

## Money & Me Educator's Lesson Guide

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<b>Title:</b>	Managing Your Money
<b>Goals:</b>	Students will be better able to: <ul style="list-style-type: none"><li>- Examine various types of financial services providers</li><li>- Understand how a checking account works</li><li>- Explain how a debit card is used</li><li>- Respond to situations involving identity theft and deceptive practices</li></ul>
<b>Summary:</b>	After completing this unit, students will be able to demonstrate how to use various financial services.

### Day 2

#### **Part 1**

**8:30-9:00**

Review of Day 1's lesson; ask volunteer to share keys points

Today, we're going to do spend a little time on an activity that demonstrates what you learned on the first day. **Rework a budget activity** (practicalmoneyskills.com) ask students to complete Gabrielle's budget in class. They can take home the "If It Were Your Budget" worksheet.

Review goals for today

#### **Part 2**

**9:00-9:30**

Begin instruction using NEFE HSFP Unit 5: Your Money: Keeping it Safe and Secure

Have students work with partners to complete **What Do You Think? activity** (IM p. 128, SG p.60).

PPTs 5-A-1, 5-A-2 & 5-B (IM p.128, SG p. 60)

Lead a discussion about the high cost of alternative financial services: check cashing stores, rent to own stores, money orders, refund anticipation loans. Practical Money Skills PPT 6-A.

*Invite credit union representative to speak to the class about the financial services they provide. Explain that to be a member of a credit union you must first open a savings account.*

**BREAK 9:30 – 9:40**

#### **Part 3**

**9:40-10:25 (45 minutes)**

Savings Accounts

PPTs 5-C, 5-D, 5-E-1-3 (IM pp. 129-130, SG p. 61-62)

What do you need to open a Savings Account: Social Security Number, Drivers License (under the age of 18, parent or guardian must have I.D.), phone number, address, place of employment information, etc.

Savings/Checking Deposit slips- **Exercise 5-C** (IM p. 130, SG p. 62.)

Endorsing the check for deposit, Practical Money Skills PPT 6-E (Explanation in NEFE IM p. 132)

Checking Accounts (IM pp. 130-133, SG p. 62-65)

PPT 5-F Demonstrate how to write a check

Definition of bouncing a check (Use NEFE example: Follow the Bouncing Check (IM p. 131, SG p. 63)

PPT 5-G, Keeping a check register. **Exercise 5D: Keeping Track**

PPTs 5-H-1, 5-H-2 & 5-H-3, Ask students to complete **Exercise 5E: Does it Balance?** – copy handouts from IM pp. 146 & 147

PPTs 5-I, 5-J, debit cards (IM pp. 133-135, SG pp. 65-67)

### **Additional Resources:**

Brass Magazine- November 2008- “The Card Next Door” (debit cards)  
August 2010- “Getting CARDed”  
[www.brassmagazine.com](http://www.brassmagazine.com)

**BREAK      10:25-10:35**

### **Part 4**

**10:35-11:20 (45 minutes)**

Ask students to complete **Assignment 5-2: Use a Checking Account Transaction Page** (IM pp. 151-155 & 157 (Answer keys on pp. 156 & 158-159)

PPT 5-K, credit cards (IM pp. 136-137, SG pp. 68-69)

Practical Money Skills PPT 6-J & 6-K: Online banking. If possible use a credit union demo for online banking. PPT 5-L, Financial Services Trends (IM p. 138, SG p.70)

Identity Theft (IM pp.140-144, SG 72-76)

PPTs 5-0 through 5-Q

**BREAK 11:20-11:30**

**11:30-Noon**

**JA Group Activity**

**What Did I Do Wrong?**

Refer to JA Personal Finance Guide for Volunteers and Teachers

Session Four: The Case of the Missing Identity (pp. 33-35)

Allow 20 minutes to play the game and 5 minutes to review and wrap up

**Preparation for Day 3**

Before you leave, which one of you is willing to give tomorrow morning's summary of what we did together today? Record name of volunteer.



**Unit 5 - Your Money:  
Keeping it Safe and Secure**

NEFE High School Financial Planning Program  
Unit 5 – Your Money: Keeping it Safe and Secure

## Credit Unions and Banks

Banks	Credit Unions
For-profit companies owned by shareholders	Not-for-profit institutions owned and controlled by their members
Managed by a paid board of directors elected by the bank's shareholders	Managed by a volunteer board of directors, who are elected by other members
Offer their services to everyone; anyone can become a customer	Offer their services to special groups of people and may be employer-, church-, community-, or alumni-sponsored (among others); customers must qualify for credit union membership through their membership with these special groups of people

5-A-1 1 2 3

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Unit 5 – Your Money: Keeping it Safe and Secure

## Credit Unions and Banks

Banks	Credit Unions
Owned by shareholders; customers do not have ownership or voting privileges unless they also own stock in the bank	Owned by each credit union member, who has equal ownership and one vote, regardless of how much money a member has on deposit
Profits benefit a small group of stockholders	Profits are returned to members in the form of lower fees and loan rates and higher interest on deposits
Accounts are federally insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC)	Accounts are federally insured up to \$250,000 by the National Credit Union Administration (NCUA)

5-A-2 1 2 3

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Unit 5 – Your Money: Keeping it Safe and Secure

## Financial Services

All of these services can be found in most banks or credit unions

Online Banking, Online Brokerage, Checking Accounts, Savings Accounts, Certificates of Deposit (CDs), Individual Retirement Accounts (IRAs), Savings Bonds, Credit Cards, Check Cards, Gift Cards, Payroll Cards, Commercial Prepaid Cards, Auto Loans, Boat Loans, RV Loans, Student Loans, Other Loans, Home Mortgages, Mortgage Refinance Loans, Home Equity Loans, Military Bank, Student Centers, Accessible Banking, Small Business Banking Services, Merchant Services, Home Buying, Investment Services, IRAs, Mutual Funds, 529 College Savings Plans, Life Insurance (various types), Long-Term Care Insurance, Homeowner's Insurance, Renter's Insurance, Condo Insurance, Auto Insurance, Supplemental Income Insurance, Foreign Currency Exchange, Traveler's Checks, International Wire Transfers, and More

5-B

## Beware the High Cost of Financial Services

**pawn shops** charge very high interest for loans based on the value of tangible assets (such as jewelry or other valuable items).

**rent-to-own programs** offer an opportunity to obtain home entertainment systems or appliances for a small weekly fee. However, the amount paid for the item usually far exceeds the cost if the item were bought on credit.

**check-cashing outlets** charge high fees (sometimes 2 or 3 percent) just to have a paycheck or government check cashed.

**rapid-refund tax services** provide "instant refunds" when you pay to have your federal tax return prepared. However, this "instant refund" is a loan with interest rates as high as 120 percent.

**check-deferral services** allow consumers to get a cash advance on their next paycheck. However, these short-term loans are very expensive. A \$200, two-week advance may cost over \$30 (with annual costs exceeding \$900).

www.practicalmoneyskills.com

teachers - lesson 6 - slide 6-A

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Unit 5 – Your Money: Keeping it Safe and Secure

## When You Open a Savings Account

- You deposit money in the account.
- You can add or take out money at any time.
- The savings institution is allowed to use your money to invest and earn a profit.
- You are paid a small amount of interest for depositing your money.
- Your money is insured against loss.

5-C

## Saving for Financial Goals

Using a savings account to set aside funds for your financial goals...

- Takes the money you are saving out of your wallet.
- Keeps it in a secure place.
- Lets you keep track of what you have saved.
- Earns a small amount of interest in the process.



5-D

2

## Savings Deposit

Exercise 5-C, Page 62

DEPOSIT		CHECKING <input type="checkbox"/>	SAVINGS <input checked="" type="checkbox"/>
Today's Date	CASH	7	125 0 9
Customer Name	CHECK		375 2 5
Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE		
Sign Here (if cash is received from this deposit)	SUBTOTAL		500 3 4
Sign Here (if cash is received from this deposit)	LESS CASH		75 0 0
ACCOUNT NUMBER	TOTAL \$		425 3 4
5	3 3 3 3 3 3		

Click the numbers

5-E-1

## Complete Exercise 5-C, Page 62

DEPOSIT		CHECKING <input type="checkbox"/>	SAVINGS <input type="checkbox"/>
Today's Date	CASH		
Customer Name	CHECK		
Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE		
Sign Here (if cash is received from this deposit)	SUBTOTAL		
X	LESS CASH		
ACCOUNT NUMBER	TOTAL \$		

Click Here to Check Your Work

5-E-2

## Savings Deposit

Exercise 5-C, Page 62

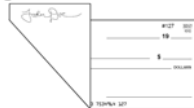
DEPOSIT		CHECKING <input type="checkbox"/>	SAVINGS <input checked="" type="checkbox"/>
Today's Date	CASH		100 0 0
Customer Name	CHECK		
Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE		
Sign Here (if cash is received from this deposit)	SUBTOTAL		
X	LESS CASH		
ACCOUNT NUMBER	TOTAL \$		100 0 0
	101 - 2 3 4 5 6 - 6 7 8		

Click Here to Go to the Next Slide

5-E-3

## Endorsing a Check

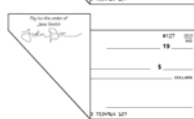
**blank endorsement**  
Anyone can cash check



**restrictive endorsement**  
More secure than blank endorsement



**special (or full) endorsement**  
Transfer check to another party



Click the numbers

## Check Details

1	2	3	4	5	6	7	8	9	10	11
<p>Check the number of digits on the front of the check (your check has six digits because it is a personal check)</p>										
JOHN M. SMITH 4923 MAIN STREET ANYTOWN, CO 81234		DATE <u>January 15, 2009</u>		2008						
PAY TO THE ORDER OF <u>Best Foods Supermarkets</u>		\$ <u>25.00</u>								
<u>Twenty five and 00/100</u>		DOLLARS								
Main Street Credit Union 8542 Main Street Anytown, CO 81234		Jdn M. Smith								
MEMO <u>Shocks for Party</u>										
00200300412		1092320004		2008						

5-F



## Credit Cards

### HOW TO USE A CREDIT CARD

- Swipe the credit card in the card reader, or give it to the clerk to swipe.
- Choose the “Credit” option.
- Sign the receipt.
- Keep and save your copy of the receipt to record later in order to keep track of what you have spent.



5-K



## Electronic Banking Services

**direct deposit...** earnings (or government payments) automatically deposited into bank accounts, saving time, effort, and money.

**automatic payments...** utility companies, loan payments, and other businesses use an automatic payment system with bills paid through direct withdrawal from a bank account.

**automatic teller machines...** allow customers to obtain cash and conduct banking transactions; some ATMs sell bus passes, postage stamps, gift certificates, and mutual funds.

**point-of-sale transactions...** acceptance of ATM/debit card at retail stores and restaurants for payment of goods and services.

**stored-value cards...** prepaid cards for telephone service, transit fares, highway tolls, laundry service, library fees, and school lunches.

**electronic cash...** companies are developing electronic replicas of all existing payment systems—cash, check, credit cards, and coins.

**online banking...** banking through online services. Bank websites allow customers to check balances, pay bills, transfer funds, compare savings plans, and apply for loans online.

[www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

teens – lesson 6 – slide 6-3

## Smart Cards

**smart cards**, sometimes called “electronic wallets,” look like ATM cards; however, they also include a microchip.

- This minicomputer stores prepaid amounts for buying goods and services.
- A smart card can also store data about a person’s account balances, transaction records, insurance information, and medical history.
- Uses for smart cards may expand in the future.

[www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

teens – lesson 6 – slide 6-K

## Financial Services Trends

- What financial services are you using now? Are there any you are using that we have not discussed?
- Would you use the Internet to do your banking?
- Would you let monthly creditors like the phone company automatically deduct bill payments from your bank account?
- Have you heard about any new financial services that interest you?



5-L



## The Risks of Identity Theft

### IDENTITY THEFT VICTIMS COULD:

- Have any and all of their financial accounts invaded and emptied.
- Be asked to repay debts they did not incur.
- Lose job opportunities.
- Lose their good credit rating.
- Be refused loans.
- Be sued for things they have no part of.
- Even be arrested for crimes they didn’t commit.

5-M

## Dealing With Deception

- You’re at a cash register in a store and have given the clerk your credit card. She holds on to it, probably to verify your signature. But then she says she needs to grab something from the back and starts to walk away with your card in hand.

**What should you do?**



5-O-2



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Unit 5 – Your Money: Keeping it Safe and Secure **6 of 7**

## Dealing With Deception

- Your friend sends you an E-mail about cool new software that lets you share music with others for free. He sends you the link to download the software, which is from a site you've never heard of.

**What should you do?**

5-O-6

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## Dealing With Deception

- You're bummed out about losing in an online auction. But then you get an E-mail stating the winner backed out and that you can have the item if you still want it, and to just send your credit card information via E-mail.

**What should you do?**

5-O-7

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## Keep Your ID Near, Dear, and Secure

- Keep your personal information in a safe place, under lock and key if possible.
- Sign new credit cards; destroy old ones.
- Shred bill statements.
- Check and double-check all your statements for unauthorized use.
- Don't fall for Internet scams.

5-P-1

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## Keep Your ID Near, Dear, and Secure

- Only enter into secure transactions on the Internet.
- Scan a copy of all the cards and other information you keep in your wallet. Print out or keep an electronic copy in a secure place to use in case your wallet is ever lost.
- Because the contents of your wallet can change, do this 3 - 4 times a year.

5-P-2

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## Fraud Alert

- Cancel all your credit, debit and other card accounts.
- Report loss to Social Security, and apply for a new SS number.
- Call any of the national credit reporting bureaus.
- Call police if you are confident your identity has been stolen.

5-Q-1

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## Fraud Alert

- File a complaint with the Federal Trade Commission at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)

5-Q-2

# rework a budget answer key

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## how does her budget look now?

1. What is the difference between Gabrielle's planned expenses and her actual expenses?  
*Actual was \$1,675, planned was \$1,025. Difference is \$650. (Taking into account her overtime pay of \$45, she went over budget only \$605.)*
2. In what areas did she overspend?  
*Food, transportation, clothing, entertainment, personal, other (tickets, birthday present)*
3. In what areas did she spend less than she planned?  
*Savings*
4. How much did she spend for the use of her car this month?  
*\$784, not including tickets*
5. How much money did she have at the end of the month to put into savings?  
*None*

## if it were your budget...

1. Using the attached budget sheet, set up a budget for yourself. Use Gabrielle's income as a starting point. Keep in mind your personal financial goals.
2. What did you change about the budget?
3. How much would you save each month to put toward your personal and financial goals?