



## 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 provides financial services. Banks receive deposits from citizens and businesses, pay interest, make loans, invest, collect checks, and keep safe deposit boxes. They are owned by private investors who share the profits. Many banks are large corporations.

**Credit union**—A not-for-profit business that provides the same financial services as a bank including accepting deposits, making loans, paying interest and offering online banking services. Credit unions are owned and controlled by the people, or members, who use their services. Members usually share something in common, such as where they live or work. Credit unions put the needs of the members above profits.

**Savings and loan**—These institutions often focus on real estate financing but also offer bank services such as savings and checking accounts. They are 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, telephones, 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 become a member at a local, not-for-profit financial institution that would support his company. Where should Joe do his banking?  
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2. Jose and Juanita are buying a new home. They want a bank that understands loans and can also manage their deposits and checking account. Where should they do their banking?  
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3. Jemma has never used a bank before and wants to open a student account. She wants a student account to be able to write checks, make deposits, and have a debit card. Jemma wants a financial institution that will be the same no matter where she lives or works. Where should Jemma do her banking?  
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4. Jordan is a businessman and often on the go. He wants to be able to bank anytime, anyplace, without having to go to a building. Where should Jordan do his banking?  
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