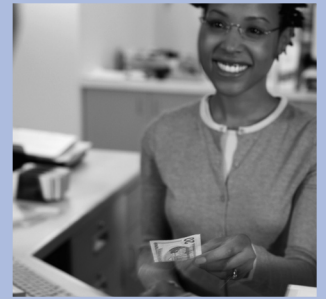


INTRODUCTION TO FINANCIAL SERVICES

ACTIVITY 3



Banks, Yesterday and Today

RECOMMENDED TIME

Allow 50-60 minutes. Required time may vary depending on the audience.

OBJECTIVES

Participants will:

- Recognize traditional financial services provided by a bank.
- Identify expanded financial services provided by a bank.
- Recognize the impact of community service involvement by banks.

MATERIALS NEEDED

- Overhead projector and screen*
- Overhead transparencies or handouts for the activity
- Flipchart, blank transparencies, or white board
- Overhead marking pens

ADVANCE PREPARATION NOTES

Review the activity plan. Think about the audience, and decide whether to present the total activity or to use parts of this activity in combination with other activities.

This interactive activity allows for an informal “Q and A” process while covering the content. When a question is asked, don’t be afraid of silence. In a new environment, people need to get comfortable speaking in front of others. Be patient. Assist individuals in giving their response, but don’t cut them short.

To increase comprehension success, consider using print as opposed to script when writing on a flipchart, white board, or transparency.

Note that the suggested dialogue in the delivery notes does not always mirror the wording on a transparency. Try to vary the dialogue, rather than reading transparencies verbatim.

* If an overhead projector isn’t available, consider distributing photocopied handouts instead.

INTRODUCTION TO FINANCIAL SERVICES

ACTIVITY 3 - DELIVERY NOTES



Banks, Yesterday and Today

Visual Aids

Presentation Opening

- Welcome the participants.
- Introduce yourself briefly.
- If this is the first meeting with the class or group, do a brief round of introductions by everyone.
- When introducing yourself, print your name where the participants can see and refer to it during the session. For whatever reason, some people may be a little nervous and may not remember your name. Just as you want to use their names, encourage them to call you by your name.

Start the presentation by asking for a show of hands from anyone who has been to a bank lately. Who went to a bank today? Who has been to a bank in the past week? Did anyone use an ATM? Did anyone go inside to see a teller? Did anyone use online banking services?

Follow up by asking those individuals to share their reason(s) for going to the bank.

- On a flipchart, white board, or blank transparency, list the reasons.
- Keep this chart handy as a reference to use in closing.

Activity Overview

Tell participants that the purpose of this activity is to become aware of:

- The many traditional financial services provided by a bank.
- Other expanded financial services provided by a bank.
- The impact of banks throughout the community.

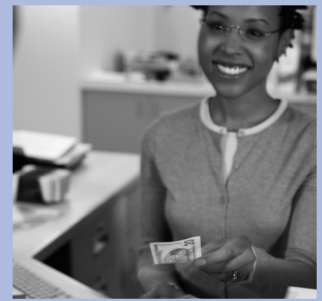
Ask participants to describe their first visit to a bank. Responses will vary but could range from having never been in a bank, to going to the bank as a child with their parent, to going to the bank to open a checking account, etc.

On a flipchart, white board, or blank transparency, record the responses to the question, **Why do people go to a bank?**

- Responses will vary and could be endless, but will probably include some of the following: cash a check, get a money order, deposit money, buy a savings bond for a child's birthday, use the ATM machine, etc.
- The goal of listing reasons to go to a bank is to establish a current mental picture for the participants of the various traditional financial services provided by banks. The next step will be to enlarge their current mental picture of banking.

INTRODUCTION TO FINANCIAL SERVICES

ACTIVITY 3 - DELIVERY NOTES



Use **“Overhead 1: Traditional Services of Banks,”** to identify and define the traditional services provided by banks.

- Provide a brief one or two sentence definition of the services.
- Avoid lengthy discussions about each element by answering questions briefly and reminding participants that future sessions will cover the topic in more detail.
- Note that the list on the transparency represents examples and may not be all-inclusive.

Ask if anyone believes that banks have changed over the years in the services they provide. If yes, in what ways have they changed? Responses will vary.

Use **“Overhead 2: Expanded Services of Banks,”** to explain that while banks once were very basic and traditional in their financial functions (accept money and make loans), they now have an expanded and varied list of services.

- Place **Overhead 2** over **Overhead 1** to show a comparison in bank services.

Emphasize that in the past few years, online banking has evolved and gained in popularity among both banks and consumers. Ask participants to list some advantages to consumers of using online banking. Responses will vary, but should include: having instant access to financial information, increasing credit scores (by using direct deposit and direct payments), saving money on stamps to pay bills, reducing paper waste, and reducing the risk of identity theft.

Ask if anyone knows what happened to allow banks to expand their services.

- Use **“Overhead 3: Financial Services Modernization Act (1999)”** to explain the process.
- You might want to allow the participants a few minutes to read the transparency and then ask for their interpretation of the Act.
- *Note that investment accounts such as mutual funds and annuities are not insured by the FDIC.*

Remind everyone that banks are financial institutions but that they also see themselves as a vital part of community life on a daily basis. They want to be seen as participants in all areas of community life.

Using the flipchart, white board, or a blank transparency, ask the participants to brainstorm places where they have seen the names of banks. Responses will vary but may include some of the following:

- Sponsorships (sporting events, Little League sports teams for boys and girls, educational television programs)

Visual Aids

Overhead 1

Traditional Services of Banks

Overhead 2

Expanded Services of Banks

Overhead 3

Financial Services Modernization Act (1999)

INTRODUCTION TO FINANCIAL SERVICES

ACTIVITY 3 - DELIVERY NOTES



- Floats in community parades for Christmas, 4th of July, Veterans Day, etc.
- Funding for affordable housing construction

Remind the participants that while they might easily recognize the traditional ways in which banks partner with the community, there are other ways that might not be as readily seen to the public.

- Use **“Overhead 4: Community-Related Services of Banks”** to illustrate some of these relationships.

Closing

In closing, remind participants that banks have grown in the roles they play in our daily lives. Remind everyone that the future still holds much opportunity for additional growth.

Return to the original list of why people go to banks that was developed at the beginning of the session.

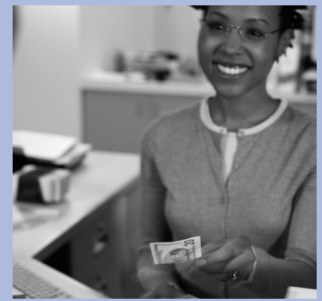
- Ask, **Would any of you now think of additional reasons that you would go to a bank?**
- Allow for responses as a way of assessing the activity objectives.

Thank everyone for their participation and encourage them to return for additional sessions. If such sessions are scheduled, you might provide a “sneak preview” of any activity to come.

Visual Aids

Overhead 4
Community-Related
Services of Banks

INTRODUCTION TO FINANCIAL SERVICES
ACTIVITY 3 - OVERHEAD 1

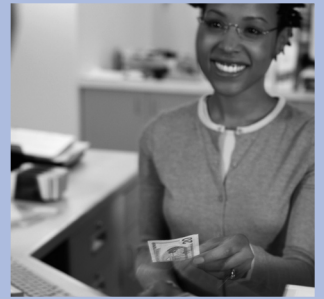


TRADITIONAL SERVICES OF BANKS

TRADITIONAL SERVICES

- **Checking Accounts**
- **Savings Accounts**
- **CDs (Certificates of Deposit)**
- **Savings Bonds**
- **Loans**
 - **Car**
 - **Home**
 - **Personal**
- **Safe Deposit Boxes**

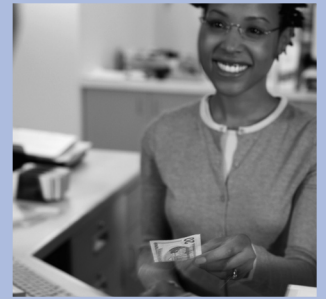
INTRODUCTION TO FINANCIAL SERVICES
ACTIVITY 3 - OVERHEAD 2



EXPANDED SERVICES OF BANKS

EXPANDED SERVICES

- **Online Banking**
- **Insurance Sales**
- **Small Business Advising and Loans**
- **Investments**
- **Credit Cards**
- **Remittances**



FINANCIAL SERVICES MODERNIZATION ACT (1999)

Transformed the banking industry.

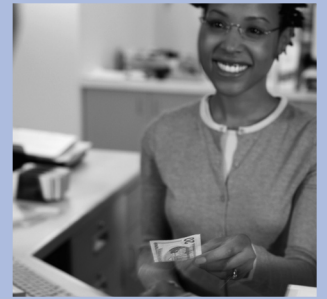
Eliminated many restrictions among companies in the securities, banking, and insurance industries.

Results?

- **Banks may offer some insurance and investment services.**
- **Investment and insurance companies may offer some traditional banking services.**

Investments are *not* insured by FDIC, whether the investments are made through a bank or another provider.

INTRODUCTION TO FINANCIAL SERVICES
ACTIVITY 3 - OVERHEAD 4



**SOME COMMUNITY-RELATED
SERVICES OF BANKS**

Bank employees mentor students in areas of basic financial skills.

Bank employees serve on community organizations' boards of directors.

Banks provide scholarships to students going into the banking profession.

Banks fund affordable housing construction.