



THE BATTLE OF THE BANKS

Lesson 2

- Who has a bank account? What kind of account is it? How did you select your bank? How do you use your account?



I. ALL BANKS ARE NOT CREATED EQUAL: THE DIFFERENT TYPES OF BANKS

- **Commercial Banks:** usually consist of two divisions: retail/consumer and business.
- **Credit Union:** banking institution that is owned by its customers.
- **Investment Bank:** financial institution specializing in managing large and complex financial transactions for corporate clients, such as acting as an intermediary for stock offerings, facilitating mergers and acquisition, raising capital and providing financial advice.

II. WHAT CAN BANKS DO FOR YOU?

- **Savings Account**
- **Checking Account**
- **Money Market Account**
- **Certificate of Deposit**
- **Credit Cards**
- **Miscellaneous Consumer Bank Services and Products**

III. AVOIDING BANK FEES AND CHARGES

- **Shop around**
- **Read the account disclosures**
- **Download the bank app**
- **Stay above minimum balance**
- **Raise the low balance threshold**
- **Link accounts**
- **Ask for a waiver**
- **Close unused accounts**
- **Avoid unaffiliated ATMs**

THE BIG PICTURE

- Being financially literate means having a basic understanding of the different types of banks and the products they offer. Commercial banks have retail and business divisions. Retail divisions offer consumer financial products and services such as personal checking and savings accounts. Business divisions offer products and services for businesses. Checking and savings accounts often come with minimum balance restrictions and fees for violating deposit agreement provisions. Develop good banking habits. Use all of the tools the bank provides to prevent overdrafts or below-minimum balance fees. Carefully monitor your account balance, exercise fiscal restraint when your funds are low, and sign up for text and email alerts when you're approaching the danger zone. Bank fees and penalties are steep and can quickly drain your bank account of your hard-earned money.

PONDER & PREDICT

- ***Have you given any thought to your future, or are you leaving it to chance? What can you do now to begin plotting your course to financial success and security?***