



THE HISTORY OF BANKING AND SAVING

Key Concepts

Bank accounts, savings, reasons to save

Summary

This lesson introduces the history of banks and bank accounts, especially savings accounts.

Overview & Lesson Objectives

This lesson is intended for students in second and third grades. The lesson teaches students the concept of saving vs. spending and covers how to open a bank account. Each activity deals with how a savings account works.

Students will be able to:

- Outline a brief history of banking
- Describe why it is important to save
- Describe how to open a savings account
- Complete a savings deposit slip

Time Allocation:

15 - 20 Minute Prep

35 - 40 Minutes Engagement

Materials:

- Pencils or Stickers (Please order in advance of event)
- Calculators
- Copies of worksheets #1 and #2 (one per student)
- Copies of savings deposit and withdrawal slip worksheet (two per student)



Lesson Begins: Setting the Stage

Background Builder #1: Hand out one pencil or sticker to each student. Explain that students are free to use it now, at any time during the lesson or not use it. Mention that if a student still has the pencil or sticker in 30 minutes (mention the specific time of day that is 30 minutes later), then you will give the students one more pencil or sticker.

The activity will later illustrate that savings account work much the same way. A person may withdraw his/her money at any time without penalty, but the longer it remains in the account the more interest it will accrue.

Background Builder #2: Hand out a copy of **worksheet #1** to each student. Read the directions and ask them to match up the four definitions, giving them time to complete. Give acknowledgement to the students who have completed the form correctly. Redirect those who need assistance.

State the Objective: tell the students what they will be able to do upon conclusion of the lesson.

“Before the end of this lesson, you should be able to explain why and how banks started, why it is important to save, and how to open a savings account.”

Lesson Continues

Tell students that you are going to talk about where you can keep your money so that it is safe.

The First Bank(s)

- The first bank began in Italy between 1200 and 1600.
- The word **bank** comes from the Italian word *banco*, which means bench. Moneylenders sat on benches in the market place and waited to do business with other people.
- Banks are places where people store their money.
- Banks also lend money to people or businesses.

Opening a Bank Account

- People apply to open a bank account. People must show identification to prove they are whom they claim. New customers usually show a driver’s license and another form of identification like a credit card. They must fill out a special form with personal information on it for the Bank. After the account is open, the owner(s) can deposit or withdraw money from that account.

Savings Accounts

- Think back to the matching worksheet that we completed a few minutes ago. We learned a bank is a safe place to keep money. In fact, if a bank is robbed or if it burns down, your money is protected through a type of government insurance called the FDIC that will replace up to \$100,000 of your money if something happens to it at the bank. When you visit your bank try to find the FDIC sign that tells customers how closely protected their money is.
- Money stores its value, so it’s possible to keep it for a long time. A savings account is used to save money for things people want to buy or they can also save money for the future. Draw attention to the fact that if students have an important collection such as baseball cards or state quarters they probably keep it in a special place where it is protected. A savings account keeps money in one place while you are saving up over a long period of time.



- People fill out a special form, called a savings deposit slip, to put money into their savings account. A savings deposit slip looks like this (Hand out saving deposit and withdrawal slip worksheet) be sure to explain that you will fill out the information together.

Proceed with students to fill out the slip, including:

- Today's date
- A pretend account number (explain that this is a special number given to each account so that if someone else shares your name, the money will be deposited or withdrawn from the account that has your number.)
- Student's name

Pretend we have \$100 of birthday money we want to save. Write \$100 here where it says cash. We have no pennies, nickels, dimes, or quarters and there are no checks. Our total deposit is \$100.

Re-visit the pencil or sticker Activity: Ask students if it was easy or difficult to save the item, especially if others have used theirs. Give an extra pencil or sticker to those students who saved theirs and make the point that saving money is hard, especially when it always seems like we need to buy something.

I gave you an extra pencil or sticker as a reward for saving the one that you had. Banks like having your money so much that they give a thank you gift for letting them protect it for you. This is called interest.

If we earned 1% interest on our \$100 of birthday money that was deposited, at the end of one year we would have \$101. We would have earned \$1 from the Bank.

The money that you keep in your savings account is yours, and you may take as much or as little of it as you would like, but you may not take out more than you have. When I want to take out money from my savings account, it is called a withdrawal. Refer to withdrawal slip.

Lesson Closes

Worksheet #2, read the directions to the “Fill in the Blank” Exercise:

- On the right hand column are “clues” to key vocabulary from today's lesson
- Instruct students to write the answers on the left side column next to the definition of the word:
 - Answers below:



Worksheet #2 Instructor Answer Key

Savings Account

You open this when you want to save money at the bank.

Interest

When you save money at the bank, the bank gives you extra money as a thank you gift.

Withdrawal

To take out your money from the bank.

Deposit

To add money to your account.

Review the highlights of today’s lesson. If there is time, use one of the recommended Additional Engagement Opportunities/Resources.

Additional Engagement Opportunities / Resources

Pair & Share: Group students into pairs and ask each pair to exchange two or three new things learned during the day’s lesson. Call on select pairs to share with the whole class what has been learned.

Quizbowl: Separate the students into two or three teams and ask questions related to the lesson.

Sample Questions:

- What does the word “interest” mean?
- What do you need to open a bank account? (license, money)
- What is a deposit slip?
- Why would you need a withdrawal slip?

There is no penalty for incorrect answers, but be sure to praise the correct answers. Make the point that banks are the safest place to store money.

Optional Homework or Classwork Assignment:

- Leave students with a copy of the blank deposit and withdrawal worksheet and allow them to practice.



Educational Standards

National Council of Teachers of Mathematics Principles and Standards for School Mathematics, 2000:

- *Problem Solving – (Students will) Build new mathematical knowledge through problem solving.*
- *Communication – (Students will) Organize and consolidate their mathematical thinking through communication.*
- *Connections – (Students will) Recognize and use connections among mathematical ideas.*
- *Representation – (Students will) Create and use representations to organize, record, and communicate mathematical ideas.*

NJ Core Curriculum Content Standards in Personal Financial Literacy 2014:

Standard 9.1: 21st Century Life and Careers

9.1 B. Money Management: 9.2.4.B.5,

9.1 D. Planning, Saving, and Investing: 9.1.4.D.1

National Standards in K – 12 Personal Finance Education (from Jump\$tart Coalition) 2017:

Spending and Saving:

Standard 1, “Develop a plan for spending and saving.”

National Content Standards in Economics, (from Council for Economic Education) 2010:

Content Standard 10, Institutions



Worksheet #1

Name: _____

Directions: *You've been given some money to look after. How will you protect it? Match each option with what you think will happen as a result of your choice.*

The options

1. Carry your money in your pockets
2. Give your money to a bank
3. Put your money in a piggy bank
4. Bury your money in the ground

The outcome

- A. You might forget where you hid it.
- B. You'll save money but not earn interest.
- C. You might lose it or be tempted to spend it.
- D. You'll save it and earn interest on your money.





Worksheet #2

Name: _____

You open this when you want to save money at the bank.

When you save money at the bank, the bank gives you extra money as a thank you gift.

To take out your money from the bank.

To add money to your account.



Sample Deposit Slip

SAVINGS DEPOSIT		
Date _____	CASH	
Name _____	CHECKS	
Account Number _____		
	Subtotal	
	Less Cash	
	TOTAL	

TD Bank

Sample Withdrawal Slip

WITHDRAWAL		
Account Number _____		
Date _____	Name _____	
Signature _____		
	dollars	cents
Amount		

TD Bank