

SHOW ME THE MONEY				Student/Class Goal Students have questions about what qualities are important in choosing a bank that meets their needs.	
Outcome (lesson objective) By writing a summary, students can determine which bank would be the best choice for their banking needs. They will also consider various scenarios and choose which account is best for each person.				Time Frame 3-4 hours	
Standard Read with Understanding				NRS EFL 3-5	
Purpose	Benchmarks	Word Knowledge	Benchmarks	Comprehension	Benchmarks
Purpose for reading	3.1, 4.1, 5.1	Decoding skills	3.3, 4.3, 5.3	Strategy use	3.11, 4.11, 5.11
Select text	3.2, 4.2, 5.2	Word parts		Text structural elements	
		Context clues		Genres	
		Reference materials		Literary analysis	
		Word relationships		Drawing conclusions	3.15, 4.15, 5.15
		Content vocabulary	3.8, 4.8, 5.8	Making connections	3.16, 4.16, 5.16
		Figurative language			
		Fluency			
Materials Small items for barter, banking brochures The History of Money (website) or Money Sense for Kids (trade book) or What is Money? (journal article) Where Does Income Come From? Handout Banking Reading-Reasoning Activity Choosing a Banking Account Matrix Choosing a Checking Account Scenarios Show Me the Money Learning Objects					
Learner Prior Knowledge Students should be familiar with vocabulary, such as; commodity, checking account, deposit, balance, withdrawal, fees, interest and have had experience reading various expository texts.					
Instructional Activities Step 1 - Each student is given one small item (pencil, banana, candy bar, etc.) with many different things represented. Students must take what they are given. If they don't like what they receive, or if they see something else they would like better, they will have the opportunity to try to trade for something else. They may have to make several exchanges to get what they want. Allow time for bartering. Take note of some of the problems.  Ask questions to prompt discussion How many of you wanted to trade what you received for something else? Why? Did anyone trade more than once? Why? Who wanted to trade, but was unable to do so? Why? Summarize by concluding that some people couldn't trade because no one wanted what they had or no one had what they wanted. Discuss equity How many would trade the banana for a pencil? Would the banana be worth the same in two weeks? Students will be learning more about the history of money, the concept of income and banking services that are available for their financial needs.  Step 2 - Students can choose one of these level-appropriate texts; such as The History of Money (website) or Money Sense for Kids (trade book) or What is Money? (journal article). They will be completing a Dialectic or Double-entry Journal activity during their reading to identify important information from expository text, share their ideas with others and develop their own opinions about what they have read.  TEACHER NOTE Looking at Readability for Adult Literacy Learners by Nancy Padak can give you an explanation of some of the issues and many resources for determining readability.					

First – Read a portion of the text and make notes about what they think is important. Notes can be made on separate paper or in a journal or students can use pencils to underline important information in the text itself.

Second – Small groups (3-5 students) share what they have identified as important. As students listen to others' ideas, they may revise their own notes, add or erase underlines and so on. Student complete the text in this manner

Third – Having decided on important information from the text, students now make notes about their own opinions about what they have read. They consider issues such as what they agree or disagree with, how the information might be useful, how new information fits with what they already know.

Fourth – Students share their individual opinions with others in their small groups. Groups discuss opinions, synthesize discussion and may prepare written or oral summaries to share with the entire class.

Step 3 - In small groups, read the handout *Where Does Income Come From?* On a sheet of paper folded into 4 columns marked "property, working, relationships, and government" list as many sources of income as possible. In each group tally the number of students who obtain income from each column.

**MATH STANDARD EXTENSION** Tally the entire class for each category (a person can be counted in more than one category) and figure the percentages, fractions, and decimals.

Step 4 - What comes to mind when you hear the word "bank?" A bank is a business that offers you a place to keep your money and uses your money to make more money. This business is also called a financial institution. Banks offer different services for keeping your money. *What has been your experience with a bank? Where do you keep your money? What are some reasons for you to keep your money in a bank?*

Complete the *Banking Reading-Reasoning* Activity. Students should be prepared to talk about the conclusions they have drawn from this activity. *What is important to each of them when choosing a bank?*

**TEACHER NOTE** This activity could be done as a group sort if prepared ahead of time by writing statements on sentence strips and placing them on large paper with headers.

Step 5 - Look at banking brochures to compare services. As a class, examine the different kinds of accounts. Use the information from National City Bank to decide which type, if any, would be the best choice for each example. Model this by completing the first column together on the *Choosing a Banking Account* matrix. Working in pairs or individually, students should complete 2 other banks for comparison.

**TEACHER NOTE** This lesson on money contains a mini-lesson on learning to take notes and can be used as a regular classroom strategy with other topics.

Which bank would you pick for yourself? Write a summary explaining why you chose this bank. Be sure to note services, fees and conveniences that apply to your choice.

Step 6 - Now that you know about some of the services that are available with a checking account, you are ready to choose an account for the customers in the *Choosing a Checking Account* scenarios.

**Assessment/Evidence** *(based on outcome)*

Choosing a Checking Account Scenarios

Write a summary explaining which bank would be the best choice for you.

**Teacher Reflection/Lesson Evaluation**

*Not yet completed.*

**Next Steps**

Use various classroom resources to practice writing checks and deposit slips and completing a check register. If possible, visit a local bank and have a teller demonstrate transactions and ATM machine. Students might also be interested in online banking programs. Show Me the Money Learning Objects will give students additional practice with savings and checking accounts.

**Technology Integration**

Dialectic or Double-entry Journals [http://literacy.kent.edu/eureka/strategies/types\\_of\\_journals.pdf](http://literacy.kent.edu/eureka/strategies/types_of_journals.pdf)

**Purposeful/Transparent**

Students are choosing reading material appropriate to their levels and sharing the information in various formats with others.

**Contextual**

Students apply what they are learning by comparing between at least three local banking institutions before making their choices.

**Building Expertise**

This learning activity builds as students gather information and develop an understanding of banking services available to them.

# The History of Money

<http://www.minneapolisfed.org/econed/curric/history.cfm>

## Consider this problem:

You catch fish for your food supply, but you're tired of eating it every day. Instead you want to eat some bread. Fortunately, a baker lives next door. Trading the baker some fish for bread is an example of barter, the direct exchange of one good for another.

However, barter is difficult when you try to obtain a good from a producer that doesn't want what you have. For example, how do you get shoes if the shoemaker doesn't like fish? The series of trades required to obtain shoes could be complicated and time consuming.

Early societies faced these problems. The solution was **money**. Money is an item, or commodity, that is agreed to be accepted in trade. Over the years, people have used a wide variety of items for money, such as seashells, beads, tea, fish hooks, fur, cattle and even tobacco.

## Coins



Lydian Coin (Western Turkey), 700-637 B.C.

Most early cultures traded precious metals. In 2500 BC the Egyptians produced metal rings for use as money. By 700 BC, a group of seafaring people called the Lydians became the first in the Western world to make coins. The Lydians used coins to expand their vast trading empire (see picture above). The Greeks and Romans continued the coining tradition and passed it on to later Western civilizations (see picture below). Coins were appealing since they were durable, easy to carry and contained valuable metals.



Dracma, Thessaly (Eastern Greece), 400-344 BC

During the 18th century, coins became popular throughout Europe as trading grew. One of the most widely used coins was the Spanish 8-reale. It was often split into pieces or bits to make change. Half a coin was 4 bits, a quarter was 2 bits, a term still used today.

Coins containing precious metals are an example of "**commodity money**." The item was traded because it held value. For example, the value of the coin depended upon the amount of gold and silver it contained.

## Paper currency



Chinese note 1368-1399 (size of a sheet of notebook paper)

The Chinese were the first to use paper money, beginning in the T'ang Dynasty (618-907 A.D.). During the Ming Dynasty in 1300 AD, the Chinese placed the emperor's seal and signatures of the treasurers on a crude paper made from mulberry bark. (see picture above).



New York Note, 1776

**Representative** money is tokens or pieces of paper that are not intrinsically valuable themselves, but can be exchanged for a specific commodity, such as gold or silver. In 1715 Maryland, North Carolina and Virginia issued a "tobacco note" which could be converted to a certain amount of tobacco. This type of money was easier to make large payments and carry than coin or tobacco leaves.

In the late 1800s, the U.S. government issued gold and silver certificates (see picture below).



Silver Certificate 1886 (worth \$5 of silver)

**Fiat** money is similar to representative money except it can't be redeemed for a commodity, such as gold or silver. The Federal Reserve notes we use today are an example of fiat money. In 1967 Congress authorized the US Treasury to stop redeeming silver certificates in silver dollars or bullion beginning the following year. By 1970 silver was removed from the production of coins. The old coins were gradually removed from circulation and replaced with new copper-cored coins that were faced or "clad" with layers of an alloy of 75 percent copper and 25 percent nickel—the same alloy used in nickels.



\$10,000 Federal Reserve Note 1934 (no longer in print).  
Portrait of Salmon Chase, Treasury Secretary 1861-1864

People are willing to accept fiat money in exchange for the goods and services they sell only because they are confident it will be honored when they buy goods and services. The Federal Reserve is responsible for maintaining the integrity of US currency by setting monetary policy —controlling the amount of money in circulation—to keep prices stable. If prices remain stable, people have confidence that the dollar they use to buy goods and services today will buy a similar amount in the future.



The vault at a Federal Reserve Bank

## **Money serves three purposes:**

### **Medium of Exchange**

People accept money in trade for goods and services.

### **Standard of Value**

The value of a good or service can be measured with money. For example, a car with a price of \$2,000 is worth twice as much as a car with a price of \$1,000.

### **Store of Value**

Money can be saved and used in the future.

# \$ What is Money \$

We all use money every day. Yet many people do not know what money really is. There are many myths about money, including the idea that the government “prints” all of it and that it has some intrinsic value. In fact, money is less a matter of value, and more a matter of faith.

Money is sometimes called the universal commodity, because it can be traded for all other commodities. But for this to happen, everyone in society must believe that money will be accepted. If people stop believing that it will be accepted, the existing money ceases to be money. Recently in Poland, people stopped accepting the zloty, the Polish money and used vodka as money instead.

The “things” that get used as money have changed over time. The Romans used salt (from which we get the word “salary”), South Sea Islanders used sharks teeth, and several societies actually used cows.

If money does not exist, or it is in short supply, it will be created. In Prisoner of War camps, prisoners use cigarettes for money. The American colonists used tobacco leaves as money. After the colonies gained independence, the new government declared gold to be money, banks put gold in storage and gave the depositor paper certificates of ownership. These certificates, “paper money”, could then be used in place of the gold itself. While paper money is easier to use than gold, it is still risky to carry around large amounts of cash. It is safer to store the paper in a bank and simply sign over its ownership to make a purchase. We sign-over the ownership of our money of our money by writing a check.

Banks are central to understanding money, because in addition to storing it, they help create it. Bankers realize that not everyone will withdraw their money at the same time, so they loan out much of the money that has been deposited. It is from the interest on these loans that banks get their profits, and through these loans the banking system creates “new” money.

The vast majority of all money actually in use in the United States is not cash, but rather checking account money (deposits). This type of money was created by private banks, and was not “printed” by anyone. In fact, this money exists only as electronic “bits” in banks’ computers. The U.S. Treasury prints money, but only enough to replace money that has become old and worn out.

Banks do not have enough cash reserves to cover all checking account money. If we lose all faith in the commercial banking system and all try to take out our “money” as cash, the banks will fail and the money supply they have created will simply disappear.





# WHERE DOES INCOME COME FROM?

In our economy, there are four main sources for obtaining income:

**Owning Property.** This can be in the form of such things as: homes, farms, commercial real estate, land, mineral rights, patents and copyrights, shares of stock, bonds, artwork, antique furniture, and savings account. From property, people obtain income from rents, interest dividends, royalty payments and capital gains.

**Working.** This is the most common way most people in the U.S. obtain income. Most people hold a job where another person, the government, an organization or a company is the employer. Some people work for themselves. When you receive wages, a salary or a commission for your work, you are participating in the labor market. “Entrepreneurs” may pay themselves a salary for the work they do, but may also receive profits from their business. In this case, their profits are a form of income from property ownership, that is, owning the business.

**Personal relationships.** Children can receive allowances, gifts, and inheritances from their parents. Children may financially help to support parents. Women may receive child support or alimony from ex-husbands or former partners. Relatives and friends may financially support each other. A person may live with another person and rely on that person to supplement her income or to support both of them.

**The Government.** Various government agencies provide a range of income supplements to people who are poor (e.g. AFDC, WIC, food stamps, energy bill assistance, Medicaid); elderly (e.g. Social Security, Medicare); disabled (e.g. SSI) veteran (e.g. Veterans Benefits, GI loans); farmers (e.g. farm subsidies).

People’s abilities to obtain income from these four sources depend on their race, class, and gender. For example:

-- Black men with college degrees have an unemployment rate nearly double that of white male college graduates. The unemployment rate for black women graduates is 70% higher than for white women with degrees.

-- White people and the U.S. government effectively pushed Native American off their lands, denied or limited their control over resources necessary for their livelihood (fishing rights, pasturing rights, water rights, etc.) and moved native peoples to smaller, often barren territory. In large measure due to this nation-wide “disinheritance” today, Native Americans living on reservations have four times the average U.S. poverty rate.

-- Both retired and disabled workers, including veterans, receive compensation from the government, but the government does not financially support retired or disabled homemakers and mothers—positions which are essential to the functioning of our economy, but which are devalued because they are traditionally women’s duties.

Learning Economics: Empowering Women for Action. 1998.



## Banking Reading-Reasoning Activity

Some qualities of banks are listed below. Put each one into one of the columns on the chart. Be ready to explain your decisions.

IMPORTANT TO ME	NOT IMPORTANT TO ME

Evening hours  
Money is safe from theft, loss and fires  
Friendly employees  
Saturday hours  
Has safety deposit boxes  
Has high interest rates for savings accounts  
Can get money quickly and easily  
Has branch near your home  
Takes utility bill payments  
Offers interest for checking accounts  
Free checking with minimum deposit  
Offers savings accounts  
Has an FDIC (Federal Deposit Insurance Corporation) rating  
Makes car loans  
Has drive-in tellers  
Makes home mortgage loans  
Has ATM services

## Choosing a Banking Account

When looking for an account, take this checklist with you. The questions below can help you choose an account that is right for you.

	Bank A	Bank B	Bank C
Name of Bank	National City		
Type of account			
How much money do I need to open the account?			
How much do I have to keep in my account to avoid fees?			
Do they provide check safekeeping?			
What are the fees for bounced checks?			
How many checks can I write before extra fees are charged?			
How many withdrawals can I make each month?			
Does this account pay interest?			
Does an ATM or debit card come with this account?			
Are there other monthly service fees			
Will I be charged to use the ATM or debit card at another bank?			
Will I earn interest?			
Direct deposit available?			
Can I get a money order here?			
Is online banking available?			



## **Choosing a Checking Account Scenarios**

Developed by Marina G. Clicquennoi of Huntington Banks

Now that you know about some of the services you can have on a checking account, you are ready to choose an account for the customers in the following exercises.

MyTown Bank has 4 different checking accounts. Read the description of each kind of checking account and then decide which account is best for each of the customers.

- |                   |   |
|-------------------|---|
| <b>Checking A</b> | <b>No minimum balances required</b><br><b>No monthly service fees</b><br><b>Check safekeeping</b><br><b>Check card has \$1.00 fee each month</b><br><b>12 checks per month, then \$1.50 per check after first 12</b><br><b>Online banking is free</b>   |
| <b>Checking B</b> | <b>\$500 minimum balance to waive monthly fee</b><br><b>\$5.00 fee if balance falls below \$500</b><br><b>Check safekeeping</b><br><b>Free check card</b><br><b>Unlimited check writing</b><br><b>Online banking is free</b>  |
| <b>Checking C</b> | <b>\$1500 minimum balance to waive monthly fee</b><br><b>\$10.00 fee if balance falls below \$1500</b><br><b>Checks returned with statement</b><br><b>Free check card</b><br><b>Unlimited check writing</b><br><b>Online banking is free</b><br><b>Balances over \$2000 earn interest</b>                               |
| <b>Checking D</b> | <b>\$5000 minimum balance to waive monthly fee</b><br><b>\$20.00 fee if balance falls below \$5000</b><br><b>Checks returned with statement</b><br><b>Free check card</b><br><b>Unlimited check writing</b><br><b>Online banking is free</b><br><b>Balances over \$2000 earn interest</b><br><b>Checks printed free</b> |

Use the above information about the 4 types of checking accounts to decide on the best account for each customer. You may use a letter more than once. More than one account can be the right answer.

\_\_\_\_\_ 1. Maria Rodriguez is a lawyer. She needs to have her checks returned in her statement each month. She has \$7000 to put into her account and plans to keep at least that much in the account at all times.

\_\_\_\_\_ 2. Larry Smith is a college student with \$50 to open his account. He is working part-time while he goes to school and has only his rent and 3 utility bills to pay each month. He will not be able to keep more than \$10 in his account most months.

\_\_\_\_\_ 3. Julie Foxen is a single mother with 2 children. She has a new job and needs a checking account to pay bills. She will be writing 17 checks each month and will be able to keep \$300 in her account most of the time.

\_\_\_\_\_ 4. George Lei is the owner of a used car lot. He can usually keep \$2000 in his checking account and writes at least 30 checks a month. He wants to use online banking to keep track of his account.

\_\_\_\_\_ 5. Sally Brown is a homemaker. She and her husband, Charlie, want to earn interest on their money and want to have their checks printed free. They also want their checks returned. They have \$5000 to put into a checking account.

\_\_\_\_\_ 6. Jack Sprat wants the cheapest account he can find. He will have a minimum balance of \$600 in his account. He does not want to pay any fees.

\_\_\_\_\_ 7. Sylvia Sharpe wants the most services she can have. She does not care if she has to pay some fees. She has \$4700 in her account most of the time.

\_\_\_\_\_ 8. Damon Waylers has a balance of \$50 in his account and writes 14 checks a month. He is looking for a low cost account.

### **Choosing a Checking Account Scenarios**



<http://www.wisconline.org>

### **The Federal Reserve System**

Author: Karyl Nicholson Technician: Steve Froehlich

School: Southwest Wisconsin Technical College Date: 7/17/2003

Description: Students read about the Federal Reserve System's structure and goals and the tools it uses to control the flow of money and credit in the economy. At the end of this activity, learners are asked to write how they would solve specific economic problems if they served on the Fed's Board of Governors.

[http://www.wisc-online.com/objects/index\\_tj.asp?objID=EC01302](http://www.wisc-online.com/objects/index_tj.asp?objID=EC01302)

### **Savings Account Basics - Using Deposit Tickets**

Author: Michele Williams Technician: William Flemal

School: Fox Valley Technical College Date: 5/3/2002

Description: Students learn how to use a deposit ticket.

[http://www.wisc-online.com/objects/index\\_tj.asp?objID=ABM1701](http://www.wisc-online.com/objects/index_tj.asp?objID=ABM1701)

### **Reconciling a Business Checking Account Statement**

Author: Virginia Riggs Technician: Timothy Gremore

School: Northeast Wisconsin Technical College Date: 11/29/2005

Description: Learners examine a bank statement and a reconciliation form and study how to balance a checking account.

[http://www.wisc-online.com/objects/index\\_tj.asp?objID=ACC2505](http://www.wisc-online.com/objects/index_tj.asp?objID=ACC2505)

**Show Me the Money Learning Objects**