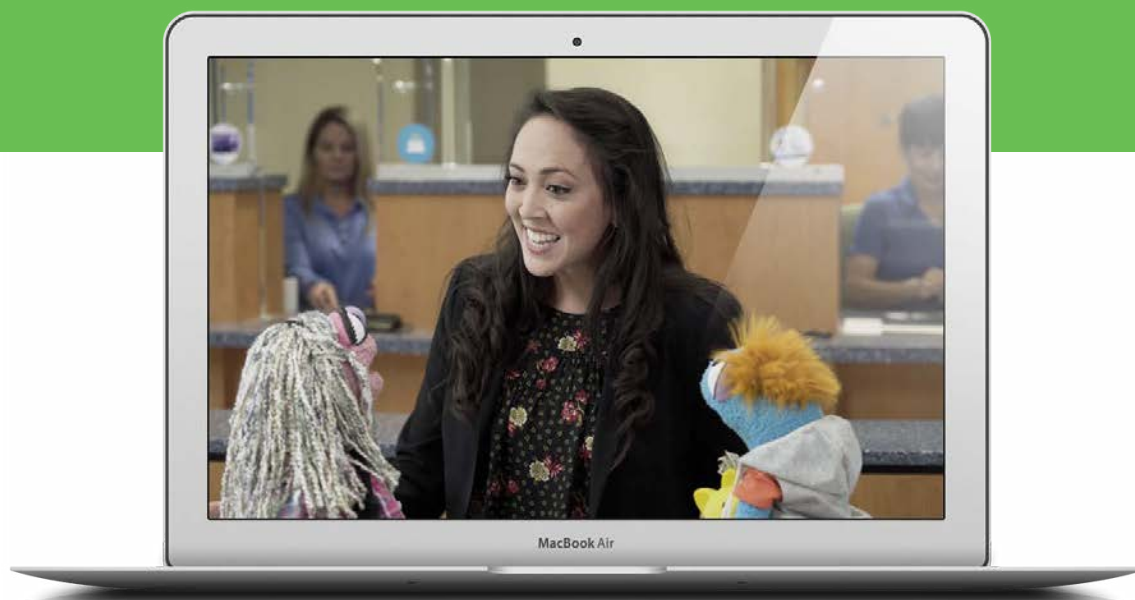




Teacher GUIDE

WELCOME TO THE CREDIT UNION



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Welcome to the Credit Union

OVERVIEW

Learn the advantages of putting your money in a savings account versus keeping your money at home. Explore the roles of people who work at a credit union and why their jobs are important.



VOCABULARY

Account Number

APY

ATM

Credit Union

Debit Card

Deposit

Deposit Slip

Dividend

Interest

Loan

Loan Officer

PIN

Routing Number

Savings Account

Service Representative

Withdraw

LESSONS INCLUDE

ENGLISH LANGUAGE ARTS

- Comprehension
- Making Inferences

SOCIAL STUDIES

- Occupations

MATH/FINANCIAL LITERACY

- Percentages
- Earning Interest/Dividends
- Depositing Money/Opening a Savings Account
- Withdrawing money from a Savings account
- Choosing secret PIN/Username and Password

MATERIALS

- Video: "Welcome to the Credit Union"
- KWL Chart
- "Let's Talk" Comprehension Questions
- Welcome to the Credit Union: Worksheet
- Sample Deposit Slip

ACTIVITY 1: Introduction

OBJECTIVE

To introduce the words and functions that relate to financial institutions like credit unions and banks. To raise an awareness and interest among students to open a savings account to save for the future.

1. Review vocabulary words for the video, "Welcome to the Credit Union."
2. Use KWL Chart to assess student knowledge on the concepts of saving, spending, and sharing.
3. View the "Welcome to the Credit Union" video with students.

VOCABULARY

ACCOUNT NUMBER - A unique number, often 10-12 digits, used to identify an account at a bank or credit union.

APY - APY stands for Annual Percentage Yield. This is the amount of interest that a credit union or bank pays you for your savings account. The number is calculated as a percentage of your account balance.

ATM (AUTOMATIC TELLER MACHINE) - A computerized machine that uses your debit card and PIN to access account balance and other information, deposit checks or cash, and withdraw money. ATMs only provide you with money that you have in your account and not more.

CREDIT UNION - A financial institution similar to a bank. Credit unions offer loans, spending and savings accounts, and information to teach members how best to use their money.

DEBIT CARD - A debit card is a type of payment card that deducts money directly from a consumer's checking account to pay for a purchase.

DEPOSIT - Money that you add to your savings or checking account. You may deposit cash or checks through an ATM, on an app, or at a bank or credit union.

DEPOSIT SLIP - A form that you fill out in order to add money to your savings or checking account. You may deposit cash or checks. You write your name, account information, and the amount of money you would like to deposit on the slip.

DIVIDEND - The amount of money that a credit union pays you for holding your account there. Another word for dividend is interest.

INTEREST - Money that a borrower pays regularly for the use of money borrowed, usually a percentage of the amount borrowed. It is also the amount paid by a credit union or bank to a member or customer for the use of their money, which was deposited into a savings account. The rate is referred to as an Annual Percentage Yield (APY).

LOAN - Money that people borrow from a credit union or bank to purchase large items such as a home or car.

LOAN OFFICER - The person at a credit union or bank whose job is to help people borrow money for big purchases such as a home or car.

PIN - A Personal Identification Number is an identifying number given to an individual by a credit union or bank and is used for secure electronic transactions.

ROUTING NUMBER - A nine-digit number assigned to a credit union or bank. It is the credit union or bank's numerical address that allows it to send and receive money from other financial institutions.

SAVINGS ACCOUNT - A basic type of bank account that allows you to deposit money, keep it safe, and withdraw funds, all while earning interest.

SERVICE REPRESENTATIVE - A person that assists customers with answering financial questions, processing money, and setting up accounts.

WITHDRAW - Taking money out of your savings or checking account. You may withdraw money from an ATM, online, or at a bank or credit union.

ACTIVITY 2: Video Comprehension Questions

OBJECTIVE

To increase knowledge about the function of a credit union or bank. To encourage students to open a savings account.

1. Create student teams.
2. Pass out the **Let's Talk** sheets for the "Welcome to the Credit Union" video to teams.
3. Pencils down. Teams have 5 minutes to discuss all the comprehension questions.
4. Pencils up. Teams have 10 minutes to record detailed answers on the **Let's Talk** sheets.
5. Reread each prompt to class. Each team is called on to read their responses.

QUESTION AND ANSWER KEY

1. What was Owen's problem?

Acceptable answer: His piggy bank was full. He didn't know what a credit union was or why he should put his money there.

2. Who helped Owen with his problem? How did they help?

Acceptable answer: All of the adults including his mom, the Credit Union Manager, Loan Officer and Service Rep helped him set up a savings account so his money will grow.

3. What are three jobs at a credit union?

Acceptable answers: Manager, Service Representative, Loan Officer. Bonus if they pick up on Security Guard.

4. How does a Loan Officer help people?

Acceptable answer: The Loan Officer lends money to people to make big purchases like homes or cars.

5. How does a Service Representative help people?

Acceptable answer: The Service Representative opens accounts, takes deposits, answers questions.

6. Where does a credit union keep your money?

Acceptable answer: In a vault

7. What are ways to access your money when it is deposited at a credit union?

Acceptable answer: ATM, Service Rep, Online

8. What is the advantage of putting your money into a savings account at a credit union instead of keeping it in a piggy bank at home?

Acceptable answer: The credit union pays you money, as interest, to keep your money there so you earn more money.

ACTIVITY 3: What's a Credit Union?

OBJECTIVE

To increase knowledge of the purpose of financial institutions, like credit unions, and how they play a role in personal financial activities and goals.

This worksheet follows events that took place in the "Welcome to the Credit Union" video. Using the puppet character, Owen, as an example, students will answer questions about Owen's experience in the credit union and how his new savings account will help him save more money.

1. View (or review) the video, "Welcome to the Credit Union" with students.
2. Create student teams.
3. Pass out copies of **What's a Credit Union? Worksheet** to teams.
4. Lead students through the worksheet, having students take turns reading each section and sharing their answers with the class.
5. For question 6, make copies of the **Sample Deposit Slip** page. Cut the page so that students will each receive a single deposit slip. Students will practice filling out a deposit slip.

ANSWER KEY

1. Predict what you think will happen to Owen's money.

Owen will deposit his money into a savings account, which will earn interest and help his savings grow.

2. Why do people need to borrow money to buy a car or a house?

Most people do not have enough money on hand to pay cash for a car or house, so they take out a loan, which they may repay a little at a time every month.

A. Calculate and write the TOTAL INTEREST for each item in the chart below

(Enrichment: Give students three different interest rates for a single item to demonstrate what an impact the size of the interest rate has on the loan amount and how much you have to repay. This is why it is smart to shop around for the best loan rates.)

B. Calculate and write the TOTAL AMOUNT PAID for each item.

ITEM	COST OF ITEM (Loan)	INTEREST	TOTAL INTEREST (Loan x Interest) Hint: Convert the % to a decimal	TOTAL AMOUNT PAID (Loan x Interest)
Car	\$20,000	10%	$\$20,000 \times .10 = \$2,000$	$\$20,000 + \$2,000 = \$22,000$
Home Repair	\$50,000	10%	$\$50,000 \times .10 = \$5,000$	$\$50,000 + \$5,000 = \$55,000$
New Home	\$250,000	10%	$\$250,000 \times .10 = \$25,000$	$\$250,000 + \$25,000 = \$275,000$
New Home	\$250,000	8%	$\$250,000 \times .08 = \$20,000$	$\$250,000 + \$20,000 = \$270,000$

Ask how much the home buyer saves with the lower interest rate of 8% rather than the rate of 10%?

3. Divide the amount of the LOAN by the TIME you have to repay the loan to calculate the missing MONTHLY PAYMENTS. Write the answers in the chart.

LOAN AMOUNT	TIME (How long it will take to pay back)	MONTHLY PAYMENT (Loan amount ÷ Time)
\$10,000	10 months	$\$10,000 \div 10 = \$1,000$
\$15,000	10 months	$\$15,000 \div 10 = \$1,500$
\$25,000	25 months	$\$25,000 \div 25 = \$1,000$

4. List two ways in which Owen can withdraw cash from his account.

A. Owen may withdraw cash from the ATM with his debit card and PIN.

B. Owen can visit a Service Representative inside the credit union to receive a withdrawal.

5. A. Multiply the BALANCE x INTEREST RATE (APY%) to calculate the TOTAL INTEREST EARNED in the chart below.

B. Add the BALANCE + TOTAL INTEREST EARNED to calculate the NEW BALANCE in the chart below.

(Percentages can easily be converted to decimals by moving the decimal two places to the left.)

BALANCE (Amount of money in your savings account)	INTEREST RATE APY%	TOTAL INTEREST EARNED (Balance x APY%) Hint: Convert the % to a decimal	NEW BALANCE (Balance + Interest Earned)
\$50.00	1%	$\$50 \times 0.01 = \0.50 (50 cents)	$\$50 + \$0.50 = \$50.50$
\$100.00	1%	$\$100 \times 0.01 = \1.00	$\$100 + \$1.00 = \$101.00$
\$100.00	1.5%	$\$100 \times .015 = \1.50	$\$100 + \$1.50 = \$101.50$
\$250.00	1.5%	$\$250 \times .015 = \3.75	$\$250 + \$3.75 = \$253.75$

Ask why it might be important to shop around for the best interest rate (or APY%) before opening a savings account.

6. Pass out the Sample Deposit Slip to students. Have students fill in the following information:

- **First and last name**
- **Date of deposit transaction**
- **Account number (they can make up a 10-12 digit number)**
- **Signature**
- **Amount being deposited (Cash and/or Checks)**
- **They may or may not subtract a cash withdrawal amount from the deposit**
- **Total Deposit**

7. Why is it important to keep your PIN a secret?

The PIN number helps to protect your account by making it difficult for someone else to withdraw your money.

8. According to the chart below, how much money did Owen deposit?

BALANCE (Amount of money Owen Deposited)	INTEREST RATE APY%	TOTAL INTEREST EARNED (Balance x APY%) Hint: Convert the % to a decimal
\$250.00	0.1%	$\$X \times 0.001 = \mathbf{\$0.25}$



LET'S TALK

Welcome to the Credit Union

1. What was Owen's problem?

2. Who helped Owen with his problem? How did they help?

3. What are 3 jobs at a credit union?

1.

2.

3.

4. How does a Loan Officer help people?

5. How does a Service Representative help people?

6. Where does a credit union keep your money?

7. What are ways to access your money when it is deposited at a credit union?

8. What is the advantage of putting your money into a savings account at a credit union instead of in a piggy bank at home?





WELCOME TO THE CREDIT UNION

1. Owen's piggy bank is full so his Mom takes him to the credit union to open a savings account. He holds his piggy bank tightly, nervous about what will happen to his money. Maria the Credit Union Manager greets them at the door, gives Owen a lollipop, and shows them around. She is in charge of making sure that everything runs smoothly.

Predict what you think will happen to Owen's money.

2. Owen and his mom meet Justin the Loan Officer. His job is to help adults borrow money for big expenses, such as buying a home or a car. Justin explains that when credit unions loan people money, they charge them interest. Interest is a fee that is added to the loan. When the loan is repaid, the entire loan is paid back to the credit union plus interest.

Why do people need to borrow money to buy a car or a house?

In the Chart below: (You can use the back of this page to make your calculations.)

A. Calculate and write the **TOTAL INTEREST** for each item.

B. Calculate and write the **TOTAL AMOUNT PAID** for each item.

ITEM	COST OF ITEM (Loan)	INTEREST	TOTAL INTEREST (Loan x Interest) Hint: Convert the % to a decimal	TOTAL AMOUNT PAID (Loan x Interest)
Car	\$20,000	10%	$\$20,000 \times .10 = \$2,000$	$\$20,000 + \$2,000 = \$22,000$
Home Repair	\$50,000	10%		
New Home	\$250,000	10%		
New Home	\$250,000	8%		

3. Owen's Mom tells him that Justin helped them buy their house. She explains that instead of paying back the loan all at one time, she makes monthly payments to the credit union. This is a smaller amount that she pays each month. The entire loan will be paid back in several years.

In the chart below, divide **LOAN AMOUNT** by **TIME** to calculate the **MONTHLY PAYMENTS**. (You can use the back of this page to make your calculations.)

LOAN AMOUNT	TIME (How long it will take to pay back)	MONTHLY PAYMENT (Loan amount ÷ Time)
\$10,000	10 months	$\$10,000 \div 10 = \$1,000$
\$15,000	10 months	
\$25,000	25 months	

4. Maria introduces Owen to Arius. Arius explains that as a Service Representative he can help Owen set up a Savings Account and answer his questions. Owen has lots of questions.

Owen: If I leave my money here, where do you keep it?

Arius: In a locked money closet called a vault.

Owen: How will I get my money if it's locked in a vault?

Arius: We give you a debit card to withdraw cash from an ATM. You can also withdraw cash by visiting any of our Service Representatives.

Owen: How do I know how much money is in my account?

Arius: You can view your account online with your own private login and password.

List two ways in which Owen can withdraw cash from his account.

A.

B.

5. Owen asks, "Why should I leave my money here? Why not keep it with me?" Arius explains that the credit union pays you to keep your money in a savings account. Credit union members earn interest (also called a dividend), a percentage of the total money that is in their account. The interest is added monthly to your account balance (the total money in your account). The more money you deposit to your savings account, the more money you are paid by the credit union.

In the Chart below: (You can use the back of this page to make your calculations.)

A. Multiply the **BALANCE x INTEREST RATE (APY%)** to calculate the **TOTAL INTEREST EARNED** in the chart below.

B. Add the **BALANCE + TOTAL INTEREST EARNED** to calculate the **NEW BALANCE** in the chart below. (Percentages can easily be converted to decimals by moving the decimal two places to the left.)

BALANCE (Amount of money in your savings account)	INTEREST RATE APY%	TOTAL INTEREST EARNED (Balance x APY%) Hint: Convert the % to a decimal	NEW BALANCE (Balance + Interest Earned)
\$50.00	1%	$\$50 \times 0.01 = \mathbf{\$0.50 (50 \text{ cents})}$	$\$50 + \$0.50 = \mathbf{\$50.50}$
\$100.00	1%		
\$100.00	1.5%		
\$250.00	1.5%		

6. When Owen realizes that he can earn money just by opening up an account, he can't wait to get started. Arius types in Owen's and his Mom's names, addresses and other information to create an account. Then he gives Owen his own private account number. Arius and Owen count the money from his piggy bank to make a deposit. Owen fills out a deposit slip including the total amount of money he wants to deposit, his name, his account number and the date. Arius deposits Owen's money in the vault.

Use the **Sample Deposit Slip** to learn how to fill out a deposit slip for your own account.

7. Arius gives Owen a debit card. Owen chooses a secret code also called a PIN (Personal Identification Number). He chooses something that is easy for him to remember but that is hard for someone else to guess. He tells his Mom his PIN, but he keeps it a secret from everyone else, even Arius. Arius shows Owen how to use his debit card and PIN to withdraw cash from the ATM (Automatic Teller Machine).

Why is it important to keep your PIN a secret?

8. Arius helps Owen log in to the Credit Union App to view his savings account online. Owen creates a special username and password which he only shares with his Mom. Owen checks his account online every day. In a month he has already earned 25 cents!

According to the chart below, how much money did Owen deposit?

BALANCE (Amount of money Owen Deposited)	INTEREST RATE APY%	TOTAL INTEREST EARNED (Balance x APY%) Hint: Convert the % to a decimal
\$	0.1%	$\$X \times 0.001 = \mathbf{\$0.25}$

ENRICHMENT: Take Action! Open a Savings Account at your local Credit Union!



DEPOSIT SLIPS

Activity Page

DEPOSIT Today's Date _____ Name _____ Account Number _____ Signature _____ ❖XXXXXXXXXX❖	Cash	.
	Checks	.
		.
		.
	Subtotal	.
	Less Cash Received	.
	Net Deposit	.

DEPOSIT Today's Date _____ Name _____ Account Number _____ Signature _____ ❖XXXXXXXXXX❖	Cash	.
	Checks	.
		.
		.
	Subtotal	.
	Less Cash Received	.
	Net Deposit	.

DEPOSIT Today's Date _____ Name _____ Account Number _____ Signature _____ ❖XXXXXXXXXX❖	Cash	.
	Checks	.
		.
		.
	Subtotal	.
	Less Cash Received	.
	Net Deposit	.