

Learning Objectives

Students will be able to

- Identify common checking account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Read a Checking Account Summary
- Compare overdraft policies at major US banks

Approximate Time

- Lesson length: 45 mins

Jump\$tart Standards

Spending & Saving

- 2a: Investigate account management services that financial institutions provide
- 3b: Compare the features and costs of personal checking accounts offered by different financial institutions

Distribute to Students

- [Student Activity Packet SC-2.2](#)

Plan Your Unit

- [Semester Course Checking Unit Plan](#)




LESSON PLAN

	Resources	Questions	Est. Time
1	DISCUSSION PROMPTS	<p>Discussion Prompts Discuss this question with your classmates or with a partner:</p> <ol style="list-style-type: none"> 1. Imagine that you are at an event that you bought tickets for. You want to buy a souvenir from one of the vendors but realize that you don't have any cash, which is all they accept. You go to the ATM and find that it is going to charge you \$3 to withdraw money from your account. Do you accept it? Why or why not? 	5 mins
2	<p>VIDEO (2:03)</p> <ul style="list-style-type: none"> • Bank Overdraft Fees • Publisher: Consumer Reports 	<p>Bank Overdraft Fees One of the most common fees banks charge is the Overdraft fee. Watch this video to learn what this fee is and what you can do to avoid it. Then, answer the following questions.</p> <ol style="list-style-type: none"> 1. What is misleading about the term "overdraft protection"? 2. True or False: Once you are signed up for overdraft protection, you cannot opt out. 3. What else did Sharon do to avoid future overdraft fees? 	5 mins
3	<p>ARTICLE</p> <ul style="list-style-type: none"> • 3 Mobile Banking Alerts Everyone Should Activate • Publisher: Bankrate 	<p>3 Mobile Banking Alerts Everyone Should Activate In the previous video, you saw that Sharon had set up some alerts so that she could avoid expensive banking fees. Skim this article to find out what kinds of alerts you can set up so you can avoid fees as well. Then, answer the following questions.</p> <ol style="list-style-type: none"> 1. In your own words, briefly describe the benefit of each type of alert below: 	5 mins

		<ol style="list-style-type: none"> a. Low Balance b. Mobile Deposit c. Unusual Activity <ol style="list-style-type: none"> 2. While all three of the alerts are highly recommended, which one do you think is most important? Why? 	
4	ACTIVITY <ul style="list-style-type: none"> • FINE PRINT: Checking Account Agreement • Publisher: NGPF 	FINE PRINT: Checking Account Agreement Each bank has its own terms and fees for different types of accounts. Use this Fine Print activity to get some practice reading and understanding these terms. Follow the directions on the worksheet to complete this activity.	10 mins*
5	PROJECT <ul style="list-style-type: none"> • Overdraft Fee Analysis • Publisher: NGPF 	Overdraft Fee Analysis What do overdraft fees at different banks look like? How much would the same transactions cost at different banks if you were to overdraw? Follow your teacher’s directions and the directions on this worksheet to complete this project.	15 mins*
6	EXIT TICKET <ul style="list-style-type: none"> ❖ Teacher Tip: To administer this Exit Ticket using Google Forms, make your own copy here. 	Exit Ticket <ol style="list-style-type: none"> 1. What is an overdraft fee? <ol style="list-style-type: none"> a. Fee for withdrawing more money than you have in the account b. Fee for writing a check c. Fee for going below your minimum balance requirement 2. If you have \$35 in your checking account and swipe your debit card for a \$50 purchase WITH overdraft protection, what most likely happens? 3. Why is it a good idea to set up mobile alerts for your checking account? 	5 mins

***Teacher Tip:** Completing all of this activity will likely take longer than the designated time. You may want to assign the remainder for homework.



EXTEND THE LEARNING

<h3 style="color: #0056b3; margin: 0;">DO MORE...</h3> <p>INTERACTIVE</p> <ul style="list-style-type: none"> • Quizlet Cashcabulary Checking • Publisher: NGPF <p>PROJECT</p> <ul style="list-style-type: none"> • 	<h3 style="color: #0056b3; margin: 0;">LEARN MORE...</h3> <p>ARTICLES</p> <ul style="list-style-type: none"> • <p>QUESTION OF THE DAY</p> <ul style="list-style-type: none"> • <p>VIDEO</p> <ul style="list-style-type: none"> •
<h3 style="color: #0056b3; margin: 0;">FAST FACTS...</h3> <ul style="list-style-type: none"> • The average overdraft fee has increased from \$21.57 in 1998 to \$33.23 in 2018. The most common overdraft fee is \$35 (Bankrate, 2018). • In cities where a large percentage of consumers are “fully banked,” free checking accounts are offered 65% of the time while cities with lower percentages of “fully banked” households are only offered free accounts about 51% of the time (MarketWatch, 2018). • The average monthly maintenance fee that banks charge is more than \$13 a month or \$156 a year (Investopedia, 2019). 	

