TEACHER'S HANDBOOK



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Unit Concept: These lessons are designed to teach teenage learners how to use both savings and checking accounts as money management tools.

These lessons are designed to compliment your state standards and are based on recommended Standards from the National Council of Teachers of Mathematics:

Content Standards:

Numbers and Operations: Students will be able to perform computations in different ways. Students should be able to explain their method, understand that many methods exist and see the usefulness of methods that are efficient, accurate and general.

Data Analysis and Probability: Students will learn be able to formulate questions and collect, organize and display relevant data.

Process Standards: Students will see mathematical connections in the rich interplay among mathematical topics, in contexts that relate mathematics to other subjects and in their own interests and experience.

And from the National Council on Economic Education's National Standards:

Standard 10: Role of Economic Institutions: Students will learn that institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems and not-for-profit organizations [credit unions] are examples of important institutions.





Lesson Objectives: The students will understand the importance of savings accounts as a money management tools and demonstrate the ability to use a savings register.

Students will understand that a checking account is a money management tool and demonstrate the ability to use a checkbook register.

Brain Warmers:

Savings Accounts

- 1. What are you currently saving for? Is that a need or a want?
- 2. What are some good ways to save money?
- 3. Where can you keep your money?
- 4. How can you track money in a savings account?

Checking Accounts

- 1. When is it a bad idea to pay for something in cash?
- 2. What other options are there?
- 3. Can you think of any dangers associated with paying for items by check? What about in receiving a check as payment?
- 4. How do people keep track of the funds in a checking account?





Main Points:

Savings Accounts

- The purpose of savings is to set money aside for future needs or desires.
- Savings accounts are tools for long-term money management.
- Interest is paid on savings accounts, unlike most checking accounts. Interest is a powerful component in the accumulation of wealth.
- Banks and credit unions will allow children to open savings accounts as early as the fourth grade.
- It is your responsibility to keep track of the transactions (deposits and withdrawals) in your account.

Checking Accounts

- Checking accounts are a money management tool designed for daily use. They allow you immediate access to your funds, without the need to carry large amounts of cash.
- Most checking accounts don't accrue interest.
- Learning to use checks and a check register properly is a key skill of responsible money management.
- If you don't update your checkbook register accurately and regularly, you won't know how much money you have available. This is what leads some people to accidentally write bad checks.
- You are responsible for any errors made in your checkbook register.
- ATM transactions must be recorded in your checkbook register.
- Accounts must be balanced and reconciled monthly against the statement from your bank or credit union.

Lesson #1: Interest and Your Savings

Lesson #2: Recording Checkbook Transactions



UNIT: Teens Check/Savings



Student Handout 1

Name _____

Lesson #1 Interest and Your Savings

Interest is the money that a bank or credit union pays you for letting them borrow your money while it sits in the bank. The power of a savings account is that you receive interest while your money sits there.

Simple interest is calculated once in a given time period. Compound interest is recalculated based on the principal (original amount) plus the interest.

Complete the charts below based on the information given.

Simple Interest

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$200	3%	(200x.03)+200+206
2	\$200	3%	(200x.03)+206=212
3	\$200	3%	(200x.03)+212=218
4	\$200	3%	

To figure out simple interest:

- 1. Multiply your principal (the number in the amount column) by the percentage of interest. 200x.03=6
- 2. Add this amount in the total column.
- 3. Continue. Be certain to start each calculation with the original total.

Simple Interest

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$100	2%	
2		2%	
3		2%	
4		2%	





Student Handout 2

Name _____

Lesson #1: Interest and Your Savings Compound Interest

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$200	3%	(200 x .03) + 200 = 206
2		3%	(206 x .03) + 200 = 212
3		3%	(212 x .03) + 212 = 218
4		3%	

To figure out compound interest:

Multiply your principal and any accrued interest (the number in the amount column) by the percentage of interest. 200x .03=6

- 1. Add this amount in the total column. 200+6=206
- 2. Continue. Be certain to start each calculation with the new total. (Start with 206!)

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$100	2%	
2			
3			
4			

1) Which method would you prefer be used to pay you interest on a checking account? Explain Why.

2) Do you think it would be better to have a higher interest account with less money in it? Or a lower interest account with more money?



UNIT : Teens Check/Savings



Teacher Reference 1

Name _____

Lesson #1: Interest and Your Savings

Interest is the money that a bank or credit union pays you for letting them borrow your money while it sits in the bank. The power of a savings account is that you receive interest while your money sits there.

Simple interest is calculated once in a given time period. Compound interest is recalculated based on the principal (original amount) plus the interest.

Complete the charts below based on the information given.

Simple Interest

Quarter	Amount	Interest Paid	Total Amount in Account	
1	\$200	3%	(200 x .03) + 200 = 206	
2	\$200	3%	(206 x. 03) + 200 = 212	
3	\$200	3%	(212 x. 03) + 212 = 218	
4	\$200	3%	(200 x .03) + 218 = 224	

To figure out simple interest:

- 1. Multiply your principal (the number in the amount column) by the percentage of interest. 200x.03=6
- 2. Add this amount in the total column.
- 3. Continue. Be certain to start each calculation with the original total.

Simple Interest

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$100	2%	(100 x .02) + 100 = 102
(2	\$100	2%	(100 x .02) + 102 = 104
3	\$100	2%	(100 x .02) + 104 = 106
4	\$100	2%	(100 x .02) + 106 = 108





Teacher Reference 2

Lesson #1: Interest and Your Savings

Compound Interest

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$200.00	3%	(200 x .03) + 200 = 206
2	\$206.00	3%	(206 x. 03) + 200 = 212.18
3	\$212.18	3%	(212.18 x. 03) + 212.18 = 218.54
4	\$218.54	3%	(218.54 x .03) + 218.54 = 225.09

To figure out compound interest:

- 1. Multiply your principal and any accrued interest (the number in the amount column) by the percentage of interest. 200x .03=6
- 2. Add this amount in the total column. 200+6=206
- 3. Continue. Be certain to start each calculation with the new total. (Start with 206!)

Quarter	Amount	Interest Paid	Total Amount in Account
1	\$100	2%	(100 x .02) + 100 = 102
2	\$102	2%	(102 x .02) + 102 = 104.04
3	\$104.04	2%	(104.04 x .02) + 104.04 = 106.12
4	\$106.12	2%	(106.12 x .02) + 106.12 = 108.24

1) Which method would you prefer be used to pay you interest on a checking account? Explain Why.

Compound will earn more money.

2) Do you think it would be better to have a higher interest account with less money in it? Or a lower interest account with more money?

Based on the specific rate, amount and time.



UNIT : Teens Check/Savings



Student Handout 2

Name _____

Your Name Your Street Your City, State 12345	Date	155
Pay to the order of:	\$	
	Dollars	
Credit Union Address City, State 12345		
Memo 123456789	Name 12345678 5555	

Lesson #2: Recording Checkbook Transactions

Directions:

Follow the instructions below to fill out the check properly.

You will write a check to the Great Concert Tickets shop in the amount of \$75.00. Use today's date. The tickets are to see your favorite band.

1) Fill in today's date.

2) Fill in the "Pay to the order of" line with the name of the payee (the person or business you're writing the check to).

3) On the line next to the dollar sign, write the amount in numerals.

- 4) On the line ending in the word "Dollars," write the amount of the check in words.
- 5) On the memo line, write the band's name and "tickets."
- 6) On the last line, sign your name.



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Student Handout 3

Name _____

Lesson #2: Recording Checkbook Transactions

Checkbook Transaction Register

Date	Description	Payments/Debit (-)	Deposits/Credit (+)	Balance Forward
				200.00
5/16	Shop-a-lot	35.50		-35.50
	groceries			164.50
		5/16 Shop-a-lot	Date Description (-) 5/16 Shop-a-lot 35.50	5/16 Shop-a-lot 35.50

Directions: Use the sample register to record the checkbook transactions that follow. 1) You wrote a check for \$75 to the Great Concert Tickets shop to buy tickets to your favorite band. Record that information above by following these steps.

- 1. Write the check number in the first column (done for you).
- 2. List today's date in the date column.
- 3. Write the name of the payee on the first line of the description column and a more detailed description below it.
- 4. Write the amount of the check in the Debit (-) or Credit (+)Column.
- 5. Rewrite that amount in the balance forward column and add or subtract as needed.

2) Record a transaction for a \$50 deposit from your summer job.

- 3) Make a \$25 transfer into your savings account.
- 4) Record check #156 for \$20 to Bob's Bike Shop for tires for your bike.
- 5) Record check #157 for \$22 to Great Lookin'Locks for a haircut.

6) Record an ATM withdrawal of \$20 for pizza and a movie. Just write the words ATM in the number column.



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Teacher Reference 2

Lesson #2

	Recording Checkbook Transa	actions
Your Name Your Street Your City, State 12345	Da	155
Pay to the order of:	Great Concert Tickets	<u>\$ 75.00</u>
Seventy-five d	ollars and 00/100	Dollars
Credit Union Address City, State 12345		
Memo <u>My Band Tic</u> 123456789		Your Signature 78 5555

Directions:

Follow the instructions below to fill out the check properly.

You will write a check to the Great Concert Tickets shop in the amount of \$75.00. Use today's date. The tickets are to see your favorite band.

1) Fill in today's date.

2) Fill in the "Pay to the order of" line with the name of the payee (the person or business you're writing the check to).

- 3) On the line next to the dollar sign, write the amount in numerals.
- 4) On the line ending in the word "Dollars," write the amount of the check in words.
- 5) On the memo line, write the band's name and "tickets.
- 6) On the last line, sign your name.





Teacher Reference 3

Lesson #2: Recording Checkbook Transactions

Checkbook Transaction Register

Number	Date	Description	Payments/ Debit (-)	Deposits/ Credit (+)	Balance Forward
					200.00
154	5/16	Shop-a-lot	35.50		-35.50
		groceries			164.50
155	?/??	Great Concert Tickets	75.00		-75.00
		My Band			89.50
	?/??	Salary-job		50.00	+50.00
					139.50
	?/??	Transfer to Savings	25.00		-25.00
					114.50
156	?/??	Bob's Bike Shop	20.00		-20.00
		tires			94.50
157	?/??	Great Lookin' Locks	22.00		-22.00
		haircut			72.50
ATM	?/??	Money for pizza/movie	20.00		-20.00
					52.50

Directions: Use the sample register to record the checkbook transactions that follow. 1) You wrote a check for \$75 to the Great Concert Tickets shop to buy tickets to your favorite band. Record that information above by following these steps.

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- 2. List today's date in the date column.
- 3. Write the name of the payee on the first line of the description column and a more detailed description below it.
- 4. Write the amount in the check in the Debit (-) or Credit (+)Column.
- 5. Rewrite that amount in the balance forward column and add or subtract as needed.

2) Record a transaction for a \$50 deposit from your summer job.

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