CHASE

IT JUST +ADD$ UP

LESSON NINE

Banking

TEACHERS

Introduction

Banks play an important role in our communities. They provide a safe place to store money, making it available for purchases now or in the future. Money put into a bank account is a deposit, and money taken out is a withdrawal. Deposits are credited (added) to our account balance while withdrawals are debited (subtracted) from the balance. Recording every transaction is important to keep from spending more than our balance. Changes in technology change the services banks provide their customers. Today, many of us use check cards, debit cards or ATM cards instead of carrying cash or writing checks to pay bills or make purchases. Debit cards are convenient, safe substitutes for cash and checks. They are just one service banks offer their customers.

Purpose

This lesson will help students learn how to record banking transactions.

Students will compute changes in a bank account balance.

Tool Kit

Spreadsheet or chart to record student deposits and withdrawals, including transaction date, paid to (or from), deposits, withdrawals and balances

Procedure

1. Discuss how technology has changed society and people's daily tasks. Explain how banks are responding to changes in technology, giving customers more options (e.g. instead of writing checks, people use more electronic banking services such as debit cards and ATMs). Remind them that customers should have adequate funds in their account before making purchases. Tracking deposits and withdrawals help them make better decisions about their money.
2. Give students a spreadsheet or chart; explain how they will use it to record deposits and withdrawals from their new bank account. Have students record an opening balance of $500. Let them search the newspaper for five products to buy. Tell them to record each purchase on a separate line including date, who was paid and purchase amount. Be sure they compute the balance after each purchase. (If someone has a negative balance, charge a $25 fee for overspending.) After the fifth purchase, give them a $125 deposit. Remind them to record date and source of funds before computing the new balance. Have them make three more purchases and record appropriate information.
3. Ask students to total all of their purchases and deposits separately. List individual totals on the board; compute total class purchases versus total deposits. Calculate total remaining balance in class account. Have them compute percentage of remaining balance in their accounts and compare with percentage of funds left in the combined accounts.

Definition of the Week

Debit Cards: Cards allowing bank customers immediate electronic access to money in their checking account.

PARENT OPTION

Assist your child's teacher in arranging a class tour of a local bank. Take your child to the bank to meet your banker and investigate the different kinds of checking accounts they offer. Discuss the importance of tracking all account activities. Be sure to talk about "overdraft" fees and other consequences of writing checks without having enough money in the bank to cover them. Allow your child to help you record transactions and balance your family's checking account. Help your child set up a modified register to track their spending and "income" for one month.

Balancing Your Checkbook

Transaction Register

Check No.	Date	Transaction Description	Withdrawal/ Subtract	Deposit/ Addition	Balance

Keep track of the money in your checking account with a transaction register. Use the above register to compute your balance for the following transactions:

Dec. 1 You have a $120.56 balance in your bank account
Dec. 2 Purchased a CD at Jones Music Store with your debit card; total cost: $18.27
Dec. 2 Withdrew $25 cash from an ATM
Dec. 3 Received $40 for your birthday and put it in your account
Dec. 5 Wrote a check to pay for a school trip; total cost: $35
Dec. 6 Purchased a dog leash at Spot's Place with your debit card; total cost: $14.98
Dec. 6 Bought lunch for you and your Mom at Hamburger Palace; total cost: $9.57
Dec. 7 Withdrew $25 cash from an ATM
Dec. 8 Earned $15 helping your neighbor clean house and put it in your account

Is your ending balance $47.74?

(Note: Sometimes there are fees for using your card or writing a check; be sure to subtract out any fees your bank charges for these services.)

Coming next week: Banking Services

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