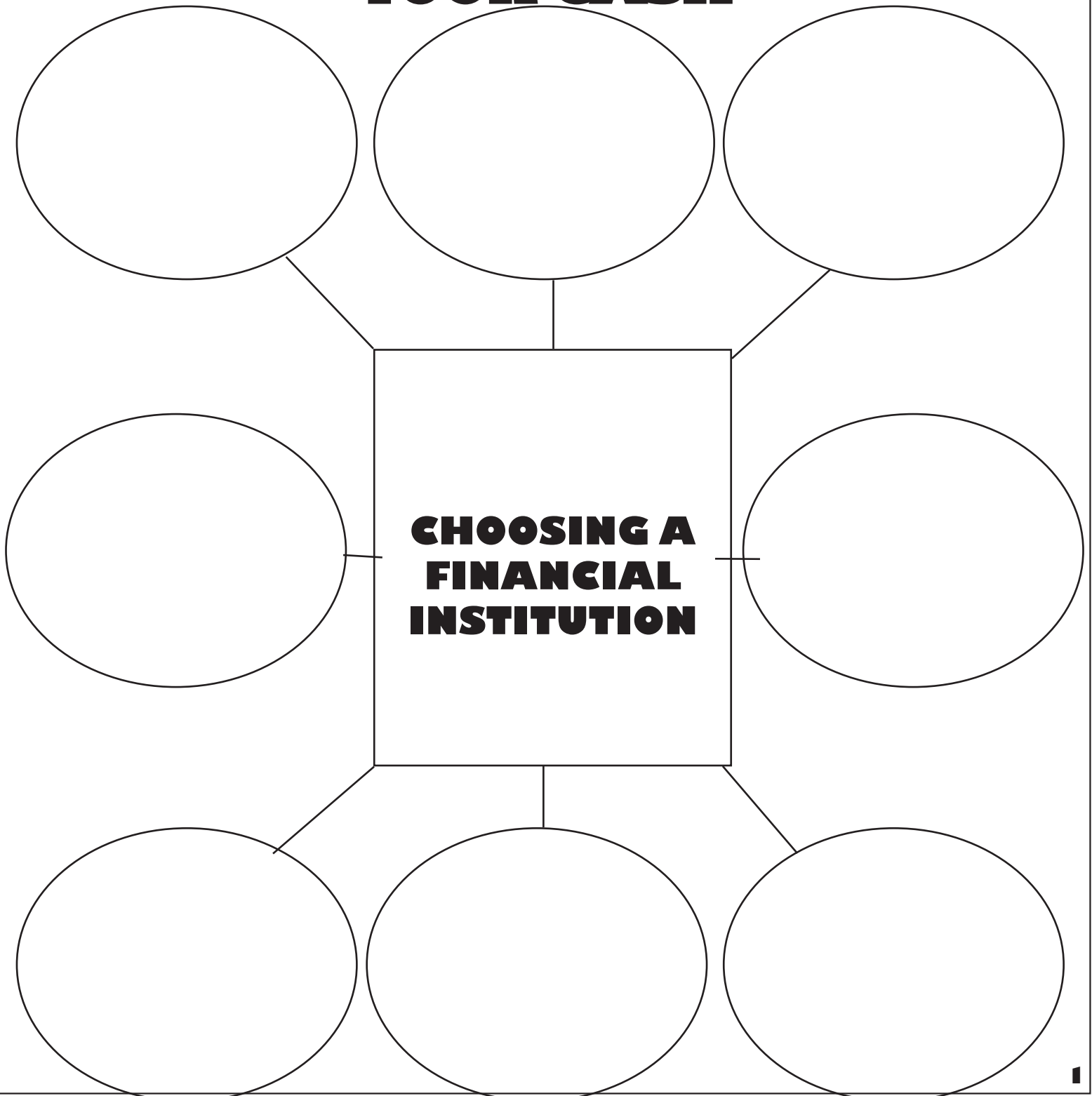


NAME: \_\_\_\_\_

# **CHAPTER 7: FINANCIAL SERVICES AND INSTITUTIONS**

## **SECTION 1: HOW TO MANGE YOUR CASH**



# ELECTRONIC BANKING SERVICES

**VOCAB!**  
Direct Deposit- is an automatic deposit of net pay to an employee's designated bank account. (p. 191)

## AUTOMATIC PAYMENTS:

**VOCAB!**  
Automated Teller Machine (ATM)- is a computer terminal that allows a withdrawal of cash from an account (p. 192)

**VOCAB!**  
Debit Card- Cash card that allows you to withdraw money or pay for purchases from your checking or savings account.

## **AUTOMATED TELLER MACHINES (ATMs):**

- ATM's are used with a debit card
- A debit card is used with a PIN
- Financial institutions can charge fees for the convenient us using ATM's

## **EVALUATING FINANCIAL SERVICES**

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Is a higher interest rate on a certificate of deposit worth giving up liquidity?

Would you trade the convenience of getting cash from the ATM near your office to lower ATM fees?

Is it worth opening a checking account that has no fees—but does not earn interest, if you must keep a minimum balance?

# TYPES OF FINANCIAL INSTITUTIONS

Commercial Bank- for-profit institution that offers a full range of financial services, including checking, saving and lending. These banks serve individuals and businesses. (p. 195)

Examples:

VOCAB!

VOCAB!

Saving and Loan Associations- is a financial institution that traditionally specialized in savings accounts and mortgage loans but now offer many of the same services as commercial banks (p. 196)

Examples:

VOCAB!

Credit Union- is a nonprofit financial institution that is owned by its members and organized for their benefit.

Examples:

**NON-DEPOSITORY INSTITUTIONS**

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**BE CAREFUL OF THESE FINANCIAL  
BUSINESSES**

**COMPARING FINANCIAL INSTITUTIONS**



# COMPARING FINANCIAL INSTITUTIONS

- Where can you get the highest rate of \_\_\_\_\_ on your savings?
- Where can you obtain a \_\_\_\_\_ account with low (or no) fees?
- Will you be able to \_\_\_\_\_ money from the institution—with a credit card or another type of loan—when you need it?
- Do you need an institution that offers free \_\_\_\_\_ advice?
- Is the institution FDIC- or SAIF- \_\_\_\_\_?
- Does the \_\_\_\_\_ have convenient locations?
- Does it have \_\_\_\_\_ banking services?
- Does it have any special banking \_\_\_\_\_ that you might need?

## HIGHER ORDER THINKING

Analyze why it might be worth a person's time to open a checking or savings account at a bank rather than using a check-cashing outlet.

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