



## Using Financial Services

### Title

# How Our Family Banks

## FAMILY CONNECTIONS

Unit:

- 1 Being Financially Responsible
- › **2 Using Financial Services**
- 3 Financing Your Future
- 4 Getting Paid
- 5 Paying Yourself First
- 6 Using Credit Wisely
- 7 Making Major Financial Decisions
- 8 Growing and Protecting Your Finances

## Connect

In school, students have been learning about different types of financial institutions and what to consider when selecting a bank, credit union, or other financial services provider. Families play a crucial role in their child's banking habits, most notably in helping them establish a first bank account and making decisions about what products are needed. It is important to understand the different types of accounts teens can open and the role a parent or guardian plays with each. Some financial institutions will also offer incentives to children and teens for opening an account or making deposits. Be sure to ask what is available and shop around.

## Talk

- Many children open their first accounts at the same financial institution as a parent or family member. Talk about the accounts you have such as checking and savings accounts. If you don't have an account with a bank or credit union, share your reasons for this. What services do you use instead?
- Just like people comparison shop for the best deal on a major purchase, you can also shop around for your financial institution. Discuss what factors would be most important to you such as a convenient location or hours, a great mobile app or online banking platform, and low fees.
- Do you use mobile or online banking? If so, how do you use it? If not, what is preventing you from giving it a try? Children are often more comfortable with mobile technology than their parents and could help you set up or maximize your use of mobile banking technology. Talk with your child about the convenience of mobile banking. If you have not yet set up your own mobile banking, do it together.
- What is your go-to method of payment? Cash? Credit or debit card? An app on your phone? Discuss why you select a particular method of payment along with when and why your choice is different depending on the location, amount, etc.

## Pathway to Financial Success

In Schools

### Act

- Make your banking visible. Children used to know when their parents were conducting their banking. It meant a trip to the bank or credit union (and often a lollipop). Nowadays, many families conduct their banking almost entirely online. If your paycheck is automatically deposited or you transfer money between accounts or pay bills online, your child may not realize that you are, indeed, doing your banking. Engage your teen in this activity. Let them see what you are doing and discuss the process.
- Visit a financial institution or two. If your child hasn't been to a bank or credit union, take a trip. If possible, call ahead and see if a manager is available to talk to your child about the different types of accounts and services that are available.
- Explore a variety of financial account options. Are the checks free? Is there a minimum amount you have to keep in the account? What fees are charged and when? Do some research and find out what accounts and features are offered by different financial institutions. Compare their mobile banking features, too, since they will likely matter a lot to your teen.
- Develop a banking plan. Talk about when and how your child will open an account or use additional services such as debit or credit cards.
- Consider the payment methods your child has available to them on a regular basis and the pros and cons of various options. For example, cash can be easier to track and know when you are running low, but it also presents a risk if you lose it. Would your teen benefit from getting practice using a debit card and making sure their spending doesn't get out of control? Is adding your child as an authorized user on your own credit card a good idea?
- Allow some mistakes, but take advantage of the teachable moments that comes from them. It might be hard to think about allowing your child to use a debit or credit card, especially if you didn't use one yourself until you were an adult. But kids—and adults—often learn best by doing. Think of this experience like you did the training wheels on a bike or behind-the-wheel practice with driving. It helps to have support at the beginning, rather than jumping into it all on your own later without help.

### Learn

- [Bank on It](#) from Napkin Finance provides an overview of banking, including the benefits of banking, the services offered, and the differences between banks and credit unions.
- [Bank Accounts and Services](#) from the Consumer Financial Protection Bureau provides information on a variety of topics including how to open and manage a checking account, a checklist for opening new accounts, and what it means to have overdraft protection.
- [How to Choose a Teen Checking Account](#) from Nerdwallet offers suggestions for helping your teen set up a bank account and explore what financial products are needed.
- [A Guide to Personal Finance for Teens](#) from Discover explores the differences between joint and custodial accounts and provides information for parents and teens about getting started with financial products.
- [Types of Financial Institutions and their Roles](#) from Investopedia gives background information on different types of financial institutions.