

Partnering with Families to Build Economic Security During Emergencies



Partnering with Families to Open a Bank or Credit Union Account

Families that have a checking or savings account can use direct deposit to receive and access state or federal financial assistance more quickly during emergencies. If families do not have an account, early care and education professionals can partner with families to:

1. Explore bank and credit union accounts
2. Take steps to open an account
3. Track progress and celebrate successes

1. Explore Bank and Credit Union Accounts

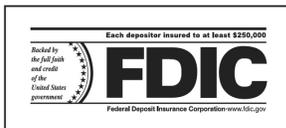
There are many reasons why families may not have a checking or savings account. They may not have enough money for the minimum balance. They may distrust financial institutions or face high banking fees. Low-fee or no-fee checking and savings accounts are available from many banks and credit unions. They may be a safe and affordable option for families.

- **Finding an appropriate account:** You can connect families to the Bank On program to explore different accounts. Bank On Approved Accounts meet standards created by the Bank On National Advisory Board. These standards ensure that consumers have access to a certified account without high fees or other barriers. Families can visit the Bank On website to find banks and credit unions that offer approved accounts.

What Is a Credit Union?

Credit unions are not-for-profit financial organizations that are owned and controlled by the members who use their services. Like banks, credit unions accept deposits, make loans, and provide a wide array of other financial services.

- **Protecting accounts:** When looking for a safe and affordable bank account, check to see if the bank's accounts are insured. Independent agencies appointed by the U. S. Congress insure many kinds of accounts at banks and credit unions with the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). This means that even if a bank shuts down, no one with an account will lose their money.
- To be sure that an account is insured, look for the FDIC or NCUA logo, and ask a bank or credit union employee for details. For FDIC and NCUA insurance, there are no forms for consumers to fill out. Not all accounts are covered by insurance, however. For example, deposit insurance does not cover investment accounts. So it is important for consumers to ask questions.



For more information about bank and credit union accounts, see the *Economic Mobility Toolkit for Early Care and Education*, Key Topic 2: Accessing Safe and Affordable Financial Products.

2. Work with Families to Open an Account

- **Online process:** Some banks and credit unions have an online process for opening an account.
 - If families have access to the internet, you can work with them to follow the online steps to open an account.
 - If families don't have access to the internet, you can help them connect to Lifeline. Lifeline is a federal program that helps make communications services more affordable for low-income consumers. Lifeline gives subscribers a discount on monthly telephone service, broadband internet service, or voice-broadband bundled services purchased from participating companies.
 - You also can encourage families without access to the internet to contact a bank or credit union to learn about other ways to open an account.

- **Fees:** Checking or savings accounts may require a one-time enrollment fee or a monthly fee.
 - Talk with families about whether fees might be barriers to opening an account.
 - Work with families to identify accounts with low or no fees.

3. Track Progress and Celebrate Successes

Follow up with families to track their progress toward opening a bank or credit union account and providing required information to the IRS. Celebrate successes!

Check out the other staff tip sheets in the *Partnering with Families to Build Economic Security During Emergencies* series. Let families know about the companion family tip sheet series so they can get important information on how to improve their family economic security during emergencies.

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