

Financial Institutions

Understanding how financial institutions and their products work is crucial to financial literacy.

1. Determine if a checking account (C) or savings account (S) is more appropriate in a scenario by writing a C or S next to it.

- ___ You want a debit card so you don't have to carry cash.
___ You're setting aside money to buy a car.
___ You don't need the money immediately and want it to grow.
___ You need to use the money to pay a deposit by check.

2. True or False (circle one):

T **F** Financial institutions have safeguards to protect your money, including federal insurance.

3. Fill in the blanks to complete the definitions.

Principal Owed Transaction Maturity

Interest is money that is earned or _____.

With simple interest, only the _____ deposited earns interest.

Checking accounts are considered _____ accounts.

Money in certificate accounts must be left until the _____ date.

4. Match the correct definition with it's correlating vocabulary term.

APY

A fee charged when there isn't enough money in an account to cover an expense.

Overdraft

A number between 300 and 850 that represents a borrower's credit worthiness to potential lenders.

Bounce

When a check is returned because there aren't enough funds to cover the transaction.

Credit Score

A percentage that reflects what you earn with compound interest over a year.

5. My biggest takeaway:
