

# **Take It to the Bank**

## **Banking Options for the Consumer Scenario**

### **Handout 2**



Julia is moving back to her home state to be closer to her elderly mother. Julia has been retired for several years and is a new widow. She is trying to choose a new bank. She will use checking and savings accounts. She does not want to be required to keep a balance of more than \$2,500 in her checking account.

She is interested in other types of savings options like CDs. She will use an ATM and a debit card. She tries to avoid additional bank fees when possible. She likes to have her social security and retirement checks sent to her account by direct deposit.

Julia has found several banks that have locations and hours convenient for her. Which bank and account option would be the best choice for Julia? Please rank your selections from most favorable option to least favorable option.

### **Option 1 – Bank A**

#### *Interest Plus Checking Account*

- Minimum Balance – no minimum balance
- Monthly Fee – no monthly fee
- Checks – free bank logo checks
- Overdraft Protection – up to \$500
- Interest Bearing Account – yes, 0.25%
- ATM – yes, free transactions at any of the 15 bank locations; 25¢ charge at other bank ATMs
- Debit Card – yes, free with account
- Direct Deposit – yes
- CDs – 6 month, 2.47% rate
- Other Services – No fees for money orders, cashier's checks or Travelers Cheques. Photographic images of all cleared items are included in the monthly statement.

### **Option 3 – Bank C**

#### *Free Checking Account*

- Minimum Balance – no minimum balance required
- Monthly Fee – no monthly fee
- Checks - \$4.95 for a box of 200 checks
- Overdraft Protection – no
- Interest Bearing Account – no
- ATM – 4 free transactions per month
- Debit Card – available for additional fee
- Direct Deposit – yes
- CDs – 6 month, 2.9% rate
- Other Services – Check return in monthly statements available for \$5 per statement cycle.

### **Option 2 – Bank B**

#### *Silver Club Checking Account (50+)*

- Minimum Balance – \$2,000
- Monthly Fee – no monthly fee
- Checks – free checks
- Overdraft Protection – up to \$1,000
- Interest Bearing Account – yes, 0.30%
- ATM – yes, free transactions at any of the 12 bank locations
- Debit Card – yes, free with account
- Direct Deposit – yes
- CDs – 6 month, 2.530% rate
- Other Services – No fees for money orders, cashier's checks or Travelers Cheques. Photographic images of all cleared items are included in the monthly statement. Fifty percent discount on first year for a new safety deposit box.

### **Option 4 – Bank D**

#### *Summit Bonus Checking Account (50+)*

- Minimum Balance – \$5,000
- Monthly Fee – no monthly fee
- Checks – free checks
- Overdraft Protection – up to \$600
- Interest Bearing Account – yes, 0.15%
- ATM – yes, free transactions
- Debit Card – yes, free with account
- Direct Deposit – yes, after three months of account service
- CDs – 6 month, 2.2% rate
- Other Services – No fees for money orders, cashier's checks or Travelers Cheques. Check return in monthly statement.