

# WORKSHOP FOUR: BANKING BASICS & CHECKING ACCOUNTS

## **Advanced Preparations for Workshop 4:**

**Set-up:** Prepare room for class with adequate chair/table arrangement and sign-in sheets. Set up projector and PowerPoint slides. If facilitating an online session, set up the slides and Zoom meeting room.

## **Materials Needed For This Class:**

1. Attendance sheet
2. Whiteboard
3. Facilitator Guide
4. Student Guide: Workshop 4
5. Laptop & projector
6. PowerPoint slides: Workshop 4
7. Paper and pens or pencils
8. List of local banks, credit unions, and online/alternative/second-chance banks
9. Workshop 4 Worksheets
10. "Second-Chance Checking Accounts" Handout
11. "How to Avoid Bank Fees" Handout
12. "How to Balance Your Checkbook" Handout
13. Check writing and budgeting activity (optional)

## **Learning Objectives:**

*Upon conclusion of Workshop 4, participants will:*

1. Have learned at least three new banking terms and their meanings
2. Understand the differences and pros and cons between different types of financial institutions
3. Understand the most common banking fees and identify practical ways to minimize or avoid them
4. Understand the steps to opening a checking account
5. Identify steps to remedy poor banking histories
6. Understand the differences and pros/cons to different types of checking accounts
7. Understand how to read and write checks
8. Understand how to balance a checkbook and the importance of doing so

## Welcome Back & Group Sharing

**Facilitator:**

**Suggested time:** 10 minutes

**Materials:** Attendance sheet; PowerPoint slides; Community Agreements; homework assignment (community resources)

**Teaching:**

Welcome back the participants. Take attendance. Quickly review the Community Agreements and go over the day's agenda

**Discussion:**

Begin sharing with one facilitator going first. Sharing should include how the week has gone with issues relating to money and finances and how their money saving ideas are going. If there have been any savings as a result of using the ideas, this should be shared with an estimated dollar amount. Additionally, ask the participants to share how their budgets are going and which community resource they identified. Give each participant, and the facilitators, 2-3 minutes to share.

## Banking Terms & Institutions

**Facilitator:**

**Suggested time:** 10-15 minutes

**Materials:** PowerPoint slides; Student Guide p. 59-63 and Glossary; "How to Avoid Bank Fees" handout; whiteboard; bank websites

**Teaching:**

As a class, go over the common banking terms listed in the Student Guide and defined in the Glossary of Financial Terms, such as "APR" and "interest" and explain their meanings. The Glossary of Financial Terms is located at the end of the Student Guide and the Facilitator Guide.

Next, go over the different financial institutions as described in the Student Guide. As a class, discuss the possible pros and cons of each. You can take this time to discuss the differences between big national banks, local banks, community credit unions, and internet banks and ask

participants to share any experiences they've had with any of these types of banks. If you think it would be useful, pull up a few websites with examples of traditional banks, credit unions, and fully online banks. Be sure to explain that you are not endorsing any particular bank.

### **Teaching/Discussion:**

Next, you will go through the list in the Student Guide of common banking fees, inviting questions and comments from participants. As you list them, ask participants if they've ever incurred any of these fees. Some of these fees include monthly maintenance fees, overdraft fees, and early closing fees. Facilitators can share their own experiences as well. Discuss how one might avoid each fee and pass out the "How to Avoid Bank Fees" handout. Ask the participants if they have any questions on any of the topics covered so far.

## **Bank Accounts & Banking History**

### **Facilitator:**

**Suggested time:** 10 minutes

**Materials:** PowerPoint slides; Student Guide p. 63-67; "Second Chance Checking Accounts" handout

### **Teaching:**

Next, go over the 7 steps to opening a bank account. Write these steps on the whiteboard:

1. Choose an Institution
2. Go to the Bank or Website
3. Pick the Product You Want
4. Provide Your Information
5. Agree to Terms
6. Print, Sign, and Mail (If Applicable)
7. Congratulate Yourself!

Invite participants to ask questions and/or share their own personal experiences with opening up a bank account.

Next, you will explore how a person might end up with a negative banking history and how a person can fix this type of situation. Using the information in the Student Guide, explain what ChexSystems is and how to keep one's name out of their database. Invite the participants to list situations that can lead to a poor banking history, using the examples in the Student Guide and

any others they can think of. Then go over the two main options for fixing a poor banking history:  
1) remedying the situation or 2) opening up a second chance checking account.

Pass out the “Second-Chance Checking Accounts” handout. Remind everyone that judgement of prior or current situations is discouraged in this class and that this course is all about learning new strategies. Remember that participants will have widely varying experiences with these types of situations, so make sure to lead these conversations with compassion and understanding. We want to make sure these workshops are safe spaces for learning and collaboration.

These topics are dry, and participants may have begun to check out or disengage at this point in class. Some tips for making dry topics more interactive:

1. Ask the participants to share any experiences they may have had with topics presented, such as anecdotes from their own lives, from people they know, from the media, etc. Facilitators should do the same – try to connect these topics to real-life situations and experiences.
2. Read your audience and notice if participants are starting to check out. If they are, try taking a break, showing a video instead of talking through the materials, asking the participants (if they’re able) to stretch their bodies, or chatting for a few minutes about non-course-related subjects. These are a few easy options to re-engage participants and you can come back to the workshop materials when everyone feels refreshed.
3. Read through the list of “Best Practices for Facilitating a Training Virtually” located in the Facilitator Toolkit. Some of these tips can be useful in virtual and in-person spaces. For example, using participants’ names throughout the class, using humor and conversational language, encouraging the participants to raise their hands to ask questions or make comments at any time; and encouraging feedback each class to make the next class better.

## Checking Accounts & Checkbooks

**Facilitator:**

**Suggested time:** 10-15 minutes

**Materials:** PowerPoint slides; Student Guide p. 67-76; “How to Balance Your Checkbook” Handout; YouTube videos (optional; located in Workshop 4 Additional Resources)

### **Teaching:**

Using the Student Guide, you will explain the different types of checking accounts to help participants understand the pros and cons and how to pick one that works best for them. Focus on free checking accounts, which are usually the most preferred account, especially among people just starting out. Ask the participants if they have any questions.

### **Activity:**

Go over the steps in the Student Guide for how to read and write a check, asking the participants to take turns reading each step aloud.

If you are facilitating in-person, facilitators can draw an example check on the whiteboard. If you are facilitating online, pull up an editable image of a check, or use the example in the PowerPoint slides. This can be an opportunity to add some humor, asking participants to shout out the account holder's name, amount, and reason for writing the check.

As you go through each section, point out the key elements of the check and their purpose, paying special attention to the routing number and account number, which are needed when setting up Direct Deposit Payments to and from your checking account. Ask if anyone has any questions.

### **Teaching:**

Discuss balancing a checkbook in relation to budgeting and making sound financial decisions. Explain that in the digital age, fewer people are using checkbooks as frequently, as many people have moved on to rely on debit and credit cards and online banking and bill paying. However, checkbooks and learning how to properly use them can still be useful financial tools.

Go over why balancing your checkbook is a good financial practice and walk participants through the checkbook balancing process/worksheet. Pass out the "How to Balance your Checkbook" handout. To make this section more interactive and to provide additional instruction about this topic, we recommend using some of the videos on how to balance a checkbook, located in the Facilitator Toolkit.

## Check Writing & Budgeting Exercise

**Facilitator:**

**Suggested time:** 20-30 minutes

**Materials:** Activity instructions, Slides, copies of example checks, copies of example check balancing sheets; whiteboard, markers and pens; large envelopes with expense items, prices, and instructions; chocolate coins (if in-person, optional), calculators.

**Activity:**

The following activity is optional, depending on time and funds available, and will require a fair amount of preparation by the facilitators in advance. The purpose of this exercise is to give participants an opportunity to practice their skills in check-writing, balancing a checkbook, and budgeting/making sound financial decisions. It will also make the class more interactive and fun. The PowerPoint slides explain the activity and have instructions for the participants.

**Instructions:****Step 1: Prepare Envelopes and Practice Checks**

- If you are facilitating class in-person, one facilitator will pass out six example checks and an example check balancing sheet (located in the activity instructions) to each participant, as well as calculators. If you are facilitating online, send out virtual example checks and a virtual check balancing sheet that participants can edit on their computers.
- While one facilitator is doing this, the other will set up the envelopes, which will contain an expense item that falls under one of three categories: *housing, transportation, and wellness*.
  - Each expense item will be on a printed out card, or will be projected on the PowerPoint slides (depending if you're teaching in-person or virtually, and whether you want a paper-less option). Each of these options has a specific number of points associated with it (see the options in this Guide). Participants will "go shopping," using their example checks for one of each expense item.
  - If facilitating class in-person, the points will be located on the back of each card. If facilitating class online, facilitators will keep track of the points associated with each option, using the Facilitator Guide.

- If in-person, the facilitators will place the envelopes front-side up across the tables so everyone can see, making sure the envelopes stay grouped in their respective categories. You can spread the envelopes out on different tables in the room to encourage participants to walk about and “go shopping.”
  - If time and available funds permit, you can purchase chocolate coins to use instead of tallying up points at the end. If you decide to do this, you will place the chocolate coins (10-20, depending on class size) in each envelope prior to the class.
- If you are facilitating online, the activity will follow the same structure, but instead of moving around the room to select housing, transportation, and wellness options from the envelopes provided, participants will choose from the options in the PowerPoint slides and write their sample checks on their computers using virtual copies.
  - The options will still have different points associated with them, and participants will still tally up their points at the end.
- On the whiteboard, one facilitator will write three typical expenses: power, cable, and credit bills. These expenses are also on the PowerPoint slides for this workshop.

## **Step 2: Go Shopping**

- Give everyone a starting amount of \$3000. This is their monthly salary that they have to work with. Their job is to pay their bills, then find a place to live, a way to get around, and something that will bring them joy.
- Ask the participants to first pay the bills listed on the whiteboard and/or slides, using their sample checks. Once these basic bills have been paid, invite the participants to look through the items presented on the table/on the screen and “go shopping.” Instruct everyone to pick one item from each category (housing, transportation, and wellness).
- Once everyone has written checks for their selected items and entered the information into their check balancing sheets, ask the participants to turn the envelopes of their selected items over and follow the instructions for how many points (or coins) to collect. If facilitating online, facilitators will let the participants know how many points are associated with each of the items they chose.
- After everyone has tallied up their points, invite the participants to share their thoughts and experiences with this exercise and how many points they were able to collect. Ask if they noticed the correlation between their expense choices and the amount of points they were able to collect.

## Housing Options:


### Front:

<b>Home:</b>  <b>Bedroom in a shared house</b>  Rent: \$450/month Pros: Inexpensive Cons: Must share common space with three other people Pay to: Friendly Living Company	
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### Back:

<b>Home</b>	<b>Take 5 points</b>
<b>Bedroom in shared house</b>	

### Front:

<b>Home</b> <b>Shared two-bedroom apartment</b>  Rent: \$700/month Pros: Less expensive than living alone Cons: Must share common space with another person Pay to: Standard Property Company	
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### Back:

<b>Home</b>	<b>Take 4 points</b>
<b>Shared two-bedroom apartment</b>	




**Front:**

<a href="#">Home</a> <b>Studio apartment</b>  Rent: \$850/month Pros: Close to downtown and work, walkable Cons: More expensive, not a lot of space Pay to: Dollhouse properties	
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**Back:**

<a href="#">Home</a>	<b>Take 3 points</b>
<b>Studio apartment</b>	

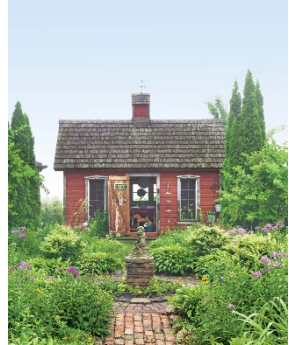
**Front:**

<a href="#">Home</a> <b>One-bedroom apartment</b>  Rent: \$1100/month Pros: More personal space Cons: More expensive Pay to: American Property Management	
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**Back:**

<a href="#">Home</a>	<b>Take 2 points</b>
<b>One bedroom apartment</b>	

**Front:**

<b>Home</b> <b>Small home</b> Mortgage: \$1150/month Pros: Over time, you will own the home Cons: Needs some repairs and updates; put all savings into down payment Pay to: Happy Homes Mortgage Company	
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**Back:**

<b>Home</b>	<b>Take 1 point</b>
<b>Small home</b>	

**Front:**

<b>Home</b> <b>Large suburban home</b> Mortgage: \$1800/month Pros: Plenty of living space Cons: Long commute to work; put all savings into down payment Pay to: Megabank Home Loans	
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**Back:**

<b>Home</b>	<b>Take 0 points</b>
<b>Large suburban home</b>	

## Transportation Options:


### Front:

<b>Transportation</b> <b>Bus pass</b> \$95/month Pros: Inexpensive; better for the environment Cons: Commute takes longer; limits where you can go Pay to: City Transportation	
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### Back:

Transportation	Take 5 points
Bus pass	


### Front:

<b>Transportation</b> <b>Basic used car</b> \$1,800 one-time payment Pros: Inexpensive Con: Needs repairs and maintenance Pay to: Happy Auto	
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### Back:

Transportation	Take 3 points
Basic used car	


**Front:**

<p><b>Transportation</b></p> <p><b>Basic new car</b></p> <p>\$280/month five-year loan</p> <p>Pros: Reliable transportation</p> <p>Cons: More expensive, regular payments you need to make each month</p> <p>Pay to: Sam's New Cars</p>	
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**Back:**

<p><b>Transportation</b></p>	<p><b>Take 1 point</b></p>
<p><b>Basic used car</b></p>	

**Front:**


<p><b>Transportation</b></p> <p><b>Leased luxury car</b></p> <p>\$650/month three-year lease</p> <p>Pros: Luxurious car you've always dreamed of</p> <p>Cons: Very expensive; long-term loan</p> <p>Pay to: Fast &amp; Fun Auto</p>	
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**Back:**

<p><b>Transportation</b></p>	<p><b>Take no points</b></p>
<p><b>Leased luxury car</b></p>	

## **Wellness Options:**

### **Front:**

<b>Wellness</b> <b>Community Fair Outing</b> \$20 entrance fee Pros: Inexpensive Cons: Crowded with long lines Pay to: Community Events	
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### **Back:**

<b>Wellness</b>	<b>Take 4 points</b>
<b>Community Fair Outing</b>	


### **Front:**

<b>Wellness</b> <b>Day at the Spa</b> \$125 Pros: Relaxing and rejuvenating; self-care Cons: Expensive for one day Pay to: Dreamscape Spa	
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### **Back:**

<b>Wellness</b>	<b>Take 3 points</b>
<b>Day at the Spa</b>	


**Front:**

<p><b>Wellness</b></p> <p><b>Adopt a dog</b></p> <p>\$400 adoption fee</p> <p>Pros: Provides unconditional love and companionship</p> <p>Cons: Ongoing cost for food and care</p> <p>Pay to: County Animal Shelter</p>	
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**Back:**

<p><b>Wellness</b></p>	<p><b>Take 2 points</b></p>
<p><b>Adopt a Dog</b></p>	


**Front:**

<p><b>Wellness</b></p> <p><b>New Gaming Station &amp; Games</b></p> <p>\$460</p> <p>Pros: Provides at-home entertainment</p> <p>Cons: Initial cost is expensive</p> <p>Pay to: Super Electronics</p>	
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**Back:**

<p><b>Wellness</b></p>	<p><b>Take 2 points</b></p>
<p><b>New Gaming Station &amp; Games</b></p>	


**Front:**

<b>Wellness</b> <b>60' High Definition Television</b> \$800 Pros: Provides at-home entertainment Cons: Initial cost is quite expensive Pay to: E-Mart	
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**Back:**

<b>Wellness</b>	Take 1 point
HD Television	

**Front:**

<b>Wellness</b> <b>One Week All-Inclusive Resort Vacation</b> \$1600 Pros: Very luxurious and relaxing vacation Cons: Very expensive Pay to: Serene Vacations	
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**Back:**

<b>Wellness</b>	Take 0 points
One Week All-Inclusive Resort Vacation	

## Wrap-up

**Facilitator:**

**Suggested time:** 10 minutes

**Materials:** PowerPoint slides; Student Guide p. 22

## **Teaching:**

Go over the Homework Assignments for this week:

1. Ask participants to choose one more money saving idea to commit to for the next week. Facilitators will commit to one idea as well.
2. Encourage participants to revisit their budgets and revise them if needed. Ask them to commit to their budget for another week.
3. Ask participants to research any fees charged at their bank or a bank they are interested in.

## **Discussion:**

Ask if anyone has any questions. Thank everyone for their participation and let them know that the facilitators are available via phone and email between classes if anyone has any questions or issues.

**After Class:**

1. Facilitators fill out class reflection forms at the end of each class.
2. Facilitators should plan to meet in advance of the next class to plan, practice, and compare notes from the previous class.



## FACILITATOR REFLECTION

This form should be filled out by both facilitators immediately upon conclusion of the class while impressions and details are still fresh.

Thoughts about the class:

Lessons learned: