

KATRINA'S CLASSROOM:

FINANCIAL LESSONS FROM A HURRICANE

LESSON 2: IN THE AFTERMATH

Students learn the importance of keeping important documents and records in a safe place and the benefits of keeping money in a bank. Through demonstrations and activities, they learn how to open an account and make a deposit.

Jump\$tart National Standards, Knowledge Statements, and Benchmarks for This Lesson

FINANCIAL RESPONSIBILITY AND DECISION MAKING

Knowledge Statement: Financial choices that people make have benefits, costs, and future consequences	Grade 8
Knowledge Statement: Financially responsible individuals accept the fact that they are accountable for their financial future	Grade 12
Standard 4: Make financial decisions by systematically considering alternatives and consequences	Grades 8, 12

INCOME AND CAREERS

Knowledge Statement: Social Security and Medicare are government programs that provide insurance against some loss of income and benefits to eligible recipients	Grade 12
Standard 2: Identify sources of personal income	Grade 8

PLANNING AND MONEY MANAGEMENT

Knowledge Statement: People perform basic financial tasks to manage money	Grade 8
Standard 3: Describe how to use different payment methods	Grades 8, 12

RISK MANAGEMENT AND INSURANCE

Knowledge Statement: Risk management strategies include risk avoidance, risk control, and risk transfer through insurance	Grade 8
Knowledge Statement: People purchase insurance to transfer the risk of financial loss	Grade 12
Standard 1: Identify common types of risks and basic risk management methods	Grades 8, 12
Standard 3: Explain the purpose and importance of health, disability, and life insurance protection	Grades 8, 12

LEARNING OBJECTIVES

At the end of the lesson, students will be able to

- Identify types of documents that are important and create a plan for saving them.
- Describe benefits of having a bank account.
- Apply skills necessary to have a bank account, including making a deposit, writing a check, balancing a checkbook, and reconciling a bank statement.

TOOLS AND CONCEPTS

In the video, students will learn about

- Types of bank accounts such as checking and savings.
- Receiving electronic payments like paychecks and Social Security.
- Managing a bank account.

PREPARATION

Make transparencies of Visual 2-1—How to Write a Check, Visual 2-2—How to Endorse a Check, Visual 2-3—How to Write a Deposit Slip, Visual 2-4—How to Balance a Checkbook, Visual 2-5—Your Bank Statement.

Photocopy worksheets Activity 2-1—Discussion Questions for *In the Aftermath*, Activity 2-2—Checks, Activity 2-3—Deposit Slips, Activity 2-4—Evaluation for *In the Aftermath*.

KEY MESSAGES

- Access to money.
- Keeping track of financial documents.

PROCEDURE

1. Introduce the video.

Explain to the class that they are going to watch the story of Nick, a young man whose family fled from New Orleans during Hurricane Katrina and stayed in Atlanta, Georgia. Ask them to pay attention to what Nick and his family took with them and how they were able to get money while they were gone.

2. Play *In The Aftermath*.

Relate the story to any personal experiences in the class.

3. Distribute Activity 2-1—Discussion Questions for *In The Aftermath*. Discuss the video.

How did Nick and his family manage during Hurricane Katrina and when they were in Atlanta?

- What was the first thing that Nick's mother took as the family fled? (important papers to establish their identity and prove ownership of their home, plus insurance documents)
- What kinds of papers are important to protect? (passport, birth certificate, mortgage, insurance information, checkbook, bank statement)
- What was Nick's family's source of income? (dad's income and mom's disability payments)
- How did money get into their bank account when they were in Atlanta? (electronically deposited payments)
- How did they access the money once it was deposited? (ATM machines, writing checks)
- What would they have done if they hadn't had a bank account? (they would have had to carry large amounts of cash, which is not always safe, to buy food or gas or stay in a hotel)
- What would have happened if they hadn't taken their important documents? (they could not have proved they owned their house; they could not have written checks)

How are they managing financially now that they are back?

- How did the preparations Nick's family made help them when they returned to New Orleans? (they were able to prove their identity and show they owned the home)
- Why did Nick open a bank account? (to keep his money safe)

From an early age, we learn responsibility. Young children learn to keep track of their possessions. As an adult, you learn to protect valuable documents and money.

4. Define and discuss important terms.

Check with the class to be sure they understand critical terms that they will need in order to participate in this lesson.

What is a bank account?

Ask students to define “bank account.” Ask if any students have a bank account and what kind of bank accounts they have.

Bank accounts are places in a bank to keep your money safe. The two most common kinds of bank accounts are **checking accounts** and **savings accounts**. It’s a good idea to have one of each.

- A **checking account** is a bank account that can be used to easily take out your money by writing checks, using debit or check cards, using an ATM (automated teller machine) to get cash, or making electronic payments through online banking. You also can use an ATM to make deposits and transfer money between accounts.
- A **checking account** is one way to pay bills and get money easily to make other purchases. Nick’s mother brought her checkbook so she was able to write checks and pay for things when they were in Atlanta.
- A **savings account** is a bank account used to accumulate money safely and earn interest. Money is accessed by making electronic transfers or by using a withdrawal slip.
- A **savings account** earns more interest than a checking account and is one tool to use to save for goals.

What are the benefits of having a bank account?

- Ask the class to describe benefits of a bank account. (keeps money safe, helps you keep track of your money, can help you earn interest)
- Even in an emergency, you can get money from your bank because the Fed keeps cash, check, and automated clearing-house payments flowing. During Hurricane Katrina and its aftermath, the Fed worked with banks to waive fees, honor checks from other banks, and defer mortgage payments.

What is Social Security?

- Social Security is a type of insurance that is managed by the federal government. Money is taken out of every worker’s paycheck and put into a fund. The benefits are paid out of the fund when a worker retires or becomes disabled. If a parent dies, the children receive the benefits until they turn age 18.

Note: Before completing steps 5 and 6 below, determine if the class is familiar with making deposits and writing checks. If so, condense this content as necessary and focus on balancing a checkbook.

5. Writing a check.

Project Visual 2-1—How to Write a Check

- Demonstrate how to fill in a check: where to put the date, the name of the payee, the amount, and your signature.

Distribute Activity 2-2—Checks

- Conduct a role play activity. Working in pairs, each student takes turns being the worker and the employer. The “employer” fills in a check to pay the “worker.”

6. Making a deposit.

- Explain that when you put money into an account, you make a deposit. A deposit can be made in person at a bank with a teller, at an ATM, in the mail, or by an **electronic deposit**.
- Some employers and other institutions make deposits directly into your bank account via automated clearinghouse payments. Such electronic deposits are an efficient way to get paid because they are considered safe and reliable, save time, and make funds available immediately. You don't have to go to the bank when you get your payment. Nick's mother was able to have her Social Security payments electronically deposited so she never missed a payment, even when her local bank was closed and she was far from home.
- If you deposit a check at a bank, the funds may not be available for a few days until the check clears and the funds become available in your account.

Project Visual 2-2—How to Endorse a Check

Show how to endorse a check by signing your name and writing your account number on the back of the check.

Project Visual 2-3—How to Write a Deposit Slip

- Demonstrate how to fill in a deposit slip for a single check or for multiple checks. Show the receipt from the bank that indicates the amount of your deposit and the current balance in the account.
- Explain that whenever you deposit checks, either with a teller, in an ATM, or through the mail, you must fill out a deposit slip. You will always receive a receipt for the deposit. If you make an error, the bank will adjust the amount of the deposit, and you will be notified.

Distribute Activity 2-3—Deposit Slips

- Use the activity page and the previously written checks to do a role play activity. Working in pairs, each student takes turns being the bank customer and the bank teller.
 - a. The customer endorses the check, fills out the deposit slip, and gives it to the banker.
 - b. The banker ensures that the check is properly endorsed and the deposit slip is filled out correctly.
 - c. The banker completes the receipt for the date and amount of the deposit.

7. Making withdrawals.

- You take money out of an account by making a withdrawal. You can withdraw money from a checking account by **writing a check**, using an ATM or a **debit card**, or making an **electronic transfer**. You can withdraw money from a savings account by using an ATM, **making a transfer**, or presenting a **withdrawal slip** and proper identification to a bank teller.
- An ATM card lets you take money out of your account at an ATM. A debit card can be used to make purchases at merchants that accept the card. When you use an ATM that is not in your bank's network, you may be charged an additional fee.
- When you write a check, you authorize the bank to remove money from your account to pay off the recipient of the check. Every time you write a check, that amount of money is taken out of your account.

8. Balancing a checkbook.

- When you open a bank account, you will receive a **register** that will help you keep track of how much money you deposit and withdraw. Every time you make a deposit, add the amount to your balance. Every time you make a withdrawal, subtract the amount from the balance. Just because your ATM balance shows you have a certain amount of money does not mean that you can use the full amount. You must consider what checks you have written that haven't "cleared" or been subtracted from your account yet.
- Your balance is the key to how much money you have in your account, regardless of how many checks you have left or what your balance inquiry says.

Project Visual 2-4—How to Balance a Checkbook

- Show how to enter the amount in the register and subtract it from the balance.

Ask students: What happens if you write a check but there is not enough money in your account?

- If you write a check and you don't have enough money in your account to cover the payment, the check **bounces** as an NSF (not sufficient funds) item back to the person or merchant who was supposed to receive the payment. Banks and merchants both charge fees for bounced checks. Fees from the merchant and the bank for bouncing one check can range from \$30–\$50 each! A bounced check of \$20 can end up costing \$120.
- You can avoid NSF fees by entering every transaction you make into your checkbook and adding or subtracting it so you always know how much you really have.

9. Your monthly statement.

- Every month, your bank will send you a **statement**. A statement is a record of your withdrawals, deposits, interest and fees you have incurred, such as a fee for having the checking account or fees for using ATMs. When you balance your checkbook, subtract the fees from the balance. Keep your statements in a safe place.

Project Visual 2-5—Your Bank Statement

- Your bank statement shows all the withdrawals you have made via ATMs or debit cards, all the deposits you have made and may include images of the checks you have written. The balance tells you how much you have in the account. Make sure all your deposits and withdrawals are included. A check that has not been cashed may not be included in your statement. If that's the case, you have less money than is shown on the statement.

10. Nick's Needs, Wants, and Goals.

Project Visual 1-1 from the previous lesson.

- Ask the class what needs, wants, and goals Nick and his family have. Fill in the actual information about Nick.

Nick's Needs: Shelter, food

Nick's Wants: To be with friends; New Orleans food

Nick's Goals: To go to school; to earn extra income; a permanent home

- Compare predictions with actual answers.

CLOSURE

- What sources of income did Nick and his family rely on when they were in Atlanta? (Social Security, paychecks)
- How did they access this money? (it was electronically deposited into their bank account; they could write checks and use ATMs to get cash)
- What important documents did Nick's mother take with her as the family fled? (Social Security records, birth certificates, mortgage, insurance)

EVALUATION

Ask students the following:

- What is a bank account? (a place to keep money safe)
- How do you make payments from a bank account? (write checks, make electronic payments)
- How do you keep track of how much money you have in your account? (keep a balance by adding each deposit and subtracting each withdrawal)
- What does your bank statement tell you? (what transactions occurred during the statement period; what your balance was at the end of the period; what fees you incurred during the period)

Distribute Activity 2-4—Evaluation for *In the Aftermath*. Ask students to complete the handout during class or for homework.

Review the answers with students.

VISUAL 2 - 1 – HOW TO WRITE A CHECK

JANE DOE
123 Main Street
Anytown, ST 12345-6789


PAY TO THE
ORDER OF

DATE _____

\$

DOLLARS

1000

 Your Bank's
Information

⑆012345678⑆ 0186789⑆ 1000


ENDORSE HERE:

x

Your Name

DO NOT SIGN / WRITE / STAMP BELOW THIS LINE
FOR FINANCIAL INSTITUTION USAGE ONLY

Original Document

 Your Bank


VISUAL 2 -3 – HOW TO WRITE A DEPOSIT SLIP

DEPOSIT SLIP

JANE DOE
 123 Main Street
 Anytown, ST 12345-6789

DATE _____
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

SIGN HERE IF CASH RECEIVED FROM DEPOSIT



Your Bank

⑆012345678⑆ 0186789⑆

CASH ▶

OR TOTAL FROM OTHER SIDE

TOTAL ITEMS SUBTOTAL ▶

LESS CASH ▶

NET DEPOSIT \$

▶	▶	▶	▶	▶	▶	▶	▶	▶	▶
•	•	•	•	•	•	•	•	•	•

CHECK REGISTER

NUMBER	DATE	TRANSACTION DESCRIPTION	DEPOSIT CREDIT (+)		✓	PAYMENT, FEE, WITHDRAWAL (-)		\$ BALANCE	

 Your Bank



STATEMENT FOR

Vera Smith
2 Azalea Road
Anytown, USA

4/1/2007 thru 4/30/2007

Deposits and Other Credits

Date	Amount	Description
4/8	1,200.00	Transfer from 403-9557 at ATM Main St.
4/16	521.78	Customer Deposit at ATM Second St.
4/27	258.90	Direct Deposit from #02523

Total \$1,980.68

Checks and Other Debits

Check	Date Paid	Amount	Check	Date Paid	Amount
181	4/3	15.00	184	4/21	1,232.27
182	4/8	17.00	*186	4/28	54.47
183	4/11	217.54	187	4/29	53.97
		Withdrawal #00281 at ATM Main St.		4/3	40.00
		Withdrawal #02628 at ATM Second St.		4/4	20.00
		Withdrawal #08744 at ATM Second St.		4/5	20.00
		Monthly Maintenance Charge		4/15	3.50

Total \$1,673.75

* Indicates a break in check number sequence

Checking Account - 15380-03

Previous Statement Balance On 3/31/07	612.04
Total of 3 Deposits For	1,980.68 +
Total of 9 Withdrawals For	1,670.25 -
Total Service Charges	3.50 -
New Balance	\$918.97 +

How did Nick and his family manage during Hurricane Katrina and when they were in Atlanta?

1. What was the first thing that Nick's mother took as the family fled?
2. What kinds of papers are important to protect?
3. What was Nick's family's source of income?
4. How did money get into their bank account when they were in Atlanta?
5. How did they access the money once it was deposited?
6. What would they have done if they hadn't had a bank account?
7. What would have happened if they hadn't taken their important documents?

How are they managing financially now that they are back?

8. How did the preparations Nick's family made help them when they returned to New Orleans?
9. Why did Nick open a bank account?

ACTIVITY 2 - 2 – CHECKS

JANE DOE **1000**
123 Main Street
Anytown, ST 12345-6789

DATE _____

PAY TO THE ORDER OF _____ \$

DOLLARS

Y Your Bank's Information

⑆012345678⑆ 0186789⑆ 1000

JANE DOE **1000**
123 Main Street
Anytown, ST 12345-6789

DATE _____


PAY TO THE ORDER OF _____ \$

DOLLARS


Y Your Bank's Information

⑆012345678⑆ 0186789⑆ 1000

DEPOSIT SLIP	
<p>JANE DOE 123 Main Street Anytown, ST 12345-6789</p>	
DATE _____	_____
<small>DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL</small>	

<small>SIGN HERE IF CASH RECEIVED FROM DEPOSIT</small>	
 Your Bank	<p>CASH ▶</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>OR TOTAL FROM OTHER SIDE</p> <p>TOTAL ITEMS <input type="checkbox"/> SUBTOTAL ▶</p> <p>LESS CASH ▶</p> <p>NET DEPOSIT \$</p>
<p>⑆012345678⑆ 0186789⑆</p>	

DEPOSIT SLIP	
<p>JANE DOE 123 Main Street Anytown, ST 12345-6789</p>	
DATE _____	_____
<small>DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL</small>	

<small>SIGN HERE IF CASH RECEIVED FROM DEPOSIT</small>	
 Your Bank	<p>CASH ▶</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>OR TOTAL FROM OTHER SIDE</p> <p>TOTAL ITEMS <input type="checkbox"/> SUBTOTAL ▶</p> <p>LESS CASH ▶</p> <p>NET DEPOSIT \$</p>
<p>⑆012345678⑆ 0186789⑆</p>	

ACTIVITY 2 - 4 — EVALUATION FOR *IN THE AFTERMATH*

1. Identify three types of documents that are important for safekeeping. What is one way you could ensure they are available to you during an emergency?

2. Explain two benefits of having a bank account.

3. What are the steps for making a deposit in a bank account?

4. What is the ending balance of a bank account if the starting balance is \$125.67 and the following transactions occur to the account?
 - a. Direct deposit of \$267.09
 - b. Monthly account maintenance fee of \$8.00
 - c. Car insurance payment for \$176.11
 - d. Cash withdrawal of \$100.00

5. Fill in the space with the correct word.
 - a. _____ — A bank account that can be used to easily take out your money by writing checks or using debit or check cards
 - b. _____ — Balance sheet that helps you keep track of how much money you deposit and withdraw
 - c. _____ — A record from the bank of withdrawals and deposits, fees, etc., that you have incurred on your account

ACTIVITY 2 - 4 — ANSWER KEY FOR IN THE AFTERMATH EVALUATION

1. Identify three types of documents that are important for safekeeping. What is one way you could ensure they are available to you during an emergency?

(Passport, birth certificate, mortgage, insurance information, checkbook, bank statement)

2. Explain two benefits of having a bank account.

(Keeping money safe, easier access to money, may earn interest, other answers may vary)

3. What are the steps for making a deposit in a bank account?

(Endorse the check with the account number, fill out a deposit slip, make the deposit into the account, add the deposit to the check register, verify the deposit on the statement)

4. What is the ending balance of a bank account if the starting balance is \$125.67 and the following transactions occur to the account?

- a. Direct deposit of \$267.09
- b. Monthly account maintenance fee of \$8.00
- c. Car insurance payment for \$176.11
- d. Cash withdrawal of \$100.00

(\$125.67 + \$267.09 - \$8.00 - \$176.11 - \$100.00 = \$108.65)

5. Fill in the space with the correct word.

Checking account—A bank account that can be used to easily take out your money by writing checks or using debit or check cards

Check register—Balance sheet that helps you keep track of how much money you deposit and withdraw

Account statement—A record from the bank of withdrawals and deposits, fees, etc., that you have incurred on your account

LESSON 2a: IN THE AFTERMATH EXTENSION ACTIVITY

Students learn about the various products and types of accounts that banks may offer their customers by investigating the banks in their local area. Students gather information about products (checking accounts, savings accounts, money market deposit accounts, certificates of deposit) to determine the products' relative advantages and limitations as well as differences in their costs, returns, and requirements.

Jump\$tart National Standards, Knowledge Statements, and Benchmarks for This Lesson

FINANCIAL RESPONSIBILITY AND DECISION MAKING

Knowledge Statement: Comparison shopping helps consumers get the best value for their money	Grade 8
Knowledge Statement: Financial advice is available from a variety of sources, such as professional financial advisors, books, and the Internet	Grade 12
Standard 2: Find and evaluate financial information from a variety of sources	Grades 8, 12

PLANNING AND MONEY MANAGEMENT

Knowledge Statement: Some payment methods are more expensive than others	Grade 8
Standard 3: Describe how to use different payment methods	Grade 8, 12

LEARNING OBJECTIVES

At the end of the lesson, students will be able to

- Describe the characteristics of checking accounts, savings accounts, money market deposit accounts, and certificates of deposit.
- Explain the advantages and limitations of various banking products and under what circumstances an individual would want to purchase those products.

TOOLS AND CONCEPTS

- Bank account.
- Checking account.
- Savings account.
- Money market deposit account (MMDA).
- Certificate of deposit (CD).

PREPARATION

Make transparency of Visual 2a-1—Types of Banking Products.

Photocopy worksheets Activity 2a-1—Comparing Bank Products, Activity 2a-2—It's in Your Hands.

Coordinate Internet access for each student, either at home or at school.

KEY MESSAGES

- Types of bank products
- Having emergency savings

TIME REQUIRED

50–100 minutes

PROCEDURE

1. Discuss the types of bank products available.

Explain to the class that Nick's family had access to money because of a bank account.

- Tell the students that banks, credit unions, and other financial institutions offer a variety of different types of bank accounts for customers, each with different characteristics regarding access to money, interest paid, fees, and requirements.
- Ask students if they, or members of their family, have a bank account and if they know what type of account they have (e.g., savings, checking). Why do they keep their money in a bank account instead of at home as cash? That is, what are the benefits of having a bank account? (Answers may include keeping money safe, earning an interest rate.)
- Tell students that today they will learn more about four different types of bank products in which they may keep their money: checking, savings, and money market deposit accounts (MMDAs) and certificates of deposit (CDs). The differences in these types of accounts provide benefits to customers, especially based upon the access they want and the length of time they plan to keep their money in the account.
- Use Visual 2a-1—Types of Banking Products to explain the characteristics of each type of account, and tell students that the more complex someone's banking needs are, the more likely he or she is to have a variety of accounts.
- Checking accounts provide depositors with everyday access to money.
- Savings accounts are good for attaining savings goals when access to money is not of primary importance. MMDAs and CDs have higher returns than savings accounts (i.e., pay higher interest rates) but tend to have restrictions on access and withdrawals.
- If you have classroom access to the Internet, show students where to find information on bank products online at various local, regional, or national bank Web sites.

2. Students conduct research.

Tell students to choose a bank or credit union with an office or branch in the area they live that offers banking products (may be a local, regional, or national bank). Tell students to use Activity 2a-1—Comparing Bank Products to research the different rules, requirements, and characteristics of the different types of accounts at the institution they choose. Explain that some banks may offer different types of similar accounts, e.g., a bank may have a college student checking account and a checking account for a nonstudent. Tell students that, for the purposes of this assignment, they may decide to gather information about whichever checking account(s) the bank offers. Or students may choose to gather information about an alternate checking account for the comparison chart column in Activity 2a-1—Comparing Bank Products, “Other savings or investment tool of your choice.”

3. Debrief students’ findings.

Discuss the characteristics of the accounts and their relative benefits and limitations.

CLOSURE

- What are the advantages of having a bank account?
- Which accounts usually pay the depositor a relatively higher interest rate? (MMDAs, CDs)
- What fees did you come across in your research? (insufficient funds, failure to maintain minimum balance, maintenance fees, returned check fees, ATM fees, etc.) What fees are associated with which accounts? (e.g., penalty for early withdrawal on a CD)
- Which accounts allow relatively easy access to money? (checking, to a lesser extent savings and MMDAs)
- Why do you think that a person would choose to save his or her money in a CD? (to earn a higher interest rate)
- Why do you think that a person would choose to save his or her money in a checking account? (no limitations on transactions, easy access to money)
- Why do you think some accounts pay a higher interest rate compared to others? (Banks are less willing to pay a relatively high interest rate on checking accounts because frequent transactions make them more expensive to maintain. Also, checking account balances tend to be more volatile and do not always have minimum balances, so the bank may not have the ability to loan the funds, rendering the checking account potentially less profitable for the bank. Alternatively, the bank is more likely to be able to loan out funds from accounts that have minimum balance requirements or more stable or predictable balances; thus banks are more willing to pay the depositor a relatively higher interest rate.)

EVALUATION

Distribute Activity 2a-2—It’s in Your Hands to students and instruct them to follow the directions. Though answers will vary, evaluate responses on how well students defend their choice of bank product. For the last question regarding content from *In the Aftermath*, answers will also vary. (Possible response: The bank provided Nick’s mom with a debit card on the account so she could withdraw her money from any ATM. Also, the account featured direct deposit, so her payments were directly deposited into her account.)

Checking account

- Most common form of demand deposit
- Money available on demand
- Designed for frequent transactions
- May have associated monthly fees
- May earn interest

Savings account

- Higher interest rate than checking
- Lower interest rate than money market deposit account or certificate of deposit
- Lower account balance requirements than money market deposit account or certificate of deposit
- Flexibility to make some withdrawals

Money market deposit account (MMDA)

- Pays higher interest than checking or savings accounts
- Allows for a limited number of transactions
- Higher balance requirements than checking or savings accounts

Certificate of deposit (CD)

- Requires you to keep a specified amount of money for a fixed amount of time (six months, one year, five years, etc.)
- Significant penalties for early withdrawal
- Interest rates vary based on term but are generally higher than for the other types of accounts

ACTIVITY 2a - I – COMPARING BANK PRODUCTS

Choose a bank or credit union that has a branch office in your area. Visit the office or the institution's Web site to complete the chart for its checking, savings, money market deposit account, certificate of deposit, and other savings or investment tool of your choice (e.g., specialized checking account for a college student).

	Checking account	Savings account	Money market deposit account	Certificate of deposit	Other saving or investment tool of your choice
What is the interest rate paid per year or dividends paid?					
What are the opening balance and minimum balance requirements?					
What are the various fees and rates associated with this account (including overdraft, maintenance fees, etc.)?					
How quickly are the funds available? What are the withdrawal limitations or early withdrawal penalties?					
Describe the risk that this asset will lose value.					
Other account features (e.g., overdraft protection)?					
Why would someone choose this account? Not choose this account?					

Consider which banking product you would choose in each scenario. How would you allocate the money? Refer to your notes about banking products and your Activity 2a-1—Comparing Bank Products chart to complete the activity. For each scenario, briefly describe your decision and explain your reasoning. Also include the benefits and limitations of your choice.

1. You receive \$100 as a birthday gift from a relative.

2. You are 30 years old with a steady job. After paying your bills and leaving out other budgeted funds, you have \$500 left over.

3. You are in college and holding down a job. Money is tight, but you know the value of saving and have managed to pull together \$1,000.

4. Your retired grandparents are searching for a safe way to keep \$5,000 and have ready access to it if they need it.

Recall that Nick's family's bank account allowed the family to have access to their money despite the circumstances caused by Hurricane Katrina. Describe the characteristics of that bank account that provided benefits to the family during the crisis.