Full-Year Course
Intro to Banking
Student Activity Packet
UNIT: BANKING

Name:

Students will be able to:
- Identify the services that banks offer
- Explain how banks make money
- Describe the differences between online and physical banks

INTRO

QUESTION OF THE DAY: What percent of teens have opened a bank account?
Answer the question on the first slide in the space below. Then, compare your answer to the answer on the second slide. Finally, follow your teacher's directions on how to answer the follow-up questions on the last slide.

1. **What percent of teens have opened a bank account?**

About **70% of teens** have opened a bank account.

LEARN IT

ARTICLE: 11 Types of Bank Services You Can Take Advantage Of
Think banks are just for stashing your cash? Think again! Banks offer a range of services that you can take advantage of. Read the article about the perks and services your bank may offer. Then, answer the questions.

1. **List three general services that banks provide.**

- Checking and savings accounts
- Loans (such as auto loans or home loans)
- Debit cards and online banking

2. **Why might a bank's range of services be an important factor for someone choosing**

where to open an account?

A bank with more services can meet more needs in one place. This makes banking easier and more convenient, especially as someone grows and needs loans, credit cards, or investment options.

VIDEO: How Banks Create Money

Banks do more than keep your money safe. They need to make money in order to continue operating. Watch the video to learn how banks use your money to make money and even create it out of nowhere! Then, answer the questions.

1. **Why do banks pay interest on deposits?**

   Banks pay interest to encourage people to deposit money. The bank can then use that money to make loans and earn more money.

2. **Banks can't actually print new money, but they do increase the overall money supply in the economy. Describe how this happens.**

   Banks lend out a portion of the money people deposit. When that loan money is deposited into another bank, it can be loaned again. This process increases the total amount of money in the economy.

INFOGRAPHIC: Traditional vs Online Banks

Online banks have emerged as an alternative to traditional banks that have physical locations. Use the infographic to compare the offerings of each type of bank. Then, answer the questions.

1. **True or False: Traditional Banks typically offer higher interest rates on Savings Accounts.**

   False

2. **Compare traditional and online banks by listing at least one pro and one con of each type of bank**

	Traditional Banks	Online Banks
Pro	In-person help at physical branches	Higher interest rates and lower fees
Con	Lower interest rates and higher fees	No physical branches for face-to-face help

---

VIDEO: FDIC Insurance: Protecting Your Deposits

Regardless of which type of bank you use, confidence that your money will stay safe is a fundamental concern. The FDIC is a government agency that's like insurance for your bank deposits. Watch this video to learn how it's been protecting people's money for almost 100 years! Then, answer the questions.

1. **What is the maximum amount of money the FDIC insures per person?**

   The FDIC insures up to **$250,000 per depositor, per bank, per account category**.

2. **Carmine has $45,000 in a savings account and $225,000 in an IRA retirement account. How much of their deposits will they receive if the bank fails?**

   Carmine will receive all $270,000, because both accounts are insured under separate ownership categories.

DO IT

ACTIVITY: CREATE: Banks Ads

Now that we've seen the differences between bank types, let's create an advertisement to promote the strengths of a chosen bank and the drawbacks of the other types. Follow the directions on the worksheet to complete this activity.

I would advertise an **online bank** by highlighting higher interest rates, low fees, and easy mobile banking. I would mention that traditional banks often charge more fees and offer lower savings rates.

EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.