





What percentage of branch banks offer free student checking accounts?



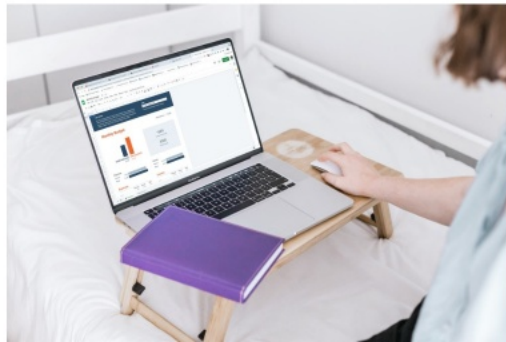
What percentage of branch banks offer free student checking accounts?

94.59%

*NextGen Personal Finance*

# What we'll learn...

- How banks and credit unions keep money safe
- Choosing a financial institution and opening accounts
- The differences between check cashing stores and banks and credit unions.
- Features of online and mobile banking.
- How to identify and avoid identity theft and scams





# How we'll do this...

- Active participation!
- Be engaged. Ask questions and participate in discussions.
- Respect each others thoughts, perspectives, and contributions.
- Maximize your experience by using the workbook. Take notes and complete activities.
- Have fun while learning!



# Banks or Credit Unions

*Do you have an account at a bank or credit union?*



Bank

- For-profit organizations
- Anyone can open an account
- Have more branches and ATMs nationwide
- More online and mobile banking options



Credit Union

- Not-for-profit organizations
- May have membership requirements
- Better rates on savings accounts and loans
- Fewer fees and requirements



# Features to consider when choosing a financial institution



A stylized illustration of a pink piggy bank. The piggy bank is facing right and has a gold coin with a dollar sign on its back. The text "Features & Services" is written in black on the side of the piggy bank.

**Features & Services**



A large, stylized pink piggy bank illustration serves as the background. It has a yellow coin slot on top, a yellow triangle on its ear, and a dark brown eye. A pink ribbon is tied around its neck. The text is centered on its body.

## Features & Services

- Physical buildings (with Fee free ATMs)
- Online and mobile banking, Direct Deposit
- Low interest loan rates
- Automatic transfers
- Competitive saving account rates
- Text alerts
- Credit monitoring
- Fraud protection
- Investment accounts
- Financial planning services



Check out [www.bankonmilwaukee.org](http://www.bankonmilwaukee.org)  
for more information about safe and  
affordable accounts in your area!



# Features to consider when choosing a financial institution



A pink piggy bank is shown in profile, facing right. It has a gold coin with a dollar sign on top of its back. The piggy bank has a small gold triangle on its ear and a dark brown eye.

**Monthly Service Fees**

**Are there charges for ATM usage?**



A pink piggy bank is the background for the text. It has a gold coin with a dollar sign on top of its back. The piggy bank has a curly tail, a small ear, and a dark eye.

## Monthly Service Fees

(\$5-\$12/month)

- Look for accounts with low minimum balance requirements.
- Most waive the fees with direct deposit or by maintaining minimum balance.

## Are there charges for ATM usage?

(\$2-\$6/transaction)

- Waived, if you use an in-network ATM.
- Some partner with other institutions to create a bigger network.
- There are some ATMs where you can access your money at no charge. Ask your bank or credit union for details.



**Other Possible Fees**

A pink piggy bank is the background for the slide. It has a gold coin with a dollar sign on top of its back. The piggy bank has a small yellow triangle for an ear and a dark brown oval for an eye.

## Other Possible Fees

**Overdraft/Insufficient Funds:**  
\$25-\$35/transaction

**Excess Transactions Fees for  
Savings Accounts:**  
\$15-20/transfer

There could be additional **fees** for paper statements, inactivity, etc.

**Discuss all potential fees and how to avoid them with your banker before you open an account!**

# What's overdraft protection?



# What's overdraft protection?

Banks and credit unions offer services where if you make a purchase that costs more than you have in your account (called an overdraft), they agree to cover the cost, which allows you to make your purchase.

# Opting in to Overdraft Protection - A Cautionary Tale

Overdraft Protection Example				
Minimum Daily Balance Requirement = \$75 Fee if you fall below \$75 = \$10 Overdraft Fee = \$35/transaction				
Date	Type	Description	Amount	Account Balance
10/1/18	Starting Balance			\$75.00
10/1/18	Direct Deposit	Pay Day!	\$100.00	\$175.00
10/2/18	ATM Withdrawal	Spending money	-\$40.00	\$135.00
10/7/18	Debit Card Purchase	Denny's + tip	-\$17.00	\$118.00
10/10/18	Online Purchase	Concert tickets	-\$94.00	\$24.00
10/10/18	Debit Card Purchase	Office Max	-\$25.00	-\$1.00
10/10/18	Bank Fee	Overdraft Fee	-\$35.00	-\$36.00
10/10/18	Debit Card Purchase	Ian's Pizza	-\$5.00	-\$41.00
10/10/18	Bank Fee	Overdraft Fee	-\$35.00	-\$76.00
10/11/18	Bank Fee	Min. Balance Fee	-\$10.00	-\$86.00

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10/10/18	Bank Fee	Overdraft Fee	-\$35.00	-\$76.00
10/11/18	Bank Fee	Min. Balance Fee	-\$10.00	-\$86.00

*You paid **\$110**  
for items that  
should have only  
cost **\$30!***

*Opting out of  
overdraft ←  
protection would  
have prevented  
this.*

*If you don't already  
have an account, and  
want to open one, all  
you need are a few  
documents.*



# You will need...

- 2 forms of ID
- Social Security # or ITIN
- Address and phone number
- Cash or check to deposit
- Parent or guardian's consent and signature (if you're under 18)

\*some accounts don't require a parent or guardian



Imagine that you decided not to open an account, you have a job, and you need to cash your paycheck.  
Where would you go?







...Your check is usually \$150 and you pay about \$8 a week to cash it at with a check cashing service.



**That means you're paying \$32 a month...**



**....which equals \$384 a year.**



CHECKS CASHED

Pay Day  
Loans

Money  
Orders

Title  
Loans

Western  
Union

Money  
Transfers

That means you're paying \$32 a month...  
...which equals \$384 a year.

BANK

Full Service  
Banking

Free Student  
Checking  
Account

ATM  
Available Inside

FDIC

The cost to deposit into a  
checking account - \$0  
Cost to withdraw  
money from your  
account - \$0  
Keep that \$384  
for yourself!



**Don't pay to access your own money!**

The cost to deposit into a  
checking account= \$0



Cost to withdraw  
money from your  
account = \$0

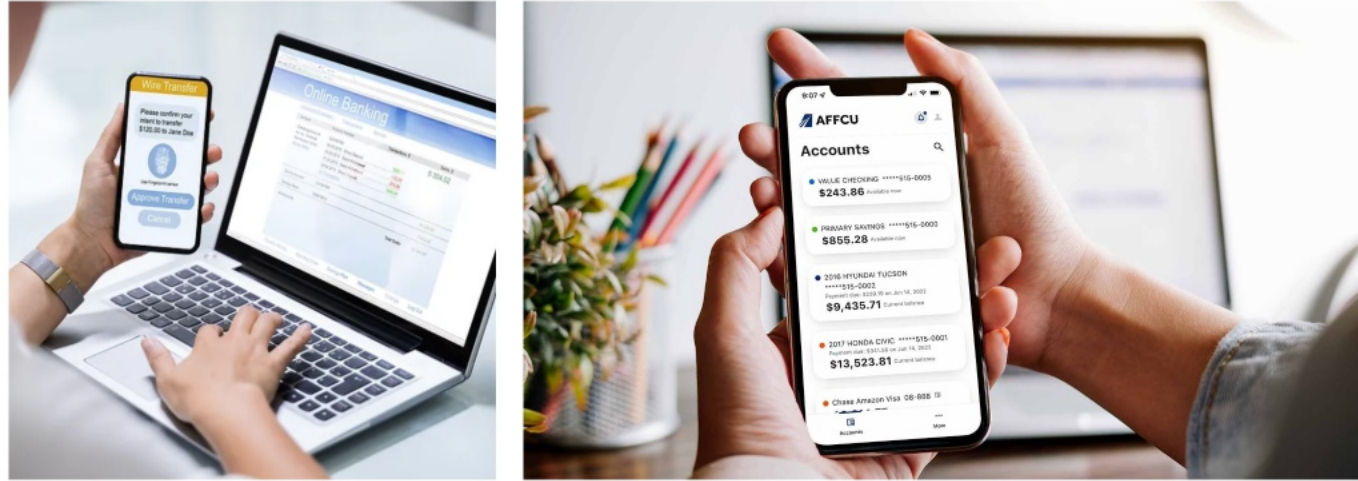
*Keep that \$384  
for yourself!*

*Now that you've deposited your  
paycheck...*

*How do you manage the money  
in your account?*

# Monitoring Your Accounts

## Mobile & Online Banking



- Access to view your accounts
- Make transfers easily from and to other accounts
- Monitor your debit card
- Check your bank statements
- Do online bill pay
- Send money to friends/families
- Mobile deposit



# TRIVIA QUESTION



What percentage of  
teens and young adults  
use mobile banking as the  
primary way to access  
their accounts?

[American Bankers Association](#)

# TRIVIA QUESTION

# 64%



What percentage of  
teens and young adults  
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primary way to access  
their accounts?

[American Bankers Association](#)



You've opened a bank account...







You've opened a bank account...



You've deposited your check...

Now, how can you access your money?





# Debit Cards

- Pay for purchases directly from your Checking Account
- Withdraw at an ATM
- Cash back option when you make purchases at some retailers



Some retailers may charge a small fee to get cash back; pay attention when you choose to receive cash back!

# Checks

Who you are  
paying

Check  
Number

Written dollar  
amount

Line stopping  
others from  
adding more

What the  
payment is for

**Routing  
Number**

**Checking  
Account Number**

Your unique signature  
**DON'T PRINT!**

MY NAME  
MY ADDRESS

1936

Month Date, Year  
DATE

PAY TO THE ORDER OF City Wireless

\$ 85.96

Eighty-five and 96/100 DOLLARS

FOR September cell phone bill

My Signature

000000186 000000529 1000

Security Features Details on back

# The Back of a Check

3

Often you need to write a note about where you are mobile depositing

The diagram illustrates the back of a check with several key sections:

- ENDORSE HERE:** A vertical label on the left side of the endorsement lines.
- Signature Line:** Contains the handwritten signature "Jane Smith".
- Mobile Deposit Line:** Contains the handwritten note "For mobile deposit only".
- Bank Name Line:** Contains the handwritten note "at SaviBank".
- Security Line:** A horizontal line separating the endorsement area from the security features area. Below this line, it says "DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE" and "RESERVED FOR FINANCIAL INSTITUTION USE".
- Security Features Area:** A large grey rectangular area containing the text "ORIGINAL DOCUMENT" in large white letters. To the right of this text, within a smaller box, are the "SECURITY FEATURES":
  - Microprinting around border on face
  - Laid lines on back
  - The words "ORIGINAL DOCUMENT" ON BACK

Endorsement (your unique signature;  
DON'T PRINT!)

Do not write anything below the line! The rest of the check is for the bank's security features

**NOTE:** This only applies when you receive a check, **NOT** when you write a check.



# Three uses for **routing** and **account numbers**

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## Automatic Bill Payments

- Used to schedule monthly payments each month (phone, student loan, etc.)
- Helps avoid late fees



## Wire Transfers

- A way to electronically send money to people or businesses without using physical cash.
- Ideal for large sums of money (rent, downpayment for a car).



## Payroll Direct Deposit

- Your employer has your paycheck deposited into your account.
- No need to travel to the bank



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Protect these numbers!  
They are the keys to your account. You can also find them on your mobile banking app.





# How else can you send & receive money from your checking account?





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## *Tips for using Peer-to-Peer Apps:*

- *Some apps are FDIC insured because they are connected to the user's bank or credit union account. They transfer funds directly between bank accounts.*
- *Balances held directly in some apps are not FDIC insured.*
- *Use 2 Factor Authentication and/or use a PIN #.*
- *Stranger Danger! Only send money to people you trust.*



# Review: Peer-to-Peer (P2P) Payment Apps

## Benefits

- Easily connected to your checking account
- Makes paying friends & family fast & easy
- No more ATM trips & fees when you split expenses
- Some bills can be paid through these services

## Things To Think About

- Linking a credit card (rather than debit/checking) can result in additional fees
- Security & privacy risks - some are connected to social media
- Private banking information is provided to a 3rd party

***What are other ways to  
make purchases?***

# *What are other ways to make purchases?*

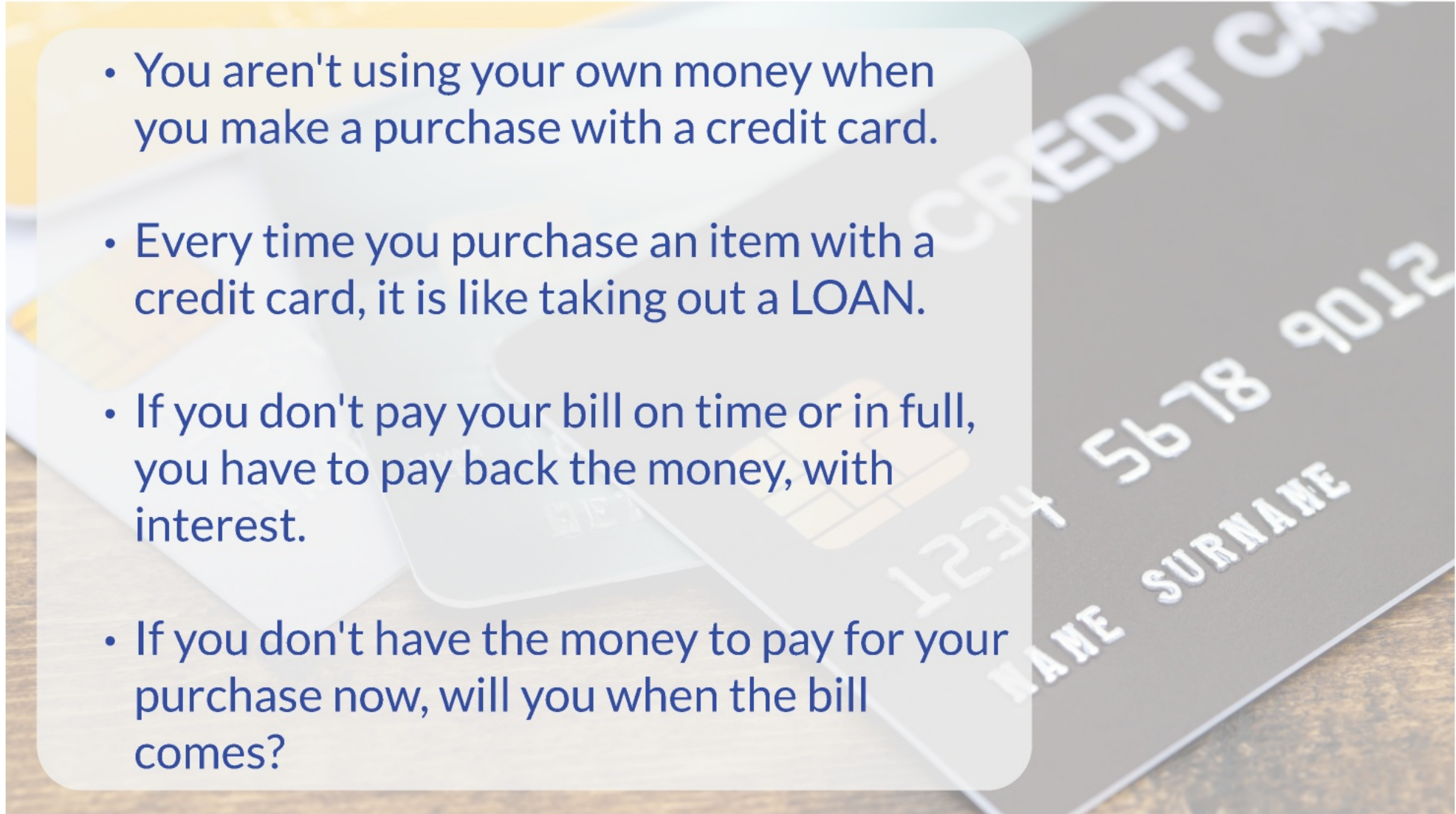
## *Credit Cards & Buy Now Pay Later*



# Credit Cards

*How are they different from debit cards?*

- You aren't using your own money when you make a purchase with a credit card.
- Every time you purchase an item with a credit card, it is like taking out a LOAN.
- If you don't pay your bill on time or in full, you have to pay back the money, with interest.
- If you don't have the money to pay for your purchase now, will you when the bill comes?





# Buy Now Pay Later

*Has anyone used this before? How does it work?*

Klarna.

afterpay 



affirm 

# Buy Now Pay Later

*Has anyone used this before? How does it work?*

## Benefits

- Split large payments into 4 installments
- Most are offered with zero interest
- No minimum credit score required
- Available at most major retailers during checkout

## Things to think about

- Designed to make it easy to overspend
- Some plans may charge interest and/or late fees
- Payments may not be reported to the three main credit bureaus, no chance to build good credit

**Klarna.**

**afterpay** 

**Pay in 4**

From  **PayPal**

**affirm** 

# Let's review...



*With which of these are you using your own money vs. using other's money that you have to pay back?*

Prepaid Card

Debit Card

Credit Card

Affirm

Check

Cash App

Venmo

Afterpay

*Instructions: Spend about 2 minutes to work on this activity in your student workbook.*

**Use Your Own Money**

**Have To Pay Back**

# Let's review...



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## Use Your Own Money

- Check
- Debit Card
- Venmo
- Prepaid Card
- Cash App

## Have To Pay Back

- Credit Card
- Affirm
- Afterpay



# Now that you know how to access your money, it's important to keep track of it in your checking account.



CITIBANK SINGAPORE

LOCATIONS IMPORTANT NOTICES CONTACT US

**citibank**

My Citi Payments & Transfers Wealth Management Services Rewards & Offers Sign Off

Welcome to Citibank Online! John Smith | Last Login: 09 Dec 2013 at 3:32 PM | My Profile | Messages

### PAYMENTS & TRANSFERS

MAKE A PAYMENT & TRANSFER

MULTIPLE PAYMENTS & TRANSFERS

MANAGE PAYEE LIST

MANAGE PAYMENTS & TRANSACTIONS

Bills Due

Scheduled Transactions

Credit Card Recurring Payment

Flexi Giro

My Favourites

OTHER BANK SETUP

ELECTRONIC PAYMENT OF SHARES (EPS)

#### Scheduled Transactions

To Account	Frequency	Amount	Date	Status	
Checking: XXXXXX9018	Monthly until cancelled	SOD 1.00	1 Aug 2014	Active	+
AIA BILLING PAYEE	Weekly until cancelled	SOD 5.00	8 Aug 2014	Active	+
CHEQUE PAYEE	Annually until cancelled	SOD 9.99	1 Sep 2014	Active	+
CHEQUE PAYEE	Every other week until cancelled	SOD 10.00	10 Oct 2014	Active	+
DBS CREDIT CD PAYEE	Semi-annually until cancelled	SOD 10.10	10 Nov 2014	Suspended	+
DBS ELECT PAYEE	Once	SOD 4.50	1 Dec 2014	Active	+
Checking: XXXXXX9018	Once	SOD 1.00	15 May 2015	Active	+
Credit Line: XXXXXX9006	Once	SOD 1.00	15 May 2015	Active	+

One of the most important  
parts of managing your  
accounts is understanding

*Current Balance*

VS

*Available Balance*

*Current Balance*

**VS**

*Available Balance*

# *Current Balance*



The amount of money in your account, plus or minus all transactions that **have** cleared.

**VS**

# *Available Balance*



Your current balance, plus or minus any other transactions that your financial institution knows about, but that **have NOT** cleared yet (aka pending transactions).

**Tip:** You can find your current & available balance in your mobile banking app (but pending checks won't appear here!)



# More on Pending Transactions...

Pending transactions have been authorized,  
but they haven't cleared yet.

## Examples:

paying for gas  
at the pump



leaving a tip at a  
restaurant



shopping online



**Note: When you are making a purchase with your debit card, if you don't use your PIN and you select the "credit" button, the purchase will stay in pending status in your checking account and will clear in 1-3 business days.**

Managing your money isn't the only thing to be cautious about when having a bank account.



# Identity theft...

*What is it?*

**Identity theft** is when a person steals someone else's personal information, such as credit cards, bank account or social security numbers, and uses them to:

- make purchases
- withdraw cash from your account
- open new accounts (credit cards, utilities, etc.)
- commit crimes using your name
- and more things that may damage your credit report





# How do identity thieves steal your information?

1

By accessing documents that are left unsecured, going through mail that has been discarded improperly, or scamming people into giving up their information **through the mail, email, or phone calls.**



2

By hacking into online accounts, intercepting internet activity on unsecured WiFi networks, or phishing for personal information.

# Avoiding identity theft...

- Keep your birth certificate and social security card in a safe, secure place (**not with you!**).
- Keep your phone, driver's license, debit cards, checkbook, credit cards and other banking documents in a safe, secure place.
- Do not give your personal information or social security number over the phone or internet unless you are **sure** you're talking to a reputable organization and it is **necessary** to do so.





- If someone calls stating that they are from a bank, credit card company, or government agency, hang up and call the 1-800 number instead. These institutions will **not** reach out to you directly.
- Don't trust Caller ID.
- Ensure you are using private WiFi networks and secure websites when accessing accounts online. .
- Shred personal information before discarding.
- Pay bills via online banking or mobile banking to avoid having to mail checks.



# Different Types of Scams

## Phishing

The act of fooling a computer user into submitting personal info by creating a counterfeit website or email that looks like it should be trusted. It is a hacker technique of "fishing" for your passwords and other secret financial and personal info.



## Online Shopping Scams

Be wary of sites selling luxury goods at a steep discount, especially on social media like Instagram or Snapchat

## Impersonation of federal officials

Someone calls and pretends to be from a banking institution or an official government agency and says they going to help you, however they are actually stealing your money.

... and many more!



## What's wrong with this text message?



< (989) 704-6016

Text Message  
Today 1:45 PM

(BOA) Your account is limited. Please follow the link to securely update your personal information:

[bankofamerica.bofa-sms.com](https://bankofamerica.bofa-sms.com)

1

2

3

# What's wrong with this text message?



< (989) 704-6016

Text Message  
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(BOA) Your account is limited. Please follow the link to securely update your personal information:

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1

It has a sense of urgency.

2

It has a malicious link (phishing site).

3

It's not a secure URL.

# Think It Couldn't happen To You?



*Kaitlin is an advocate for SecureFutures and a curriculum contributor.*

# I think It Couldn't happen To You?



*Kaitlin is an advocate for SecureFutures and a curriculum contributor.*



# Why were they successful?



# Why were they successful?



They play on your emotions by creating a sense of panic and fear by telling you that something serious has happened.

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They play on your emotions by creating a sense of panic and fear by telling you that something serious has happened.

They get you to trust them by stating your personal information and telling you that they are here to help you.



# Why were they successful?



They play on your emotions by creating a sense of panic and fear by telling you that something serious has happened.

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Cryptocurrency and personal information are easily trafficked items on the dark web. The dark web has gotten much larger and hackers around the world have easier access to personal data.



# What to do if you are a victim of scams or identity theft



- ✓ Alert your bank and credit card companies; immediately freeze all accounts, credit cards, and debit cards.
- ✓ Look at your credit report and lock your credit score through the three credit reporting agencies - Equifax, TransUnion, Experian
- ✓ Report it to the Federal Trade Commission (ftc.gov)
- ✓ Report it to your local police department.
- ✓ Save all emails, phone calls, texts, and other documentation from the criminals to share with federal or local authorities.

**Seek emotional support. This situation can be very stressful!**



# Go Do It Now!

Financial Issue	Best Practices to Help Manage Money Responsibly	My Financial To Do List
Savings and Checking Accounts at a Bank or Credit Union	<ul style="list-style-type: none"><li><input type="checkbox"/> I have opened a:<ul style="list-style-type: none"><li><input type="radio"/> savings account</li><li><input type="radio"/> checking account (if I have a job)</li></ul></li><li><input type="checkbox"/> I am adding money to my savings account regularly to “Pay Myself First.”</li><li><input type="checkbox"/> If I have a checking account, I have chosen to “OPT OUT” of overdraft protection so I can’t buy things when I don’t have enough money in my account.</li><li><input type="checkbox"/> I don’t use check cashing stores to cash checks. I use a bank or credit union and deposit the money into my account.</li></ul>	<i>Create your action plan!</i>
Online and Mobile Banking	<ul style="list-style-type: none"><li><input type="checkbox"/> I am enrolled in online and/or mobile banking.</li><li><input type="checkbox"/> I review my account activity at least once each week to verify that the activity is accurate.</li><li><input type="checkbox"/> I check my available balance before making purchases to make sure I can afford what I am going to buy.</li></ul>	
Identity Theft	<ul style="list-style-type: none"><li><input type="checkbox"/> I don’t share my passwords or PINs with anyone and I have them saved in a safe place only I know about.</li><li><input type="checkbox"/> I log off of computers and other electronic devices when I am not using them.</li><li><input type="checkbox"/> I don’t share my social security number and account number with others or in electronic format. I have them memorized and <b>don’t carry them with me.</b></li></ul>	



Financial Issue	Best Practices to Help Manage Money Responsibly	
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Online	<ul style="list-style-type: none"><li><input type="checkbox"/> I am enrolled in online and/or mobile banking.</li><li><input type="checkbox"/> I review my account activity at least once each week to verify that the</li></ul>	

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Identity Theft	<p><input type="checkbox"/> I don't share my passwords or PINs with anyone and I have them saved in a safe place only I know about.</p> <p><input type="checkbox"/> I log off of computers and other electronic devices when I am not using them.</p> <p><input type="checkbox"/> I don't share my social security number and account number with others or in electronic format. I have them memorized and <b>don't carry them with me.</b></p>	





# Questions?



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Please complete the evaluation found  
in your student workbook.

