

 **BUILDING BLOCKS STUDENT WORKSHEET**

Avoiding overdraft fees

A checking account can be a useful financial tool, but it's important to keep track of your balance so you don't spend more than you have.

An overdraft happens when you don't have enough money in your account to cover a transaction, but the bank or credit union pays for it anyway. You then have to pay back the amount your account was overdrawn, plus any overdraft fees from your bank or credit union. Learning how to avoid overdrafts and overdraft fees can help you manage your money.

TIP

Banks and credit unions may change their policies and fees on overdrafts, so it's important to be aware of any changes.

Instructions

- 1 Research overdrafts and ways consumers can avoid overdraft fees using the following resources from the Consumer Financial Protection Bureau:
 - "Consumer guide to managing your checking account"
https://files.consumerfinance.gov/f/201602_cfpb_consumer-guide-to-managing-your-checking-account.pdf
 - "Know your overdraft options"
https://files.consumerfinance.gov/f/documents/cfpb_adult-fin-ed_know-your-overdraft-options.pdf
- 2 Review the criteria list to plan your poster or brochure.
- 3 Create a poster or brochure that will engage and inform consumers.

Criteria list

- Defines "overdraft" and warns people about potential overdraft fees
- Describes two things people can do to avoid making an overdraft on their account
- Lists three ways people can avoid paying overdraft fees
- Is well organized and visually pleasing

