



Banking Toolkit

Pathfinders is a 501(c)(3) non-profit organization that assists families on their way to economic self-sufficiency. As a partner in The United Way of Tarrant County's Financial Stability Initiative, **Pathfinders** provides financial coaching to low and moderate income people who are trying to improve their financial outlook.

Financial coaching goes beyond financial education to focus on individual financial practices that will lead to financial stability. This is your opportunity to work with a trained financial coach to identify changes you can make to attain your goals.

Benefits of Putting Money in the Bank

- Your money is safe, the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insures most bank deposits up to \$250,000 per depositor.
- Depending on the bank and the type of account you may be able to earn interest.
- You can easily access your cash by visiting one of your bank's branches, visiting an ATM, or getting cash back from a retailer.
- Banks have lower or no fees for cashing checks, unlike check cashing services.

Types of Financial Institutions

- Bank
 - ◆ Operate under state and federal regulations
 - ◆ Make deposits and loans (home, car, small business, or educational)
- Credit Union
 - ◆ Nonprofit organization owned by the group of people it serves
 - ◆ Accept deposits and make loans to members
 - ◆ Membership requirements vary depending on the credit union

Types of Accounts

- Checking Account
 - ◆ Allows you to write checks and pay bills or buy goods. The financial institution takes the money from your account and pays it to the person named on the check and sends you a monthly record called a bank statement.
 - ◆ There may be a debit card attached to the account that works just like a check.
- Savings Account
 - ◆ Allows you to earn interest
 - ◆ You cannot write checks on a savings account
- Money Market Account
 - ◆ A checking account typically has higher rates of interest than savings accounts and requires higher minimum balances

- ◆ May limit number of withdrawals or checks per month
- Certificate of Deposit (CD)
 - ◆ A deposit account with a fixed term (one month to five years) and interest rate
 - ◆ Interest rates are usually higher than savings accounts
 - ◆ No withdrawals without penalty
- Non Deposit Products
 - ◆ Stocks, bonds, and mutual funds (not insured by the FDIC)

Fees

- Whichever institution you choose or account you open, always be aware of possible fees associated with it.
 - ◆ Account Maintenance Fees: typically a few dollars charged if you don't fulfill the minimum balance requirement
 - ◆ Overdraft & Insufficient Funds Fees: charged if you overdraw (your bank account didn't have enough money to cover the check or charge) from your account either through your debit card or personal check
 - ◆ Stop Payment Fees: charged if you write a check and want to stop the bank from paying it out
 - ◆ ATM Fees: charged if you use an ATM that is not in your bank's network
- Managing your money consistently can prevent most or all fees