Being Unbanked

Student Activity Packet

UNIT: BANKING

Name:

Students will be able to:

- Explain who is typically unbanked and the reasons that they are unbanked
- Compare payroll and prepaid cards to debit and credit cards
- Detail the consequences of being unbanked
- Explore banking status in regions across the U.S.

NOTE: Vocabulary for this unit can be found in the NGPF Personal Finance Dictionary

INTRO

QUESTION OF THE DAY: What percent of people under 18 have a bank account?

Answer the question on the first slide in the space below. Then, compare your answer to the answer on the second slide. Finally, follow your teacher's directions on how to answer the follow-up questions on the last slide.

1. **What percent of people under 18 have a bank account?**

LEARN IT

ARTICLE: The Costs Of Being Unbanked Or Underbanked

Being unbanked or underbanked means that you either don't have access to or choose not to use a traditional bank which leads you to use services like payday loans and check cashers. Read the article about being unbanked. Then, answer the questions.

1. **According to the survey mentioned in the article, what are some of the reasons that people are unbanked?**

2. **What are some of the major downsides of being unbanked?**

3. **Many people choose to be unbanked due to a lack of trust in traditional banking services. Why do you think some individuals place more trust in alternative banking services?**

ARTICLE: [What is a Prepaid Card?]

Due to the cashless nature of today's world, many who are unbanked rely on prepaid cards to complete transactions. Read the article on prepaid cards. Then, answer the questions.

1. **What's the difference between a prepaid card and a debit or credit card?**

2. **What are the downsides of using a prepaid card?**

ARTICLE: [Payroll Card]

Instead of issuing paper paychecks that you would have to go to a bank to deposit, employers are mostly using direct payment to a bank account. But what if you don't have an account to deposit your pay into? Read the article about payroll cards. Then, answer the questions.

1. **Why might an unbanked employee choose to use a payroll card over receiving a paper check?**

2. **One of the main disadvantages of payroll cards is fees. What types of things might you be charged for when using one of these cards?**

DO IT

ACTIVITY: INTERACTIVE: What's the Banking Status in Your Area?

Now that we know what it means to be unbanked, let's explore the banking status in regions across the U.S. Follow the directions on the worksheet to complete this activity.

EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.