Smith College / 10 Seven
GWI Course Development
Track 1 / Module 2: It's a Big Bank World

Notes before diving in:

- Key
    - [Platform experience notes]
    - [Indicates a source is needed]
    - **Black bold text is a new page/screen that students will see**
    - **Blue bold/underline text indicates a link that will need to be created**
    - **Pink bold text indicates a key definition**
    - [Internal team notes]

What's in a Bank?: Introduction

- **[New Page]** What's in a Bank? A lot, actually!
    - This unit will focus specifically on how to navigate the US banking system and provide you with the information you need to make more informed decisions in how you select and manage a relationship with a banking institution, should you choose to have one. We will cover:
        - Why banking institutions exist and how they operate
        - What you can expect to encounter as a customer
        - Banking practices that could cause socioeconomic harm and how to navigate them
- **[New Page]** You might be thinking, "I already know how to bank!"
    - Yes! A lot of you may have had your own bank accounts, debit cards, and credit cards for a while now. This module is meant to provide you with information you may not know or that is not always mentioned when you sign up for your first checking account.
        - [Legally Blonde gif]
    - In order to participate in the US economy, it is likely you will have to, at the very least, open a **checking account** to deposit the money that you earn. The day we open a bank account marks a transitional moment in each of our lives. Many of us open our first checking account with our first job first time away from home.
        - [Give option to hover over definition of checking account and show definition - ***checking account:*** *an account meant for everyday transactions and withdrawals*]
    - Maintaining a relationship with a bank seems simple in theory–open an account, put money in, and take it out when you need it.
    - **That's it, right?**
- **[New Page]** Banks do more than hold your money.
    - In the US, they are for-profit companies that serve a variety of audiences, including consumers, investors, companies, governments, and most importantly, their **shareholders**.
        - [Give option to hover over definition of "shareholders" and show definition - ***shareholder:*** *For corporations, shareholders are those who own stocks of the company. They have the ultimate power because, by law, they have the right to vote for who sits on the board of directors and sit in leadership*

        positions (e.g., CEO, CFO, etc.) at the company. Shareholders' rights include: ownership, voting, dividends (payouts of the company's profits, which can be in the form of additional stocks or cash), the ability to sell shares, information about the company, like board meeting minutes, and the right to sue if you feel the company is not acting in the best interest of the shareholders.

- In 2024 alone, the Federal Deposit Insurance Corporation (FDIC–the government agency that insures the deposits of banks) reported that the US banking industry had a collective **net income** of $268.2 billion in 2024, a $14.1B or 5.6% increase from the prior year (Federal Deposit Insurance Corporation, 2025; Baradaran, 2017; Servon, 2018).
    - [If possible, it would be great to show the graph titled "Chart 1 - Full Year Net Income" and add "Source: FDIC"]
    - [Give option to hover over definition of "net income" and show definition - ***net income: According to the Federal Accounting Standards Board (FASB) (2025),*** *for individuals, it is also known as your "take-home pay" after taxes, insurance, or retirement contributions. For companies, it is the money left over after taking out expenses. For companies, net income and profit are often used interchangeably, but net income is a specific type of profit calculation that takes into account all costs, expenses, and income streams and is used by publicly traded companies to calculate their earnings per share. (FASB, 2025).*
- The "Big 4" banks–JP Morgan Chase, Bank of America, Wells Fargo, and Citigroup–collectively have $10 *trillion* in **consolidated assets** as of June 30, 2025 (Federal Reserve Board, 2025).
    - [Add a hover over consolidated assets] Many large corporations have subsidiaries, or companies that are also owned by the larger "parent" company. For example, Unilever is the parent company that owns the Ben & Jerry's Ice Cream company. Consolidated assets just means that it is representing the value of total combined assets for the parent company and all of its subsidiaries (26 CFR § 1.1502-1 - Definitions.).
    - [Jimmy Fallon Gif] [Show gif and the logos of the "Big 4]

- **[New Page]** In addition to holding your money, they make money. A lot of it.
    - Because of this, banks inevitably have considerable bargaining power and influence in American society (Servon, 2017; Taylor, 2019). They influence our political and social landscape. We'll talk about this more in Unit 2, but this context cannot be lost as we navigate the banking system in hopes of creating our own version of wealth and contentment.
    - Banking as an individual is often presented as a positive or neutral experience. But for many, banking can also be fraught with challenges, especially if someone is already in a vulnerable financial position.
- **[New Page]** So before we dive in, let's start with the basics of banking!
    - [Button] **Continue to Unit 1: Banking Basics**

Unit 1: Banking Basics

- **[New Page]** So, how robust is your banking vocab?
    - We know a lot of you are banking and have a relationship with a bank already. Some of you may not, and that's okay! Before diving into more complex topics,

we will go over foundational banking terminology that you may or may not be familiar with.

- **Directions:** You'll see each term on a digital flashcard and the corresponding definition on the back. You can come back to these flashcards and flip through the stack as many times as you want. You must flip through the cards at least once to move on to Unit 2. We'll also highlight key terminology throughout the course, so don't worry about having to memorize everything right now.
    - [Studying gif]
- **[Button]: Let's go!**

- [Activity: Show as flashcards that students can flip through and randomize to practice their terminology. These are currently in alpha-order, but should be randomized in the experience]
    - **Alternative Financial Institutions:** Financial services that operate outside of traditional financial institutions. These include nonbank checkcashing outlets, payday lenders, pawnshops, rent-to-own stores, and auto title lenders. This provides easy access to cash, though their rates tend to be higher (The Urban Institute 2004; FDIC Quarterly, 2009). These are also known as Non-Traditional Financial Institutions (Olatinsu, 2023)
    - **Account Number:** The unique ID number associated with your account. If you need to wire money or set up online bill payments, you will need this number.
    - **Available Balance:** The amount of money in a bank account that you have access to right now, factoring in pending transactions or deposits/withdrawals. ("Glossary of Banking Terms and Phrases" 2025; Consumer Financial Protection Circular, 2022)(Consumer Financial Protection Circular 2022-06: Unanticipated overdraft fee assessment practices | Consumer Financial Protection Bureau For example, your available balance may say $400 because of a pending charge for $100, even though your current balance might say $500. If you are wondering how much you actually have to spend, check your available balance.
    - **Bank:** "A chartered financial institution licensed to receive deposits and make loans, and may also provide other financial services such as wealth management, currency exchange, and safe deposit boxes" (Bradford 2020; (Barone 2020).
    - **Bank Fees:** Charges imposed by a bank or financial institution for account setup, maintenance, or other transactional activities (Servone, 2017).
    - **Bank Teller:** Responsible for routine banking transactions at a financial institution. This includes cashing checks, withdrawals, and providing banking service information.
    - **Checking account:** An account meant for everyday transactions and withdrawals (CFPB "Financial Terms Glossary," 2025).
    - **Credit Card:** Provides you with access to a cash substitute to pay for goods and services. You may pay interest on the amount you borrowed as well as other fees(CFPB "Financial Terms Glossary," 2025).
    - **Credit union:** "A member-owned and controlled, not-for-profit, cooperative financial institution formed to provide its members with affordable and safe financial services" (National Credit Union Administration, 2025; CFPB "Financial Terms Glossary," 2025; 12 U.S. Code § "Federal Credit Union Act" (2022).
    - **Current balance:** The amount of money in a bank account that does *not* factor in pending transactions or deposits/withdrawals(World Bank, 2025; "Consumer Financial Protection Circular 2022-06: Unanticipated Overdraft Fee Assessment Practices", 2022).

For example, your current balance may say $500 instead of $400, despite a pending charge for $100. Your available balance would be $400. If you are wondering how much you actually have to spend, check your available balance.

- **Custodial Account:** A bank account set up and administered by an adult for a minor.
- **Debit Card:** Connected to a bank or credit union account. It is money you have in an account and cannot be overspent unless your bank allows for overdraft (CFPB "Financial Terms Glossary," 2025).
- **Debt collections**: If you've fallen behind on your bills or debts, a debt collector may contact you. Debt collectors are typically people or agencies paid by creditors to collect on certain past-due debts. The longer the payment is past due, the more it can hurt your credit score.
- **Deposit:** A sum of money that goes into a bank account. You can make bank deposits in several ways. The traditional method is to visit a local branch to deposit cash or physical checks. However, many deposits can now be handled electronically through account transfers, direct deposits, and remote check deposits. If you're employed, your employer may make regular bank deposits of your paycheck directly into your bank account.
- **Expenses**: For individuals, the cost of something necessary for living. For companies, expenses represent the business activities that the corporation pays for. It's the money that goes out. *Fixed expenses* are costs that remain constant (e.g., rent) while *variable expenses* may change or are more unpredictable (e.g., medical bills) (*FASB, 2025*; ("Penn State Sokolov-Miller Family Financial and Life Skills Center Glossary of Basic Financial Terms," n.d.).
- **FDIC Insured:** With FDIC insurance, your money held in a bank is protected by the federal government if your bank fails. But there are coverage limits—typically $250,000 ("Glossary of Banking Terms and Phrases" 2025).
- **Inflation:** When the prices of goods and services go up over time (CFPB "Financial Terms Glossary," 2025).
- **Interest:** The price you pay when you borrow money or the cost you charge to lend money. You can earn interest through your savings account because the bank uses that money to lend to others and earns interest, which you receive a portion of (CFPB "Financial Terms Glossary," 2025).
- **Loss:** Revenue - Expenses = Profit or Loss; If a corporation's revenue is less than its expenses, then the corporation suffers a loss. Reporting a loss typically results in a negative effect on the value of the stock.
- **Net income:** For individuals, it is also known as your "take-home pay" after taxes, insurance, or retirement contributions. For companies, it is the money left over after taking out expenses (*FASB, 2025*; (CFPB "Financial Terms Glossary," 2025)). For companies, net income and profit are often used interchangeably, but net income is a specific type of profit calculation that takes into account all costs, expenses, and income streams and is used by publicly traded companies to calculate their earnings per share (*FASB, 2025*).
- **Overdraft:** Occurs when you don't have enough money in your account to cover a transaction, but the bank pays the transaction anyway. Typically, when this happens, the account holder is charged a fee (CFPB "Financial Terms Glossary," 2025).
- **Profit:** Revenue - Expenses = Profit or Loss; If a corporation's revenue is greater than its expenses, then the corporation enjoys a profit. Reporting a profit typically has a positive impact on the value of the stock (CFPB "Financial Terms Glossary," 2025).

- **Revenue:** The amount of money the corporation makes. Another word for it is total income.
- **Routing number:** The eight- or nine-digit number used to identify your banking institution. If you need to wire money or set up online bill payments, you will need this number.
- **Savings account:** An interest-earning account meant for money you intend to hold for a certain amount of time (CFPB "Financial Terms Glossary," 2025).
- **Shareholders:** For corporations, shareholders are those who own stocks of the company. They have the ultimate power because, by law, they have the right to vote for who sits on the board of directors and sit in leadership positions (e.g., CEO, CFO, etc.) at the company. Shareholders' rights include: ownership, voting, dividends (payouts of the company's profits, which can be in the form of additional stocks or cash), the ability to sell shares, information about the company, like board meeting minutes, and the right to sue if you feel the company is not acting in the best interest of the shareholders.
- **Unbanked:** Any household where no one had a checking or savings account
- at a bank or credit union (Allen, Klapper, & Martinez Peria, 2016). Though the Federal Reserve has encouraged many to consider that the unbanked population only includes those who do not have a bank account but actually want one (Falcettoni and Nygaard 2025).
- **Underbanked:** Any household with an account at an FDIC-insured institution that also obtained financial products or services outside of the banking system that are used disproportionately by the unbanked (FDIC, 2023).
- **Wire transfer:** **"**A wire transfer is a common way to electronically move money from one bank account to another. They can be domestic (between two U.S. accounts) or between a U.S. and an international account" (Consumer Financial Protection Bureau, 2024;"Glossary of Banking Terms and Phrases" 2025).
- **Withdrawal:** To remove funds from a bank account.
- [Give students the option to "reset" the experience and do another random order of the flashcards]
- [Final card in the stack should ask them if they are ready to move onto the quiz. Button can say something like "Test my knowledge!"

- **[New page]** Now that you've practiced, let's test your knowledge. Drag and drop the terms on the bottom half of the screen to their correct definitions at the top of the screen.
  - [Create drag and drop activity for each of the five questions below - when students get it wrong, have an animation or a message that says "try again!"; when students get it right, show a checkmark or other simple animation]
  - [Could we show a quick animation that simulates the drag/drop exercise? Maybe one box has "definition" and the other box has "term," and it's just a visualization of a mouse clicking and dragging the term to the definition.]
- [New page] **Question 1 of 5**
  - [Top of screen - show definitions in boxes]
    - The eight- or nine-digit number used to identify your banking institution. If you need to wire money or set up online bill payments, you will need this number.
      - [the correct answer is routing number]
    - The unique ID number associated with your account. If you need to wire money or set up online bill payments, you will need this number.
      - [the correct answer is account number]
  - [Bottom of screen - show terms in boxes that they can drag to the right definition]
    - Account number

        - Routing number
- [New page] **Question 2 of 5**
    - [Top of screen - show definitions in boxes]
        - Financial services that operate outside of traditional financial institutions. These include nonbank checkcashing outlets, payday lenders, pawnshops, rent-to-own stores, and auto title lenders.
            - [the correct answer is Alternative Financial Institutions]
        - Chartered financial institutions that can accept deposits, make loans, and offer other financial services.
            - [the correct answer is Banks]
        - Member-owned and controlled, not-for-profit, cooperative financial institutions.
            - [the correct answer is Credit Unions]
    - [Bottom of screen - show terms in boxes that they can drag to the right definition]
        - Credit Unions
        - Banks
        - Alternative Financial Institutions
- [New page] **Question 3 of 5**
    - [Top of screen - show definitions in boxes]
        - An account set up and administered by an adult for a minor.[the correct answer is checking account]
        - An account meant for everyday transactions and withdrawals. [the correct answer is checking account]
        - An interest-earning account meant for money you intend to hold for a certain amount of time. [the correct answer is savings account]
    - [Bottom of screen - show terms in boxes that they can drag to the right definition]
        - Checking account
        - Savings account
        - Custodial account
- [New page] **Question 4 of 5**
    - [Top of screen - show definitions in boxes]
        - The amount of money the corporation makes.
            - [the correct answer is revenue]
        - The business activities that the corporation pays for.
            - [the correct answer is expenses]
        - The ending amount of the money the corporation makes minus the business activities the corporation paid for.
            - [the correct answer is profit or loss]
    - [Bottom of screen - show terms in boxes that they can drag to the right definition]
        - Expenses
        - Revenue
        - Profit or loss
- **[New page] Question 5 of 5**
    - [Top of screen - show definitions in boxes]
        - The amount of money in a bank account that you have access to right now, factoring in pending transactions or deposits/withdrawals.
            - [the correct answer is available balance]
        - The amount of money in a bank account that does not factor in pending transactions or deposits/withdrawals.
            - [the correct answer is current balance]
    - [Bottom of screen - show terms in boxes that they can drag to the right definition]

        - Current balance
        - Available balance
- **[New page] Yay! You completed Unit 1: Banking Basics.**
    - [Show dancing/celebration gif]
    - [Quick survey] How are you feeling? Tell us using one of the emojis below.
        - [Show emojis on screen and allow users to click one]
        - 😃😅🤔😐🥴😴😡
    - [give button options for next steps]
        - Return to Home
        - Start Unit 2: It's a Fee-for-All

Unit 2: It's a Fee-for-All

- **[New Page]** Let's talk about how banks operate.
    - In this unit, you'll learn:
        - Why banks exist
        - Common types of bank fees
        - Why bank fees exist
        - How to handle challenging bank situations like overdraft charges and account closures
        - What to keep in mind when transitioning out of a "student" bank account
- **[New page for activity introduction: Whack A Mole]** Woohoo! It's Thursday, and you just got paid.
    - Let's play a quick game. On **Thursday**, you have $1000 in your account. You are expecting another $500 to be deposited into your account on **Friday** from your dog-walking side hustle.
    - Directions: Hit the moles as they pop up. Each mole represents an expense or charge that will come up over the next couple of days. Your balance will decrease as you whack each mole.
    - [Game experience pops up, field of moles that each have a little speech bubble above their heads with the purchase in it; give users a digital mallet to use that they can move around the screen to hit the moles. They must hit each mole to get to the next one - they won't be able to "miss" a mole.]
        - T - Mole 1: Out-of-network ATM withdrawal - $100
        - T - Mole 2: Utilities bill - $50
        - T - Mole 3: Gas fill-up - $50
        - T - Mole 4: Internet bill - $50
        - T - Mole 5: Phone bill - $50
        - T - Mole 6: Rent - $500
        - [Show pop-up] It's Friday morning! You check your bank account. You see that your available balance is $200, and the $500 check from dogwalking was deposited into your account. Your current balance is $700.
        - F - Mole 7: Credit card payment, $250
        - F - Mole 8: Dinner with friends $50
    - **[New Subpage]** Here's your latest statement!
        - [Show a checking account statement with all the purchases listed out with overdraft fees + ATM fee]
            - Rent - $500
            - Credit card bill - $250
            - Out-of-network ATM withdrawal - $100

- Out-of-network ATM Fee - $4.86
  - [Add a note, can either hover over the fee and it pops up or it's included as a side bar with an asterisk] This is the average ATM fee in the United States as of 2025 (Bennet, 2025). You had to withdraw from an out-of-network ATM in a pinch, and your bank charges a fee for that.
- Utilities bill - $50
- Gas fill-up - $50
- Internet bill - $50
- Overdraft fee: $26.77
  - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025 (Bennet, 2025). Your account balance dropped below $0, so you were charged an overdraft fee.
- Phone bill - $50
- Overdraft fee: $26.77
  - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025. (Bennet, 2025). Your account balance remained below $0, so you were charged another overdraft fee when you paid your next bill.
- Dinner with friends $50
- Overdraft fee: $26.77
  - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025. (Bennet, 2025). Your account balance remained below $0, so you were charged another overdraft fee when you paid your share of dinner.
- Available Balance: **-$185.77**

- [New page - Show as separate text from the account statement] You might be thinking:
  - Where the heck did all these fees come from?
  - Why did I overdraft so many times?
  - What happened to the $500 I was supposed to receive Friday?
  - We'll talk more about what happened soon. First, let's zoom out and look at banking as an industry in the US.

- **[New page]** It's difficult to navigate the world without a banking account.
  - Having a bank account and a relationship with a banking institution is an essential part of participating in the US financial system. Bank accounts allow us to receive direct deposits, access credit, make investments, save money, buy a home, and more. Do you absolutely need a bank to do any of those things? Not technically. But modern society has made being "unbanked" more challenging.
  - **Let's take the Your Banking History Survey** [introduces activity]
    - Let's learn a little bit more about your banking history.
    - All answers are anonymous and you may consent or decline to share your answers with us.

        - These kinds of surveys will appear throughout the course and help us better understand where students are coming from when they take the course.
        - [Add button at the bottom of the screen that says “Take survey” → Add informed consent pop up]
- **[New page - Your Banking History Survey] Question 1 of 9:** At what age did you first open a bank account? It’s okay to guess if you don’t remember.
    - [Input age]
    - I don’t have a bank account [End survey]
- **[New page - Your Banking History Survey] Question 2 of 9:** Why did you open a bank account? Select all that apply.
    - I got a job
    - My parent(s) or guardian(s) opened one for me
    - I had money from other sources
    - I started college
    - Other (please describe)
        - [Open text form]
- **[New page - Your Banking History Survey] Question 3 of 9:** What was the process you went through to open a bank account? Select all that apply.
    - I did it online
    - I went to a bank branch in person
    - I did it over the phone
    - My parent(s) or guardian(s) did it for me
    - Other (please describe)
        - [Open text form]
- **[New page - Your Banking History Survey] Question 4 of 9:** What kind of account did you open? Select all that apply.
    - Checking account
    - Savings account
    - Investment account
    - Not sure / can’t remember
    - Other (please describe)
        - [Open text form]
- **[New page - Your Banking History Survey] Question 5 of 9:** How would you rate the experience of opening your account? Select one.
    - [Show as a left-to-right Likert scale]
    - 1 - Very difficult
    - 2 - Difficult
    - 3 - Somewhat difficult
    - 4 - Neither difficult nor easy
    - 5 - Somewhat easy
    - 6 - Easy
    - 7 - Very easy
- **[New page - Your Banking History Survey] Question 6 of 9:** Based on what you just selected, please recount the experience to the best of your ability. For example, if you chose “very difficult,” what specific task or interaction made it difficult? If you don’t remember, just put N/A.
    - [Open text forum or audio recording with their consent to take the audio to transcribe the answer; will remain anonymous and stored in a secure data room
- **[New page - Your Banking History Survey] Question 7 of 9:** How often do you check your account balance(s)? Select one.

  - Multiple times a day
  - Once a day
  - Every few days
  - Once a week
  - Once a month
  - Barely ever (less than once a month)
- **[New page - Your Banking History Survey] Question 8 of 9:** How do you feel when you check your account balance(s)? Select all that apply. It is okay if one feeling applies to certain instances and another feeling applies to others.
  - Happy
  - Sad
  - Bad
  - Fearful
  - Angry
  - Surprised
  - Disgusted
  - Confused
  - Embarrassed
  - Vulnerable
  - Excited
  - Stressed
  - Shame
  - Something not listed here? Take a look at the Feelings Wheel and pick a word or words that feel more appropriate. [Allow users to click the word "Feelings Wheel" and show a the static image of of the wheel that they can look at; Provide a hyperlink to the source: FeelingsWheel.com]
    - [Open text forum]
- **[New page - Your Banking History Survey] Question 9 of 9:** How satisfied are you with your current bank? Select one.
  - [Show as a left-to-right Likert scale]
  - 1 - Very dissatisfied
  - 2 - Dissatisfied
  - 3 - Somewhat dissatisfied
  - 4 - Neither Satisfied nor dissatisfied
  - 5 - Somewhat satisfied
  - 6 - Satisfied
  - 7 - Very satisfied
- **[New page - Your Banking History Survey] Optional Question 10:** How would you describe your socioeconomic status growing up? Select one.
  - Prefer not to answer
  - Low income
  - Middle income
  - Upper class
  - Prefer to self-describe [provide text box]
- **[New page]** Banking can bring up a range of emotions! And that's ok. Maybe you're new to banking or maybe you already have a history engaging with banks. No matter where you're at this unit aims to give you helpful information so you can understand the history of banks and how they've become central to participating in the economy.

- **[New page]** Banking in the US has a long and complex history.

- Here's a quick overview. Understanding the origins of banking in the US helps put the content of this unit in perspective.

- **[New page]**The history of banking in the U.S. dates back to the late 1700s, beginning with the establishment of the Bank of North America in 1782. Over the years, the banking system evolved through various phases, including the creation of the First and Second Banks of the United States, the rise of state-chartered banks, and significant reforms like the establishment of the Federal Reserve in 1913 and the Glass-Steagall Act in 1933.
    - Early Beginnings (1780s-1800s)
        - First Banks: The first bank, the Bank of Pennsylvania, was established in 1780 to fund the Revolutionary War. The Bank of North America followed in 1782 as the first commercial bank.
        - Central Banking: In 1791, the First Bank of the United States was created under Treasury Secretary Alexander Hamilton to stabilize the economy and manage government debt.
    - Expansion and Regulation (1800s-1900s)
    - Free Banking Era: From 1837 to 1863, the "free banking" era allowed states to charter banks without federal oversight, leading to instability and bank failures.
    - National Banking Act of 1863: This act established a system of national banks and a uniform national currency, addressing the chaos of state-chartered banks.
    - The Federal Reserve and Modern Banking (1913-Present)
        - Federal Reserve System: Established in 1913, the Federal Reserve serves as the central bank, regulating monetary policy and providing financial stability.
        - Deregulation: The late 20th century saw significant deregulation, including the repeal of the Glass-Steagall Act in 1999, which had separated commercial and investment banking.

Key Events and Legislation

YEAR	EVENT/LEGISLATION	DESCRIPTION
1781	Bank of North America	First commercial bank in the U.S.
1791	First Bank of the United States	Central bank to manage government debt and currency.
1863	National Banking Act	Established national banks and a uniform currency.
1913	Federal Reserve Act	Created the Federal Reserve System for monetary regulation.
1999	Repeal of Glass-Steagall Act	Allowed commercial and investment banks to merge.

The banking system has continually adapted to meet the economic demands of the nation, reflecting changes in regulation, technology, and market dynamics.

Banks grew large for two main reasons (Servon, 2017):

- **Deregulation:** After the Great Crash of 1929, the Glass-Steagall Act prevented banks from engaging in both investment and commercial banking to minimize risk. However, in 1999, the Gramm-Leach-Bliley Act effectively nullified Glass-Steagall, allowing commercial banks, investment banks, securities firms, and insurance companies to merge and grow, leading to industry consolidation.
- **Relaxed Branching Restrictions:** Historically, nearly all states restricted bank branching to protect consumers from monopolies. Most of these laws remained until the early 1980s. Once allowed to branch, banks expanded by opening new locations and acquiring smaller banks, leading to a significant decrease in very small banks and a tripling of very large banks between 1985 and 2013. This shift resulted in large multinational organizations with less connection to the communities and customers they served, often prioritizing profit over customer well-being.

- **[New page] Let's take a step back. Why do we have banks, anyway?**
  - By definition, banks are "a chartered financial institution licensed to receive deposits and make loans, and may also provide other financial services such as wealth management, currency exchange, and safe deposit boxes" (Bradford 2020; (Barone 2020).
    - [Show as a side-bar] Reminder: The Federal Deposit Insurance Corporation is an independent agency that "insures deposits, examines and supervises financial institutions for safety and soundness and consumer protection, works to make large and complex financial institutions resolvable, and manages receiverships" (FDIC, 2020, para 1.).It was created after the bank failures of the Great Depression and insures bank deposits up to $250,000. Consumers are encouraged to verify that the bank you choose is FDIC-insured, but if that is not something you want to do, that's ok! At a minimum, it is important to understand that without FDIC insurance, you will not get to enjoy this insurance protection.
  - First and foremost, they allow us to pay for things.
    - [Show an icon of someone or a hand making a payment]
    - "[Banks] operate a payments system, and a modern economy cannot function well without an efficient payments system. We make most of our payments by writing checks, swiping credit cards issued by banks or tied to them, and by paying bills via online banking… We have confidence in bank money because we can exchange it at the bank or an ATM for **legal tender.** Banks are obligated to hold reserves of legal tender to make these exchanges when we request them" (Sylla, 2010, para. 2).
      - **Legal tender:** "United States coins and currency (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts" ("31 USC 5103: Legal Tender" 2024).
  - But they also enable lending and investing via financial intermediation.
    - [Show an icon that has to do with lending or investing]
    - "The second key function of banks is financial intermediation, lending or investing the money we deposit with them or credit they themselves create to business enterprises, households, and governments. This is the

business side of banking. Most banks are profit-seeking corporations with stockholders who provide the equity capital needed to start and maintain a banking business. Banks make their profits and cover their expenses by charging borrowers more for loans than they pay depositors for keeping money in the bank" (Sylla, 2010, para 2.).

- **[New page]** Banks serve a variety of audiences, including you!
  - Banks have relationships with individual consumers, small businesses, large corporations, and governments. They offer a variety of services that enable those groups to save, invest, and make payments.
    - [Could we pair this statement with a simple illustration/graphic of something that represents a regular person, a small business, a large company, and a government? Could be icons]
  - These days, consumer-focused advertising from banks has leaned heavily into themes of "empowering" their customers, being there "every step of the way," and making banking easy.
    - U.S. Bank
      - [Embed video https://www.youtube.com/watch?v=CfqFZJUcW1g]
    - Citizens
      - [Embed video [https://www.youtube.com/watch?v=TxOSaTkOVq8]
    - Wells Fargo:
      - [Embed video https://www.youtube.com/watch?v=a25L_ToVhD4]
    - Bank of America
      - https://www.youtube.com/watch?v=OrJZrXLaQJQ
    - ABC Bank.
      - https://www.youtube.com/watch?v=xM9u96uk2mM
      - Okay, this is a parody…but eerily reminiscent of the other ads.
  - With messages like this, it may seem as though the average person–and their hopes and dreams–are the main priority. This is very strategic marketing in a time when Americans' trust in US institutions, including banks, continues to decline (Deane, 2024).
  - This is not to say that all banks automatically have ulterior motives, nor is it to say they aren't deserving of Americans' distrust. However, it is a good reminder that banks have a vested interest (no pun intended) in making themselves seem like approachable, accessible institutions. This helps them attract new customers and deepen existing customer relationships with services that contribute to their bottom line. These messages also make it seem less likely that you could have an adverse experience with your bank. And if you do, it's probably something *you* did.
  - After all, getting to manage your money as you shift tax brackets, make investments, or start a business? That's valuable and worth competing for.
- **[New Page] But ultimately, banks answer to shareholders.**
  - On an episode of *The Office*, Michael Scott travels to New York City. He's being recognized as a top manager at the Dunder Mifflin shareholder meeting, but the company is heading for bankruptcy, and shareholders are angry.
    - [Embed video https://www.youtube.com/watch?v=BNDmaJwDmeo]
  - While the booing crowd might be exaggerated, the importance of shareholders is not. American corporate governance is rooted in a concept called shareholder capitalism, particularly since the turbulent business era of the 1980s (Brandt and Georgiou, 2016).
    - Shareholder capitalism is defined as "a system, which gives the interests of shareholders the highest priority and will therefore first and foremost try

to create maximum value for them" (Brandt and Georgiou, 2016, p. 5). This is often presented in contrast with stakeholder capitalism, which "considers interests of corporate groups other than just those of shareholders" (Brandt and Georgiou, 2016, pg. 6).

        - In the US, the practice of shareholder capitalism is more commonly known as shareholder primacy. Banks have an obligation to maximize shareholder value–while there is no "one" law singularly encapsulates this, court decisions over the last few decades have legitimized this as the expected order of operations (Rhee, 2018).
    - Because of shareholder primacy, regular consumers–the ones that those ads are speaking to–are secondary. Banks are beholden to this legal ideology, as shareholders can sue their own company if they feel like the company is not participating or acting on the idea of maximizing shareholder value (Barandan, 2017; Barandan, 2015; Martin, 2010).
    - This is NOT excusing the behavior of banks or corporations, but it is important context for why banks operate the way they do. Pleasing shareholders means turning a profit.
- **[New page]** Shareholder primacy requires that banks prioritize profit over consumers' interests.
    - This means that banks' board-appointed leaders are expected to take in more money than expenses. Banks make money in three main ways: **the interest from lending to borrowers (i.e., interest paid to the bank from borrowers who got a mortgage or personal loan),** bank fees, and other "nontraditional" services.
        - *"…The interest margin banks earn by intermediating between depositors and borrowers continues to be the primary source of profits for most banking companies. But banks also earn substantial amounts of noninterest income by charging their customers fees in exchange for a variety of financial services. Many of these financial services are traditional banking services: transaction services like checking and cash management; safekeeping services like insured deposit accounts and safety deposit boxes; investment services like trust accounts and long-run certificates of deposit (CDs); and insurance services like annuity contracts. In other traditional areas of banking—such as consumer lending and retail payments—the widespread application of new financial processes and pricing methods is generating increased amounts of fee income for many banks. And in recent years, banking companies have taken advantage of deregulation to generate substantial amounts of noninterest income from nontraditional activities like investment banking, securities brokerage, insurance agency and underwriting, and mutual fund sales"* (DeYoung and Rice, 2004, p. 34).
    - This unit is specifically about how bank fees may impact you as a bank customer, as they can have an immediate and often unexpected impact on your day-to-day finances.
- **[New Page]** [Activity - mini quiz] Take a guess.
    - How much in revenue did JPMorgan Chase, the largest bank in the United States and in the world (Klebnikov, 2025), make in 2024? Select one.
        - 10-20B
        - 20-30B
        - 30-40B
        - 40-50B

        - 50B+
- **[New Page]** [Show answer - as a new page or sub-page - consider including a table with the bank logo] The top 4 US banks made the following in revenue and net income in 2024 .
    - JP Morgan Chase (JP Morgan Chase, 2025)
        - Revenue: $180.6B
        - Net income: $58.5B
    - Bank of America (Bank of America, 2025)
        - Revenue: $101.9B
        - Net income: $27.1B (Bank of America, 2025)
        - Bank of America's annual report also states
    - Wells Fargo (Wells Fargo, 2025)
        - Revenue: $82.3B
        - Net Income: $19.7B
    - CitiGroup (CitiGroup, 2025)
        - Revenue: $81.1B
        - Net Income: $12.7B
    - And their profits are only increasing.
        - [If possible, it would be great to show the graph titled "Chart 1 - Full Year Net Income" and add "Source: FDIC"]
    - Banks are seeing some of their biggest profits ever thanks to favorable market conditions, an administration friendly to corporations, and consumer spending (Saeedy, 2025). And as we reported, much of that is from bank fees directly affecting the individual consumer. Bank of America stated in their 2024 Annual Report that 45% of their 2024 total revenue came from fees (Bank of America, 2025).
- **[New Page] Okay, let's take a break to see if you are tracking.**
    - [Take user through a **Content Check-in -** this is meant to represent a period assessment of the content they reviewed]
    - **[New Page - Content Check-in] Question 1 of 5**: When a bank says it is FDIC-insured, that means____
        - They have special, protected bank accounts you can open.
        - Your credit card is insured in case you lose it.
        - Your deposits are insured for up to $250,000.
        - You can take money out of any bank or ATM without fees.
    - **[New Page - Content Check-in] Question 2 of 5**: Banks earn revenue predominately from ______. Select all that apply.
        - Interest
        - Bank fees
        - Non-traditional activities like investment banking
        - Advertising
        - Cafes
    - **[New Page - Content Check-in] Question 4 of 5**: True or false. Banks are legally obligated to put their customers' interest over all other business interests.
        - True
        - False
    - **[New Page - Content Check-in] Question 3 of 5**: American corporations are traditionally beholden to ______
        - Consumers
        - Business clients
        - The Shareholders

- **[New Page - Content Check-in] Question 5 of 5:** Let's check in to see how you're feeling about this. Look at this color wheel and identify what emotions you are experiencing having learned all of this.[Allow users to click the word "Feelings Wheel" and show a the static image of of the wheel that they can look at; Provide a hyperlink to the source: FeelingsWheel.com]
  - [Open text forum]

- **[New Page] Alright, let's talk bank fees.**
  - Let's think back to the fees you incurred in the earlier activity.
  - [Show resulting statement with debit-resquencing, we'll explain the order of transactions soon. Also show the fee definitions, allow user to roll over with their mouse and bring up the full definition]
    - **Overdraft fee:**
      - If you don't have enough money in your bank account to pay a bill, the bank will allow the transaction to go through, but your balance will be negative. Banks call this overdraft "protection" because they are framing it as them covering the cost of the transaction for you. Most banks charge a fee for the overdraft in addition to the transaction cost. *You overdrafted three times to pay your credit card bill and your portion of dinner with friends.*
    - **ATM fee:**
      - If you don't use an ATM owned by your bank, your bank may charge you a fee for using an out-of-network ATM. *You needed to get cash in a pinch but were not near an ATM owned by your bank.*
  - **[New Page]** That's just the tip of the iceberg.
    - Overdraft fees and ATMs fees are often ones that people are most familiar with, but there are even more that you might not encounter until they happen.
    - Every bank is different, but each bank is required to publish out their fee structure. However, these documents can be hidden on their website or tedious and difficult to read. Here, we give you a detailed overview of what kinds of fees exist. Keep in mind that banks may use different terminology or even change the names of fees unexpectedly ("Overdraft and Account Fees | FDIC" 2024; Grandoni, 2011).
  - [Show as a continuation of the previous page of definitions; show the fee definition, allow user to roll over with their mouse, and bring up the full definition]
    - **Monthly maintenance fee:** A bank fee typically charged to your checking, savings, or money market account if you do not meet certain requirements, such as maintaining a minimum monthly balance or making direct deposits. However, some banks may charge a monthly maintenance fee automatically.
    - **Check Fees** may occur when you cash a check at a bank or credit union that you do not have an account with.
    - **Insufficient Funds Fees** (aka Returned Item Fees or Non-Sufficient Funds (NSF) fees) may occur when you don't have enough money in your checking account to cover an attempted check or online payment. Banks will usually charge a fee and reject the transaction *(NSF Fees & Overdraft Protection*, 2025).

        - **Foreign transaction fees** are fees charged to credit cards for purchases made in foreign countries, usually 1% of the transaction cost (CFPB "Financial Terms Glossary," 2025).
        - **Transfer fees** occur when you move money from one bank account to another, either domestically or internationally, such as via wire transfer.
        - **Excessive transaction fees** may occur if your bank sets a limit for the number of withdrawals per month out of your savings account. If you reach the maximum amount, the bank could charge you a fee. The fee may increase per withdrawal.
        - **Account Research fees** may occur if you request an investigation of a specific transaction or issue in your account, usually upon request. This could include account history, transaction disputes, or lost deposits.
        - **Dormancy fees or inactivity fees** may occur when there is no activity in an account for an extended period of time (CFPB "Financial Terms Glossary," 2025).
        - **Account closing fees** may occur if you close an account quickly after opening it. They may also charge a fee if you have outstanding balances (checks, fees, or automatic payments) that may bounce after an account closure.
- **[New Page]** In short, fees are embedded and inevitable in the banking experience.
    - Let's take a quick look at the history and reasoning behind this.
    - **[Sub-page]** [This can be a carousel with audio and images as we walk through each point or can be a video] In the 1980s, a major financial crisis hit a group of small banks called the Savings and Loan associations (S&Ls) (Robinson, 2013).
        - These banks mainly gave out home loans and were supposed to be "low-risk." But when interest rates suddenly rose in the late 1970s and early 1980s, S&Ls found themselves in a tough spot: they had to pay higher interest to depositors, but the money they were earning from older, low-interest home loans wasn't enough to cover it.
        - To help them survive, the government loosened the rules, allowing S&Ls to invest in riskier things. Unfortunately, that backfired. Many made poor choices or committed fraud, and more than 1,000 S&Ls failed, costing the government—and ultimately taxpayers—billions of dollars to fix the mess.
        - After the crisis, regulators forced banks to follow stricter rules, and many banks realized they couldn't rely just on interest from loans to make money. Consulting firms in the mid-nineties were able to convince their banking clients that charging customers fees for services like overdraft "protection" could be a huge moneymaker. Once they started seeing the revenue roll in from overdrafts, fees (for overdrafts and other everyday services) became standard practice (Servon 2017).
        - If we think back to what shareholder primacy dictates, we can better understand why banks would continue to add or raise fees to drive profits. In 2024, Bank of America reported that 45% of its $101.9B in revenues came from fees (Bank of America, 2024)!
    - Fees have become so rampant and excessive that financial institutions have faced new regulations and lawsuits. In response, many banks have implemented new practices and fee structures. More on that in a second.
- **[New Page]** Bank fees will always exist…
    - …because banks strive to make a profit to satisfy their shareholders.
    - [Put in big, bold text] It's *not* your fault if you accumulate bank fees. It is not necessarily your fault if you overdraft. These practices are put in place to profit

from people in vulnerable situations. Some people may rarely come up against bank fees. But others may get hit with them constantly. In fact, the CFPB has shown that fees disproportionately occur more for low-income, younger, and racially minoritized groups (CFPB, 2023).
    - While this clip is from 2022, Trevor Noah gave a darkly humorous overview of bank fees and the adverse impact it has on unsuspecting customers on the Daily Show. Towards the end of this unit, we'll discuss how these practices may elicit different emotional responses when they happen to us.
        - [Embed video: https://www.youtube.com/watch?v=Z0tx5e5Aoqk]
- **[New Page]** Going back to the Whack A Mole activity and your resulting bank statement**.** Did you notice that something else happened on your bank statement?
    - Did you notice that the order of your purchases was rearranged? That's not the order you paid for things.
    - [Show an account statement that has orders they actually paid for things and the account statement with rearranged order by the bank]
        - Here's the actual order of your expenses. In this case, you should have gotten charged only 2 overdraft fees.
            - Out-of-network ATM withdrawal - $100
            - Utilities bill - $50
            - Gas fill-up - $50
            - Internet bill - $50
            - Phone bill - $50
            - Rent - $500
            - Credit card payment - $250
            - Dinner with friends - $50
        - Here is the order of your expenses provided by your bank. The charges were ordered from highest to lowest and you got charged 3 overdraft fees.
            - Rent - $500
            - Credit card bill - $250
            - Out-of-network ATM withdrawal - $100
            - Out-of-network ATM Fee - $4.86
                - [Add a note, can either hover over the fee and it pops up or it's included as a side bar with an asterisk] This is the average ATM fee in the United States as of 2025. (Bennet, 2025). You had to withdraw from an out-of-network ATM in a pinch, and your bank charges a fee for that.
            - Utilities bill - $50
            - Gas fill-up - $50
            - Internet bill - $50
            - Overdraft fee: $26.77
                - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025. (Bennet, 2025). Your account balance dropped below $0, so you were charged an overdraft fee.
            - Phone - $50
            - Overdraft fee: $26.77
                - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025.

(Bennet, 2025). Your account balance remained below $0, so you were charged another overdraft fee when you paid your next bill.

- Dinner with Friends $50
- Overdraft fee: $26.77
  - [Add a note, can either hover over the fee and it pops up or it's included as a sidebar with an asterisk] This is the average overdraft fee in the United States as of 2025. (Bennet, 2025). Your account balance remained below $0, so you were charged another overdraft fee when you paid your share of dinner.
- Available Balance: **-$185.77**

- The reordering of purchases to raise the probability of overdrafts is a *legal* practice called Debit Resquencing.

- **[New Page]** What is that and why does this happen?
  - In the US, a few things are true.
    - **Weekday limitations:** When money is deposited into your bank account, it will only clear funds on weekdays. If it is deposited on a weekend, it will not clear until the next business day. Until then, it's just a hold and is not part of your **available balance**. It may, however, register as part of your **current balance** (Servon, 2017).
    - **Overdraft services are opt-in:** The 2010 Electronic Transfer Fund Transfer Act, which the Credit Card Act and Dodd-Frank Act made substantial amendments to, requires banks to let customers opt in to overdraft protection. Yes, you choose to turn on this service, and you can turn it off at any time. You may not remember turning it on when you signed up for the bank account because, as Trevor Noah mentioned, you had to sign a bunch of paperwork. And the words "overdraft protection" or "overdraft coverage" sound very reassuring. Many people don't realize that they have opted in, nor do they realize they can opt out (Servon, 2017).
    - **This started with a loophole:** The CFPB states, "When Congress passed the Truth in Lending Act (TILA) in 1968, many families used mail to send and receive checks, and were subject to various bank processing times for their deposits and withdrawals to clear. In 1969, the Federal Reserve Board exempted banks from TILA protections for infrequent cases where a bank was honoring a check that had not cleared and subjected the customer to overdraft fees. At the time, overdraft services were not considered profit drivers but courtesy services extended by the bank when, for instance, a paper check sent through the mail may have arrived late" (CFPB, 2024, para. 3).
    - **Banks have to be upfront:** The Overdraft Protection Act of 2021 "prohibits a financial institution from engaging in unfair or deceptive acts in connection with overdraft coverage. Each financial institution that offers overdraft coverage for accounts must disclose overdraft coverage fees. It must also disclose that the consumer's transaction may be declined if there are insufficient funds in the related account, and the consumer will not be charged a fee if such transaction is declined" (D-NY-12, 2021).
    - **They can charge you multiple times a day: Banks and credit unions can charge you for *each* overdraft, which means you can incur multiple overdraft fees in one day. Although some financial**

institutions set daily maximums—typically if there are maximums, banks will stop charging after three or four overdrafts in the same day (CFPB, 2023).

- **Many financial institutions also charge an additional fee if you fail to repay the shortfall in your balance within a few days (CFPB, 2023).**

- **[New Page] So what does that mean for your statement?**
  - [Show the bank statement from the bank]
  - Your additional $500 was still pending on Friday and was not part of your available balance. Debit resequencing ordered your purchases from biggest to smallest, and you went into overdraft.
  - Debit resequencing is a legal banking practice that involves reordering your transactions, taking the largest transaction first. This causes your account balance to fall faster, boosting potential overdraft fees (Servon, 2017).
  - As a result, you got charged three fees of $35 instead of two.
- **[New Page]** If it seems unfair, that's because it is.
  - There has been a significant increase in the number of fees since the 1990s as banks continually put their profits over the well-being of their customers. The average overdraft charge in 1998 was $21.57; by the mid-2000s the standard fee was $35 (Servon, 2017); today the average overdraft is closer to $26 according to a study conducted by Bankrate. From fees for paper statements, checks, and replacement cards, banks have found many sneaky but legal ways to make extra money (Servon, 2017).
  - Practices like debit resequencing mean you may end up paying them more often, and banks can make more money off of your vulnerable financial situation.
  - [Big bold text] You are not unsavvy–you are at the mercy of legalese and the supercomputer reordering your transactions. Your personal financial situation has been pitted against an institution that makes billions of dollars and reorders transactions to deliver more value for its shareholders.
- **[New page] For many, these fees make them feel it's not worth it to open a traditional bank account.**
  - Fees are one of the reasons that, for many, being "unbanked" is cheaper and easier (FDIC, 2023). [Is there a way to highlight some of the stats mentioned here in an interesting way?]
    - The FDIC conducts a national survey every year on unbanked or underbanked households in the US. While the number has gone down over recent years, 4.2% of US households (or 5.6M households) are considered unbanked or underbanked. A household is considered unbanked if no one in the household has a savings or checking account with a bank or credit union.
    - The rate is much higher among Black, Hispanic, and American Indian or Alaska Native households, as well as lower-income households, households with a disability, single-parent households, and/or households where income was more variable.
    - 33.4% of unbanked households cited a fee-related reason for not having a bank account, such as "Bank account fees are too high/unpredictable."
  - Given what we just walked through, it makes a lot of sense that people would make this choice.
- **[New page]** So what do the unbanked do instead?
  - Many go to alternative financial institutions (AFIs) or seek out alternative financial

services (AFS).
  - Alternative Financial Institutions (AFIs) and Alternative Financial Services (AFS) offer financial solutions outside traditional banking systems, often catering, even advertising, to low-income or unbanked populations. These institutions also cater to consumers who may just have no interest in engaging with the traditional banking systems.
  - **Types of AFIs and AFS include:**
    - **Payday Lenders:** Provide short-term loans with high interest rates.
    - **Check Cashers:** Cash checks for a fee, primarily for those without bank accounts.
    - **Pawnshops:** Offer secured loans where personal items serve as collateral.
    - **Car Title Lenders:** Provide loans secured by a vehicle's title, often with high interest rates.
    - **Rent-to-Own Stores:** Allow consumers to rent items with the option to purchase them later.
    - **Money Orders and Bill Payment Services:** Used for sending money and paying bills without a traditional bank account.
    - **Remittances:** Services for sending money internationally.
    - **Prepaid Cards:** Marketed as alternatives to checking accounts, offering immediate liquidity.
    - **Refund Anticipation Loans (RALs):** Short-term loans secured by expected tax refunds.
    - **Other Credit Products:** Such as buy-here-pay-here auto financing.
  - **Characteristics of AFIs:**
    - **Accessibility:** Generally easier to access with fewer requirements for credit checks or income verification.
    - **Higher Costs:** Often charge significantly higher fees and interest rates, which can lead to debt traps.
    - **Regulatory Environment:** Typically operate with less strict regulations compared to traditional banks, raising consumer protection concerns.

AFIs and AFS play a role for individuals underserved by traditional banking, but it's important for consumers to be aware of the possible outcomes of engaging with these institutions. As we've learned, the traditional banking system can make it difficult for many consumers, so it makes sense why some choose AFIs and AFS. We hope this information will help you feel better equipped to navigate the experiences if you choose to engage with these types of institutions and the implications of doing so..

- **[New Page]** Is anything being done about this?
  - Public pressure, lawsuits, and action from the Consumer Financial Protection Bureau have caused some major banks to think more critically about predatory fees and practices such as debit resequencing or reduce their occurrence altogether.
    - [Show each company logo - users can click on each and get details on the case]
    - In 2010, Wells Fargo paid $203M out to customers in California after a federal judge found that the bank had "manipulated transactions" to charge more overdraft fees. Essentially, they were practicing debit

resequencing (Martin and Lieber, 2010; Alsup, 2010).

- The judge wrote in his summary:
  - *Overdraft fees are the second-largest source of revenue for Wells Fargo's consumer deposits group, the division of the bank dedicated to providing customers with checking accounts, savings accounts, and debit cards. The revenue generated from these fees has been massive. In California alone, Wells Fargo assessed over $1.4 billion in overdraft penalties between 2005 and 2007. Only spread income — money the bank generated using deposited funds — produced more revenue.*
  - *This "including and deleting" practice involved the inclusion and deletion of pending debit-card transactions in the calculation of a customer's available balance. 2 This action does not challenge the amount of a single overdraft fee (currently $35). That is accepted as a given. Rather, the essence of this case is that Wells Fargo has devised a bookkeeping device to turn what would ordinarily be one overdraft into as many as ten overdrafts, thereby dramatically multiplying the number of fees the bank can extract from a single mistake. The draconian impact of this bookkeeping device has then been exacerbated through closely allied practices specifically "engineered" — as the bank put it — to multiply the adverse impact of this bookkeeping device. These neat tricks generated colossal sums per year in additional overdraft fees, just as the internal bank memos had predicted. The bank went to considerable effort to hide these manipulations while constructing a facade of phony disclosure. This order holds that these manipulations were and continue to be unfair and deceptive in violation of Section 17200 of the California Business and Professions Code. For the certified class of California depositors, the bookkeeping device will be enjoined and restitution ordered* (Alsup, 2010).

- JP Morgan, Bank of America, and several other banks were part of a nationwide lawsuit that accused them of reordering transactions from largest to smallest in order to maximize overdraft fees. JP Morgan paid out $110M and Bank of America paid out $410M (Stempel, 2012; Anderson, 2011).
- In 2022, the Consumer Financial Protection Bureau issued guidance around surprise overdraft fees and depositor fees, suggesting they may violate the Consumer Financial Protection Act if consumers cannot reasonably avoid getting charged (CFPB). A more recent move by the CFPB in 2024 sought to cap overdraft fees at $5 (CFPB, 2024), which was scheduled to take effect on 10/1/2025. However, the Trump administration reversed this ruling, and banks are still allowed to charge you what they want when they overdraft (Bell, 2025).

- **[New page]** Some banks have eliminated overdraft fees altogether or significantly reduced them.
    - Revenue across banks from overdraft fees has been cut significantly in recent years due to many larger banks changing their fee practices (likely after getting hit with lawsuits and dealing with very unhappy customers) (CFPB 2024).
    - Some banks that have eliminated overdraft fees and overdraft include Capital One, Ally Bank, Citibank and Alliant Credit Union (Vise, 2025).
        - Something worth noting: These accounts may be advertised as completely fee-free, and that likely is the case. However, there are likely tradeoffs. For example, many of these accounts do not have all of the features of traditional checking accounts, such as they cannot complete money transfers like wires or you are not able to get checks for those accounts. While these are an alternative option, we invite you to compare these accounts to the other offered accounts and consider which account best meets your needs.

- **[New Page]** Let's talk about something else that could have happened. In some cases, the bank may just close your account without warning.
    - What?!
        - Common reasons this can happen include inactivity or low usage. But, unresolved overdrafts can also lead to account closure. If your account remains in the negative for too many days, you may get charged additional overdraft fees. If too many overdraft fees occur and go unpaid, the bank may close down your account (Rodriguez, 2023).
    - How can they do that?!
        - Generally, banks may close accounts for any reason and without notice. Can you see why some might say this is unfair or unjust? But it happens more often than you think. If a bank closes your account, it isn't required to notify you, so you may not receive a notification informing you of the closure (Lieber, 2023; Rodriguez, 2023; ("Chex Systems, Inc. | CFPB, 2025). However, you can sign up for alerts, as we suggested on the previous page (Rodriguez, 2023).
            - Law about bank closures cited
- **[New Page]** Wait, they can just close my account without telling me?
    - Yes. There is no federal law requiring banks to notify account holders if they plan to close their accounts (source).
    - The bank is also required to return any money that may have been in the account, which may be received in the form of a check deposited into a different account that the bank has opened for you instead (Lieber, 2023; CPFB, 2023).
    - At first, a bank account does not have a direct impact on your credit score (like, say, having your credit card closed), but this could become a problem if your account has any outstanding balances, such as unpaid overdraft fees. In other words, your outstanding balance could eventually be treated as if the bank extended a line of credit to you (i.e., you borrowed money from the bank) (*Overdraft and Nonsufficient Fund Fees Insights from the Making Ends Meet Survey and Consumer Credit Panel*, n.d., p. 26).
        - Then they might send this debt information to a collection agency, causing a negative report on your credit by the credit bureaus, which can decrease your credit score (Rodriguez, 2023).

- **[New Page]** This is more common than you may think.

- The Senate Committee on Banking, Housing, and Urban Affairs recently looked , into widespread debanking in the US. 8,056 complaints were reviewed, with most pertaining to the Big 4 US banks. Complaints cited a lack of communication about account closures, a lack of a clear process for recovery or appeals, and resulting financial hardship due to lack of account. It was suggested that federal regulation be implemented to help protect consumers, butsince the Trump administration began leading the CFPB again in 2025, the agency has chosen to undo these protections and rulings (U.S. Senate Committee on Banking, Housing, and Urban Affairs, 2025).
- Note that if you have a "bad" banking history, this will likely show up on ChexSystems, a database financial institutions use to track banking history. Kind of like a credit bureau but for banking. You can request a report from ChexSystems if you want to check your banking history. To learn more, you can click here. How does this happen exactly? Ultimately there is no law prohibiting this practice, and as such, banks' policies govern what they can and cannot do in these circumstances. However, many banks' policies explain why they may close your account:
    - [Show as columns side by side]
    - Not enough activity in your account
        - According to the deposit agreements of major banks like Chase, Wells Fargo, and Bank of America, a bank may close your account if you maintain little to no activity and keep it at a zero balance.
        - Even if you maintain a balance but rarely engage in any activity, like online transfers or deposits for an extended time, your bank may consider your account dormant and close your account.
        - According to HelpWithMyBank.org (a website run by the federal agency charged with regulating national banks), an account is considered abandoned or unclaimed when there is no customer-initiated activity or contact for a period of three to five years. However, most bank policies say that an account is considered dormant if there is no activity within thirty to sixty days.
        - Ultimately, banks' policies prevail unless a law is enacted. As such, we invite you to check how the banks define things like dormant accounts.
    - Excess overdraft fees
        - Overdrafting your account may result in a payment not going through and/or multiple overdraft fees.
        - Banks tend to take action if they notice a consistent negative balance or failure to address it. These consequences are also typically outlined in your account's terms and conditions, which is why consumer advocates often recommend you review them. This is sage advice, *and* we acknowledge that the terms and conditions for anything are rarely accessible because they are riddled with legal language and seem to go on forever.
    - Fraudulent activity
        - If a bank suspects that you've been a victim of identity theft, it may close your account to protect against any further fraudulent activity.
        - This suspicion usually arises during cases such as frequent or significant money transfers or withdrawals.

- **[New Page]** Remember that these fees and systems were designed to maximize profits for shareholders, first and foremost. The fees you incur are NOT your fault.
    - Most banks will list out the types of fees to expect; however, advice is often centered around "keeping enough money in your account." This puts the onus on you instead of them. We invite you to consider the different ways you can respond to bank fees and the practice of debit resequencing. You know what's best for you, so our hope is this list of approaches empowers you to consider what you want to do.
    - [Show as a check-list - one can appear at the time]
    - **Learn more about the fees your bank charges:** Banks will typically list what fees they charge for different types of accounts they offer. For example, Bank of America lists out its fees for each account on their website. Note how each account comes with a different set of fees and requirements. Confusing? It's allowed to be (Bank of America, 2025).
        - Things to consider: New fees come out and banks can change the names quite a bit—hard to find or buried in legalese—it is taxing/shame inducing and confusing.
    - **Overdraft is an opt IN by default. So you actually get to decide if you want to opt in or opt out.** When you open a bank account, banks automatically assume you want overdraft and even may pre-select that as an option. This is often why people have overdraft without knowing it was actually a choice. If you would like to opt out, you can contact your bank and opt out. In that case, all ATM and one-time debit card transactions that exceed the funds in your account will be rejected, and you won't pay an overdraft fee (Stein, 2017). It is worth noting, though, that if you opt out of overdraft and your transaction declines, the bank can charge you a nonsufficient funds fee—a charge from a financial institution for declining a transaction due to insufficient funds in an account, such as a bounced check or a failed ACH payment (CFPB, 2023). Overdrafts occur if the financial institution covers the transaction—thereby extending credit to the consumer—while NSFs occur when the financial institution does not cover the transaction.
    - By default you will not have overdraft "protection" because overdraft is an opt in feature. When you are opening an account, the bank will ask if you want overdraft protection. Oftentimes banks only mention the benefits of having overdraft and quickly assume you'll want it, but now with this information you get to make the decision that is best for you.
        - There are valid reasons for opting in and valid reasons for remaining opted out.
        - Reasons you may opt in:
            - You may want to ensure that your transactions go through and don't get declined. For example, to ensure that your electricity or water does not get turned off due to nonpayment, you opt in to overdraft because your utilities will get paid.
            - You may feel that you are very engaged and actively monitor your account, so you have confidence about your ability to manage your balance and hopefully avoid

overdraft fees, especially now that you know about debit resequencing.

- Reasons you may remain opted out:
    - You may be more overwhelmed with feeling like you'll constantly have to monitor your account balance, so you'd rather the transaction decline.
    - You'd like to avoid paying overdraft fees altogether.
-
- You are the authority on what makes the most sense for you. And, as we said, there are valid reasons for either choice. We hope you feel empowered even more so with this information to decide what's in your financial best interest.

■ **Linking your accounts:** If you have the ability to open a savings account with a minimum required amount of cash, you can link your savings account to your checking account as a potential fail-safe. Most banks will allow you to do this, so you take from the savings account instead of the overdraft (Vise, 2025).

- You could be charged a fee for transferring from your savings account if that happens "too frequently," which would be defined by the bank. Essentially, banks expect the money in your savings account to remain as untouched as possible. While that makes sense broadly, it may not be realistic for everyone, especially those who are cash-strapped for reasons beyond their control, like making an unlivable wage. When this happens banks may charge you a fee, and at the most extreme, they may convert your savings account to a checking account because of the frequent activity.
- As before, there are valid reasons to link your checking and savings accounts—the biggest being that, at some banks, if you do this they claim you can avoid fees. However, given banks' policies and expectations about how infrequently they expect you to transfer money from your savings, if you feel as though those expectations are too cumbersome, it is understandable why you may not want to do this.

■ **Turning on notifications and/or turning off auto-payments. There are many financial educators that suggest that everyone "should"** turn on notifications so you know when your account balance is low. The heads-up could make a difference for some, but it also could induce shame or anxiety for others. We invite you to consider how you may react to alerts broadly, and if you feel as though they would benefit you, then consider how frequently you'd like to receive them. The alternative to this is to schedule a time for you to check your bank account. For those who feel like alerts from your bank may cause anxiety or shame, this may be an alternative that aligns more with your participatory style. Another alternative you can consider is turning off any automatic payments so that these transactions don't inadvertently drain your account (Vise 2025). This may be helpful for those who feel like they would like to be a bit more "hands-on" when paying their bills—that the act of going in and conducting the transaction will feel more satisfying and grounding than being in auto-pilot. Again, you are the authority and hopefully you feel like you have even more information to make a decision that is in your financial best interest.

- **[New Page]** There are some ways you can lessen the risk of experiencing an account closure. But remember, it's not your fault that it happens. Banks put these legal practices into place to ensure their future, not necessarily yours (Rodriguez, 2023).

- **[New Page]** If you do experience an account closure, all reactions make sense—panic, hesitation, avoidance, wanting to solve things right away. When you feel you are in a better emotional position to handle the situation, we invite you to consider doing the following:
    - [Show as a checklist]
    - **Contact your bank ASAP:** If you haven't been notified of the closure, you should get in contact with your bank and find out what you need to do to receive your funds ASAP.
    - **Stop direct deposits and automatic withdrawals:** If you have any direct deposits or automatic withdrawals in place, cancel them immediately. If you receive direct deposits from your job, you should make sure to redirect the deposit to another account or opt to receive by check until all has been settled.
    - **File a complaint:** If you believe your account was wrongly closed, you can submit a complaint to the federal Office of the Comptroller's Customer Assistance Group(File A Complaint, n.d.).
    - **Explore other options:** Look into opening a different type of account, either at the same bank or a different bank. Be sure to contact your bank and see if they're willing to either reopen your closed account or allow you to open a new one. However, if the bank is unable to help you, you may need to open an account with a new bank or look into a second chance bank account. (Rodriguez, 2023)
        - **Second chance bank accounts** are bank accounts that are specifically designed for people who have had difficulty with traditional banking accounts in the past. Some major banks, such as Capital One, Wells Fargo and PNC, offer them with specific account features.

- **[New Page]** Wow, that was a lot.
    - Yep–banking is straightforward and can seem boring, but it is important to understand the mechanisms behind your institution and the larger industry.
    - Vulnerable and marginalized populations may know these experiences too well and find it hard to avoid them. Our goal is to make sure you feel empowered to navigate the experiences that come with banking and how to mitigate or address issues as they arise.
    - In the next section, we'll talk about WHAT YOU MAY EXPERIENCE psychologically and emotionally when you bank. Whether you've experienced overdraft fees and account closures or you have a financial cushion, it's important to understand how so much of our financial decisions and behaviors have to do with our own personal experiences and past adverse experiences.
- **[New Page]** Works Cited and Consulted for this Unit (Alphabetical Order)
  Works Cited and Consulted for this Unit (Order of Appearance)

Unit 3: How Banking Affects You

- **[New page]** Banking over the course of your life will be nonlinear.
    - For many of us, banking is a critical piece of funding our vision of wealth. And for many more of us, banking can be a journey of ups and downs.
    - As we discussed in the previous unit and in Module 1, 10Seven's research suggests that people face three predominant experiences when participating in the economy. How does this relate to banking? Participating in the economy typically includes maintaining an account at a bank or credit union.
    - Here is a reminder of the common experiences 10Seven has found people face and describe.
        - Over the course of a relationship with a bank, you may experience…
            - **Material Safety:** The feeling or inner knowing that you are protected from experiencing socioeconomic harm (McKenzie, 2023). This is the state and experience we want to help people achieve. [Show with an icon/graphic of someone looking content]
            - **Financial shame:** The mental and emotional impact of being told you are to blame for your socioeconomic experiences (McKenzie, 2021). [Show with an icon/graphic of someone looking embarrased/ashamded]
            - **Financial trauma:** The effect of being continually harmed by the economic system and feeling betrayed by the economic system and its institutions (McKenzie, 2024). [Show with an icon/graphic of someone looking rejected/defeated or anxious]
    - All of these experiences may happen over the course of your relationship with your bank. There may be months or years where you feel materially safe, such as earning enough to cover your expenses and have some left over, but there may also be times where you feel deep financial shame and blame yourself for adverse financial experiences.
- **[New Page]** When you have a bad experience with a bank, your responses may vary.
    - As discussed in Unit 1, there are typically three self-protective *responses* to adverse experiences that we may have while participating in the economy, including while we are in an active relationship with a bank. Think of them on a spectrum.
        - **Hypervigilance** is dedicating more time and effort than what may be usual for you because you feel the need to keep up and be on top of things. Often, people respond in this way because they don't want more negative experiences to happen in the future, and so they feel it is necessary to try to outwork the system, leading to deleterious effects on one's overall, not just financial, well-being. [Show icon of someone leaning over a computer or phone, looking intense]
        - **Non-participation** is retreating and removing yourself from participating in the economy. This could look like closing your bank account and deciding that you don't even want to deal with the system anymore, so you remove yourself from potentially experiencing negative experiences. [Show icon of someone rejecting something or leaving a location]
        - **Self-blame or shame** is immediately thinking you are to blame or it is your fault when experiencing socioeconomic harm. [Show icon of someone looking embarssed/ashamed] Responding with self-blame is not

your fault; nothing is wrong with you, something happened to you.

    - We could each respond in different ways depending on our life stage or past experiences. We could also respond differently each time an adverse experience happens. These are also not meant to make you feel like you'll only feel one at a time. In fact, it is likely that you may need to employ a combination of these self-protective measures in any given circumstance.
    - We cycle through a range of emotions until we land on the response(s) that meet(s) our needs in any particular moment. And the response can vary in intensity. Perhaps it's a combination of feelings and responses.
        - [Could we show a pie chart that includes slices for hypervigilance, non-participation, and self-blame - visualizing it like one of those spin boards. You could land on any one at any time]
- **[New page]** All of these responses are normal and logical. There is nothing wrong about applying any of these self-protective approaches.
    - As you walked through Unit 2, it is likely you had or anticipated a response to the information we shared, whether you remembered the exact term for it or not.
        - Maybe when we talked about bank fees, you started to tell yourself you need to watch your bank account like a hawk (**hypervigilance**).
        - Maybe when we talked about shareholder primacy, you thought about breaking up with your bank (**nonparticipation**).
        - Maybe when you went through the simulated whack-a-mole exercise, you wanted to blame yourself, even though this exact scenario didn't actually happen (**self-blame**). Or maybe this actually *did* happen to you in real life, and you felt as though you were reliving that incident over again (**financial trauma**).
    - We're here to say:
        - It is completely normal and logical to have one or multiple self-protective responses when something bad happens or you anticipate something bad happening. Society has conditioned us to feel like we are the ones to blame, that it is our fault, that we should have known better.
        - Most of us will do things that we feel are necessary to get out of the adverse experience as quickly as possible, even if that means ignoring "financial" advice or acting "against" our financial interest.
        - The first thing you can do, regardless of any response you have, is to practice blameshifting. Many of us tend to blame ourselves for bad things that happen to us when, in reality, what happened to us was the result of an oppressive system working against us. Blame-shifting is the practice of recognizing what influence you have over your socioeconomic experiences and identifying how and when the economic system harms you (Haines, 2019). It won't erase the harm you experienced, but it can help you start to see your financial experiences in a new light.
- **[New Page - How Banking Affects You Activity]** Let's check-in and make sure you're tracking.
    - **Directions:** This activity will help you better understand the experiences you may have while banking and potential responses you may have when reacting to them. We understand that reading some of these scenarios may evoke certain reactions or feelings, especially if the scenario has happened to you before. You may always take a break and come back. Read each scenario and you'll "plot" your response on our participatory style and response spectrum. At the end, you will be able to better visualize if your responses follow a pattern or not.
- **[New Page - How Banking Affects You Activity]**

    - [Show the scenario and the triangular spectrum. Have students plot on the spectrum and then submit their final answer. Then it will move to the next one.]
    - Scenario 1: You're asked whether you want overdraft protection. You opt in and you overdraft within the first week since opening your account. What type of response do you think you would have in this scenario?
    - Scenario 2: You linked your checking and savings account. You had several transactions that automated transfers from your savings account to your checking account. You incurred several fees and your bank then closed the account and transferred it to a checking account. How would you respond to this happening?
    - Scenario 3: You decided to turn on notifications so that you are reminded twice a day of your balance. You also get notifications every time there is a transaction completed in your checking account. How would you respond to receiving all of these notifications in a day?

- **CLOSING PAGE:** [display the "plots" on the spectrum] We encourage you to reflect on your participatory style/response spectrum. Do you notice any patterns? Remember, however you feel and however you respond when engaging with financial institutions is understandable. This exercise is meant to help you begin to see how you may respond, and therefore, further empowers you to make decisions about what may be in your financial best interest.

- [New Page] Works Cited and Consulted for this Unit

Unit 4: Neobank Nation

- **[New page]** Neobanks and fintech brands have experienced astronomical rise in popularity in recent years.
    - In many ways, this is not a bad thing. These companies tout that they are making banking and financial services accessible to everyone and responding to a need for increased digitization in the slow-moving financial industry.
    - What is a neobank?
        - A **neobank** is not an actual bank. Instead, they provide "banking-like" services without complying with the same regulatory and operational standards as licensed financial institutions" (Krause, 2024, p.2).
        - They promise ease, convenience, and access. If you just had [insert app name here], your entire financial situation could change for the better (Amond, 2023)!
    - [Would be fun to compile some ads/marketing that show how sensational it all is and how "cool] it all looks]
    - In this unit we'll talk about some of the more well-known neobanks and what you need to know if you are thinking of creating a relationship with them.
- **[New Page].** Let's play a game. Let's say you are in the market for a new bank and you like the idea of a bank that's fully digital.
    - Swipe right on what feels like the right match for you, switch left on what doesn't.
    - [Experience is akin to Tinder - show bank logos as profile pictures with a quick description underneath. Allow users to swipe left or right - before going to the next potential match, they have to read all of the considerations]

- [Show profile] Meet Chime. We're uniting everyday people to unlock financial progress.
    - [Include real claims from their websites in the description box - we can write as paragraphs or bullets]
    - Everyday, fee-free banking
    - The #1 most loved banking app
    - Get up to $500 of your pay with MyPay
    - Get paid up to 2 days early with direct deposit
    - Build credit history with no annual fees or interest
    - Swipe Right for Yes, Left for No!
        - [If they swipe right show this] You swiped ***Right***–let's break down the realities of banking with Chime.
        - [If you swipe left, show this] You swiped ***Left***–let's break down the realities of banking with Chime.
    - **[Sub-pages with considerations]** [Keep profile of neobank visible in a side bar and show the considerations one by one, making them click to continue until they get to the last question about if they still want to make the match]
    - Fee-free you say?
        - Yes, there are no monthly fees for checking accounts. But let's dive a bit deeper into some of these other "fee-free" claims. Also note the clever marketing spin of no-fee as "fee-free". That feels a bit more positive but also less clear than no-fee, right?
        - Fee-free ATMs: Chime boasts over 50k+ fee-free ATMs. However, ATIMA estimated in 2023 that the number of ATMs in the US is somewhere between 520K and 540K (Tente, 2023), though it could be higher as it is impossible to count every single one. While 50K is a high number and the Chime website offers a directory, the reality is that you will likely still encounter ATMs where you have to pay an out-of-network ATM fee.
        - Fee-free Cash Deposits: If you are looking to deposit cash into your Chime account, you can do so for free at Walgreens. Other retail partners that provide this service will incur a fee. Note that these locations do not include banks.
        - Online banking with no overdraft fees: Chime's SpotMe service is essentially an overdraft coverage plan where they will allow you to overdraft up to $200 if you have Chime+. Chime+ members have to meet certain direct deposit requirements. If you don't have SpotMe, your purchase will decline. SpotMe also doesn't apply to certain transactions.
    - Oh, but what about getting paid earlier?
        - While "get paid 2 days early" sounds enticing, it really only means that the bank provides the funds when your employer provides the deposit information vs. waiting for the funds to clear which may take up to 2 days. While this may improve some people's financial situation, people on a consistent direct deposit schedule won't necessarily see a difference. For example, if you get paid biweekly, you will still get paid bi-weekly and that 2-day difference will just become your new normal. These payments are sometimes even treated as lines of credit until the direct deposits come in.

            - “Get $500 of your pay” is a nice way of saying a cash advance. They will allow you to borrow money for “unexpected” expenses if you are waiting on a paycheck, then deduct the amount when your direct deposit comes through. You will be penalized if you default.
        - Just like many other financial institutions, they have their own share of controversies
            - Remember how we just talked about account closures? Over the past few years, Chime has closed thousands of customer accounts without warning (Kessler, 2021). In 2024, the CFPB got involved after finding that Chime was withholding account closure refunds after 14 days (CFPB, 2024).
        - Oh, and it’s not really a bank!
            - In 2019, after an outage prevented customers from accessing their accounts, the California Department of Financial Protection and Innovation conducted an investigation and found that Chime had illegally described itself as a bank. This is because Bancorp Bank and Stride Bank, which are both FDIC-insured, do the actual banking and money-holding. Note that on its website, it uses words like “banking,” but it does not describe itself as a bank. Chime is essentially just a digital app (Kessler, 2021).
        - So now that you’ve learned a bit more about Dave, does this still make you want to create an account with them versus a more traditional bank?
            - Yes—hat’s fine! We just want you to understand how they are allowed to operate outside of traditional regulations that often provide more consumer protections.
            - No—it’s probably for the best.
    - [Show profile] Meet Dave. We’re building products that level the financial playing field.
        - Up to $500 in 5 min or less
        - Get cash instantly with Dave Checking
        - Spend on your terms
        - Find 1K+ ways to earn
        - No hidden fees
        - Swipe Right for Yes, Left for No!
            - [If they swipe right show this] You swiped ***Right***–let’s break down the realities of banking with Dave.
            - [If you swipe left, show this] You swiped ***Left***–let’s break down the realities of banking with Dave.
        - **[Sub-pages with considerations]** [Keep profile of neobank visible in a side bar and show the considerations one by one, making them click to continue until they get to the last question about if they still want to make the match]
            - Seriously, $500? Get cash instantly? Yes, as part of their ExtraCash™ program, you can access “interest-free money”, also known as a cash advance. This claim, which is front and center on this website, requires unpacking. You do not get $500 dollars just for joining Dave. You will have to pay it back eventually, and there are penalties if you don’t. Using ExtraCash(™) will also cost you $1 a month, by the way, and there’s an “Express Fee” to get instant access to the money. This could also impact your credit.

        - Spending on your terms is a cool way of saying that the Dave app has spending, saving, and budgeting features–which most traditional banks provide through their own apps. They also tout getting paid 2 days early with a direct deposit, which we established with Chime may not be as much of a game-changer as it sounds.
        - The Surveys feature lets customers take surveys and earn cash. Dave claims that members have earned up to $3.8M to date. An interview with Dave's CEO reveals this survey feature is through a partnership with inBrain.ai, an AI-powered app monetization company owned by Dyanta, one of the world's biggest data collection companies (Saulsbery, 2024). So, taking a survey to make some money may seem enticing, or even necessary if you need the cash. That's ok! We hope that at least you now feel more empowered with this information so you know the compensation is based on an exchange of your personal information. Both InBrain.ai and Dynata claim they are legally allowed to sell your data, according to their privacy policies (Dynata, 2019).
        - No hidden fees? Not quite. The FTC came after Dave in 2024, claiming Dave misled customers about cash advance amounts, charging undisclosed fees, and charging "tips" to customers without their knowledge (Federal Trade Commission, 2024). In response, Dave announced a simplified fee structure in 2025 (Dave, 2025). So there are fees, they just aren't hidden anymore.
        - It's still not a bank! Banking is handled by FDIC-insured banks, Evolve Bank and Trust.
    - So now that you've learned a bit more about Dave, does this still make you want to create an account with them versus a more traditional bank?
        - Yes—That's fine! We just want you to understand how they are allowed to operate outside of traditional regulations that often provide more consumer protections.the risks involved.
        - No—It's probably for the best.
- [Show profile] Meet PayPal. We used to be all about sending and receiving money, but now you can manage all your money with our app.
    - Get your paycheck early
    - Shop securely and earn cash back
    - Put money aside in PayPal Savings and watch your money grow
    - Enjoy now, pay later with PayPal Pay in 4
    - Crypto the easy way
    - Swipe Right for Yes, Left for No!
        - [If they swipe right show this] You swiped ***Right***–let's break down the realities of banking with PayPal.
        - [If you swipe left, show this] You swiped ***Left***–let's break down the realities of banking with PayPal.
    - **[Sub-pages with considerations]** [Keep profile of neobank visible in a side bar and show the considerations one by one, making them click to continue until they get to the last question about if they still want to make the match]
        - PayPal is an interesting case study. Many of us are familiar with the brand and its association with sending and receiving money. Brand familiarity and existing trust is a key factor in convincing

customers to “bank” with PayPal. It already has credibility in the fintech and payments space–why not lead that same reputation to banking too? We aren’t saying you shouldn’t use PayPal at all, but we invite you to consider some of these factors if you want to use it as a go-to source for *banking* specifically.

- The PayPal Debit and Credit Cards emphasize security and cash back, like many debit and credit cards from traditional banks do. In regards to Debit Cards, PayPal is still not a bank. It partners with FDIC-insured banks like Wells Fargo, Goldman Sachs, and JPMorgan Chase (Paypal, 2025). Also, you will still have to pay an ATM fee if the ATM is not a Moneypass ATM. In terms of credit cards, the average APR in the US is about 22% (Federal Reserve Board, 2025) but PayPal’s is 30.39% as of 3/31/2025 (Paypal, 2025). We’ll talk more about credit cards in a later unit, but that is well above the already high average interest rate for credit cards (22%-25%, according to Forbes).
- Savings accounts are a huge draw for neobanks, enticing customers with high-interest rates. Neobanks typically have lower overhead costs, which allows them to offer higher interest rates than the average bank. That is great. And it is important to remember the reason they have lower overhead is because they aren’t actually banks (Amond, 2023). PayPal Savings is made possible by FDIC-insured Synchrony Bank.
- We’ve already talked at length about getting your paycheck early and what that really means. We’ll talk a bit more about the pitfalls of buy now, pay later and crypto in later units.
- Oh, and perhaps you’ve also heard of or used Venmo? They were purchased by PayPal in 2013 and offer similar banking-like products, including a Debit Card, Credit Card, and Direct Deposit.
- So now that you’ve learned a bit more about PayPal, does this still make you want to bank with them versus a more traditional bank? Note that we are talking specifically about banking-related services only.
    - Yes—That’s fine! We just want you to understand how they are allowed to operate outside of traditional regulations that often provide more consumer protections.
    - No—It’s probably for the best.

- [Show profile] Meet Cash App. We’re redefining the world’s relationship with money by making it more relatable, instantly available, and universally accessible.
    - Bank without all the fees–send, save, spend and grow your money how you want
    - A better way to manage your money
    - Get the best parts of Cash App when you direct deposit $300 in paychecks each month
    - Choose the most flexible way to pay over time with no hidden fees or impact on your credit score
    - A no-hidden-fee debit card with instant discounts
    - Bank on your terms
    - Swipe Right for Yes, Left for No!

        - [If they swipe right show this] You swiped ***Right***–let's break down the realities of banking with Cashapp.
        - [If you swipe left, show this] You swiped ***Left***–let's break down the realities of banking with Cashapp.
    - **[Sub-pages with considerations]** [Keep profile of neobank visible in a side bar and show the considerations one by one, making them click to continue until they get to the last question about if they still want to make the match]
        - We're probably sounding like a broken record at this point! Similar to PayPal and Venmo, Cash App is extending its brand credibility in the send/recieve money space to banking. Does this extension of the Cash App brand make sense? Maybe. But the same considerations for PayPal apply. Cash App is not a bank–it partners with FDIC-insured banks to provide these services.
        - What is unique about Cash App is that it does *not* require a bank account to use in the first place–so many people who do not have bank accounts may use Cash App as a bank-like service already. This is likely why offering debit cards and other banking services made sense for the company to start offering. The CEO of Block, which owns Cash App, said in 2024 that they are specifically targeting existing Cash App users, who tend to be younger and lower income, with these banking offerings (Pothen, 2024).
        - And similar to other neobanks, recent lawsuits raise concerns around privacy, security, and fraud disputes. In 2021, Cash App paid out $15M to customers after a data breach (Bink, 2024). In 2025, the CFPB ordered Cash App to pay $175M due to failure to properly investigate fraud claims (CFPB, 2025).
    - So now that you've learned a bit more about Cash App, does this still make you want to bank with them versus a more traditional bank?
        - Yes—That's fine! We just want you to understand how they are allowed to operate outside of traditional regulations that often provide more consumer protections.
        - No—It's probably for the best.
- **[New Page]** It's important to note that both traditional banks and neobanks have their fair share of lawsuits and concerns. In the US financial system, the goal is always to produce a profit, even if that is at the expense of customers.
    - However, banking with a neobank comes with additional things to consider that could be mitigated with a traditional bank.
    - [Show the questions first, with a drop down to reveal the answer] If you are considering banking with a Chime or Dave, consider these questions:
        - [Team note: FYI, I came up with these questions/answers based on doing the research for this section so I did not add a specific source for the answer unless I was citing data]
        - Does this feel too good to be true or make me feel nervous?
            - Snappy branding and messaging make banking with a neobank seem easy and painless. Note how the examples we showed all use some of the same language, but with heavy asterisks. If you are intrigued by a particular offering, we encourage you to read the Terms and Conditions in detail. What will happen if you default on a cash advance? There are no hidden fees, but what fees *can* I expect? Do I have a fee-free ATM near me? Read everything

before you sign up. And as we've seen with the examples provided, there could still be some unexpected fees and practices that weren't made clear before. Becoming a customer of a neobank is totally fine. We hope that you now just feel more equipped to participate as a customer given the reduced protections you are afforded.

    - What is my financial situation right now?
        - Consider how you manage money and bank right now. Do you need regular access to cash and ATMs? Then a neobank might be limiting if you can't afford the fees for ATMs that aren't in their network. Do you have a negative past experience with Cash Advances? Engaging with a platform that makes them "simple" could feel anxiety-inducing or risky. Do you live in an area where you don't have ready access to physical banking services? Then a digital-forward option could be useful. It could be a neobank, but it could also be a direct bank like Ally Bank or Discover, which are online-only but FDIC-insured. And they have pretty high rates of satisfaction compared to traditional banks and neobanks (J.D. Power, 2025). Plus, most banks have caught up with the times and provide digital apps and experiences that include features like budgeting tools, send/receive options, early direct deposit, and more.
    - How much support do I think I will need, especially if something goes wrong?
        - Neobanks are still behind traditional banks when it comes to security measures, customer support, fraud prevention, and advisory services. If you are someone who needs to be able to talk to a live human–either in person, on the phone, or via chat–a traditional bank will likely have better access to these services. Access to this kind of well-rounded support is essential in the event that something goes wrong, like a fraudulent charge or an account closure.
    - Can a traditional bank offer me this same thing?
        - Yes, neobanks offer cool apps, streamlined visuals, and in some cases, high interest rates on savings accounts. But most direct and traditional banks can offer you similar services, plus a larger apparatus of support and security.
        - Again, this is not to say that neobanks are bad and traditional/direct banks are good. It's merely to say that neobanks give the illusion of sophistication, but more often than not do not have enough protections in place for their customers, namely because they are not governed by the laws and regulations that traditionals banks are. For example, are you still enticed by getting paid 2 days early? Major banks like Ally, Wells Fargo, Capital One, and more also offer this too. This ties back to *really* reading into the claims that neobanks make. Is it really that special–or is it just the really awesome branding?
- **[New Page]** But what's the most important thing to remember? Do what you feel is in your financial best interest. Now that you have a better sense of the "fine print", we hope you feel better equipped to make a decision.

- In later units, we'll talk about some other fintech platforms you may have come across that focus more on investing and cryptocurrency. This category of providers is growing every day, and it's important to understand how they operate.

- **[New Page]** Works Cited and Consulted for this Unit

Unit 5: Banking As a Smithie

We updated this unit so that it covers student accounts, banking while studying abroad, and maybe the banks/credit unions that are closest to campus (if you think this latter topic makes sense)

- **[New page]** We just talked a lot about how bank accounts work with the likes of the Big Four and Neo banks. But, those aren't the only places that offer bank accounts. In fact, smith offers students account.
    - Have you heard of a student account?
        - Yes
        - No
    - Do you have a student account?
        - Yes
        - No

- **[New page]** What's the deal with student accounts?
    - [Show images/screen shots of student account marketing from different banks to show how common it is]
    - Many banks offer checking accounts for students that don't have monthly maintenance fees and introduce young people to banking tools. For many, this is often their first official banking account.
    - This is an option that may feel more manageable for students who are just starting to engage with the financial system. But it is important to understand the terms of and conditions of these accounts as they are not a long-term option.
    - Most student accounts will automatically transfer over to a standard checking account upon your graduation date or within four to five years of opening the account (CFPB, 2024 [Source](#)).
    - Standard checking accounts have different rules and fees associated with them and will automatically switch you over. While there is typically no fee for the transition itself, you will likely find that a fee will start to be applied if your account balance does not meet the minimum (Zhen, 2014).
- **[New page]** If you have a student account or are planning to open one, check the terms for when you will no longer qualify so the automatic switch doesn't come as a surprise. Below are some examples, but these are not endorsements.
    - Bank of America no longer has specific student accounts. Instead, they offer SafeBalance accounts that have no monthly fees until age 25 and no overdraft fees.
    - Citizens Bank offers student accounts with no monthly maintenance or overdraft fees. The account automatically transfers to a standard checking account at the age of 25.
    - Rockland Trust offers student accounts with no minimum balance requirements or no monthly fees, but will convert your account to a "similar product type" on

your 25th birthday.

[Team notes: waiting on smith specific materials here, but I've started to gather some general resources and information - we can plan for this unit to have both smith and non-smith info]

- **[New Page]** Great news! You got accepted to that study abroad program you applied for. Get ready for seeing the world and studying. Before you head off, here are some considerations for banking and managing your finances abroad. This unit will dive into some considerations for banking and managing finances abroad.
    - Many Smith students take advantage of the numerous opportunities to study abroad through our programs.
    - Detailed information is available on the Smith website, but we wanted to give some additional context on what it means to bank while abroad.
- **[New Page]** For study abroad programs Smith typically helps with:
    - Tuition, room, and board: Students studying abroad are billed the Smith comprehensive fee (tuition, room and board), and Smith will pay the tuition, room and board charges assessed by the study abroad program
    - Food and housing stipends to cover the cost of food and housing that's not otherwise provided by the study abroad program. Transit stipends may also be an option in special circumstances
    - Health insurance provided through the Smith student health plan
    - Confirm any special exceptions or rules for your specific program or financial aid status
    - What you're responsible for:
        - Application fees
        - Damage and security deposits
        - Passport and visa costs
        - Airfare/travel
        - Room and board during program breaks
        - Books and other course expenses (e.g., field trips)
        - Personal expenses (e.g., amenities, phone plans)
        - Health insurance, if not receiving through Smith
- **[New Page]** Before you take off, it's important to ensure your financial ducks are in a row.
    - Have I received or will I receive any stipends or funding from Smith or other sources in the US?
        - You'll need a US bank account to receive any stipends or payments through Smith, which will come via direct deposit.
        - Any other funding sources (e.g., a job, family/friends) coming from the US should be directed to your US bank account.
    - How does my current bank account work abroad?
        - Most major US banks will allow you to use your credit and debit cards and withdraw cash from foreign ATMs, however the fees for these transactions can add up quickly.
        - Some banks may require a heads up that you are traveling abroad so they don't see any foreign transactions as suspicious.
        - Check to see if your bank has locations or relationships with local banks where you are headed.
            - Your bank may have a relationship in place that allows for saving on various fees or may allow you to easily access your bank

account without having to go through another institution. For example, Bank of America has relationships with international banks that will allow you to save on certain fees. Citibank ATMs can be accessed in the US and many places abroad.

- How will I be primarily spending my money?
    - This will also depend on where you are studying abroad. If you are going to London, you won't have a problem using a card. If you are going to a less developed area, you may need to deal in the local currency.
    - Cash
        - Most US banks will conveniently allow you to withdraw cash in the local currency from a local ATM, but there are fees to do this. As such, we encourage you to look up what the fees may be so you can plan ahead.
        - Currency exchanges can be helpful in a pinch and if you have significant American dollars on hand, but these also come with significant fees, which are typically higher than your bank's fees.
    - Card
        - Visa and Mastercard credit and debit cards are accepted virtually everywhere–200+ countries. If you don't have a Visa or Mastercard, check with your bank and credit card issuer where they might not be accepted.
        - Check with your bank if your card will incur transaction fees with charges. Cards billed as "travel" credit cards often have no foreign transaction fees, but check the fine print.
- How long will I be away?
    - You may be going for a semester or even a year. If you are going for longer, it may be helpful to open up a bank account abroad to manage your money without the fees.
- Opening a bank account abroad could be helpful if…
    - You are planning on staying for more than a semester.
    - You risk accumulating foreign transaction fees with your credit card, debit card, or when you withdraw cash.
    - You plan to work or earn money in the country you're traveling to. Maybe you've secured a cool internship or job that will take you abroad for a certain period of time. Many Smith students also participate in summer and interim programs abroad. Funding for these works differently but you should ask yourselves.

- **[New Page]** If you opt to open a bank account abroad, here's some general steps to follow.
    - Check the local banks' relationship with US institutions.
        - If you have an existing US bank account, see which or plan to receive funds from US sources, you'll want to ensure that you can easily move money to your new bank account when needed or people can send you money from home.
    - Have documentation ready.
        - You'll probably need
            - A valid ID
            - Proof of address
            - Your visa documentation depending on the financial institution and what country you are in
            - Money to deposit for you minimum requirement

- [Note: We can review opening and closing instructions as well as any fees that may arise if you think this is necessary or the Abroad office doesn't already have materials on this]

- **[New Page]**If something happens where you run out of money or need more funds that are currently available to you, you have options. See the Emergency Financial Assistance module for more information on this [waiting on materials for this].—

- **[New Page]** Works Cited and Consulted for this Unit (Alphabetical Order)
  Works Cited and Consulted for this Unit (Order of Appearance)