$mart Money

Presented by:

FAT CAT®

& State Employees’ Credit Union
Hey kids, check it out!
See what FAT CAT is all about.
Learn how to save money without a doubt.
Saving money is easy, you’ll soon shout, if you follow my paws and take this route!
The History of Money

Since the beginning of time, people have bartered or exchanged items they own to get things they need or want. In ancient times people bartered with cattle, grain and vegetables. If farmers grew turnips, they could take them to the market and barter for something they could not grow on their farm, such as cloth to make a new shirt.

As people began to travel more often, they needed an easier way to buy things. Many societies used cowries, or mollusk shells, as money. The cowrie was the most widely accepted and longest used form of money in history.

The first coins were made of base metals like bronze and copper. They weren’t nearly as smooth and round as coins today. Sometimes the coins had holes in them so they could be strung together like a chain.

Later coins were made from precious metals such as silver and gold. They were similar to the ones we use today. Coin makers stamped coins with pictures of gods and emperors.

When paper money was first created, it came in many different colors and sizes. In fact, there were so many different types, it was hard to tell how much each type was worth.

The United States government began making its own paper money to help finance the Civil War. This money was called “greenbacks,” because of the color. Today, paper money in the United States is made by the Federal Reserve. This money is called notes or bills. The largest bill in circulation today is the $100 bill.

Below is a word search containing items used for bartering. Circle the hidden words and be sure to check off each item as you go.

- bronze
- cattle
- grain
- shells
- silver
- vegetables
The Early Days of the Credit Union

From their early days, credit unions were unique depository institutions owned by members. The first credit union was established in the late 1800s by Friedrich Raiffeisen in Germany. Raiffeisen started this credit union because German farmers were forced to pay extremely high interest rates to borrow money at banks. Therefore, he had German citizens pool their money together to create loans at lower rates, saving money for the farmers.

This effort by Raiffeisen and the German farmers began the credit union movement. Credit unions have four key purposes:
• to create a way to borrow money at a fair and reasonable rate of interest
• to provide an opportunity for members to have more money and live better
• to encourage thrift among members
• to educate members about spending and saving money

In 1909, the first credit union in the United States opened in Manchester, New Hampshire. It was called St. Mary’s Cooperative Credit Association.

In 1937, State Employees’ Credit Union (SECU) opened in Raleigh, North Carolina. SECU is currently the largest credit union in North Carolina and the second largest credit union in the United States. To become a member of SECU, you must be an employee of the state of North Carolina or public school system, a retiree from the State of North Carolina or public school system, or the spouse, parent, child or sibling of a current member.

True or False: Circle T if the statement is true or circle F if the statement is false. If the statement is false, underline the false part and write the correct answer on the blank line.

1. Friedrich Raiffeisen created the first credit union in Germany.  
2. One purpose of credit unions is to encourage thrift.  
3. SECU is the second largest credit union in North Carolina.  
4. The first credit union in the United States was St. Mary’s Cooperative Credit Association.  

Are you or your parents members of SECU? If so, have you opened your very own FAT CAT account? If not, ask your parents if you are eligible.
What is a Credit Union?

There is a difference!

Credit unions are formed by people who have a common bond, such as workers at a specific business. The workers join their credit union and are called members. Credit unions do not have stockholders. A member is an owner of the credit union and a credit union’s main goal is to provide the best services possible to its members.

Credit unions educate members about financial matters. They provide materials, publications and workshops to keep members informed.

Credit unions are governed by a board of directors, made up of volunteer members who are unpaid.

Credit unions are not-for-profit. A credit union’s purpose is to provide a safe institution where members can save and borrow money at a fair and reasonable interest rate.

Keeping Important Things Safe

You can keep all types of important things safe at the credit union. If you have important papers or collectibles you want to keep safe, you can rent a safe deposit box. A safe deposit box is a heavy metal box that is kept inside a fireproof steel vault. It takes both the branch key and your own key to open your safe deposit box. This gives you added protection against theft or loss.

Needs and Wants

Sometimes people get in money trouble because they forget the difference between needs and wants. Needs are things you must have to stay alive. Wants are things that are not required to live; they are things you like or enjoy.

Look at the sentences below and decide what is a need and what is a want.

I __________ a new backpack.
I __________ food to eat.
I __________ a dog.
I __________ soda to drink.
I __________ a place to sleep.
I __________ to go shopping.

Answer Key on back page.
Savings Accounts

A very important account at SECU is a share account. This account is where you save your money and watch it grow. To become a member of the credit union, you must open a share account.

Opening a share account is easy. You will need your Social Security number, date of birth and address. With one share, five dollars ($5.00), kids under 13 can open a special share account called a FAT CAT account.

When you save money in your FAT CAT account it is safer than if you keep it at home where it can be lost or stolen. The money in your account is protected by the National Credit Union Administration (NCUA), an independent federal agency that insures the deposits of credit union members nationwide.

Another advantage to saving your money in a FAT CAT account is earning dividends on the money you save. That dividend is paid to you as a monthly deposit in your share account.

When you open your FAT CAT account, you will receive a passbook. Your passbook is a way to record how much money you deposit, how much you withdraw and dividends you earn so you can keep track of how much money you have saved!

Figure it out:

Chloe wants to buy a new scooter that costs $40. She plans to use the money she has saved in her FAT CAT account.

Look at Chloe's passbook. Complete her balance column by adding the deposits and dividend and subtracting the withdrawal.

<table>
<thead>
<tr>
<th>Date</th>
<th>Deposit</th>
<th>Dividend</th>
<th>Withdrawal</th>
<th>Balance</th>
<th>SECU Rep</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/17</td>
<td>10.00</td>
<td></td>
<td></td>
<td>10.00</td>
<td>L. Smith</td>
</tr>
<tr>
<td>3/21</td>
<td>0.25</td>
<td>10.25</td>
<td></td>
<td>10.25</td>
<td>C. Dodd</td>
</tr>
<tr>
<td>3/31</td>
<td>18.00</td>
<td></td>
<td></td>
<td></td>
<td>L. Smith</td>
</tr>
<tr>
<td>4/05</td>
<td>29.00</td>
<td></td>
<td></td>
<td></td>
<td>J. Little</td>
</tr>
<tr>
<td>4/10</td>
<td></td>
<td>12.00</td>
<td></td>
<td></td>
<td>J. Little</td>
</tr>
<tr>
<td>4/25</td>
<td>7.00</td>
<td></td>
<td></td>
<td></td>
<td>R. Strong</td>
</tr>
</tbody>
</table>

Does she have enough money? [ ]

Word Wizard

- dividend – a payment for the use of money
- deposit – add money to your account
- withdraw – take money out of your account
- statement – a monthly summary or list of transactions made to your FAT CAT account

Federally insured by NCUA

Answer Key on back page.
Checking Accounts

When you become a teenager or an adult, you can open a checking account. Typically, when you open a checking account, you receive a debit card and/or checks you can use to pay for things with the money you put in the account. Debits are electronic transactions with a card, while checks are paper transactions. Both payment types take money from your account.

With a paper check, there are several important sections that need information. You must list the amount of money to be taken from your account and to whom the money is paid. You also need to add the date and your signature. The amount written on the check comes directly out of your checking account. This is called a withdrawal. When you put money in your account, you make a deposit. You must have money in your account to write checks or make debits, and to maintain your checking account you must be very responsible. If you write a check or make a debit for more money than you have in your checking account, your balance will be in the negative.

Having a negative balance can get you in a lot of trouble! To avoid having a negative balance, you should keep track of your deposits and withdrawals. The credit union will give you a register so you can write down all of the money going in and out of your account. This way, you’ll know how much money you have.

People like checks and debit cards because they are easy to use and are safer than carrying a large amount of cash that can be lost or stolen. If you write a check, it is very important to complete it properly. Checks should always be neatly written in ink.

**There are five parts to a check:**
- the date
- the person or company to be paid
- the amount of the check (in two places)
- what the check is for
- your signature

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Answer the following questions about the above sample check:

1. Who can cash the check? ____________________________________________________________________
2. Who wrote the check? ____________________________________________________________________
3. What is the check for? ____________________________________________________________________
4. How much is the check worth? ____________________________________________________________________
5. When was the check written? ____________________________________________________________________

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Answer Key on back page.
Figure it out:

Study the register below. Use the information to answer the following questions.

<table>
<thead>
<tr>
<th>TRANS. TYPE/CHECK No.</th>
<th>DATE</th>
<th>DESCRIPTION OF TRANSACTION</th>
<th>PAYMENT/DEBIT (-)</th>
<th>FEE (-) (if any)</th>
<th>DEPOSIT/CREDIT (+)</th>
<th>$ BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>207</td>
<td>10/17</td>
<td>Talk a Bunch Telephone Co.</td>
<td>39 51</td>
<td></td>
<td></td>
<td>276 53</td>
</tr>
<tr>
<td>Deposit</td>
<td>10/21</td>
<td></td>
<td></td>
<td>887 23</td>
<td></td>
<td>1,163 76</td>
</tr>
<tr>
<td>208</td>
<td>10/23</td>
<td>Food N' Stuff</td>
<td>37 22</td>
<td></td>
<td></td>
<td>1,126 54</td>
</tr>
<tr>
<td>209</td>
<td>10/24</td>
<td>Fun Vacations, Inc.</td>
<td>201 55</td>
<td></td>
<td></td>
<td>924 99</td>
</tr>
<tr>
<td>Deposit</td>
<td>10/27</td>
<td></td>
<td></td>
<td>120 00</td>
<td></td>
<td>1,044 99</td>
</tr>
<tr>
<td>211</td>
<td>10/31</td>
<td>Mrs. Smith</td>
<td>22 43</td>
<td></td>
<td></td>
<td>1,022 56</td>
</tr>
</tbody>
</table>

1. What type of transaction was made on October 27th?

2. How much money was paid to Fun Vacations, Inc.?

3. Who was check #208 paid to?

4. How much money is in the account at the end of the month?

Loans

Some things cost too much money to pay for all at once. Therefore, you have to take out a loan (borrowing money to use for a certain amount of time). When you get older, you may need a loan to pay for expensive things like a car, a house or school expenses. The money you borrow must be paid back with interest.

If Mr. Baker wants to buy a new car, he can stop by or contact the credit union and ask for a loan. The credit union will give Mr. Baker a loan if he is responsible, pays all his bills on time, has a share account and promises to pay the credit union every month until all the money and interest is paid. If Mr. Baker does not pay his loan on time, it may be hard for him to get another loan in the future.

Responsibilities

To have a checking account or a loan when you are older, you must be very responsible. For example, you must not spend more money than you have in your account and you must pay your bills on time. There are a number of ways you can start being responsible now to prepare for your future. Look at the list below and circle the responsible things you do.

- feed pet
- help make dinner
- do homework
- clean room
- pick up toys
- rake leaves
- take out trash
- make bed

What are other responsible things you do?
ATM, Phone and Internet Services

You can find out how much money you have in your account 24 hours a day, seven days a week by using an automated teller machine (ATM), the telephone or the Internet.

The credit union’s automated teller machines are called CashPoints®. Most CashPoints machines allow you to make withdrawals, deposits, transfers and payments with your ATM card.

ASK SECU is an automated telephone service you can call to find out information about your account. You can check your balance, find out where ATMs are located and more. SECU also provides a toll-free number 1-888-732-8562 that members can call at any time to apply for loans, open accounts and learn about other services.

To visit SECU on the Internet, go to www.ncsecu.org to read more about credit union services. Visit www.cufatcats.org to view FAT CAT’s website!

Figure it out:

Jonathan opened a FAT CAT account on June 17th. He received a passbook with his first deposit of $5 written in it. Jonathan has made a number of transactions since he opened his account, but he forgot to write them down in his passbook. Jonathan needs $50 to buy a new video game.

Help Jonathan balance his passbook with the following information and decide if he has enough money for the new video game.

Jonathan received $65 on his birthday. On July 1st, he deposited all of the money except $15. Jonathan deposited another $20 on July 6th from mowing the lawn. On July 15th, he withdrew $15 to buy his father a birthday gift. Jonathan made another withdrawal of $22 on July 21st to pay for a camping trip.

<table>
<thead>
<tr>
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<th>Balance</th>
<th>SECU Rep</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/17</td>
<td>$5.00</td>
<td></td>
<td>$5.00</td>
<td>C. Thomas</td>
<td></td>
</tr>
</tbody>
</table>

Is there enough money for the new video game?

Answer Key on back page.
There are a lot of nice people at the credit union! The staff welcomes you and wants to help you learn good money management skills. Right now, you can start out with a share account that can earn dividends each month. The more money you have in your account, the more dividends you will earn! Continue reading for information about youth programs at SECU.

FAT CAT® – SECU offers a savings account designed specifically for children 12 and under who are SECU members or are eligible for membership. The purpose of the FAT CAT program is to teach children how to save and to make saving fun and exciting. The account must be joint with a parent, grandparent or other responsible adult who is eligible for membership. The account can be opened with a minimum deposit of $5. There’s also a FAT CAT website: www.cufatcats.org and quarterly newsletter, FAT CAT Paw Prints.

Zard® Teen Program – Picking up where FAT CAT leaves off, the Zard program prepares teenagers 13-19 for more financial responsibility through additional account offerings, debit cards and more. A Zard website: www.teenzard.org and quarterly newsletter, Money Matterz are available as well. The minimum balance for a Z-Share account is $25.

Federally insured by NCUA
Test Your Knowledge

Read each sentence and circle the best answer to complete the sentence.

1. SECU members can apply for loans and additional accounts by (a) using a CashPoints ATM, (b) surfing the web, (c) calling the Contact Center.  
3. To open a share account you need your (a) date of birth, (b) Social Security number, (c) both a and b.

2. Credit unions are governed by (a) a board of directors, (b) employees, (c) their president.  
4. The first coins were made of (a) precious metals, (b) base metals, (c) shells.

Crossword puzzle

Across
2. Things you must have to stay alive
3. Money made by the U.S. government to finance the Civil War
7. Borrowing money to use for a certain amount of time
8. Wise use of money

Down
1. Taking money out of your account
4. Adding money to your account
5. Exchanging things you have to get things you want
6. Things you like or enjoy

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