Course Objectives

- Increase your knowledge about financial planning
- Improve your ability to make informed decisions
Banking Basics
Lesson Objectives

- Learn why you should use a financial institution
- Learn how to choose a financial institution
- Learn how to choose an account
Why Use a Financial Institution?

- Safety
- Earnings
- Convenience
- Cost Savings
- Build Credit
Protecting Your Money

- Banks are insured by the Federal Deposit Corporation (FDIC)
- Credit unions are insured by the National Credit Union Administration (NCUA)
- Both the FDIC and NCUA insured a maximum limit of $250,000 per depositor
## Banks vs. Credit Unions

<table>
<thead>
<tr>
<th></th>
<th>Banks</th>
<th>Credit Unions</th>
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<tbody>
<tr>
<td>For-profit</td>
<td>Not-for-profit</td>
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<tr>
<td>Full array of financial products and services; focus on commercial accounts</td>
<td>Provide financial products and services to people with a common tie</td>
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<tr>
<td>Community, regional, or national corporations owned by private investors or “shareholders”</td>
<td>Member-owned</td>
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<tr>
<td>“Customer”</td>
<td>“Member”</td>
<td></td>
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<tr>
<td>Directors – paid</td>
<td>Directors - volunteer</td>
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<td></td>
<td>Lower fees and loan rates</td>
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<td>Higher return interest</td>
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Choosing a Financial Institution: “3 Cs”

Cost
- Monthly Fees
- Minimum balance
- Charge per check
- ATM Charges
- Insured
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Convenience
- Location (branches, ATMs, hours)
- Safety deposit boxes
- Overdraft protection
- Stop-payment ability
Choosing a Financial Institution: “3 Cs”

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**Consideration**
- Personal attention
- Financial advice
- Staffing
- Services
Checking vs. Savings Account

- **Checking Account**
  - Demand deposit
  - Check, Debit, or ATM withdrawal

- **Savings Account**
  - Time deposit
  - Money is expected to remain on deposit for a longer period of time
Choosing an Account

- Money required to open the account
- Minimum amount required
- Federally insured
- Interest paid
- ATM/debit card
- Online access to the account
- Service charges and fees
- Other fees
ATM, Debit, & Credit Cards

- ATM (automated teller machine) cards
- Debit cards
- Credit cards
Safe Banking Over the Internet

- Read key information about the bank posted on its website
- Protect yourself from fraudulent websites
- Verify the bank’s insurance status
Financial Literacy Program
University of Hawai'i at Mānoa

• Phone (808) 956-6572

• [http://manoa.hawaii.edu/undergrad/finlit/](http://manoa.hawaii.edu/undergrad/finlit/)
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- University of Hawai‘i at Mānoa
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  - Financial Literacy Program
Mahalo
Special
Guests

Actresses in Skits
University of Hawai‘i at Mānoa students:

• Lyanne Lu
• Ashlynn Lee