Money at Work

Read how banks help people spend, save, and borrow money.

SS5E2.c “Describe the bank function in providing checking accounts, savings accounts, and loans.”

NAME ______________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline the sentence in each paragraph that tells how the named bank service helps a person. In paragraph 1, choose the sentence beginning “A checking account,” in paragraph 2, “Her savings account,” and in paragraph 3, “A loan.”

Maya's Bicycle Plan

1 On Saturday, Maya helps her father pay for a soccer uniform. He uses money from his checking account, which is an account at a bank for money he plans to use soon. The bank keeps a record of deposits, checks, debit card purchases, and other payments. A checking account helps him pay bills or buy items without carrying all his cash.

2 Later, Maya puts some birthday money into her savings account. A savings account is a bank account for money a person wants to keep for later. The bank holds the money safely and may pay interest, which is money added to the account. Her savings account helps Maya set aside money for a larger purchase, such as a bicycle.

3 After comparing prices, Maya wants a bicycle before she has saved enough. Her family may ask a bank for a loan, which is money the bank lends and expects to be paid back. The borrower repays the loan over time, often with interest. A loan helps people use money now for an approved need and repay the bank later.

2 ANSWER WITH EVIDENCE

Use the passage

1. Name two kinds of activity that a bank records for a checking account.

2. What does a bank do with money in a savings account, and how can interest affect the account?

3. What must a borrower do after receiving a loan?

4. Which bank service could Maya use if she waits and saves for a bicycle? Which service could her family use if they need money for it now?

3 YOUR TURN

Your own words

Write three sentences about a person preparing for a school event. Explain one way a checking account, a savings account, and a loan could each help the person or family.

PART 1 · READ AND MARK

Underline the sentence in each paragraph that tells how the named bank service helps a person. In paragraph 1, choose the sentence beginning “A checking account,” in paragraph 2, “Her savings account,” and in paragraph 3, “A loan.” Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Name two kinds of activity that a bank records for a checking account.	**Any two: deposits, checks, debit card purchases, or other payments.**
2	What does a bank do with money in a savings account, and how can interest affect the account?	**The bank holds the money safely and may add interest, or extra money, to the account.**
3	What must a borrower do after receiving a loan?	**The borrower repays the loan over time, often with interest.**
4	Which bank service could Maya use if she waits and saves for a bicycle? Which service could her family use if they need money for it now?	**She could use a savings account if she waits and saves. Her family could use a loan if they need money now.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Luis uses a checking account to pay the entry fee for a robotics contest. He puts money for a new backpack in a savings account until he needs it. If his family borrows a loan for a needed computer, they repay the bank over time with interest.

Accept accurate examples that clearly connect checking accounts to making payments, savings accounts to keeping money for later, and loans to borrowing money that must be repaid. Students may use different school-event situations.