

KNOW YOUR RISK

SPENDING, SAVING, AND PROTECTING YOUR MONEY



DEAR EDUCATOR,

Help set up your students for success by equipping them with the skills to make smart financial decisions, now and in the future, with this free program from the Federal Deposit Insurance Corporation (FDIC) and the curriculum specialists at Young Minds Inspired.

Designed to introduce key principles of financial education, the program includes activities that explore money management, financial services, deposit products, and ways to protect money and mitigate financial risks.

We hope that you enjoy using this teaching kit and will share it with other teachers at your school. You have permission to reproduce these materials for educational purposes. And please tell us what you think of the kit by commenting at ymiclassroom.com/feedback-knowyourrisk. We look forward to receiving your comments.

Sincerely,
Dr. Dominic Kinsley
Editor in Chief
Young Minds Inspired

Questions? Contact YMI toll-free at 1-800-859-8005 or by email at feedback@ymiclassroom.com.

TARGET AUDIENCE

Grades 9-12

PROGRAM COMPONENTS

Available at ymiclassroom.com/knowyourrisk:

- Teacher's guide
- Four reproducible student activity sheets (in English and Spanish)
- Curricular standards chart
- Feedback form
- Links to additional resources

CONCEPTS AND SKILLS

• Financial education	• Vocabulary development
• Money management	• Analytical thinking
• Managing financial risk	• Comparative analysis
• Budgeting	• Research
• Financial goal-setting	• Decision making

HOW TO USE THIS TEACHING KIT

Print the activity sheets for students to complete in class or at home. Students will need internet access to complete the activities. Each activity sheet features a "Talk About It!" prompt for students to share with their parents/caregivers. Encourage students to take home their completed sheets to discuss with their families and apply their learnings to their own situations.

This teaching kit features links to Educator Guides, Handouts, and Slides (in PowerPoint) from the FDIC's **Money Smart** program. Use these links to supplement the program and enhance students' learning experience.

- Money Smart for Young People, Grades 9-12: fdic.gov/consumer-resource-center/money-smart-young-people#9-12
- Money Smart for Young Adults (for ages 16-24): fdic.gov/consumer-resource-center/money-smart-young-adults
- Money Smart Guide to Organizing Reality Fairs: fdic.gov/consumer-resource-center/organizing-reality-fairs
- Youth Banking Resource Center: fdic.gov/consumer-resource-center/youth-banking-resource-center

ACTIVITY 1 How Much Do You Know About Managing Money?

OBJECTIVE: Students assess their knowledge about money management terms and practices and financial products and services.

PART 1: Distribute the activity sheet and have students complete the true/false quiz. As you review the answers, share the details below to dispel any misconceptions and have students correct their work. The quiz provides a foundation for the subsequent activities and can be used at the end of the unit as a program review and assessment tool.

PART 2: Have students complete this section after reviewing the answers to Part 1. Invite them to share their responses and compile their questions. Revisit the questions after the unit to ensure that they have been answered. If not, have students research the answers.

Answers: Part 1:

- 1. True.** An *asset* is something that you own that has value, such as money, a home, or a car. A *risk to an asset* is potential for harm, including losing something of value or having its value go down.
- 2. True.** Point out to students that while these are all tools that allow you to transfer money, they do not all work the same way or offer the same risk protection. For example, funds in money transfer apps are not typically protected by FDIC deposit insurance. FDIC deposit insurance only covers money deposited in select accounts at an FDIC-insured bank if the bank fails, not if a nonbank fails. For additional information, see the answer chart for Activity 2.
- 3. False.** Many banks offer options for minors, including:
 - **Custodial accounts**, which are owned by a minor but managed by a trusted adult. Minors cannot generally withdraw money without the custodian's approval.
 - **Joint accounts**, which are co-owned by a minor and an adult. Both people can make deposits and withdrawals (financial institutions may limit options). Note: A joint account owner can use the account and incur fees that are also the responsibility of the minor who co-owns

the account. That's why it's important for minors to open a joint account only with a trusted adult.

- **Noncustodial accounts** are solely owned and managed by the minor, who can make deposits and withdrawals. While most states allow non-custodial accounts, not all institutions offer them, particularly checking accounts where customers may run into issues with overdrafts (attempting to take out more money than is in the account).

The bank will require information depending on the type of account, such as identification, paperwork, and more. For more information, see [Money Smart for Young Adults](#), "Module 1: Bank on It" Instructor Guide, Section 2.

4. **False.** An ATM card allows you to use an ATM (automated teller machine) for various account transactions, such as to withdraw cash from your account, check your account balance, deposit cash or checks into your account, transfer funds between your accounts, and make bill payments. A debit card, also known as a bank or check card, allows you to do what an ATM card does, plus make purchases. (Some ATM cards may allow purchases as well.) For more information, see [Money Smart for Young Adults](#), "Module 1: Bank on It," slide 52.
5. **True.** Money insured by the Federal Deposit Insurance Corporation (FDIC) is protected if the bank fails. The FDIC insures money in deposit products, including checking accounts, savings accounts, money market deposit accounts (MMDAs), time deposits (such as certificates of deposit or CDs), cashier's checks, money orders, prepaid cards (assuming certain FDIC requirements are met), and other official items issued by a bank. The FDIC insures deposits to at least \$250,000 per depositor, per ownership category at each FDIC-insured bank. (Note that for credit unions, the National Credit Union Administration (NCUA) insures deposits up to at least \$250,000 per individual depositor. NCUA's insurance coverage is called "share insurance.") For more information, visit [fdic.gov/resources/deposit-insurance/understanding-deposit-insurance](https://www.fdic.gov/resources/deposit-insurance/understanding-deposit-insurance).
6. **False.** Nonbanks are not FDIC-insured. However, you may be eligible for deposit insurance if a nonbank deposits your money in an FDIC-insured bank and meets other conditions.
7. **False.** FDIC deposit insurance does not protect against losses due to theft or fraud, which are addressed by other laws. For more information, see [playmoneysmart.fdic.gov/game/protecting-your-identity-and-other-assets](https://www.playmoneysmart.fdic.gov/game/protecting-your-identity-and-other-assets).
8. **True.** You may decide to get a prepaid card if you cannot open an account at a financial institution. These cards offer the same convenience as a debit card, and you don't have to carry cash. Banks also offer prepaid cards. There are different types of prepaid cards. Generally, they have fees. Under certain conditions, deposit insurance may be applicable. For more information, see [Money Smart for Young Adults](#), "Module 1: Bank on It" Instructor Guide, page 49.
9. **True.** It is important to assess your situation and needs to determine what financial products and institution are best for you.
10. **False.** Many banks offer online banking options in addition to making transactions in person at brick-and-mortar buildings.

11. **True.** Be sure to read all details about your accounts, services, and institutions (bank and nonbank) so that you're aware of all fees, rules, and regulations. For example, consider overdraft fees, ATM withdrawal fees, interest, minimum balance, and transfer fees. For more information about evaluating financial services, see the "My Banking Checklist" at [playmoneysmart.fdic.gov/tools/5](https://www.playmoneysmart.fdic.gov/tools/5).

12. **True.** You can help protect your money by knowing and understanding the account details, watching out for scams, reviewing your account information regularly, and ensuring you're covered by deposit insurance.



13. **True.** Explain that tracking deposits and withdrawals is a key element of budgeting and is important to ensure that you don't overdraw from your account and incur fees. See Activities 2 and 3 for information on various types of accounts. For additional information about tracking deposits and withdrawals, see [Money Smart for Grades 9-12](#), "Lesson 3: Can You Pay Your Bills?"
14. **True.** See the slides from [Money Smart for Grades 9-12](#), "Lesson 20: Protect Yourself" for definitions. For example:
 - **Phishing** is a term for scams that involve using email to ask for personal financial information. The sender pretends to be from a bank, a retail store, or government agency and makes the email appear legitimate. Only open emails, respond to text messages, voice mails, or callers that are from people or organizations you know, and even then, be cautious if they look questionable.
 - **Pharming** is the process of redirecting Internet domain name requests to false websites to collect personal information, which may be used to commit fraud and identity theft.
15. **True.** Criminals work to collect this personal information to defraud people, so information should not be shared. For additional information on fraud, see [Money Smart for Grades 9-12](#), "Lesson 20: Protect Yourself" slides.

ACTIVITY 2 Spending Your Money

OBJECTIVE: Students examine income, expenses, budgeting, and money management options.

PART 1: Introduce this activity by showing students the slides from [Money Smart for Grades 9-12](#) "Lesson 3: Can You Pay Your Bills?" Then distribute the activity sheet and ask students to read Jarrod's profile. Have students create a monthly budget for Jarrod using the "Spending and Saving Plan" form at [playmoneysmart.fdic.gov/tools/11](https://www.playmoneysmart.fdic.gov/tools/11) or a simple three-column Income-Expenses-Saving chart.

Once they finish their budgets and answer the follow-up questions, have students share their answers and any tips that might help Jarrod meet his goals and stay financially responsible.

Answers: Responses might include:

1. Jarrod makes \$864 per month (before taxes) and is saving about half (\$400). His only fixed expense is \$40 a month.

2. To meet his goal, Jarrod needs to save more money, so he would need to reduce his spending money and clothing expenses for the time being. He also needs to plan ahead for car insurance and gas expenses.
3. In addition to reducing his expenses to save more, Jarrod might consider increasing his work hours (without compromising his schoolwork) or asking for a raise if he's been at the job for a while. Jarrod might also consider exploring the option of getting a car loan.

PART 2: Share with students the slides from **Money Smart for Young Adults**, “Module 1: Bank on It”, sections 1 (slides 3-15), 3 (slides 33-56), and 4 (slides 57-64). (The accompanying Instructor Guide features helpful talking points for the slides.) Then have students work in groups to research payment method options and complete the activity sheet. To conserve time, assign each group one option from the chart to research and then share their findings with the class. When students are done, reconvene to have them share and discuss their findings.

As you review, ask students what they discovered about convenience, fees, and risks associated with each option and which option seems the most appealing. Remind students that funds held in deposit accounts at FDIC-

insured banks are protected if the bank fails. For payment apps, they need to know where and how the money is held. It may be held by a nonbank, which means their money is not protected unless the nonbank company deposits the funds in an FDIC-insured bank and other conditions are met. Remind students that even if this is the case, FDIC deposit insurance only protects against the failure of the bank — not a nonbank.

Answers: Note: Remind students that they should check all account balances regularly to prevent fraud.

Review the answers in the chart below.

After reviewing the answers, ask students which option they think would best suit them and why. Encourage them to consider their current and future needs. Factors to consider include security, fees, and benefits.

FURTHER EXPLORATION: For additional lesson resources on spending and savings plans, check out “Lesson 3: Can You Pay Your Bills?” and “Lesson 4: Boost Your Savings” from **Money Smart for Grades 9-12**, as well as “Module 4: Your Spending and Saving Plan” from **Money Smart for Young Adults**.

Answers continued, Activity 2: Spending Your Money, Part 2

PAYMENT METHOD	WHAT IS IT?	PROS	CONS
Cash	Money in hand	Convenient access	Could get lost or stolen; no interest-earning potential
Checking account and debit card	Used to have a financial institution pay money to someone else (the payee). After you deposit money in a checking account you can write checks to pay bills, make purchases, and access cash. When you open a checking account, you may receive a debit card in addition to checks. A debit card can be used like a credit card to access money in a checking (or savings) account, but it is not a credit card.	Provided by banks that might be FDIC-insured; account may earn interest; no need to carry cash	Checks may be inconvenient to carry around; checking accounts may accrue lower interest than savings accounts; may not be accepted everywhere
Online bill payment (cash transfer)	A means to transfer money from your accounts using a computer or mobile device	Convenient; provided by FDIC-insured banks as a service to transfer money to pay bills	Payments may take time to process; risk of overdrafting account when you set up automatic payments
Prepaid card	Cards with money deposited onto them; usually not linked to your checking or savings account. You can add money to the card in person, by phone, online, or through a mobile app.	Convenient; generally cannot spend more than you have; reloadable; may allow minors to be authorized users	Possible fees; could get lost or stolen; protection depends on type of card; card must be registered to have FDIC insurance (not always, but generally); may not be accepted everywhere
Credit card	A means to borrow money repeatedly for purchases and expenses, up to your credit limit. The balance on a credit card goes up when it is used and goes down when payments are made.	Convenient; may offer reward points and incentives	Charges monthly interest on your unpaid balance; may also charge late-payment and other fees; could get lost or stolen; may lead to overspending
Person-to-person payment app	Apps or other web-based services used to transfer money to other users of the same app or web-based service	Convenient; helpful with everyday money transactions, such as paying babysitter or reimbursing lunch	Possible fees; all parties must be on the same platform; funds are not typically protected by FDIC deposit insurance; risk of fraud; risk of sending funds to wrong recipient
Mobile wallet app	Mobile app connected to your account at a financial institution or a credit card, used to make point-of-sale purchases. Instead of using a physical debit card or credit card, you use the app on your phone.	Convenient	Possible fees such as premium for service, transfer fee; may not be protected by FDIC deposit insurance; may not be accepted everywhere

ACTIVITY 3 Saving Your Money

OBJECTIVE: Students research and evaluate savings options.

PART 1: Distribute the activity sheet to students and have them work in groups to research a local bank to evaluate deposit products covered by deposit insurance. Once done, have students share their research and opinions about the deposit products and what they think might work best for them and why.

Answers: Part 1: Share these details about the deposit products with students:

- Savings accounts, money market accounts, and CDs are FDIC-insured deposit products that earn interest and may require a minimum deposit.
- Money market accounts tend to earn higher interest than savings accounts, but also tend to require higher minimum balances.
- CDs earn interest on money held for a specified amount of time (for example, 3 months to 5 years). Generally, the longer the CD is held, the higher the rate of interest. There can be penalties for early withdrawals, such as not earning interest.
- Savings and money market accounts generally allow a limited number of withdrawals per month. CDs generally do not allow withdrawals without paying an interest penalty; they are expected to remain with the bank for the agreed amount of time.

Ask students which product seems the most beneficial for daily transactions and for long-term use.

PARTS 2 AND 3: Provide students with copies of the slides from “Lesson 14: Increasing the Value of Your Money” from *Money Smart for Grades 9-12*, or review them on your whiteboard with the class before students complete this section.

Consider sharing the “What is covered by FDIC deposit insurance?” video featured at [fdic.gov/index.php/resources/deposit-insurance](https://www.fdic.gov/index.php/resources/deposit-insurance) to help students complete the chart. Note: This video is also accessible at the link on the student activity sheet.

Answers continued, Activity 3: Saving Your Money, Part 2

INVESTMENT OPTION	BENEFITS	RISKS	COVERED BY DEPOSIT INSURANCE?
Stocks – partial ownership of a company in the form of a share. When the company does well, you may receive a portion of the company’s profits in “dividends.”	Earns investment returns; can be sold to other investors	Value can fluctuate based on market	No
Bonds – partial ownership of loans to corporations or to the government for a set period of time (a “term”). You earn interest on your investment, and bonds can be purchased for as little as \$25.	Earns interest; can be sold to other investors; U.S. government bonds are backed by the full faith and credit of the U.S. government	May need funds before term ends	No
Mutual funds – offered by companies that combine money from many investors to purchase numerous separate investments (for example: a mix of stocks and bonds or of stocks of companies in different countries); may pay dividends.	May earn investment returns; money can be withdrawn from the fund but may incur withdrawal penalties	Value can fluctuate based on market	No
Crypto assets – referred to generally as any digital asset issued or transferred using distributed ledger or blockchain technology. These are not covered by FDIC deposit insurance.	Accessible, easy to transfer	Value can fluctuate based on market	No

For basic information about crypto assets, visit consumer.ftc.gov/articles/what-know-about-cryptocurrency-and-scams.

Have students share their research results. Review the overview below of the items featured on the chart. Remind students that money deposited at FDIC-insured banks in CDs, money market accounts, and savings accounts is covered by deposit insurance if the bank fails. Stocks, bonds, and mutual funds are investment products, which are not covered by deposit insurance, even if they’re sold by an FDIC-insured bank.

Answers: Part 2: See the chart below. Part 3: Answers will vary.

FURTHER EXPLORATION: For more information on growing savings, check out the *Money Smart for Grades 9-12*, Educator Guide for “Lesson 4: Boost Your Savings.” For information about crypto assets, explore sec.gov/securities-topics/crypto-assets.

EXTENSION ACTIVITY: As a follow-up, have students investigate potential costs of saving with the type of financial institution they selected as best suiting their needs, including overdraft, minimum balance, service, and transaction fees, etc. After sharing what they have learned in a class discussion, have students brainstorm money management strategies they could use to eliminate or reduce these costs.

To help students do a more thorough analysis of deposit products, use the “My Banking Checklist” form at playmoneysmart.fdic.gov/tools/5 to compare their attributes. Review the online checklist and how it works in class before students enter their data into the form.

These exercises are designed to highlight the benefits of deposit products at FDIC-insured banks. Investment products are not FDIC insured but are options that students should be aware of. Understanding the features, costs, and benefits of available financial products will allow students to make more informed decisions on money management strategies.

ACTIVITY 4 Protecting Your Money

OBJECTIVE: Students research and evaluate savings risks and protection.

PART 1: Distribute copies of the activity sheet and have students use the links to research the answers to the questions. Once done, review the answers below as a class.

Remind students to always read and understand how their money is managed and protected at any financial institution or company so that they know what recourse they have if the organization goes out of business or stops functioning.

Answers:

1. If your money is deposited in a savings account, checking account, CD, or money market deposit account at an FDIC-insured bank, then it is covered by deposit insurance. FDIC deposit insurance covers up to \$250,000 per depositor, per FDIC-insured bank, for each account ownership category.
2. If the payment app you are using goes out of business, you may lose your money. Person-to-person payment platforms are not insured by the FDIC. The companies may work with an FDIC-insured bank, but deposit insurance coverage would not apply to the individual app user unless the company deposits funds in an FDIC-insured bank and other conditions are met, and only in the event of a *bank* failure.
3. If the crypto company crashes or fails, then you may lose your money or be able to recover it in bankruptcy. Deposit insurance does not protect a nonbank's customers against the default, insolvency, or bankruptcy of any nonbank entity, including crypto custodians, exchanges, brokers, wallet providers, or other entities that appear to mimic banks but are not (called "neobanks"). Also note, crypto assets may lose value, even if the company doesn't fail.

PART 2: Ask students if they know what *identity theft* is. Explain that criminals steal personal information, such as Social Security numbers, birth dates, bank account details, and credit card numbers to pose as others and commit fraud. Identity theft is a serious problem because, despite the efforts of law enforcement, it is becoming more sophisticated, and the number of new victims is growing. If the crime is not detected early, victims may face months or years of cleaning up the damage to their reputation and credit rating. They may even lose out on loans, jobs, and other opportunities.

Present the slides from **Money Smart for Grades 9-12**, "Lesson 20: Protect Yourself" to review types of fraud, including phishing, pharming, and text message scams. Students can also read "Reduce the Risk of Identity Theft" at playmoneysmart.fdic.gov/tools/130 (link provided on the activity sheet), to learn additional ways they can help protect themselves from fraud. Then have students complete the questions in Part 2 and review the answers below in class.

Answers:

1. No way! They could use the number to commit fraud.
2. 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.

3. Provide it. If I researched the institution, I know it is legitimate and OK to give information to receive the service I need.

PART 3: Have students work in teams to create sample fraud scenarios that people at various stages in life might experience. Have them share their scenarios and discuss the best course of action to help prevent fraud and protect financial assets.

FURTHER EXPLORATION: For more information on protecting financial assets, check out the **Money Smart for Grades 9-12**, Educator Guide for "Lesson 20: Protect Yourself."

EXTENSION ACTIVITY: As a follow-up, have students create a poster, meme, or video that highlights the warning signs of a specific form of fraud and offers strategies for how to avoid it or mitigate its effects.

CONCLUSION

Have students complete the Activity 1 quiz again to assess their understanding of the content. Also review the questions students listed on the activity sheet of the unit to ensure that their questions have been answered.

MORE ABOUT FDIC MONEY SMART FOR YOUNG PEOPLE

For additional resources on the topics covered in this teaching kit as well as other financial themes, such as car and home purchases, financing college, credit cards, entrepreneurship, insurance, investing, retiring, and more, check out the Educator Guides, Handouts, and Slides available at fdic.gov/consumer-resource-center/money-smart-young-people#9-12.

RESOURCES

- FDIC "How Money Smart Are You?" games: playmoneysmart.fdic.gov/games
- FDIC Understanding Deposit Insurance: fdic.gov/resources/deposit-insurance/understanding-deposit-insurance/
- FDIC Deposit Insurance FAQs: fdic.gov/resources/deposit-insurance/faq/
- FDIC Banking with Apps: fdic.gov/consumer-resource-center/2020-11/banking-apps
- FDIC Banking with Third-Party Apps: fdic.gov/resources/consumers/consumer-news/2024-06.html
- What the Public Needs to Know About FDIC Deposit Insurance and Crypto Companies: fdic.gov/sites/default/files/2024-03/crypto-fact-sheet-7-28-22_0.pdf
- FDIC Money Smart Glossary: playmoneysmart.fdic.gov/glossary
- Know Your Risk. Protect Your Money. fdic.gov/news/campaigns/know-your-risk/social-toolkit.html
- Follow FDIC on X (formerly Twitter) @FDICgov and Instagram @FDICgov
- Know Your Risk: Spending, Saving, and Protecting Your Money: ymiclassroom.com/knowyourrisk





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.



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ACTIVITY 2

SPENDING YOUR MONEY



Reproducible

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 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.



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ACTIVITY 3

SAVING YOUR MONEY



Reproducible

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).





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. 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.