Case Study: The Piggy Bank

Twins Emma and Emmett are excited to be starting college next year. Emma is leaving home behind and heading to college in Florida while her brother Emmett is going to live at home and attend a local university. Up until now, they have always used cash or gift cards received for holidays or birthdays to pay for their expenses. Any savings they had was in their Piggy Bank in their rooms. Now that college is almost here they realize that cash may not be the best option.

1. Why is cash not always a good option?

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   • ________________________________

2. What should Emma consider when picking a bank? What about Emmett? Do they have different needs?

   • ________________________________
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Case Study: The Disappearing Money

Emmett is having a great first semester and thinks he’s in good shape with his new college checking account.

On Monday morning, he checks the balance in his checking account and it is $30. He goes ahead and uses his debit card for $20 to replace his lost ear buds. Later that day, the bank deducts $15 from his account after using his debit card on Saturday night for pizza with his friends. His account has a negative balance so the bank charges an overdraft fee of $30.

Tuesday comes and Emmett does not check the balance thinking he has enough, so he picks up a quick coffee and breakfast for $5 before class. The bank approves the transaction, and charges another $30 overdraft fee. Later that day, the bank deducts $15 for Check #104 that Emmett wrote last week to cover his dues for the basketball club which he forgot to record. His account doesn’t have enough money to cover the check, so the bank rejects the check and charges a $30 NSF or Non-Sufficient Funds fee.

Tues evening, Emmett checks his account expecting to see $5 but is shocked to see all the bank fees and a very large negative balance.

Complete Emmett’s bank ledger to calculate his new balance:

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction Type</th>
<th>Description</th>
<th>Transaction Amount $</th>
<th>Balance $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon AM</td>
<td>Debit card</td>
<td>Replace ear buds</td>
<td></td>
<td></td>
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<tr>
<td>Mon PM</td>
<td>Debit card from Sat</td>
<td>Pizza (Saturday night)</td>
<td></td>
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<tr>
<td>Mon PM</td>
<td>Fee</td>
<td>Bank overdraft fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tues AM</td>
<td>Debit card</td>
<td>Breakfast</td>
<td></td>
<td></td>
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<tr>
<td>Tues PM</td>
<td>Check</td>
<td>Check #104 for basketball club dues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tues PM</td>
<td>Fee</td>
<td>Non-sufficient funds fee</td>
<td></td>
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<tr>
<td>Tues PM</td>
<td>Fee</td>
<td>Bank overdraft fee</td>
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</table>
How can the bank charge a fee with a negative balance?

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Why does the bank sometimes process a day(s) after a check is written, debit card swiped or deposit made?

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How can Emmett avoid unnecessary fees?

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Case Study: Money Tracking

Annie needs help managing her checking account. Can you help her?

- Track her money
- Determine what transaction types she is using (deposit or withdrawal)
- Decide what she can buy after she pays her bills
- Determine her final balance
- Suggest other things she can do with her remaining money

Annie received two paychecks for $75 and three birthday checks for $20, $25, and $15. Her expenses/bills are a $34 phone bill, $60 ticket to school prom, $20 for carfare, and $30 for lunch. What does she have left?

<table>
<thead>
<tr>
<th>Transaction type</th>
<th>Item</th>
<th>Deposit (credit)</th>
<th>Withdrawal (debit)</th>
<th>Balance</th>
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Annie would also like to buy the following items:

- New sneakers for $70
- A CD for $18
- A new outfit for $59

Does she have enough money for all three items?

- ___________________________________________________________

Which items can she buy?
• __________________________________________________________
How will she pay for the items?
• __________________________________________________________

What will she have left over?
• __________________________________________________________

What can she do with her remaining money?
• __________________________________________________________

Case Study: Banking on the Go

Emma’s bank in Florida offers state of the art banking. She downloaded the bank’s mobile app so she can deposit her campus job paycheck while walking back to her dorm. When her roommate Tina bought concert tickets for their group of friends, Emma was able to pay her back for her ticket using the mobile app too.

Discussion some of the new functionality that banks and others are offering and which would be most useful to you? Why? How do these help you more successful managing and monitoring
your money? What are the risks or issues you could encounter using the new mobile technology?

- __________________________________________
- __________________________________________
- __________________________________________
- __________________________________________
- __________________________________________
- __________________________________________
- __________________________________________
Case Study: Stop That Thief

Emma was at an ATM and a guy walked up behind her. She thought he was just waiting his turn. But she realized he was uncomfortably close — looking over her shoulder — as she was ready to enter her PIN.

What should Emma do?

• ____________________________________________
• ____________________________________________
• ____________________________________________

Emmett found a pair of basketball sneakers at a great price on a Web site he discovered on Facebook. He started the check-out process and noticed that the padlock at the bottom of your computer screen is open and that the Web page address starts with “http” instead of “https.”

What should Emmett do?

• ____________________________________________
• ____________________________________________
• ____________________________________________

Summary: Deter Identity Theft

• ____________________________________________
• ____________________________________________
• ____________________________________________