Choose a Bank, Build an Emergency Fund

Pick the right accounts and design a plan to reach a real emergency fund.

Unit 3: Banking & Saving | 2–3 class periods | Individual or pairs

Name(s) _____ Period ___ Due _____

Introduction

Nearly every financial plan starts with a safe place for money and a cushion for emergencies. You will compare three fictional institutions, estimate fees and interest, reconcile a statement, and build a 3-year emergency-fund plan for Kofi.

> Kofi, 20, works full-time as a pharmacy technician. He has $600 saved and can save $125 per month. His essential expenses are about $1,500 per month, so his target emergency fund is 3 months: $4,500.

Learning goals

- Estimate yearly account fees from banking habits.
- Compute simple and compound interest and compare APY.
- Choose accounts that fit liquidity needs.
- Read and reconcile a bank statement.
- Build and justify an emergency-fund plan.

Supporting documents and data

Account options (fictional)

	Metro National	Clearwater Online	Riverton Teachers CU
Savings APY	0.01%	3.90% (variable)	2.50%
Monthly fee	$5 if balance < $2,500	None	None ($5 one-time membership)
Checking	Free with direct deposit	Free; no ATMs (fees not refunded)	Free; 300 network ATMs
Overdraft	$35 per item	Declines transaction	$25 per item
Transfers	Instant	1–2 business days	Instant
Insurance	FDIC	FDIC	NCUA

Kofi’s habits

Habit	Detail
ATM use	About 3 cash withdrawals per month
Overdrafts last year	2
Direct deposit	Yes, biweekly
Checking balance	Usually $200–$700

Kofi’s March checking statement (excerpt)

Date	Description	Amount
03/01	Beginning balance	$412.30
03/05	Payroll deposit	$1,104.62
03/06	Rent share	−$750.00
03/12	Phone	−$55.00
03/15	Non-network ATM fee	−$3.00
03/19	Payroll deposit	$1,104.62
03/21	Groceries	−$146.18
03/27	Transfer to savings	−$125.00
03/31	Ending balance	?

Tasks

Task 1: Price the fees

1. Estimate Kofi's yearly checking fees at each institution based on his habits.
2. Identify two habit changes that would cut fees.

Deliverable: Fee comparison table.

Task 2: Grow the savings

1. Simulate 36 months of savings at each institution ($600 start, $125/month).
2. Record ending balance, interest earned, and fees paid.
3. Find the month each account reaches $4,500.

Deliverable: Savings comparison table (a spreadsheet is encouraged).

Task 3: Reconcile the statement

1. Compute the March ending balance.
2. A $60 check Kofi wrote on 03/30 has not cleared. What is his true available balance?

Deliverable: Reconciliation.

Task 4: The plan

1. Choose a checking and a savings home (can be different institutions).
2. Write a month-by-month milestone plan to $4,500.
3. Explain how you balanced interest, fees, access, and convenience.

Deliverable: Plan with justification.

Reflection

1. Where should an emergency fund live, and why?

2. How did fees compare with interest in your analysis?

3. What is one banking habit you plan to adopt?

Submission checklist

- ☐ Fee comparison table
- ☐ 36-month savings comparison
- ☐ Statement reconciliation
- ☐ Emergency-fund plan and justification
- ☐ Reflection

Scoring rubric

Category (points)	Exemplary (100%)	Proficient (~80%)	Developing (~60%)	Beginning (~30%)
Financial understanding (20)	Uses vocabulary precisely and explains every financial concept involved, including assumptions.	Mostly accurate explanations with minor vocabulary gaps.	Partial understanding; some concepts misapplied.	Little evidence of understanding.
Mathematical accuracy (25)	Fee estimates, 36-month simulations, and reconciliation are correct.	1–2 minor errors that do not change conclusions.	Several errors or missing work.	Calculations largely missing or incorrect.
Analysis & comparison (20)	Compares every option on the same basis and tests at least one changed assumption.	Compares options with small gaps.	Comparison superficial or uneven.	Little analysis.
Justification (15)	Recommendation is supported by specific numbers and weighs non-financial factors and risks.	Mostly supported.	Mostly opinion.	No justification.
Communication & presentation (10)	Clear, organized, well-labeled tables, charts, and writing.	Minor clarity issues.	Hard to follow in places.	Disorganized.
Completion (10)	Every checklist item complete.	One item missing.	Two or three items missing.	Most items missing.

Total: 100 points. Alternative recommendations earn full credit when supported by accurate evidence.

ALL PEOPLE, BUSINESSES, PLACES, AND NUMBERS IN THIS PROJECT ARE FICTIONAL. RATES AND COSTS ARE ILLUSTRATIVE ASSUMPTIONS.