



What is a Bank?

EPISODE #508

LESSON LEVEL

Grades 9-12

KEY TOPICS

- Banking
- Credit & Debt
- Saving & Investing

LEARNING OBJECTIVES

1. Become familiar with the various products and services that banks offer.
2. Learn how kids can use a bank.
3. Discover how a bank makes money.
4. Learn financial terms.

EPISODE SYNOPSIS

Get a kid's view of the services which banks, credit unions, and other financial institutions offer - and why you should use them early in life. Learn the different products that banks offer, and how to shop for the right bank for you.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

- Standard 1:* Take responsibility for personal financial decisions.
- Standard 2:* Find and evaluate financial information from a variety of sources.
- Standard 4:* Make financial decisions by systematically considering alternatives and consequences.

Credit and Debt

- Standard 1:* Identify the costs and benefits of various types of credit.

Saving and Investing

- Standard 1:* Discuss how saving contributes to financial well-being.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

- Standard 2:* Decision Making
- Standard 14:* Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

CONTENTS

- National Standards Correlations
- Lesson Prep & Screening
- Family Activity Sheet
- Biz Term\$ Worksheet
- Curriculum Connections
- Activity Worksheets
- Biz Term\$ Definitions
- Acknowledgements



LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

Get a kid's view of the services which banks, credit unions, and other financial institutions offer - and why you should use them early in life. Learn the different products that banks offer, and how to shop for the right bank for you.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- How many of you already have an account at a bank or credit union, and what was your purpose in opening that account?
- How much money do you think it takes to open a bank account?
- Are you aware that there are different types of banks, and can you name some of them?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Treat a bank as you would any other service-related business. Maintain a good relationship with them, try to avoid fees where you can, and always ask questions. They want your business, they are willing to help you, and they want to keep you as a long-term customer - work with them to make the relationship work for you!

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



FAMILY ACTIVITY SHEET

Episode Synopsis

Get a kid's view of the services which banks, credit unions, and other financial institutions offer - and why you should use them early in life. Learn the different products that banks offer, and how to shop for the right bank for you.

Activity Suggestions

Banks are critical to our economy. The primary function of banks is to put their account holders' money to use by lending it to others who can use it to buy homes, businesses, and send Biz Kid\$ to college! Discuss how banks are important to your family. The following questions might facilitate the discussion.

- Discuss whether you use a bank or credit union for your financial institution of choice. If you belong to a credit union, what are the membership qualifications?
- Visit a bank or credit union with your family for the purpose of becoming familiar with the institution. If your student doesn't have an account, discuss the advantages of opening a checking or savings account. While there, get a blank deposit slip and a blank withdrawal slip that you can practice with.
- Do you have any loans or credit accounts in your family? If you do, what is the interest rate on one or more of your loans or credit accounts? How does that interest rate compare to interest rates currently being offered at banks or credit unions in your area? Discuss why interest rates are important.
- Interest rates, which affect the total price you pay on a car loan, are regulated by the Federal Reserve System. Compare current interest rates on loans for both new cars and used cars. Is the best rate through a bank or credit union? What's the interest rate difference for a new car vs. a used car? Which would you choose and why?



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Assets
- Commercial bank
- Credit union
- FDIC
- Federal Reserve
- Insurance
- Investment bank
- NSF
- Private bank
- Retail bank

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. The Pearland Independent School District partnered with a _____ to help students learn and study with career-related work.
2. If you write a check for more money than you have in your account, you will be charged an _____ fee.
3. In order to use a _____ you have to qualify to become a member, but you also own part of the institution.
4. The government organization responsible for the money supply and for interest rates is called the _____.
5. The _____ is the government organization that insures money you deposit in a bank or credit union account up to \$250,000.
6. A guarantee or promise that your money is going to be safe is called _____.
7. Things you own which have significant value are _____.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Write a report on the history of the Federal Reserve System of the United States. Who is currently the head of the Federal Reserve, and what career background do they have to do that job?

Mathematics

- Banks make money and contribute to our economy by lending money to others. The amount that they can lend is determined by the Federal Reserve. If the amount a bank is allowed to lend out is 90% of the money it receives, and you give your bank \$100, then the bank can lend out \$90. If that \$90 is deposited into another bank, then the second bank in line can lend out 90% of the \$90 it received, or \$81. So when you deposit \$100 into your bank, if everyone who receives a loan deposits it into a bank which then lends out 90% of the money, how much money can be lent to others as a result of your original \$100 deposit?

Economics

- Draw a diagram illustrating the role that banks and other financial institutions play among savers, borrowers, and investors. Explain the difference between saving money and earning interest versus borrowing money and paying interest.

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #2:

WHAT IS THE FED?

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Identify core functions of the Federal Reserve.

Directions

Start by reading “Function of the Federal Reserve System” from pages 113-116 of the textbook Banking & Financial Systems by BizKid\$, at (http://www.g-w.com/pdf/sampchap/9781605257785_ch05.pdf), or scan the QR code and select the tab ‘Look Inside’ and open Chapter 5.

After completion of the reading, answer the following questions:

1. How does the Federal Reserve protect consumers?

2. List reasons for having a central bank.

3. Which Federal Reserve Bank serves your district?

Have students discuss these ideas and share their answers with the class.



Activity #3:

NAME THAT TERM

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Extend financial vocabulary.

Directions

Match the following terms and descriptions:

- | | |
|----------------------------------|---------------------------------------|
| 1. Bank run | 6. Federal Reserve System (“the Fed”) |
| 2. Board of Governors (BOG) | 7. Monetary policy |
| 3. Decentralization | 8. National Banking Act |
| 4. Discount rate | 9. Prime Rate |
| 5. Federal Open Market Committee | 10. Reserve requirement |

- _____ A. Affects the interest rate that the bank charges customers to borrow money.
- _____ B. Occurs when a central authority shares power with regional and local authorities.
- _____ C. Happens when depositors fear their money is not safe in the bank in which it was deposited.
- _____ D. Allowed the federal government to charter private banks.
- _____ E. This is the central bank for the United States.
- _____ F. The governing body of the Federal Reserve System.
- _____ G. The interest rate that banks charge their best commercial customers.
- _____ H. The amount of money a bank must keep and not invest or loan out.
- _____ I. The regulation of a country’s money supply to achieve economic goals and stability.
- _____ J. Has 12 members that meet eight times a year to make key decisions that set U.S. monetary policy.

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Assets*: Things that you own which have significant monetary value, which can be used to help you make more money.
- *Commercial bank*: A for-profit bank where large businesses can make deposits, take loans, and open checking and savings accounts.
- *Credit union*: A non-profit banking organization where individuals and small businesses can make deposits, take loans, and open checking and savings accounts. The members of the credit union own and control the business. To become a member you have to qualify.
- *FDIC*: FDIC stands for Federal Deposit Insurance Corporation, a government organization that will insure, or keep safe, the money you deposit in a bank or credit union up to \$250,000.
- *Federal Reserve*: The government organization that is responsible for the money supply and for interest rates.
- *Insurance*: A guarantee or promise that your money is going to be safe.
- *Investment bank*: A for-profit bank where individuals and businesses can make deposits which will be invested for rapid growth.
- *NSF*: NSF stands for Non-Sufficient Funds, which means not enough money in your account to cover the amount you wrote a check for. There is usually a fee or penalty that you must pay in addition to bringing in the amount of money that you owe for the check.
- *Private bank*: A for-profit bank where wealthy individuals can make deposits, take loans, and open checking and savings accounts.
- *Retail bank*: A for-profit bank where individuals and small businesses can make deposits, take loans, and open checking and savings accounts.



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