation

Before the Workshop

- Download and print or copy all relevant materials for the session you are facilitating.
 - If you are in a facility without display capabilities, consider printing copies of the PowerPoint presentation for distribution to participants.
- Familiarize yourself with all workshop materials, including this Facilitator Guide, the Participant Guide, and the PowerPoint slides.
 - As you read through the workshop content, you may choose to use the “Facilitator notes” space at the beginning of each topic to make notes or reminders to support your instruction.
 - Determine logistics for the workshop location:

- Will computers and the internet be available?
- What display hardware options are available?
- How many participants do you expect?

Day of the Workshop

- If applicable, test your computer and display hardware.
- Facilitate participant registration:
 - Distribute and collect attendance/demographic sheets, OR
 - Make online participant registration available on a device.
- Distribute the Participant Guides (and PowerPoint printouts, if you are using them).
- Deliver the workshop and facilitate Pre- and Post-Assessments.
 - **Before** beginning the workshop, distribute the Pre-Assessment sheets for the topics you will cover. Have participants complete them to the best of their ability. Collect them.
 - **After** completing the workshop, distribute Post-Assessment sheets for the topic areas you covered. Have participants complete them to the best of their ability. Collect them.

If Facilitating Online

- Familiarize yourself with the online meeting software you plan to use:
 - Log in before the first session to ensure you have all software installed.
 - Learn about the features of the software.
 - This guide assumes you will have access to a chat function and a polling feature within your web platform.
- Test your internet connection.
- Email participants the PowerPoint presentation and Participant Guide before the course.

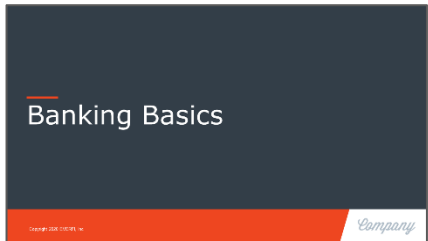
Consider making pre- and post-assessments available through an online survey or display each question via chat on a webinar platform and have participants write down answers on a separate piece of paper.

Workshop Introduction (1 minute)

Facilitator notes:

Introduction

? **Note to Facilitator: Go to Slide 1.**



Begin by introducing yourself and your organization. If the group is small, ask participants to introduce themselves as well.

Say: Today we'll discuss the different types of banking services that are available to you to help you decide what services you might consider using.

Instruction

Say: Have you ever thought about starting a savings account, getting a debit card, or helping your children open their first bank account? Perhaps you are interested in opening a checking account to pay bills online. If so, you probably know that to meet your goals, you will need to work with a financial institution such as a bank or a credit union.

This workshop will provide you with an overview of the types of banking services financial institutions provide and help you begin to think about which services make sense for you.

Workshop Goals (1 minute)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 2.

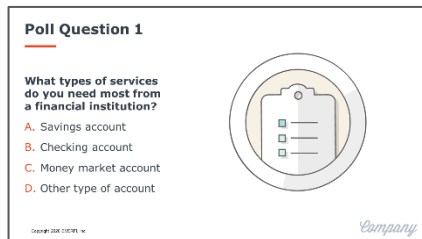


Say: In today's workshop, you will learn...

- How to identify different financial institutions.
- How to compare different types of bank accounts and choose the one that is right for you.
- Ways financial institutions protect and insure your money.
- Strategies to help protect your money when using online banking.

Poll

Note to Facilitator: Go to Slide 3. If facilitating online, set up a poll and ask participants to respond to the following questions.



Ask the following question: What types of services do you need most from a financial institution?

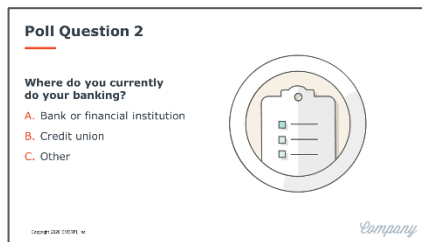
Note to Online Facilitator: Set up polls on a web platform or use the chat feature for participants to share their responses. Read choices aloud and allow participants time to choose their responses. Review responses with participants.

Note to In-Person Facilitator: Read choices aloud and allow participants time to choose their responses. Ask them to raise their hands as you

review each response or have them write answers on sticky notes to be collected and reviewed.

In response to the activity, say: You may have a variety of services you need from a financial institution, and that's okay! We will explore the best way to meet your goals in this workshop.

? Note to Facilitator: Go to Slide 4 for the second poll question.



Ask: Where do you currently do your banking?

? Note to Facilitator: Wait for responses.

In response to the activity, say: There are many places you can do your banking. We will cover the different places you can do your banking to best meet your individual needs.

Transition

Say: If you've never used a financial institution to manage your money before or would like to use your current financial institution more effectively, you're not alone.

Today you will learn about how financial institutions and the resources they offer may help you manage, save, and protect your money.

Discussion

Say: Let's begin by thinking about your current financial and banking habits.

Ask the following questions:

- What are some of the issues you face when trying to put money aside for savings?
- What issues have you encountered when trying to create a savings plan?
- What are some reasons a person may choose to use a check-cashing service?
- What are some reasons a person would decide to keep money at home, rather than in a financial institution such as a bank or credit union?

? Note to Facilitator: Respond to and affirm participants' responses as appropriate.

Transition

Say: The decisions you make about how to save, convert checks into cash, or conduct other financial activities may be driven by your current needs as well as your future financial goals. A question to consider as you think about meeting your goals is, "What do I need to do today to get to where I want to be?"

Financial institutions, such as banks and credit unions, are excellent resources when thinking about the best ways to save or work with money.

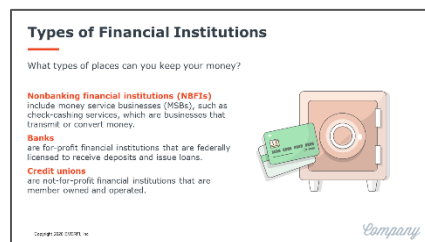
Let's start by learning about some types of financial institutions.

Types of Financial Institutions (3 minutes)

Facilitator notes:

Introduction

? **Note to Facilitator: Go to Slide 5. Ask the following questions:**



- Where are some places people can go to cash their checks?
- Where are some places people can go to get loans?

? **Note to Facilitator: Responses may include the following:**

- banks
- credit unions
- check-cashing services
- payday loan companies

? **Note to Facilitator: Respond to and affirm participants' responses as appropriate.**

Say: There are many places people go for their banking needs, ranging from check-cashing services to payday loan lenders to banks and credit unions.

Instruction

Note to Facilitator: Explain non-banking financial institutions (NBFIs).

Say: Non-banking financial institutions, or NBFIs, include money service businesses (MSBs), such as check-cashing services, which are businesses that transmit or convert money.

People who don't have an account at a financial institution may use MSBs to cash checks.

Note to Facilitator: Explain the drawbacks of NBFIs.

Say:

- After cashing a check, people may then keep the cash at home, but this practice can be very risky because cash is vulnerable to theft.
 - MSBs charge extremely high fees per transaction.

Note to Facilitator: Define banks.

Say: Banks are for-profit financial institutions that are federally licensed to receive deposits and issue loans.

Note to Facilitator: Define credit unions.

Say: Credit unions are not-for-profit financial institutions that are member owned and operated.

Note to Facilitator: Explain the advantages of banks and credit unions over money service businesses (MSBs).

Say:

- **Services:** Banks and credit unions provide many services that MSBs don't, such as offering checking and savings accounts.
- **Lower fees:** Banks and credit unions might also be a less expensive alternative to MSBs as they may charge lower fees per transaction.
- **Insurance:** Banks and credit unions should provide insurance on deposits.
- **Interest:** Banks and credit unions offer interest-bearing accounts, so the money you deposit into these accounts has a chance of increasing slowly over time.

Transition

Say: Banks and credit unions sound similar, but are they? Let's take a closer look at each one and compare them.

Comparing Financial Institutions (5 minutes)

Facilitator notes:

Introduction

? **Note to Facilitator: Go to Slide 6.**

Comparing Financial Institutions: Similarities

Banks and credit unions are similar in many ways.



Both banks and credit unions:

- Accept cash, checks, and wire transfer deposits.
- Provide loans, traveler's checks, foreign currency, and money orders.
- Offer many conveniences for customers, including 24-hour online banking, ATMs, debit and credit cards, and many types of interest-bearing accounts.
- Offer insurance for deposits on certain types of accounts up to \$250,000 per person.

Company

Say: Banks and credit unions are similar in many ways, but they have a few key differences.

Instruction

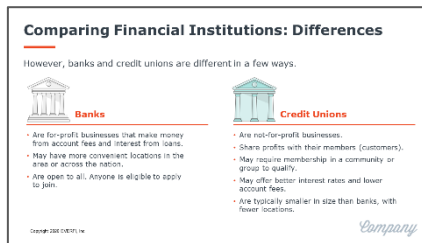
? **Note to Facilitator: Explain similarities between banks and credit unions.**

Say: Both banks and credit unions allow you to deposit and withdraw cash from checking and savings accounts. Both also offer a variety of other types of accounts.

Both banks and credit unions

- Accept cash, checks, and wire transfer deposits;
- Provide loans, traveler's checks, foreign currency, and money orders;
- Offer many conveniences for customers, including 24-hour online banking, ATMs, debit and credit cards, and many types of interest-bearing accounts; and
- Offer insurance for deposits on certain types of accounts up to \$250,000 per person, per ownership category (i.e., single and joint accounts).

? **Note to Facilitator: Go to Slide 7. Explain differences between banks and credit unions.**



Say: First, let's take a look at banks.

Banks...

- Are for-profit businesses that make money from account fees and interest from loans.
- May have more convenient locations in the area or across the nation.
- Are open to all. Anyone is eligible to apply to join.

Credit unions...

- Are not-for-profit businesses.
- Share profits with their members (customers).
- May require membership in a community or group to qualify.
- May offer better interest rates and lower account fees.
- Are typically smaller in size than banks, with fewer locations.

Transition

Say: So far, we have learned that

- Financial institutions are alternatives to using MSBs, such as check-cashing companies, or to keeping money at home; and
- Financial institutions offer many services and benefits to customers.

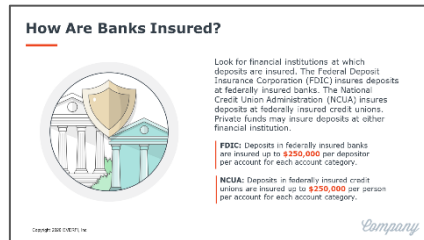
Everyone wants to protect the money they've worked so hard for. One of the primary advantages of financial institutions is that they offer insurance for your money.

Insurance (3 minutes)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 8.



Say: Financial institutions offer many ways to keep your cash safe, including deposit insurance and other security features. How does this work? Let's look.

Instruction

Say: Money deposited in accounts at banks and credit unions is insured up to \$250,000 for each depositor. That means a joint account is insured up to \$250,000 per co-owner.¹

In the unlikely event that a bank or credit union fails, the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) make sure you don't lose your money.

Keeping your cash at home, even in a safe, does not provide this form of insurance against theft or natural calamities, such as fires or floods.

Note: Not all financial institutions are federally insured, and not all products at insured financial institutions are federally insured, so be sure to double-check that the institution and account you select are federally insured.²

Note to Facilitator: Go to Slide 9. Explain which accounts and products are covered by insurance.



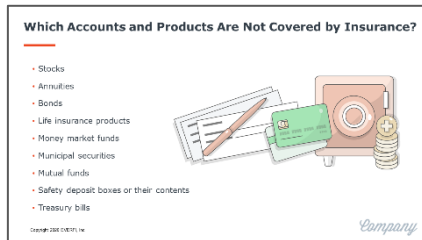
¹ <https://www.fdic.gov/deposit/covered/categories.html>

² <https://www.fdic.gov/deposit/deposits>

Say: Insurance covers the most common types of accounts, such as checking accounts, savings accounts, and money market accounts (MMAs).³

It also covers cashier's checks and money orders.

Note to Facilitator: Go to **Slide 10**. Explain which accounts and products are not covered by insurance.



Say: Insurance does not cover all products that you may buy from a federally insured bank or credit union, especially those related to stocks and bonds, securities, or life insurance products.³

Contents of a safety deposit box at a bank or credit union are not covered under insurance from the FDIC or NCUA.

Transition

Say: Insurance can keep your money safe, but it is the interest offered through certain types of accounts that can help your money grow.

Earning and Owning Interest (5 minutes)

Facilitator notes:

Introduction

³ <https://fdic.gov/deposit/covered/notinsured.html>; <https://www.ncua.gov/files/press-releases-news/NCUAHowYourAcctInsured.pdf>

? **Note to Facilitator: Go to Slide 11.**



Say: So, how does your money grow? When your money is in a financial institution, such as a bank or a credit union, it may earn interest.

But what is interest?

Instruction

Say: Interest is one of the most important concepts to understand when evaluating and planning your financial transactions.

- Interest is a fee paid to borrow money.
- It is collected by a lender and paid by the borrower.
 - When you deposit money into a bank or credit union, you are the lender, and the bank is the borrower. That means the bank pays you the interest!
 - However, when you take out a loan from a bank or credit union, the bank is the lender, and you are the borrower who pays the interest.
- Interest is expressed as a percentage.

Financial institutions offer a variety of products, ranging from checking accounts to savings accounts to investment tools with different interest rates that may help your money grow.

? **Note to Facilitator: Explain earning interest.**

Say: When you deposit money into an interest-bearing account, a financial institution pays you interest to keep your money with it.

In this case, you are the lender (you are lending your money to the financial institution), and the financial institution is the borrower.

The higher the interest rate and the longer you leave your money in an account, the more money you will earn.

Accounts (3 minutes)

Facilitator notes:

How does interest help money grow?

🔍 **Note to Facilitator: Refer to Slide 11.**

Say: Let's look at this graph.

The orange bars represent the money you deposited into your account each year. The dark blue bars represent the total amount in your account, including your deposits and interest.

In our example, let's say you deposited \$100 per month for 25 years, earning 5% annually. At the end of 25 years, you would have saved \$30,000 in deposits and have over \$59,000 in total due to interest.

This means you would have earned more than \$19,000 in interest on your \$30,000 in deposits in 25 years.

As you can see, the amount of interest you earn grows over time. This is due to a concept called "compound interest," which is when you earn interest on your interest.

How does compound interest work? Using the example from the chart, you deposited \$100 into an account monthly that earns 5% each year.

- **In the first year**, you deposited \$1,200 in total and earned \$27 in interest.
- **In year two**, you earned \$88 in interest on the \$1,227 (from year one) plus your \$1,200 in deposits in year two.
- **In year three**, you earned \$153 in interest on the balance plus your \$1,200 in deposits for year three.

And so on...

Because you're earning interest on both your initial deposit *and* the interest, your money will grow more quickly over time.

🔍 **Note to Facilitator: Explain owing interest.**

Say: Similarly, when you take out a loan and carry a balance on credit cards, you pay interest to the financial institution. Since interest is always growing, you will owe more than you originally borrowed. In this case, compound interest is working against you.

When you use a credit card or take out a loan, the credit card company or financial institution is the lender, and you are the borrower.

Credit cards allow you to essentially borrow money for a short time in order to make purchases. Each month, you have to pay the credit card company back. If you pay your full balance on time, you do not pay any interest. If you don't pay the full amount owed, you begin to owe interest as well.

Similarly, with a loan, you borrow money from a financial institution to pay for something, such as a house, a car, or tuition, and you have to pay back the original loan amount plus interest.

Owing Interest (3 minutes)

Facilitator notes:

Note to Facilitator: Refer to Slide 12.



Say: Let's look at this graph.

Here's an example of a \$20,000 loan at 8% interest for five years.

The orange line, from the top left to the bottom right, shows the loan amount you borrowed decreasing as you make your monthly payments. Eventually, you pay off the loan in five years, as shown in the bottom, right-hand corner of the graph.

The light blue bars show how much interest you were charged on the loan. Each year, the total amount of interest that you've paid increases until the loan is paid off in year five.

As you can see from the graph, you've paid \$4,332 in total interest by the time the loan is paid off in five years.

Transition

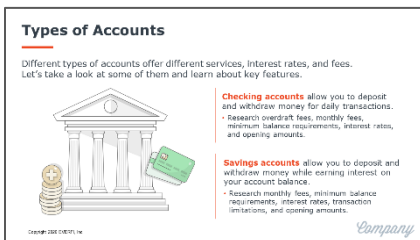
Say: Let's look at different types of bank accounts to see how interest may affect your banking goals.

Types of Accounts (6 minutes)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 13.



Say: We will explore a few types of bank accounts so you can become familiar with some of the available options.

Don't worry if you're not ready or don't have enough money to open an account. This information will help you be informed and set a goal to open an account as part of your financial plan.

Discussion

Note to Facilitator: Ask participants for a show of hands in response to the following questions.

Note to Facilitator: If facilitating online, encourage participants to answer using the chat feature. Ask participants to list each item they are familiar with in the chat.

- Are you familiar with checking accounts?
- Are you familiar with savings accounts?
- Are you familiar with money market accounts (MMAs)?
- Are you familiar with certificates of deposit (CDs)?

Note to Facilitator: Respond to and affirm participants' responses as appropriate.

Instruction

Say: Different accounts can be helpful for different needs. Let's look at what each account type is best suited for.

🔍 **Note to Facilitator: Explain checking accounts.**

Say:

- A checking account allows you to deposit and withdraw money for daily transactions.
- Checking accounts are designed for customers' regular use. Typically, they offer no interest or low interest rates.
- A checking account typically also comes with a debit card or an ATM card.
 - A debit card is similar to a check, in that it withdraws money directly from your account when you make purchases at just about any store or online.
 - While a debit card is a convenient feature, it is easy to lose track of your balance if you don't record your spending or regularly check your account. Also, keep in mind that debit cards do not contribute to building your credit.
- Other features, such as online bill payment and automatic transfers to savings accounts, can help you stay on top of your responsibilities and make growing your savings account easier. However, it is important to learn about the consequences of misusing your debit card—including withdrawing more money than you have deposited, which may result in an overdraft fee. Overdraft fees are often charged by banks and credit unions when accounts are overdrawn.
- If you're saving for a longer-term goal and want to earn interest on your money, a checking account may not be what you need.

🔍 **Note to Facilitator: Explain traditional savings accounts.**

Say:

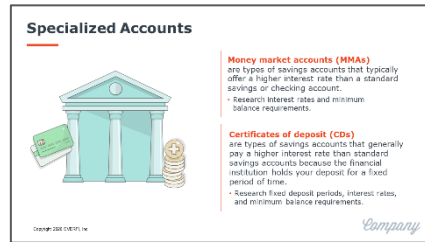
- A typical savings account allows you to deposit and withdraw money, but the financial institution may require you to maintain a minimum balance.⁴
- Savings accounts are useful for putting money aside for wants, emergencies, or a rainy day because they have higher interest rates than checking accounts.
- With a savings account, you take on the role of the lender, and the financial institution becomes the borrower. In this situation, the financial institution pays you interest on the amount of money you keep with it.

⁴ Regulation D: Reserve Requirements of Depository Institutions.”

<https://www.federalregister.gov/documents/2021/06/04/2021-11758/regulation-d-reserve-requirements-of-depository-institutions> Accessed September 4, 2024.

Instruction

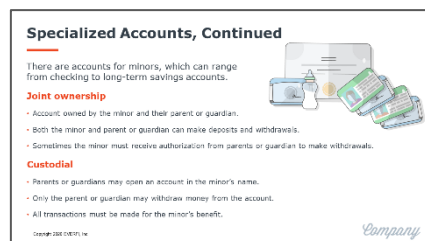
? **Note to Facilitator: Go to Slide 14.**



Say:

- A money market account, or MMA, is a type of savings account that often offers a higher interest rate than a standard savings or checking account.
- You can write checks from an MMA, but there may be additional restrictions, like needing to keep a high minimum balance.
- A certificate of deposit (CD) is a type of savings account that generally pays a higher interest rate than standard savings accounts because the financial institution holds your deposit for a fixed period of time, such as three, six, or nine months. Federally insured credit unions do not offer CDs; however, they may offer share certificates, which earn dividends instead of interest.
- Unlike a standard savings account, however, access to your money is limited, and you may be charged a penalty for withdrawing your money before the specified time.

? **Note to Facilitator: Go to Slide 15.**



Say: Is there a young person in your life? Developing wise financial habits at an early age can help encourage responsible decision-making and a healthy relationship with money before adulthood. Most banks and credit unions allow minors—people under 18 years old—to open accounts with a parent, guardian, or other adult.

Here are a few account options.

- **Joint ownership:**
 - Account owned by the minor and their parent or guardian.
 - Both the minor and the parent or guardian can make deposits and withdrawals.
 - Sometimes the minor must receive authorization from their parents or guardian to make withdrawals.
- **Custodial:**
 - Parents or guardians may open an account in the minor's name.
 - Only the parent or guardian may withdraw money from the account.
 - All transactions must be made for the minor's benefit.

Instruction

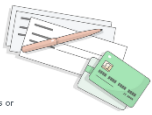
Note to Facilitator: Go to Slide 16. Explain how to select an account.

Selecting an Account

Consider the following questions:

- Who is the account for?
- What will you use it for—everyday transactions or long-term savings?
- If it's a savings account, do you want to be able to access it any time, or would you prefer it to grow untouched for a fixed period of time?
- If it's a savings account, do you have enough money for a basic account, or a money market account (MMA), a certificate of deposit (CD), or a share certificate?

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Say: Selecting an account type is an important task. Think about the following questions when deciding upon an account type.

- Who is the account for?
- What will you use it for—everyday transactions or long-term savings?
- If it's a savings account, do you want to be able to access it anytime, or would you prefer it to grow untouched for a fixed period of time?
- Do you have enough money for a basic account, a money market account (MMA), a certificate of deposit (CD), or a share certificate?

Transition

Say: Now that we have covered types of financial institutions, interest, insurance, and types of accounts, let's apply our learning to a scenario.

Scenario: Ali's Decision (10 minutes)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 17.

Ali's Decision: Part 1 Poll

Ali has been saving for his daughter's college fund. He has about \$20,000 saved and has a goal to save \$40,000 over time.

Part 1
Ali has been keeping the money at home, but recently he moved this tuition savings into a safety deposit box at a nearby financial institution.

What other options would work for Ali so that his money is protected?

- A. Checking account
- B. Savings account
- C. Certificate of deposit (CD)
- D. Money market account (MMA)
- E. Brokerage account
- F. Share certificate
- G. All of the above

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Say: In this scenario, Ali has been saving for his daughter's college fund. He has about \$20,000 saved and has a goal to save \$40,000 over time.

Activity

- 🔍 **Note to Facilitator:** Instruct participants to turn to page 3, “Ali’s Decision: Part 1,” of the Participant’s Guide.
- 🔍 **Note to Online Facilitator:** Set up an online poll if facilitating online for this activity.

Say: Ali has about \$20,000 that he has been saving for his daughter’s college fund. He was keeping the money at home, but recently someone told him about safety deposit boxes at financial institutions. He was excited to learn that financial institutions keep your valuables in a vault. So, he moved some important papers and his tuition savings into a safety deposit box at a nearby financial institution.

Have participants select all the answers that apply.

- 🔍 **Note to Online Facilitator:** Instruct participants to participate in the poll.

After about one minute, review responses.

Respond to and affirm or correct participants’ responses as appropriate.

Ask: What options would work for Ali so that his money is protected?

- **Correct response:** All of these options would work for Ali to protect his money.

- 🔍 **Note to Facilitator:** Participant responses may include the following:

- **Savings account:** A typical savings account allows you to deposit and withdraw money and is useful for putting money aside for wants, emergencies, or a rainy day because it has a higher interest rate than a checking account.
- **Certificate of deposit (CD):** This type of savings account generally pays a higher interest rate than a standard savings account because the financial institution holds your deposit for a fixed period of time, such as three, six, or nine months. Federally insured credit unions do not offer CDs; however, they may offer share certificates, which earn dividends instead of interest.
- **Money market account (MMA):** This type of savings account often offers a higher interest rate than a standard savings or checking account.
- **Checking account:** While this option would offer Ali protection, other account options may be more appropriate for long-term savings goals.

Ask: In any of those scenarios, who is the lender and who is the borrower? How do you know?

- **Correct response:** Ali is the lender, and the bank is the borrower. It is Ali’s money

that he is “lending” to the bank through his deposit, and in return, the bank will pay Ali interest on his deposit.

Transition

Say: So far, we’ve examined how earning interest can help Ali. Let’s see what happens if he *owes* interest.

Activity

Note to Facilitator: Go to Slide 18. Instruct participants to turn to page 4, “Ali’s Decision: Part 2,” of the Participant’s Guide.

Ali's Decision: Part 2 Poll

Although Ali has saved \$20,000, he is still \$20,000 short of his total goal of \$40,000 for his daughter's college fund.

Ali is considering taking out a loan for the remaining \$20,000. His bank has offered him two options: a loan at five percent interest for five years, or a loan at five percent interest for two years. Compare Ali's options below.

Which option should Ali choose?

Option A	Option B
Principal amount of loan: \$20,000	Principal amount of loan: \$20,000
Interest rate: 5%	Interest rate: 5%
Loan term: 5 years	Loan term: 2 years
Total interest owed: \$5,000	Total interest owed: \$2,000

Company

Say: Although \$20,000 is a good start, Ali will need much more than that for his daughter’s education. He is still \$20,000 short of his total goal of \$40,000 for his daughter’s college fund.

Ali is considering taking out a loan for the remaining \$20,000. His bank has offered him two options: a loan at five percent interest for five years or a loan at five percent interest for two years.

Note to Facilitator: If facilitating online, set up an online poll and have participants respond in the poll. If facilitating in person, have participants respond in their Participant Guide.

Give participants one minute to read the scenario and record their responses.

Ask the following questions and call on two or three participants to share their responses.

Respond to and affirm or correct participants’ responses as appropriate.

Ask: What factor is affecting the differences in the total amount of interest in this example?

- **Correct response:** Loan term. In this example, the main difference between the two options is the loan term. Because Option A is for a longer length of time (five years), the total amount of interest is higher.

Ask: Which option would ultimately cost the borrower, Ali, less money in interest?

- **Correct response:** Option B would ultimately cost Ali less money in interest since the loan term is shorter.

Ask: Which option would give the borrower, Ali, more time to pay off the loan?

- **Correct response:** Option A would give Ali more time to pay off the loan, since the loan term is five years.

Participants should understand that they must also consider whether they can afford the loan's monthly payment.

Say: As you can see, when we change Ali's loan term, the monthly payment also changes.

A five-year loan term (option A) means a lower monthly payment for Ali versus the two-year loan.

The shorter loan term (option B) results in a \$500-per-month increase in the monthly payment compared with the five-year loan.

Ali must be sure he can afford the higher payment if he wants to shorten the loan term to save on interest.

Introduction

Note to Facilitator: Explain the benefits and drawbacks of interest.

Say: As you can see, interest can work in Ali's favor when he's earning interest on his savings, but it can add to his debt burden when he borrows money.

There are other factors that could potentially make this process more complicated, such as compound interest, where interest is charged or earned on the principal and the interest itself over years or months.

Be sure to double-check with your financial institution or lender to determine how a particular interest rate is calculated. Be a responsible borrower.

Remember, borrowing sensibly and making all your repayments on time can also help build your credit.

Discussion

Ask the following questions:

- How important is earning interest to you? Where does it rank in comparison to other factors when evaluating financial services or products?
- What experience do you have in earning interest?

Note to Online Facilitator: If facilitating online, ask participants to respond using the chat feature.

Note to Facilitator: Respond to and affirm participants' responses as appropriate.

Say: Earning interest can be a simple way to grow your money.

Whether your goal is to save, invest, or borrow money, pay attention to the interest rates offered by various financial institutions, products, and services.

Transition

Say: So far, you have learned about the benefits of banks and credit unions, namely insurance and interest.

New knowledge about account types and requirements can help you be wiser about the financial decisions you make.

The next step is to visit your chosen financial institution and apply for a checking, savings, or money market account to start securing your money and earning interest.

Opening an Account (4 minutes)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 19.

Opening an Account

Five easy steps: Different financial institutions may have different requirements to open an account.

- 1 Visit a bank or credit union in person to open a new account.
- 2 Bring two forms of identification, which could be a driver's license, passport, birth certificate, Social Security card, or another form of government-issued ID.
- 3 Provide personal details, such as your address, phone number, and email address. Confirm the accuracy of your name and address on any checks.
- 4 Have cash or a check with you to make your first deposit. There may be a minimum amount requirement.
- 5 For joint accounts or any type of account for a minor, provide personal information and identification for each person who will use the account.

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Say: Once you've narrowed down what is important to you, you'll need to gather some documents to open an account.

Instruction

Note to Facilitator: Explain how to open a bank account.

Say: Different financial institutions may have different requirements to open an account. In general, you'll follow five steps.

Step 1. Visit a bank or credit union in person or online to open a new account.

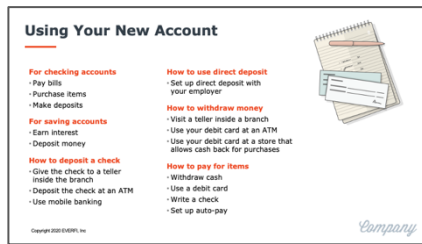
Step 2. Bring two forms of identification, which could be a driver's license, passport, birth certificate, Social Security card, or another form of government-issued ID.

Step 3. Provide personal details such as your address, phone number, and email address. Confirm the accuracy of your name and address on any checks.

Step 4. Have cash or a check with you to make your first deposit. There may be a minimum amount requirement.

Step 5. For joint accounts or any type of account for a minor, provide personal information and identification for each person who will use the account.

? **Note to Facilitator: Go to Slide 20. Explain how to use the new accounts.**



Say: Once you've gotten your account, what can you do with it?

- **Using checking accounts:** Typically, people use checking accounts to pay bills, purchase items, and make deposits.
- **Using savings accounts:** Savings accounts and money market accounts tend to have minimum balance requirements and are often used to earn interest, so they aren't built to operate like checking accounts. Generally, you deposit money into these accounts to save up for a longer-term goal.

? **Note to Facilitator: Explain how to deposit a check.**

Say: To deposit a check into one of your accounts, you can

- Give the check to a teller inside the branch,
- Use your debit card at an ATM to deposit the check into your account, or
- Take a photo of the front and back of the check with your mobile phone and deposit it virtually through an app, which is a feature available through certain financial institutions.

? **Note to Facilitator: Explain direct deposit.**

Say: Additionally, many people set up direct deposit with their employer so that their paychecks automatically deposit into one of their accounts.

? **Note to Facilitator: Explain how to withdraw money.**

Say: To withdraw money from one of your accounts, you can

- Visit a teller inside a branch and provide your account number and ID or debit card,
- Use your debit card at an ATM,
- Use your debit card at a store that allows for cash-back on purchases, or
- Set up automatic savings withdrawals.

? **Note to Facilitator: Explain how to pay for items using money from a checking account.**

Say: To pay for something with money from your checking account, you can

- Withdraw cash from your account from a teller or ATM,
- Use your debit card at a store or online,
- Write a check, or

- Set up automatic bill payment, which will deduct the amount you owe for a bill each month and send it to the payee before or on the due date.

Activity

- ❓ **Note to Facilitator:** Instruct participants to turn to page 5, “How to Open a Checking or Savings Account,” of the Participant’s Guide.

Say: Use this checklist to help you prepare to open any account with a financial institution.

You may use this checklist when you are ready to open an account.

Transition

Say: Once you open an account and deposit money, you’ll likely have the option of online banking. Online banking has risks and rewards.

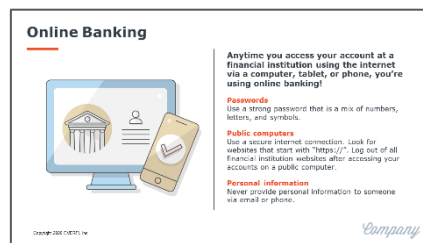
Let’s start with understanding what online banking is and then learn about how to help protect online accounts.

Online Banking (4 minutes)

Facilitator notes:

Introduction

- ❓ **Note to Facilitator:** Go to Slide 21.



Say: Anytime you access your account at a financial institution using the internet—whether it’s through a computer, laptop, tablet, or phone—you’re using online banking.

Most financial institutions have an online component or a mobile app to make banking services available without the need to visit a branch location or ATM.

You can use many of the regular services online, including viewing balances, making deposits, and transferring money between accounts.

Instruction

Say: Here are a few strategies to consider to keep your money safe.

- **Passwords:** Use a strong password (a mix of numbers, letters, and symbols) and keep it secret! (Do not use your birthday, birth name, or other personally identifiable information.)
- **Mobile banking:** If you use a banking app on your mobile device, use a different password for your banking app and be sure to keep your phone locked and password protected.
- **Public computers:** Use a secure internet connection. Websites using SSL (Secure Sockets Layer encryption) always show a web address with “s” at the end of “http.” Look for web addresses that start with “https://” instead of “http://” to ensure that you are on a secure site.
- **Personal information:** Never provide personal information to someone via email or phone. If someone claims to work for your financial institution, contact your financial institution directly to be sure.
- **Logging out:** Log out of all financial institution websites after accessing your accounts on a public computer.

Transition

Say: Online banking can be convenient and easy. However, safety is an important part of keeping your money secure.

Safety and Security Scenarios (2 minutes)

Facilitator notes:

Introduction

Note to Facilitator: Go to Slide 22.

Safety and Security Scenarios

What can the following people do to improve the safety and security of their financial information?

- George is very disorganized. To make things easy for himself, he uses the same password for all accounts and devices.
- Amira creates account security questions using personally identifiable information, like the street she grew up on, the place of her birth, and her birth name.
- Ming loves the convenience of mobile banking, and she often checks her account when she is at a cafe or restaurant.
- Sam doesn't have a computer, so he does his online banking at the public library.



Say: There are many steps you can take to help keep your money secure. Let's explore a few scenarios and see if we can help some people out.

Discussion

Note to Facilitator: Instruct participants to go to page 6, "Safety and Security Scenarios," of the Participant's Guide.

Allow one minute for participants to read the scenarios listed in their Participant Guides and to fill in a response.

Note to Online Facilitator: If facilitating online and participants are unable to access the Participant Guide, read each scenario aloud.

Ask the following questions. If facilitating in person, record solutions on large sticky notes, chart paper, or a whiteboard if possible.

Note to Online Facilitator: If facilitating online, direct participants to respond using the chat feature.

Respond to and affirm participants' responses as appropriate.

Ask: What could George do to be safe online?

- Hint:** Using the same password can make it easier for hackers to gain access to all of a person's accounts at once.
- Correct response:** George could develop a system to keep track of passwords, so he doesn't use the same one for every account. The solution could be a notebook or piece of paper that he keeps in a safe and secure place. George could also use a password manager to keep track of his passwords.

Ask: What could Amira do to be safe online?

- Hint:** Using personally identifiable information can make it easier for hackers to guess passwords.
- Correct response:** Amira could increase her account security measures by using fake but memorable information, such as names from her favorite book or movie. There is no need to reveal personally identifiable information online for password security questions. Just be certain to make note of your answers and keep them in a

safe and secure place.

Ask: What could Ming do to be safe online?

- **Hint:** Using an unsecured network can allow hackers to access and steal sensitive information.
- **Correct response:** Ming is most likely using an unsecured network when she is checking her balance on her mobile device using public Wi-Fi. To protect your accounts, it is best to use an SSL secure website or Wi-Fi network that requires a password.

Ask: What could Sam do to be safe online?

- **Hint:** Be extra careful in protecting your data when using a public computer.
- **Correct response:** Sam is taking advantage of online banking by using the library. However, he needs to be extra vigilant to make sure he logs off from any accounts and does not use any autofill features when using a public computer.

Say: Online safety is an important part of keeping your money secure. Just as many financial institutions offer insurance to protect your money, you also play a role in ensuring your own privacy and security.

Conclusion (1 minute)

Facilitator notes:

Summary

? **Note to Facilitator:** Go to Slide 23.



Say: Banking basics provide you with a solid foundation for learning new terms, tools, knowledge, and habits for building a healthy financial future.

Today, you learned:

- How to identify different financial institutions.
- How to compare different
-
- types of bank accounts and choose the one that is right for you.
- Ways financial institutions protect and insure your money.
- Strategies to help protect your money when using online banking.

As with any plan, project, or lifestyle change, you will need time, energy, effort, and patience. Sometimes it is hard to get started, discouraging to come face-to-face with your financial reality, or difficult to stay motivated.

Being informed is the key to success. The more knowledge you build, the sounder choices you will be able to make to improve your financial situation. Please note that there is an additional resource for you to use in your Participant Guide: a glossary of common terms. This resource is available on page 7 of your Participant Guide.

Taking this workshop and learning accurate information about financial institutions, interest, insurance, accounts, and safety and security are big steps toward improving your financial path.