Checking Out Depository Institutions
Introductory Level
Objectives

Demonstrate fluency with vocabulary of depository institutions

Explore checking accounts

Explore savings tools

Use the decision making process with choosing an account
What do you think of when you hear...
"Depository Institution"?
What is a depository institution?

Business that offers and sells financial services to people

- Checking Accounts
- Savings Tools
- Advice
- Loans
- ATMs
- CDs
Two Types of Depository Institutions

Credit Union

Commercial Bank
Credit Unions

NCUA Insurance

$250,000

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency
Financial Security

Commercial Bank

FDIC Insurance

$250,000

FDIC

Federal Deposit Insurance Corporation
Not for profit
Member Owned
Credit Union

Return Surplus to Members
Commercial Bank  For profit  Popular

Interest returned  is often lower
Match

Draw a line to connect

Commercial Bank

Credit Union

Not for Profit
For profit
Member Owned
Services offered

- Checking Accounts
- Savings Tools
- Advice
- Loans
- ATMs
- CDs
Checking Account

- Offers safety & convenience
- Usually doesn't pay interest
- Frequent transactions are ok
Checks

Legal documents that function like cash

An account must have funds in it

Checking Account
Electronically connected to the account

PIN (personal identification number) used

Checking Account
Debit Card

Electronically connected to the account

PIN (personal identification number) used

Checking Account
Steps to open a checking account

1. Read Contract
   Ask Questions

2. Complete Signature Card
   Will need to bring identification

3. Make Initial Deposit
   Between $25-$200
Certificate of Deposit (CD)
Money Market Account
Savings Account
Savings Account

Keeps money insured

No check writing privileges

May have a debit card

Savings Tools
Money Market Account

- Pays higher interest than savings account
- Requires a large initial deposit
- Limited number of withdrawals per month
Certificate of Deposit

- Pays interest on one lump sum
- Money must stay for set amount of time
- If withdrawn early = penalty will result
- Higher interest than money market or Savings
Depository Institutions

Keep Money Insured
Offer Services

It's your money. Protect it.