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Banking – Lesson – About Financial Institutions

Instructor Instructions

Welcome to Wells Fargo's Hands on Banking® Program!

The *Hands on Banking* program is an easy and enjoyable way to teach and learn the essentials of financial education. Whether it's opening a checking account, paying for college, buying a home, or starting a small business, the Hands on Banking program provides real-world skills and knowledge everyone can use.

Using the Instructor Guides

The instructor guides can be used to present financial education to your audience. Additional resources are available at <https://handsonbanking.org>. We encourage you to review these materials prior to presenting. Doing so will allow you to present the materials more effectively and confidently.

Each Instructor Guide Includes:

- Lesson Overview
- Learning Objectives
- Starting a discussion questions
- Tips
- Activities (Instructor and Participant copies)
- Lesson Summary

Printing Instructions

Please print one copy of the Instructor information and multiple copies of the Participant information located at the end of this instructor guide.

How to Access the Online Program

The Hands on Banking program is available free of charge at <https://handsonbanking.org> in both [English](#) and [Spanish](#).

Thank you for sharing these valuable financial education programs with students and adults in our communities. As an instructor, your training and guidance will provide others with the knowledge and skills they need for a brighter financial future. Please contact us via email with any comments or success stories at HOBinfo@wellsfargo.com.

Lesson Overview

In this lesson, participants will discover the benefits of using a financial institution, opening a checking or savings account and keeping good track of their money.

Learning Objectives

After completing this lesson, participants will be able to:

- Define a financial institution.
- Describe the benefits of using a financial institution.
- Select the best financial institution for their needs.

Start the Discussion

To start a discussion with your participants, ask some open-ended questions or invite them to talk about their good and bad experiences with banks. Here are some examples you could use:

- Why would you use a bank and its services? Safety, security, and convenience.
- Why would a person choose not to use a bank? Don't trust banks, fees, and you get paid in cash.
- Why do you think it's safe or not safe to keep your money in a bank? FDIC Insured, people get robbed, or houses burn down.
- List some difficulties someone who doesn't use a bank may face. Paying bills, fees, and your money isn't as safe as when in a bank.

The Basics

- There are many types of financial institutions, including banks, credit unions and savings institutions.
 - Banks are businesses that accept deposits, pay checks, make loans, etc. according to federal and state laws.
 - Credit Unions are non-profit owned by members with something in common, e.g., working in the same industry.
 - Saving Institution/Savings and Loan Association are similar to banks, but their main business is to make home loans. Usually insured by the FDIC.
- Millions of Americans use banks, which is a financial institution.
- Banks come in all sizes and are located in many locations.
- Banks offer safe, secure, convenient services so you can save money and build a better financial future.
- Bank employees are happy to help you and make you feel welcome. If you're new to banking, they can explain what accounts and services are available.

TIP! When you visit a bank or other financial institution, follow these tips and techniques:

1. If you don't know who to talk to, just ask.
2. Don't sign anything you don't understand.
3. Ask questions until you have the answers you need.
4. Ask for written information to take home and review.

Activity #1 – Types of Financial Institutions (Instructor Copy)

Instructor Note

Based on the number of participants you will have print the participant activity #1 handout which is found after the Lesson Summary and distribute to each participant.

Instructions

Have participants read each characteristic in the left column and then decide whether it is a characteristic of a bank, credit union or savings institution. Sometimes, more than one answer is correct.

Types of Financial Institutions

CHARACTERISTIC	BANK, CREDIT UNION OR SAVINGS INSTITUTION?
Insured by the National Credit Union Administration (NCUA)	Credit Unions
Must have a majority of their assets in housing-related loans	Savings Institutions
Governed by federal and state laws and regulations	Banks
Nonprofit financial institution owned by people who have something in common (employees in same industry)	Credit Union
Similar to a bank	Savings Institution, Credit Union
Main business is to make home loans	Savings Institutions
Members only	Credit Union
Created to promote homeownership	Savings Institution
Make loans, pay checks, accept deposits, and provide other financial services	Banks, Credit Unions
Most are insured by the Federal Deposit Insurance Corporation (FDIC)	Banks, Savings Institutions

Activity #2 – Benefits of Using a Financial Institutions (Instructor Copy)

Instructor Note

Based on the number of participants you will have print the participant activity #2 handout which is found after the Lesson Summary and distribute to each participant.

Instructions

Ask your participants to match the corresponding benefits on the left to the supporting points on the right.

Benefits List – Financial Future, Money Saver, Convenience, Security, Safety

Benefits of Financial Institutions

BENEFIT	SUPPORTING POINTS
Safety	<ul style="list-style-type: none">• It's risky to keep your money in cash as it could be lost, stolen, or destroyed.• Financial institutions keep your funds safe.
Convenience	<ul style="list-style-type: none">• With banks, there's no need to carry cash.• If you need cash, you can easily access your funds virtually anywhere.
Money Saver	<ul style="list-style-type: none">• No need to use check cashing stores that charge enormous fees.• Using a bank will help you save.
Security	<ul style="list-style-type: none">• No need to worry—all U.S. banks have to follow federal and state laws and regulations.• FDIC insures each person's money to at least \$250,000 at most banks.
Financial Future	<ul style="list-style-type: none">• You'll have access to financial professionals to help you.• Advice of bankers is a valuable resource to help you build a better financial future.

Lesson Summary

Summarize this lesson by reviewing these key points with your participants:

- There are many types of financial institutions, including banks, credit unions and savings institutions.
- Millions of Americans use banks—a financial institution.
- Banks come in all sizes and are open in all locations, from a branch in a grocery store to a larger bank in a big city downtown.
- Banks offer safe, secure, convenient services so you can save money and build a better financial future.
- Bank employees are happy to help you and make you feel welcome. If you're new to banking, they can explain what accounts and services are available.

Related Resources

At this point in the class, consider using Checking Accounts, Online and Mobile Banking and Savings Accounts as a discussion resource or a takeaway for your participants. You can find this and other resources on <https://handsonbanking.org>.

PARTICIPANT HANDOUT

Activity #1 – Types of Financial Institutions

Instructions

Read each characteristic in the left column and then decide whether it is a characteristic of a Bank, Credit Union or Savings Institution. Sometimes, more than one answer is correct.

Types of Financial Institutions

CHARACTERISTIC	BANK, CREDIT UNION OR SAVINGS INSTITUTION?
Insured by the National Credit Union Administration (NCUA)	
Must have a majority of their assets in housing-related loans	
Governed by federal and state laws and regulations	
Nonprofit financial institution owned by people who have something in common (employees in same industry)	
Main business is to make home loans	
Members only	
Created to promote homeownership	
Make loans, pay checks, accept deposits, and provides other financial services	
Most are insured by the Federal Deposit Insurance Corporation (FDIC)	

PARTICIPANT HANDOUT

Activity #2 – Benefits of Using a Financial Institutions

Benefits List – Financial Future, Money Saver, Convenience, Security, Safety

Instructions

Use the words from the Benefits List to match the benefit of using a financial institution with its supporting points.

BENEFIT	SUPPORTING POINTS
	<ul style="list-style-type: none">• It's risky to keep your money in cash.• It could be lost, stolen, or destroyed.• Financial institutions keep your funds safe.
	<ul style="list-style-type: none">• With banks, there's no need to carry cash.• If you need cash, you can easily access your funds virtually anywhere.
	<ul style="list-style-type: none">• No need to use check cashing stores that charge enormous fees.• Using a bank will help you save.
	<ul style="list-style-type: none">• All U.S. banks have to follow federal and state laws and regulations.• At most banks, funds are insured by the FDIC.• FDIC insures each person's money to at least \$250,000.
	<ul style="list-style-type: none">• You'll have access to financial professionals to help you.• Knowledgeable advice of bankers is a valuable resource to help you build a better financial future.