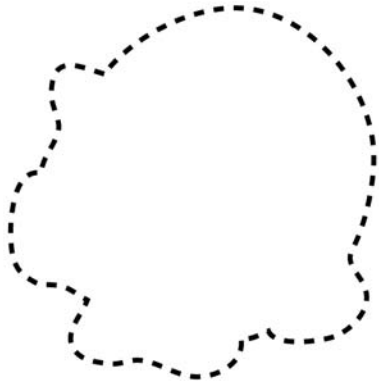


What do you do with your money? Do you put it in your piggy bank or do you spend it right away?





When adults work, they earn money. When you help out around the house and yard, do your parents give you an allowance or pay you for the chores you do?



If you put just a little bit of your money in a savings account on a regular basis, your balance will grow! Your savings account will earn interest – that's money the bank pays you when you keep your money in their bank.



Banks have other types of accounts called checking accounts. Maybe you've seen someone at the store checkout write on a piece of paper, tear it out of a little book, and hand it to the cashier. This is called a check and can be used in place of cash. It would be difficult to carry a large sum of cash on us all the time – and we could lose it. Instead, we write out a check that is backed by money we have in the bank in our checking account.

BANK

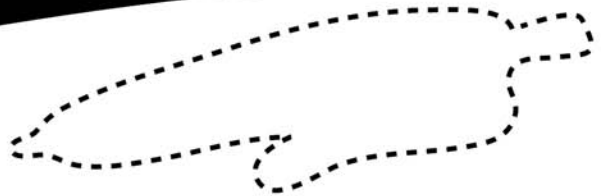
DATE 4/12/09

\$12.95

PAY TO: TOM'S TOY STORE

AMOUNT: Twelve dollars and 95/100

sign: Dave Dog



BANK

DATE _____

PAY TO: _____

AMOUNT: _____

sign: _____

Use the example above to write your own check.



Banks also make loans for big items like cars and houses. They give you a certain amount of money and then you make payments back to the bank each month. You also pay interest on the loan because you're using the bank's money.



Credit cards are also issued by banks. They work like a loan because you are accessing the bank's money whenever you use a credit card to purchase something and you pay interest on whatever you "borrow."



There are also ATM cards so you can access your money when the bank is closed. You use the card at ATM machines to get cash. You don't pay interest on this money because it's already yours. It pays to save!