



**PART 1:** Read each statement below, and then mark each as true or false.

	True	False
1. An asset is something you own that has value. Risk to an asset is the possibility that you will lose the asset or that it will lose value.		
2. Checking accounts, person-to-person payment apps, mobile wallet apps, and prepaid cards are tools that allow you to transfer money.		
3. You must be at least 18 and employed full-time to have a savings or checking account at a bank.		
4. A debit card and an ATM (automated teller machine) card are the same thing.		
5. The Federal Deposit Insurance Corporation (FDIC) protects funds that depositors place in deposit accounts at federally insured banks in case of bank failure.		
6. Money you deposit through a crypto platform or nonbank payment app is always insured.		
7. FDIC deposit insurance protects against losses due to fraud and identity theft.		
8. Most prepaid cards are not linked to a savings or checking account.		
9. Choosing the right financial products and services to help you save, spend, manage, and borrow money depends on your personal money management needs.		
10. The only way to manage your money online is through a nonbank or person-to-person payment app.		
11. There are fees for some money management tools and services.		
12. You can reduce risk to your money by making informed choices that anticipate risks, being careful with personal information, knowing your rights and responsibilities, and having deposit insurance.		
13. To protect and manage your money, you should know the terms of your account and keep track of all deposits and withdrawals.		
14. Phishing, pharming, skimming, and scams are methods criminals use to steal people's identities.		
15. To help protect yourself against identity theft or fraud, do not share your Social Security number, credit/debit card numbers, PIN numbers, or passwords.		

**PART 2:** Using the correct quiz answers and information your teacher shares, answer the questions below on the back of this sheet.

1. Were you surprised by the truth or falsehood of any of the statements? If so, which facts surprised you?
2. What is a financial term or question that you thought should have been included on the quiz?

### Talk About It!

Cover your answers and give the quiz to an adult at home. Use the quiz to discuss core money management concepts together.



# KNOW YOUR RISK

SPENDING, SAVING, AND PROTECTING YOUR MONEY

## ACTIVITY 2

# SPENDING YOUR MONEY



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**PART 1:** Meet Jarrod. Jarrod is a busy senior. He has a part-time job at a bagel shop, working after school and on Saturdays. Jarrod makes \$12 an hour and works about 18 hours a week. His main expenses are his cell phone (\$40 per month), clothing, and spending money to go out with his friends. He deposits \$100 of his weekly paycheck into a savings account at a bank, where he has \$2,000 saved. He is hoping to buy or lease a pre-owned car in time for his 18th birthday, which is 11 months away. He has his eye on a car that costs \$8,000. Once he has a car, he will need car insurance, which will be about \$125 per month.

Create a monthly budget for Jarrod using the form at [playmoneysmart.fdic.gov/tools/11](https://playmoneysmart.fdic.gov/tools/11) or a simple three-column Income-Expenses-Savings chart. Then answer the questions below on the back of this sheet.

1. How well, overall, is Jarrod managing his finances?
2. Where is there room for improvement?
3. What strategies should Jarrod consider to manage his finances to meet his goal?

**PART 2:** When there's an item you want to buy or service you want to purchase, there are options for making payment. Each payment method has pros and cons and it's important to consider your needs when deciding which option is best for you. Research the payment methods listed below. Use the chart to describe each method and how it works, then list its pros and cons. When you've completed the chart, decide which might be the best option for you and why.

PAYMENT METHOD	WHAT IS IT?	PROS	CONS
Cash			
Checking account and debit card			
Online bill payment (cash transfer)			
Prepaid card			
Credit card			
Person-to-person payment app			
Mobile wallet app			



## Talk About It!

Continue your research with an adult at home. Ask about their experience with different payment method options. What pros and cons have they encountered? Can they offer any words of advice or caution?

**LEARN MORE** about everyday financial topics with the *How Money Smart Are You?* games available at [playmoneysmart.fdic.gov/games](https://playmoneysmart.fdic.gov/games).



# KNOW YOUR RISK

SPENDING, SAVING, AND PROTECTING YOUR MONEY

## ACTIVITY 3

# SAVING YOUR MONEY



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**PART 1:** Whether you get an allowance or a paycheck, thinking long term and saving now for things that you may need or want in the future, or for an emergency, can make an impact on your money.

Financial institutions offer deposit products to help you save your money, including savings accounts, certificates of deposit (CDs), and money market accounts. The Federal Deposit Insurance Corporation (FDIC) protects money in these deposit products at FDIC-insured banks in the event of a bank failure.

Visit a financial institution website to research the interest rates, minimum balance requirements, and fund access restrictions for each deposit product listed. When you've completed the chart, discuss in class which deposit product seems the best choice for you and why.

**Financial Institution:** \_\_\_\_\_

DEPOSIT PRODUCT	INTEREST RATE	MINIMUM BALANCE	ACCESS TO FUNDS
Savings account			
Checking account			
Certificate of deposit (CD)			
Money market account			

**PART 2:** In addition to deposit products, some banks and investment firms offer a variety of investment products and services designed to help grow your money. Many people use these products to send children to college or to save for a rainy day. But unlike traditional bank deposit products, most investment products are not insured by the FDIC, even if they were purchased from an FDIC-insured bank.

Read the article at [fdic.gov/resources/deposit-insurance/understanding-deposit-insurance](https://www.fdic.gov/resources/deposit-insurance/understanding-deposit-insurance) to learn more about FDIC insurance. Then, research the investment options below. Complete the chart to compare the benefits and risks of each one.

INVESTMENT OPTION	BENEFITS	RISKS	COVERED BY DEPOSIT INSURANCE?
Stocks			
Bonds			
Mutual funds			
Crypto assets*			

**PART 3:** Use your research and personal goals to answer the questions below.

1. Which type of financial institution or service fits your saving needs right now? Why? \_\_\_\_\_

2. Which option do you feel will fit your saving needs five years from now? Why? \_\_\_\_\_

\* For information about crypto assets, check out the "Digital Assets Primer" from the Commodity Futures Trading Commission at [cftc.gov/media/5476/DigitalAssetsPrimer/download](https://www.cftc.gov/media/5476/DigitalAssetsPrimer/download).



## Talk About It!

Interview an adult in your family about their experiences — both positive and negative — with financial institutions and service providers they have used.

**LEARN MORE** about banking with third party apps and crypto companies at [fdic.gov/resources/consumers/consumer-news/2024-06.html](https://www.fdic.gov/resources/consumers/consumer-news/2024-06.html) and [fdic.gov/sites/default/files/2024-03/crypto-fact-sheet-7-28-22\\_0.pdf](https://www.fdic.gov/sites/default/files/2024-03/crypto-fact-sheet-7-28-22_0.pdf).



# PROTECTING YOUR MONEY



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**PART 1:** The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government that protects bank depositors against the loss of their insured deposits if an FDIC-insured bank or savings association fails. The FDIC does not protect funds at nonbank companies or banks that are not FDIC-insured.

Consider the three scenarios below. Review the following resources to determine what would happen to your money if the event occurred:

- FDIC FAQs – [fdic.gov/resources/deposit-insurance/faq](https://www.fdic.gov/resources/deposit-insurance/faq)
- Information about crypto assets – [fdic.gov/sites/default/files/2024-03/crypto-fact-sheet-7-28-22\\_0.pdf](https://www.fdic.gov/sites/default/files/2024-03/crypto-fact-sheet-7-28-22_0.pdf)
- Information about third-party apps – [fdic.gov/consumer-resource-center/2024-06/banking-third-party-apps](https://www.fdic.gov/consumer-resource-center/2024-06/banking-third-party-apps)

1. What if...your bank fails? \_\_\_\_\_

2. What if...your payment app service goes out of business? \_\_\_\_\_

3. What if...your assets were part of a crypto crash? \_\_\_\_\_

Now that you've explored the risks, use the back of this sheet to list some essential steps you can take to protect yourself and your money.

**PART 2:** Fraud, scams, and identity theft are also risks associated with money management. It's important to know these risks and take measures to protect yourself and your money. To learn more, read "Reduce the Risk of Identity Theft" at [playmoneysmart.fdic.gov/tools/130](https://playmoneysmart.fdic.gov/tools/130). Then read each scenario below and determine which choice is money smart.

1. You get a call from a number you don't recognize. The voice on the other end is offering a free weekend trip to a ski resort, but to get your coupon, you must give a credit card number. It sounds like a great idea. Do you give the number?

- Yes! I need a vacation!
- No way! They could use the number to commit fraud.

2. You receive a letter from a well-known credit card company. It says they are "concerned about recent activity on your account" and they want to protect their customers. But you have never had a credit card with that company. There is a 1-800 number to call to speak with a fraud service representative. Should you call it?

- Yes, I should check online to make sure that the 1-800 number is really the credit card company's phone number, and then call the number to find out why I received the letter.
- No, they will ask me for private information, and I know not to give it out.

3. You want to open a savings account at an online-only bank. But when you start filling in the information to open the account, it asks you for your Social Security number to verify your identity. Do you provide it or consider another bank?

- Provide it. If I researched the institution, I know it is legitimate and OK to give information to receive the service I need.
- Consider another bank. I should never give out my Social Security number.

**PART 3:** On the back of this sheet, create a potential fraud scenario. First, set the scene. Then provide the best way to respond to the situation.

## Talk About It!

Share your fraud scenario with an adult at home. Together, talk about examples the adult has experienced or heard about.



**LEARN MORE** about protecting your identity and other assets with *How Money Smart Are You?* available at [playmoneysmart.fdic.gov/game/8](https://playmoneysmart.fdic.gov/game/8).