



Lesson 0

What Transactions Look Like in the US



The United States Dollar (USD)

Dollars and cents are used in the United States currency. For example, in the USA \$100.00 is written to mean 100 dollars and 0 cents. Another example is \$7.99, which means 7 dollars and 99 cents. This is different than in some countries, where \$7.99 might be written 7,99.

Cash is a word for money in the USA. Cash means both coins and paper dollars, and can also be used to talk about money in a bank account.

Bills is another name for paper money (the dollars), but is not used for coins.

The coins used in the USD currency are:



\$0.25, twenty-five cents.



\$0.10, ten cents.

coin is called a **quarter**. (front and back)

called a **dime** (front and back)



\$0.05, five cents. This coin is called a **nickel**. (front and back)

\$0.01, one cent. This coin is called a **penny**. (front and back)

There are also \$0.50 (half-dollar) and \$1.00 (dollar) coins, but they are very uncommon. You probably won't come across one for years after moving here, if ever.

The bills used in the USD currency are:



\$1.00, one dollar bill
(front and back)

\$5.00, five dollar bill
(front and back)

\$10.00, ten dollar bill
(front and back)

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\$20.00, twenty dollar bill (front and back)



\$50.00, fifty dollar bill (these are not very common) (front and back)



\$100.00, one-hundred dollar bill (these are not very common) (front and back)



GETTING MONEY IN THE USA

In the USA, there are a few places you can get physical money, like dollars:

From the bank where you have a bank account (more information on bank accounts is given in future lessons)

From an ATM (more information on ATMs is given in future lessons)

- ATMs associated with your bank will have no charge to access your money
- ATM's not associated with your bank account will usually

From retailers

- Some retailers have an option to withdraw money from your bank account if you make a purchase with a debit card (more information on debit cards is given in future lessons).

have a small fee to
access your money

GETTING MONEY IN THE USA

When you first arrive in the United States, you may have foreign currency (for example Pesos, Afghani, Quetzal, Lempira, etc.) that you want to exchange for United States dollars (USD).

Places where you can do this are:

—
At the airport at a
currency exchange
booth/stall

—
At a local currency
exchange in your
area. This website
can help you find
currency exchange
locations:

[https://banks-
nearme.com/
currency-exchange-
near-me](https://banks-nearme.com/currency-exchange-near-me)

—
At some banks if you
have a bank account
with that bank. For
example, if you have
an account with
Bank of America,
then Bank of
America will allow
you to exchange
foreign currency for
US dollars or deposit
the dollar amount of
your foreign
currency in your
checking account.



TRANSACTIONS IN THE USA

There are two primary types of transactions in the USA:

In-person transactions:

These are transactions that you make at stores, gas stations, and other physical stores. Almost all places of business accept both cash and card (debit and credit) as ways to pay. Some places no longer accept cash because of COVID-19, but most still do. Once you have a bank account and a debit card, it is a good idea to have both your debit card and cash when buying things in person. Some stores do not accept \$50 and \$100 bills for security reasons.

Electronic transactions:

Electronic transactions include buying things online, paying for bills or services online, and sending money electronically to family members abroad. Many electronic transactions can be made with the information on your debit card, for example ordering clothes online. All electronic transactions require you to have a bank account. More information on electronic transactions is given in future lessons.



IMPORTANCE OF USING BANKS

It may already be clear from the information above that using financial institutions, such as a bank, is very common in the United States. There are many benefits to keeping your money in a bank:

Places where you can do this are:

—
Having your money in a bank account is

—
With your money in a bank, you can earn

—
Using a bank makes it easier to complete

safer than keeping large amounts of cash in your home, where it could be stolen, get lost, or be damaged.

more money than what you originally put in (called interest on deposits).

different transactions. You can use a check - linked to your bank account - to pay rent, or make purchases with a credit or debit card.

Banks in the United States can be trusted to keep your money safe. No employee of the bank or customer will be allowed to access your funds. Banks generally have very high security measures, and they take many steps to protect your money and your personal information.

Banks in the USA are government-backed. This means that bank accounts are insured, so that if a bank would close or fail, the government would pay you the amount of money you had in your account. If something happened to the bank, you would not lose your money.

More information on finding the right bank and on what you can do with your bank account will be given in future lessons.



CAPITALISM IN THE USA

Capitalism in the USA is different than in some other countries. The USA technically has what is called a mixed economy. The government regulates businesses so that no single business becomes too powerful, and there are a mix of both large and small

businesses of every type.

For example, there are large grocery corporations such as Kroger, Vons, Publix, and Meijer that have low prices and a wide selection, but often don't have specialty items like some international foods or locally grown fruits and vegetables. There are also small, local grocery stores where you can find more rare food items, international foods, and local food. In the USA you usually have multiple choices for where you want to buy things, which creates competition between different businesses to get more customers.

The government regulations exist so that buyers have choices and aren't limited to a single large, powerful company for essential goods and services. This also means there are a wide variety of employers, some which pay you more and might be harder to get and some which pay you less but are probably easier to get.

FREQUENTLY ASKED QUESTIONS

1. Where can I access the online financial literacy class if I don't have internet at home?

- The public library nearest you
- Many cafes and small restaurants have WiFi. If you have a phone or laptop, you may be able to go to one of these places to use their WiFi.

2. A. Where can I open a bank account?

Note: even if you have undocumented status, there are still ways to get identification and/or proof of address (once you have an address). These things are usually required to open a bank account. You can find more information on getting identification on this website: <https://immigrantfinance.com/can-immigrants-open-bank-accounts/>

- Bank of America (nationwide): Bank of America allows you to open a bank account if you are a resident alien or an undocumented immigrant. You can use your foreign passport, and you will need one additional form of identification. Having an ITIN as your second form of ID is the best chance of being able to open an account. Resident aliens can open an account online, but if you are an undocumented immigrant or a non-resident alien you will need to call the location nearest you and make an appointment to open an account in person.
- Self-help Credit Union (California, Chicago, Milwaukee, Florida): Self-help Credit Union will accept a drivers license, foreign passport, Matrícula consular/ consular ID, or residency card to open a bank account.
- Chase Bank (nationwide): Chase will allow you to open an account with only an ITIN number and a photo ID (foreign passport is okay).
- Wells Fargo (nationwide): Allows you to open a bank account with ITIN and foreign passport.
- Citibank (nationwide): Will allow you to open an account with a foreign passport and an official document (for example a utility bill) with your name on it. No ITIN required.

2. B. Do any banks in the USA offer Islamic financing and other Riba free banking services? Note: Some state banks do offer sharia-compliant financing, including Murabaha, Ijara, and Musharaka. Some examples of them are:

- University Islamic Finance (UIF): available in 26 states,
- Devon Bank: Home financing is available in several states,

California. Offer both home and commercial financing in most states.

Commercial financing is available in Illinois.

- Bank of Whittier: Offer personal and business banking accounts, home financing, business financing, and auto financing. Branches are only in Whittier, California and Richardson, Texas, but financing may be available elsewhere.

3. Where can I stay when I first arrive in the USA and don't have money for rent? Where can I find roommates and shared houses?

- If you have received help from a refugee resettlement agency upon arriving in the United States, you should talk to them about housing options and paying rent.
- Affordable housing programs for low-income residents.
- Note: immigration status may impact your ability to gain public housing. Some federal programs only accept citizens, lawful permanent residents, or refugees, while others do not have these restrictions. State programs may have broader eligibility, but vary from state to state.
- Public housing - properties owned by the government that are usually located in cities. Income (or, the money you earn on a monthly basis) must be below a certain level to qualify.
- Rental assistance programs / vouchers - cover a portion of your rent if you can't afford the market value on your own. Different programs have different eligibility requirements.
- You can contact a HUD office to find out about low-income and non-profit housing in your area. Contact information for local offices can be found at: https://www.hud.gov/program_offices/field_policy_mgt/localoffices.
- Public agencies can help find affordable housing in your area. If in Los Angeles, visit The Housing Authority of the City of Los Angeles.

Angeles' website, at: <http://www.hacla.org/>.

- For an in-depth description of housing options for asylum-seekers, visit <https://refugeeswelcomehome.org/housing-asylum-seekers/>.