

New Bedford Public Schools  
Division of Adult & Continuing Education

## **New Bedford High School Evening Extension**

2019 – 2020 School Year  
Trimester III

**Learning Packet #2**  
for  
**Basic Personal Finance**

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Email Ms. Faria with questions/concerns regarding this packet at the email address listed above.

Due date: May 4, 2020

Name \_\_\_\_\_

In this lesson, you will learn to:

- Appreciate the range of online and mobile banking services available to help manage and fully utilize their checking account
- Explain what direct deposit is, how they sign up for it, and why it could be beneficial
- Learn how to use online bill pay
- Understand the advantages and disadvantages of digital wallet payments such as Apple and Google Pay
- Identify ways they can protect their checking account when using online and mobile banking

A. **Discussion Prompts:** Discuss these questions with your classmates or with a partner.

1. Have you used online or mobile banking before?
  - a. If yes, what did you use it for and why?
  - b. If no, what has kept you from using it thus far?

B. **The Evolution of Personal Banking:** This infographic provides an overview of how banking has changed every thirty years since the 1920s. Review the graphic and complete the chart.

	How do people...	
	GET their money?	PAY for things?
1920s		
1950s		
1980s		
21st century		



C. **8 Tips for Getting the Most Out of Your Checking Account:** Sure, anyone can set up a checking account and then execute basic skills like using the ATM or swiping their debit card at the mall. But how do you FULLY maximize all of the benefits of a checking account to make your financial life stress free? Read these 8 tips and answer the questions.

1. Do you already have a checking account?
  - a. If you already have a checking account, which of the 8 tips are you already following?
  - b. If you do NOT have a checking account, what are the 3 tips you think would be most important to implement first?

D. **Pay Day 101: Direct Deposit:** Tip 1 in the previous article was to set up direct deposit, which you can do once you have your first job that pays you formally via payroll check. Watch this video to learn what some of the benefits of direct deposit are. Then, answer the questions.

1. In your own words, explain what direct deposit is.
  
  
  
  
  
  
  
  
  
  
2. Out of the four benefits of direct deposit (safety, convenience, quick access to money, increase savings), which is the MOST compelling to you? Why?

E. **Online & Mobile Banking for All:** The second tip for fully utilizing your checking account is to sign up for mobile and online banking. Press play on the video in the middle of the KeyBank website, and then answer the questions.

1. According to this commercial, what are the advantages of using online and mobile banking?

2. Why do you think KeyBank (or any bank, for that matter) would want to advertise their online and mobile banking options?

F. **Online Bill Pay: What It Is and Why You Should Use It:** Tip 7 was to look into automatic payments. Before you get to the level of recurring payments, you should understand how online bill pay, in general, works. Read this article and then answer the questions.

1. In your own words, how does one get set up to use online bill pay?
2. Picture yourself moving out on your own or maybe with a roommate, working your first full-time job. List at least four people or companies you might want to pay regularly by using online bill pay.

G. **Using Apple Pay in the Real World:** When you learned about payment types in an earlier lesson, you learned about person-to-person payments. Apple Pay, Android Pay, and Samsung Pay are ways to make payments at retail locations using your phone. Watch this (slightly old) video for Apple Pay and answer the questions.

1. How is using a digital wallet payment similar to using a debit card?
2. In what ways is Apple Pay more secure than using a debit card?
3. What potential downsides do you see for using a digital wallet payment?

H. **10 Online and Mobile Security Tips:** As you saw in the previous video, digital wallets offer some protection that debit cards cannot. Read this guide for keeping your account safe and then complete the chart using the ten tips from the article.

**Note:** Even if you don't have online or mobile banking yet, these 10 tips are good practice for ANYTHING you do online.

Things I already do (YES!)	Things I sometimes do (Working on it...)	Things I don't do (UH OH!)

I. **Exit Ticket**

1. Which of the following is an example of online bill pay?
  - a. Using a person-to-person app to repay your friend for dinner
  - b. Using Samsung pay to purchase your groceries at a store
  - c. Setting your bank to send your rent to the landlord monthly on the 25th
  
2. Name two ways that direct deposit provides convenience.
  
  
3. Provide two strategies for keeping your account safe if you use mobile banking, specifically.



# — THE EVOLUTION OF — PERSONAL BANKING

Discover how the differences in banking technology affected everyday life in the 20th and 21st Centuries, including the first charge card in 1914, ATMs in 1969, and the major developments of the 21st Century.

## — BANKING IN THE — ROARING 20'S

In the 1920s, post-war jubilee and affluence led to greater spending on newly available consumer goods.

### WHERE DID YOU SAVE YOUR MONEY?



Many people had accounts at multiple institutions. Savings & Loans, national and state banks, and a coffee can under the floor boards.



Food, Housing & Apparel costs dominated the family budget.

### WHAT DID YOU SPEND YOUR MONEY ON?

A night at the theater only cost between \$ 35 and \$ 7.50.

### HOW DID YOU PAY?

In rural areas, payments could be made in chicken, vegetables or jam.



Department store credit cards became available.



Cash, check, money order or wire transfer were used to make payments.



Coal and lumber workers were still paid in Scrip. Money printed by the company to be used at the company store.

## — BANKING IN THE —

## Fly 1950's

In the 1950s it was important to manage a budget to create a frugal, yet comfortable, life.



Minimum wage was \$1 an hour.

### HOW DID YOU GET MONEY?



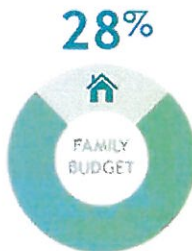
To get funds while travelling, one could cash paychecks at hotels or local banks, request a wire transfer from back home, or use traveler's checks.



Manufacturing and farming were key industries.

As homes added electricity, plumbing and new appliances, household spending increased to 28% of the family's budget.

### WHAT DID YOU SPEND YOUR MONEY ON?



There were 17 million TVs in homes across America.

### HOW DID YOU PAY?



Credit cards were issued by national banks but most people still used cash or checks.




Families could buy on account at local stores by paying upfront or settling at the end of the week. Layaway programs were also popular.





# Online Bill Pay: What It Is and Why to Use It

By Margarete Burnette | Aug. 30th, 2016

 Send to Kindle

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Online bill pay service, offered by many banks and credit unions, makes it easier to organize your bills and pay them when they're due. If you juggle rent or mortgage, cable, electricity, credit card payments and more, online bill pay can save time and help you avoid late fees.

Paying your bills online isn't revolutionary — the service has been around as a way to pay merchants for nearly two decades. But for some people, it means keeping track of merchant websites and various providers to make payments. With online bill pay from your bank, however, you don't have to. There's no need to pay a Verizon bill on Verizon's website, a Wells Fargo credit card with Wells Fargo bill pay and then write a check to your landlord. You could do it all from your financial institution's website.

An added bonus: Many banks and credit unions guarantee your payments will arrive on time, and will reimburse your late fee if they don't.

» **See our picks** of best banks for institutions that offer services including bill pay, digital tools, as well as competitive interest on savings.

## How does online bill pay work?

How online bill pay works is straightforward: You log in to your bank account, navigate to its online bill pay feature and then select the bill provider. If you hadn't set up the provider in your account before, you'll need to add it by



plugging in the account number and billing address, then authorize your bank to send payments for you.

Payments can be sent by your bank electronically or via paper check, so you can pay even if the biller isn't set up online. That means your bank can send a payment to a person, such as your landlord, virtually eliminating the need for a checkbook. You can also choose a one-time payment or set up a recurring one.

If you're trying to lower bank fees, signing up for free bill pay service is a good way to keep track of your accounts while avoiding charges.

Many banks offer basic bill pay service for free with their checking accounts, though they may charge for extra features, such as being able to access transactions from Quicken financial software. If you're trying to lower bank fees, signing up for free bill pay service is a good way to keep track of your accounts while avoiding charges.

» **Find checking** accounts with low fees on NerdWallet's list of best checking accounts

Many merchants and service providers offer the option of letting you receive an e-bill, or an electronic version of your paper bill, into your online bill pay account. If an e-bill arrives, you can have your bank alert you by email. Typically, you can choose whether to pay the entire balance, just the minimum due or another amount.

» **Cash management accounts:** See our top picks for these high-APY checking-savings hybrids

Here's a comparison of three checking accounts that offer free online bill pay: Chime, Discover Cashback Debit and Axos Rewards Checking. Chime lets you enter payment information via its mobile app and will mail paper checks on your

behalf. Discover and Axos offer electronic payment options in addition to mailing paper checks.

## How to set up bill pay

The effort you take in the initial setup can save you time and headaches in the long run. Each bank or credit union will have its own rules, but generally here's what you need to do:

- Gather your bills, including account numbers and the addresses to where you mail the payments.
- Enter each biller's information into your bank's online bill pay platform.
- Choose when to send the payment.
- Select recurring or one-time payment.
- Set reminders to track when each bill is due.

Online bill pay helps you organize bills and keep track of due dates. It also makes it easier to see where your money is going, so you can make sure you have enough funds available to cover each payment. You receive and pay your bills all through your bank — one list, in one place.

## 10 online and mobile security tips



As more people bank and shop online, proper internet security is more important than ever. Safeguarding your information can be as simple as consistently reviewing your bank accounts and reporting any suspicious activity. But there are a number of other things you can do to stay safer online. Here are ten tips to help protect you and your money.

### 1 Use strong passwords

A strong password (one that is not easily guessed by a human or computer) will have eight or more characters, including letters, numbers and symbols. Make sure to use different user IDs and passwords for your financial accounts and for any other sites you use online. Check out our best tips for [creating a strong password](#).

### 2 Be mindful of the numbers you use

Don't use any part of your Social Security number (or any other sensitive information, such as credit card numbers or birthdays) as a password, user ID or personal identification number (PIN). If someone gains access to this information, it may be among the first things used to try to get into your account.



### 3 Look out for strange emails

Don't respond to emails that claim to be from your bank (or any other company) requesting your account details. No bank is ever likely to approach you this way to ask for personal information.

### 4 Beware email attachments

It's never a good idea to click on email attachments or free software from unknown sources. You could end up exposing your computer (and the information on it) to online fraud and theft. Keep in mind that links you receive in emails or in messages on social networking sites can be harmful or fraudulent, even if they appear to come from friends.

### 5 Watch how much you share online

The more you post about yourself on social networking sites, the easier it might be for someone to use that information to access your accounts, steal your identity and more. Maximizing your privacy settings on social networking sites can also help protect your personal information.

### 6 Be careful about what (and where) you click

Look for security-enabled website addresses that start with "https" (the extra "s" indicates security). These sites take extra measures to help secure your information. This is particularly important if you're making purchases using your credit card. If you receive requests for personal information while surfing the web, or calls for immediate action, these are almost always scams. If you suspect a link might give you a virus or steal personal data, don't click on it. If the link was sent to you, talk to the sender directly to verify where it came from.

### 7 Secure your smartphone

Many mobile devices give you the option of locking your screen, which helps keep data stored on them secure. Depending on your phone, this can come in the form of a passcode, a pattern you draw on your phone's touch screen or even your fingerprint.

## 8 Don't keep sensitive information on your phone

Sensitive information includes your bank account numbers, identification information, passwords and other personal details such as answers to your security questions. If you bank via mobile app, don't worry, as the information in our mobile app is secured.

## 9 Think before you download apps

It's a good idea to review the privacy policy and understand what personal data an app can access before you download. It's best to purchase or download apps from authorized stores.

## 10 Keep your technology up to date

Make sure to update your computer's operating system, your internet browser and the software on your mobile devices. Updates generally include the latest security patches. Be sure to also use antivirus and antispyware software: These programs help find and remove malicious programs from your computer.

By following these online and mobile security tips, you can help protect your personal information from falling into the wrong hands. If you suspect information related to your bank account has been compromised, contact your bank immediately for assistance addressing the issue.

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## Better Money Habits®

# 8 tips for getting the most out of your checking account

These checking account features make it easier to manage your money.



A checking account is probably the account you'll use most often every day to pay bills, access cash, transfer funds and probably to deposit your paycheck. Whether you're paying tuition at school or setting up direct deposit for your first job, knowing a few tips can help you manage your money and get the most out of your account.

### 1 Set up direct deposit

One of the easiest ways to get the most out of your checking account is to set up direct deposit. Direct deposit is a fast and safe way to deposit money into your account, without you having to lift a finger. Your employer probably already offers this convenience and will ask you to sign up for it. And of course, you can still deposit funds using a teller, ATM, app or account transfer. *If you're a Bank of America client, you can set up [direct deposit](#).*



## 2 Sign up for mobile & online banking

Enrolling in online banking means you can monitor your accounts, including your transaction history and your balance, simply by logging in. Mobile banking allows you to do the same via your phone or tablet. Additionally, by banking online you can quickly order checks, pay bills, transfer money, track spending, set alerts and travel flags, and manage your accounts from almost anywhere—handy if you're studying abroad for a semester, or have a heavy class load and need to pay bills on the go. *If you're a Bank of America client, learn more about [Mobile and Online Banking features](#).*

## 3 Take advantage of your debit card

With a [debit card](#), you can access your checking account conveniently and securely, without the hassle of cash or checks. You can use a debit card at millions of locations worldwide, including places that don't take checks, such as online merchants. Debit cards can also be used at ATMs for deposits, withdrawals and transfers between your accounts, and they work with digital wallets. With debit cards, your purchases and withdrawals are deducted directly from your checking account. Debit cards also offer security if your card is lost or stolen or if fraudulent purchases occur.

## 4 Move money between accounts

If you have a checking and savings account at the same bank, it's fairly easy to transfer money between your accounts. If you're working toward a savings goal, like a spring break trip or a security deposit for your new apartment, consider setting up automatic transfers to your savings account at a time each month when you know you have a certain amount of money in your checking account. Automating the process can be a great way to build your savings. *Bank of America clients can easily [transfer funds using Mobile and Online banking](#).*

## 5 Learn to manage overdraft fees

You're charged an overdraft fee when you spend more money than you have in your account. The best way to avoid these fees is to keep an eye on your account balance or to set up alerts, which we cover in tip No. 6. Many banks offer optional overdraft protection, which allows you to link an eligible checking account to other eligible accounts to cover you in case of an overdraft. However, these plans may come with fees, so be sure to know the terms before signing up. Some banks enroll you in certain overdraft-related services automatically, so it's a good idea to check your account's terms.

## 6 Take advantage of alerts

If you're enrolled in online banking, you can set up alerts to notify you via email or text of certain activity. For example, you can set up balance alerts for when the funds in your account drop below a certain amount, which can help you avoid overdraft fees. Just make sure your bank has your up-to-date cell phone number and email address.

## 7 Look into automatic payments

Setting up automatic payments for recurring bills can help ensure you pay your bills on time with no hassles. This common checking account feature can help eliminate worry (no need to wonder whether your student loan payment check was lost in the mail), save you money on stamps and free up your time.

## 8 Know how you're protected

Many banks offer security features, such as photo ID, chip technology or monitoring for unusual purchasing, to help protect you if your debit card is lost or stolen. Some banks may allow you to put a virtual lock on your card via your mobile or online account if you suspect the card has been lost or stolen. Check with your bank to learn more about the security features it offers to help protect against fraud. It's also important to know that federal law limits your responsibility if your debit card is stolen, but you must act quickly to notify your bank.


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