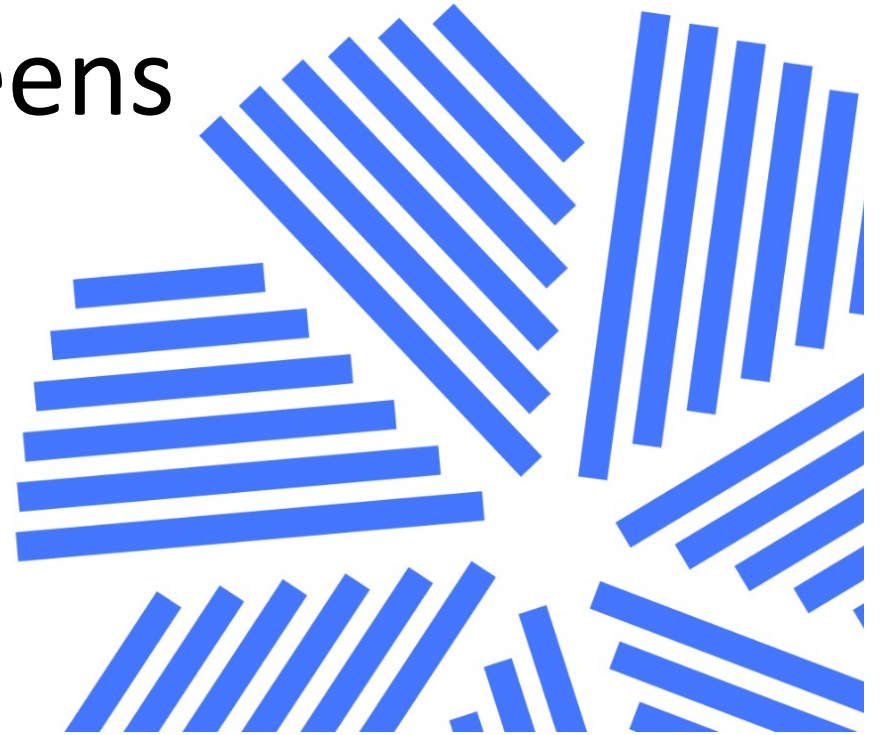




Banking Basics for Teens

Presenter name(s)

Date



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As you deal more with money, you're going to need a bank

Agenda

- What a bank can do for you
- How banks make money
- Your preferences and choosing a bank
- What you need to open an account



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What is a bank account?

It lets you store money safely and access it when needed



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<https://www.experian.com/blogs/ask-experian/what-is-a-bank-account/>

Why do you need a bank account?

- Safety
- Ease of sending and receiving money
- Recordkeeping
- Interest (If you have some extra money, use a savings account to earn a higher rate)



What's in it for them? How do banks make money?

- Net Interest Income

- Earning interest on loans they make
- Paying less interest on the deposits they keep for you

- Fees

- Account maintenance fees
- Overdraft fees
- Other fees

How banks and credit unions differ

Bank

- For profit
- Owned by shareholders
- Compensated board of directors
- Insured by FDIC (\$250k)
- Often more and better products, services, and ATMs

Credit Union

- Nonprofit corporation
- Owned by members
- Volunteer board
- Insured by NCUA/NUCSIF (\$250k)
- Better rates (savings and borrowing)



Knowing what's important to you will help you choose a bank

- How will you use the account?
 - Deposit earnings
 - Pay bills (by check or electronically)
 - Pay for purchases directly with debit card
 - Connect to Venmo or Square
- How often do you need a branch or ATM (often, sometimes, or never?)
- How much do you plan to keep in the account?
- How do you feel about fees and earning interest?
- How important are features in the app or online?



What do you need to open an account?

Information needed

- Full name
- Social Security Number
- Birthdate
- Address
- Money for a deposit

Notes

- You can open an account in a branch or online
- You don't necessarily need a driver's license or passport (but they don't hurt)
- The government requires banks to be sure that you're who you say you are



[What type\(s\) of ID do I need to open a bank account? \(helpwithmybank.gov\)](https://helpwithmybank.gov)

Debit and Credit cards both let you pay conveniently

Debit cards

Pull money directly out of your checking account

- Gives accurate account of spending (vs. cash)
- No monthly payments or late fees
- If stolen or breached, can take months to get money back.
- If you spend more than available funds, bank may let you, but you'll be charged overdraft fees

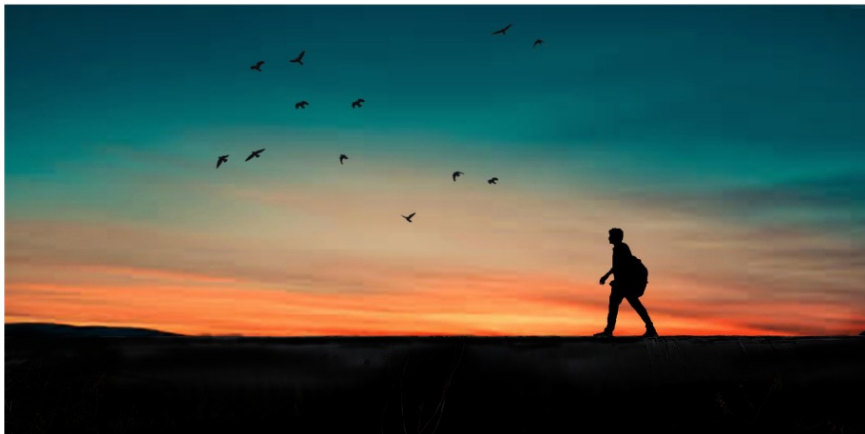
Credit Cards

Credit payments are loans. Can pay over time
(Must meet monthly minimum payments)

- Can build credit and boost credit score (if paid on time)
- Pay monthly interest and late fees
- Some have annual fees
- Protection on purchases that you dispute



Getting the most out of your bank accounts



Canva

- Pay attention to fees; as a percentage of your money, they add up!
- Treat debit card transactions, electronic payments, and checks (if you use them) like cash
- Monitor your transactions – that’s the best way to tell if you’ve been hacked
- Pay yourself first – automatically transfer some of your paycheck to your savings account
- Continue to learn about personal finance – an investment account could be next!



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Speaker Biographies



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