



## CHOOSING A FINANCIAL INSTITUTION

Financial institutions are businesses that provide money-related services. They receive money from citizens and businesses and use that money to make investments, give loans, and provide other financial resources.

Read the descriptions of the various kinds of financial institutions and then help the customers in the questions below decide which financial institution would best suit their needs.

**Bank**—A for-profit business that is approved and backed by the federal government. Banks receive deposits from citizens and businesses, pay interest, make loans, invest in securities, collect checks, and keep safe deposit boxes. They are owned by private investors and operate much like any other business.

**Credit union**—A not-for-profit business owned by its members. Credit unions serve groups that share something in common, such as where they live or work. The board of directors that runs the credit union usually is not paid; its mission is to provide personal service to the customers. The credit union's profits are paid back to the members, but services may be limited.

**Savings and loan**—These institutions often focus on real estate financing. They are backed by the government and run by a board of directors. They can be a corporation or a type of business where making a deposit is like investing in the company.

**Internet banks**—Customers can access their money using mobile apps, telephone, Web pages, and ATMs, but there are no local branches or walk-up tellers. Fees at these banks are minimal, and interest rates paid are often higher.

1. Joe works at a company where he designs shoes. He needs to have bank services but wants to use a local bank that would support his company. Where should Joe do his banking? \_\_\_\_\_
2. Jose and Juanita are buying a new home. They want a government-backed bank that understands loans and can also manage their deposits and checking account. Where should they do their banking? \_\_\_\_\_
3. Jemma has never used a bank before and wants to be sure her money will be safe. She wants to be able to write checks, make deposits, and have a debit card without paying high monthly fees. Where should Jemma do her banking? \_\_\_\_\_  
\_\_\_\_\_
4. Jordan is a businessman and often on the go. He wants to be able to bank anytime, anyplace. Where should Jordan do his banking? \_\_\_\_\_  
\_\_\_\_\_