

Unit One Student Overview

Who uses financial institutions?

Almost everyone, at one time or another, uses a financial institution. Most people decide to keep their money in a financial institution such as a bank or credit union. Making a large purchase, such as a car or house, usually involves applying to a financial institution for a loan. Payment for smaller items, such as food and clothing, is often by a check or debit card issued by a financial institution. The services of financial institutions are many and varied.

What do I need to know about financial institutions?

At JA Finance Park, you will need to know how to maintain a bank account, make decisions about credit, and use a debit card. You also will be involved with various investments—stocks and mutual funds—and you will track them to see how they are doing. This knowledge about financial institutions will serve you not only at JA Finance Park, but also as you move out into the world.

Why do I need to know about financial institutions?

Although financial institutions are evolving in terms of the services they offer, there will always be some type of financial institution to manage money. They will play a big role in your life! For the next six weeks, you will study financial institutions, such as banks and investment companies, to prepare you to be a smarter consumer. As a participant in the *JA Finance Park* program, you will use financial institutions to help you handle money and make financial transactions. To make the most of the money you have and will earn in the future, it is important you know how to use financial institutions to your advantage.

When would I use a financial institution?

You will be surprised how many times you will need the services of a financial institution when you move out into the adult world. When working, you'll probably be paid by check or direct deposit, and you will need a place to deposit or cash your check. If you decide to buy a car, house, boat, or motorcycle, you may need to obtain a loan from a financial institution. You will likely decide to start saving for the future through a savings account or other investments, and this will be done with the help of a financial institution. Would you like to purchase an airline ticket or catalog item over the telephone or Internet? You'll need a credit card issued through a financial institution.

Where would I find a financial institution?

Locating a personal financial institution should not be difficult. Many are visible as you drive down the street, while others, such as banks that issue credit cards, may be headquartered in another state. Major financial institutions have branches located in town centers so their customers will not have to travel great distances to use their services. ATM machines connected to these institutions are found at convenience stores, grocery stores, and professional sports facilities; in malls; and as freestanding, drive-through facilities. You can find financial institutions almost anywhere you look.

How do I use a financial institution?

The how-to of using a financial institution is closely linked to the purpose of the institution. Most financial institutions publish brochures or booklets on the services they offer and how to use them. Service representatives are available in person, by telephone, or by email to help you with any questions you may have. Because there is a wide variety of financial institutions, you will learn how to select the type best suited for your needs.

Name _____

Financial Institutions

After reading and discussing the Unit One Student Overview on Page 4, answer the following questions.

1. Who uses financial institutions?

2. What do I need to know about financial institutions?

3. Why do I need to know about financial institutions?

4. When would I use a financial institution?

5. Where would I find a financial institution?

6. How do I use a financial institution?

