ASSESSMENT ONE:

- **Knowledge**
  - T / F A bank is a for-profit company that is in the business of taking deposits, lending, and providing other financial services.
  - T / F Compound interest pays interest only on the money deposited by the customer.
  - T / F The FDIC was created by congress after the Great Depression to help bring order to the banking system.

- **Comprehension**
  - Discuss the four most popular ways to deposit money into a savings account.
  - Describe the two most popular ways in which to withdraw money from a savings account.

- **Application**
  - Sketch a cartoon or comic strip to explain the purpose of the FDIC (Federal Deposit Insurance Corporation).

- **Analysis**
  - Create a Venn diagram that compares and contrasts banks and credit unions.

- **Synthesis**
  - Design a newspaper article that explains the incredible phenomenon of compound interest. Include a piece about the rule of 72.

- **Evaluation**
  - Provide a justification for why credit unions usually charge lower fees than banks.
Savings Account Strategies

ANSWER KEY FOR ASSESSMENT ONE:

• Knowledge
  o TRUE A bank is a for-profit company that is in the business of taking deposits, lending, and providing other financial services.
  o FALSE Simple interest pays interest only on the money deposited by the customer. Compound interest pays interest on the money deposited by the customer and on the interest it has already earned.
  o TRUE The FDIC was created by congress after the Great Depression to help bring order to the banking system.

• Comprehension
  o The four most popular ways to deposit money into a savings account are:
    ♦ 1) give it to a teller at the financial institution,
    ♦ 2) deposit it at an ATM,
    ♦ 3) drop it in the financial institution’s deposit box, or
    ♦ 4) mail the deposit to the financial institution.
  o The two most popular ways to withdraw money from a savings account are:
    ♦ 1) get it from a teller at the financial institution or
    ♦ 2) withdraw it from an ATM. When withdrawing money from a teller inside the bank, a withdrawal slip must be filled out.

• Application
  o Does the teen’s comic strip or cartoon make sense?
  o Does the teen’s comic strip or cartoon convey that the FDIC protects individual accounts from financial institution failure up to $100,000?
Analysis

- Does the teen provide similarities and differences between banks and credit unions? Use the following descriptions as a guide:
  - A bank is a *for-profit* company that is in the business of taking deposits, lending and providing other financial services. There are different kinds of banks, including national banks, state-chartered banks, savings and loan associations and savings banks (Banking Basics, 2002). Most banks and savings and loans associations operating in the U.S. protect deposits with *Federal Deposit Insurance Corporation (FDIC) Insurance*, which protects each account up to $100,000.
  - A credit union is a *non-profit* cooperative financial institution that is owned by its members and run solely for their benefit. Credit unions bring together people who have a common bond, such as the area they live in, the place they work, their profession or a social organization that they belong to. Deposits in federal and state chartered credit unions are insured for up to $100,000 through the *National Credit Union Administration (NCUA)*.

Synthesis

- Compound interest pays interest on the money in the account *plus* the interest it has already earned. Compound accounts can pay interest daily, monthly, quarterly, or yearly, however, most financial institutions compound interest daily and pay it monthly.
- The “Rule of 72” states: divide 72 by the rate of interest that is being earned. The answer is the number of years it takes to double your money. For example, if you are earning 6% interest, it would take you 12 years to double your money (72 ÷ 6 = 12).

Evaluation

- Does the teen provide logical reasons and explanations for their response?
## Savings Account Strategies

### ASSESSMENT TWO:

**Things I picked up:**

<table>
<thead>
<tr>
<th></th>
<th>Before doing the Savings Account Strategies Unit</th>
<th>After doing the Savings Account Strategies Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand what compounded interest is</td>
<td>Not at All</td>
<td>A Little</td>
</tr>
<tr>
<td>I can compare and choose the right type of savings account for me</td>
<td>Not at All</td>
<td>A Little</td>
</tr>
<tr>
<td>The first thing I do when I get money is to put some in a savings account</td>
<td>Not at All</td>
<td>A Little</td>
</tr>
</tbody>
</table>

**Fact or Fiction?**

<table>
<thead>
<tr>
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<th>After doing the Savings Account Strategies Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have to be over 18 yrs. old to open a savings account</td>
<td>Fact</td>
<td>Fiction</td>
</tr>
<tr>
<td>The more often my bank compounds interest, the more interest I earn</td>
<td>Fact</td>
<td>Fiction</td>
</tr>
<tr>
<td>I can open a savings account at a bank, a credit union, or a savings and loan</td>
<td>Fact</td>
<td>Fiction</td>
</tr>
<tr>
<td>A bank is a non-profit financial institution that is owned by its members</td>
<td>Fact</td>
<td>Fiction</td>
</tr>
<tr>
<td>A federally insured depository institution (FDIC) means the U.S. government insures my money in case of a loss, robbery, fire, or other disaster</td>
<td>Fact</td>
<td>Fiction</td>
</tr>
</tbody>
</table>
1. These are some things I liked most about this Teen Guide and Activities:

2. The most important things I learned are:

3. I will use what I learned by...
### ANSWER KEY FOR ASSESSMENT TWO:

#### Fact or Fiction?

<table>
<thead>
<tr>
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<th>Fact</th>
<th>Fiction</th>
</tr>
</thead>
<tbody>
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<td>X</td>
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