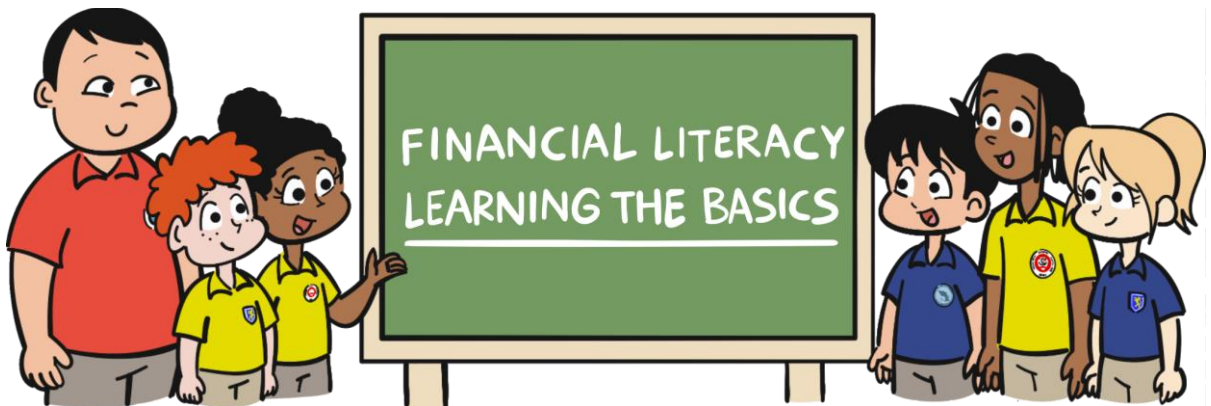




City Pay it Forward



This booklet includes the following:

- Lesson plan for Lesson 4
- Inter-curricular suggestions
- Activities and extension ideas
- Guided and Independent Practice
- Handouts

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Savings, the bank, forms of payments and a cashless society



Lesson Plan 4

Key Points

- ❑ A bank does two things: it keeps your savings safe and lends money
- ❑ In return for a person's deposit, the bank pays them interest
- ❑ The power of compound interest is to keep money in the bank longer
- ❑ Little and often is the best savings strategy
- ❑ The bank is the safest place to keep money and is protected and insured by the Federal Deposit Insurance Corporation (FDIC)
- ❑ It is very important to keep personal details safe to avoid identity theft
- ❑ Given the ease of new forms of contactless payments, the move to a cashless economy is accelerating
- ❑ There is greater adoption of digital currencies as a new type of money

Content Objective	Language Objective
We will identify the benefits of a savings account, including how to earn interest over time, different forms of contactless payments, and how your money in the bank is protected	<p>We will describe why it is good to have a savings account and how your money is protected in a bank.</p> <p>We will describe the forms and advantages and disadvantages of contactless payments.</p>

Activity	Suggested Time	Activity	Suggested Time
Do First/Lesson Opening	5 mins	Check for Understanding	
Lesson, Part 1	10 mins	Video	5 mins
Check for Understanding		Independent Practice	20 mins
Guided Practice	10 mins	Other Activities	Optional
Lesson, Part 2	10 mins	Handouts	Optional

Total Lesson time: 60 minutes

Savings, the bank, forms of payments and a cashless society



Lesson Plan 4

Do First/Lesson Opening (5 minutes)

How do you save your money and what things are you saving for?

- The teacher will prompt students to silently reflect and write four complete sentences about **how they save their money (wallet or bank) and importantly what they are saving for**
- The teacher will put on a timer for three minutes and monitor students' writing. The teacher will positively reinforce students' usage of appropriate grammar conventions
- The teacher will ask students to build on one another's ideas in order to facilitate a discussion

In-class Slides (Part 1 and Part 2 - 10 minutes each)

Note to teacher: View PowerPoint slides in Slide Show mode only

Part 1 (slides 2 through 12)

- A bank does two things: keeps money safe and lends money to borrowers
- In return for the deposit, a bank pays the saver interest
- "Compound interest", in its simplest form, means the longer money is kept in the bank, the more "interest-on-interest" is earned
- A deposit of \$1 two hundred years ago would be worth about \$2,000 today
- Moral of the story – start saving early to have more money in the future
- The safest place to keep money is in the bank and it is insured against bank failure by the FDIC, an independent federal agency of the US Government
- Note to teacher – many children are unsure of the safety of their deposits in the bank so reassurance is important on this educational point**

Part 2 (slides 14 to 20)

- Technology is making how we pay for things faster and easier
- Contactless payments have surpassed cash as we move to a cashless society. This results in the feeling that you are not spending *real* money
- Digital currencies, including Bitcoin, are predicted by many to accelerate the transition to a cashless society and possibly become the future of money
- Digital currency is "mined" by a computer solving a difficult algorithm

Savings, the bank, forms of payments and a cashless society



Guided Practice (10 minutes)

- ❑ **Using the worksheet provided**, the teacher will ask students to explore:

*Why is your money safe in the bank?
Why is it important to start saving early?*

- ❑ Students should write three to four sentences in response to the prompt and describe why they feel their money is safe in the bank and express why it is important to start saving money early in life

Model response

A bank takes care of people's money. The FDIC even insures the account to a large amount. I am saving my money for something important, like for college or to buy a house. The interest I earn helps my money grow over time so the earlier I start saving, the more money I will have in the future.

Independent Practice (20 minutes)

- ❑ **Using the worksheet provided**, students will be asked to examine how the way people pay for things in society is changing very quickly and shifting from using physical cash to contactless payments
- ❑ Teachers should emphasize that while technology is making the payment system much quicker, the consumer is still spending real money when making a purchase (even when it doesn't feel so). The focus should also be on the caution needed with in-app purchases
- ❑ If laptop computers are available, the teacher will ask students to do internet research on the different contactless payment methods. If time permits, they can explore the growth in the use of digital currencies
- ❑ The teacher should provide time for students to turn and talk with their shoulder partner about the different ways we pay for things
- ❑ A class discussion should follow to discuss how consumers are using physical bills and coins less and less as society moves towards a cashless economy. What are the long-term implications?

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Practice Worksheets (For use in lessons)

Please separately **print out** these Practice Worksheets to use in class for the Guided and Independent Practice:

(included in this file – See Page 8)

Lesson 4 **GUIDED PRACTICE**

A person deposits money in a bank to keep it safe. In return, the bank pays them interest. Depositing little but often in the bank is the best savings strategy as the longer a person keeps money in the bank, the more interest they earn.

What gives the person depositing money in the bank the confidence that it is safe in the bank?

What things might you save your money for? Describe why it is important to start saving early

Guided Practice

Lesson 4 **INDEPENDENT PRACTICE**

How we pay for things is changing very quickly from using physical cash to contactless payments on different devices. When we tap to pay for things at the cash register, it doesn't feel like we are spending real money – but we are!

What is the definition of contactless payment?

Research various ways how we pay for things and explore how each one works. Would it be a good thing if society stopped using physical money in purchases and shifted to contactless payments only?

Are digital currencies the way of the future? Explain

Independent Practice

Handouts (Optional)

The following are three optional Handouts which can be reviewed and discussed in class or can be assigned as homework assignments to extend the learning:

(included in this file – See Page 8)

Lesson 4 **HANDOUT**

Your first savings account

- The best place to put your pocket money is in a bank.
- A bank will take care of it for you.
- Your money in the bank is very safe.
- In fact, you can take it out or "withdraw" it whenever you want.
- The easiest way to withdraw money from your bank account is by going to an ATM cash machine.
- The bank will send you a sheet of paper (a "statement") to tell you how much you have saved each month.

What is interest?

Interest is what a bank pays YOU for holding your money. The longer you keep it in the bank, the more interest the bank pays you.

Activity

What are the benefits of saving your money in a bank account versus in a piggy bank? Take a look at a bank statement – can you understand it?

Did you know?

The Federal Deposit Insurance Corporation (FDIC) was created in 1933. After the Great Depression, to insure all bank accounts up to \$250,000 against bank failure.

Lesson 4 **HANDOUT**

Can you calculate interest?

Calculate 5% interest

If you deposit this:

You will earn:

Test yourself

If you deposit this:

How much will you earn?

Activity

How many banks can you name? Do a little internet research and see which banks pay the highest interest rate on savings accounts.

Did you know?

A recent study found that if you had deposited just \$1 into a bank account 200 years ago, it would be worth about \$2,000 today! Imagine if you deposited more than \$1 a week.

Lesson 4 **HANDOUT**

What does a bank do?

What is a mortgage?

A mortgage is when a person borrows money from a bank to buy a house or an apartment.

The golden rule

= If you borrow money, you always have to pay it back plus interest

Activity

Can you name five things, aside from the ones mentioned, that you would borrow money from the bank for? How would you repay the loan?

Did you know?

The oldest banks in the world that are still operating are Banca Monte dei Paschi di Siena (Italy) established in 1472 and Berenberg Bank (Germany) started in 1592.


4

Savings, the bank, forms of payments and a cashless society



Lesson Plan 4

Video (5 minutes)

- The video, embedded in the PowerPoint slide presentation, will start automatically when you get to Slide 21
- Make sure Slide Show mode (this icon ) on PowerPoint is used to access the video
- The video can be used to extend the learning in the lesson and as instructions for students to set up the Independent Practice

Activities including debate and discussion ideas (Optional)

The following are additional activities (optional), including extension ideas for homework assignments or an in-class debate:

- How will the transition to a cashless society influence the decision-making process? Any impact on the 24-hour rule?
- Can you envision a future society where physical money/cash is completely replaced by contactless payments? What would be the implications of this?
- Many senior citizens and/or disadvantaged people have less access to technology. Will they be left out if cash transactions are made obsolete?
- During the Covid-19 pandemic, there was a national shortage of quarters. It costs more to “mint” certain coins, such as the penny, than they are worth. Is it now time to retire the coins of smaller denominations, namely the penny?
- How important is it to savers to know that FDIC, and by extension the US Government, provides insurance for bank failures? What would happen if this protection were removed? This is especially timely given some of the large bank failures currently in the news.
- Many children do not feel their money is safe in the bank. Their only interaction with the bank is via the internet and often children conflate that with making purchases on the internet (with associated caution). Engage with students on their views if money is secure in the bank and explore (and dispel) concerns they may have
- With the advent of digital currencies, there is an active discussion as to “what is money.” Digital currencies are created by organizations and not governments, something with significant implications for society

Savings, the bank, forms of payments and a cashless society



Lesson Plan 4

Inter-curricular Connections and Suggestions

The following are inter-curricular connections and suggestions which extend the learning to other subjects:

	Florida Standard	Application
<p>What is Interest? "The amount a bank pays you for depositing money into a savings account"</p> <p>You deposit \$50 in the bank You get \$2 in interest each year</p>	<p>Use ratio and rate reasoning to solve real-world and mathematical problems</p>	<p>Solve mathematical problems by calculating simple and compound interest accrued in a savings account</p>
<p>Slide #4</p> <p>Mathematics MAFS.5.MD.1.1</p>		
<p>Compound interest Save for longer, earn more</p> <p>Simple Interest: You deposit \$50, interest earned \$2.00, total \$52.00; \$54.00, \$56.00, \$58.00, \$60.00</p> <p>Compound Interest: You deposit \$50, interest earned \$2.02, total \$52.02; \$54.04, \$56.08, \$58.16, \$60.30</p> <p>Clear table, big difference</p>	<p>Fluently add and subtract multi-digit whole numbers using the standard algorithm</p>	<p>Addition, subtraction, and multiplication with percentages (which can be written as decimals to the hundredths) will be used to model how interest accrues</p>
<p>Slide #6</p> <p>Mathematics MAFS.4.NBT.2.4</p>		
<p>Compound interest Save for longer, earn more</p> <p>Simple Interest: You deposit \$50, interest earned \$2.00, total \$52.00; \$54.00, \$56.00, \$58.00, \$60.00</p> <p>Compound Interest: You deposit \$50, interest earned \$2.02, total \$52.02; \$54.04, \$56.08, \$58.16, \$60.30</p> <p>Clear table, big difference</p>	<p>Use the four operations to solve problems involving distances, intervals of time, and money, including problems involving simple fractions or decimals. Represent fractional quantities of distance and intervals of time using linear models</p>	<p>Multiple slides ask students to use the four operations to consider the use of money</p>
<p>Slide #6</p> <p>Mathematics MAFS.4.MD.1.2</p>		

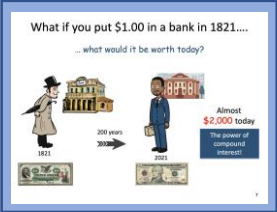
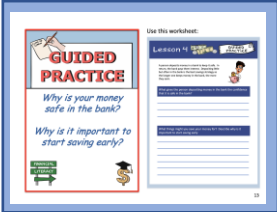

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Lesson Plan 4

Inter-curricular Connections and Suggestions

The following are inter-curricular connections and suggestions which extend the learning to other subjects:

	Florida Standard	Application
 <p>Slide #7</p> <p>English Language Arts LAFS.5.SL.2.4</p>	<p>Report on a topic or text or present an opinion, sequencing ideas logically and using appropriate facts and relevant, descriptive details to support main ideas or themes; speaking clearly at an understandable pace</p>	<p>Seeking to explain how putting money into a bank such as with a savings account and having it grow with time shows the importance of starting to save from an early age</p>
 <p>Slide #13</p> <p>English Language Arts LAFS.5.L.3.6</p>	<p>Acquire and use accurately general academic and domain-specific words and phrases as found in grade-level appropriate texts, including those that signal contrast, addition, and other logical relationships</p>	<p>Content-specific vocabulary will be introduced to students throughout the curriculum</p>
 <p>Slide #18</p> <p>Social Studies SS.5.C.3.Su.c</p>	<p>Describe a power of the federal government such as coining money, and a power of the state governments such as creating public schools</p>	<p>The advent of digital currency, which sits outside of the power of government to coin money, brings up an interesting debate topic to explore what the future of money will look like</p>

Savings, the bank, forms of payments and a cashless society



How to use the Practice Worksheets and Handouts

Practice Worksheets

Guided Practice
(10 mins)
In-class

Independent Practice
(20 mins)
In-class with video

Handouts (3 per lesson)

Handouts
(Optional)
In-class or Homework

Lesson 4



GUIDED PRACTICE

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Lesson 4



INDEPENDENT PRACTICE

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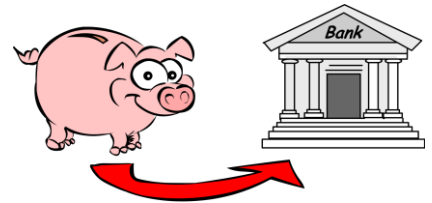
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Activity

What are the benefits of saving your money in a bank account versus in a piggy bank? Take a look at a bank statement – can you understand it?

Did you know?

The Federal Deposit Insurance Corporation (FDIC) was created in 1933, after the Great Depression, to insure all bank accounts up to \$250,000 against bank failures



Can you calculate interest?



- Your local bank is trying to attract new customers
- They want you to deposit your money with them and, in return, they will pay you interest
- In this case study, every year that you keep your money with the bank, you will be paid 5% in interest (in the real world today it is much less!)

Calculate 5% interest

If you deposit this:



You will earn:



Test yourself

If you deposit this:



How much will you earn?

Insert answer

Insert answer

Insert answer

Activity

How many banks can you name? Do a little internet research and see which banks pay the highest interest rate on savings accounts

Did you know?

A recent study found that if you had deposited just \$1 into a bank account 200 years ago, it would be worth about \$2,000 today! Imagine if you deposited more than \$1 a week



What does a bank do?



- A bank uses money from savers (you!) to lend to people and businesses
- People borrow money from a bank for many reasons including to pay for a house, a car, a special holiday, weddings, or college
- Each year, the person who borrows the money has to pay the bank “interest”

What is a mortgage?

A mortgage is when a person borrows money from a bank to buy a house or an apartment



== If you borrow money, you always have to pay it back plus interest

Activity

Can you name five things, aside from the ones mentioned, that you would borrow money from the bank for? How would you repay the loan?

Did you know?

The oldest banks in the world that are still operating are Banca Monte dei Paschi di Siena (Italy) established in 1472 and Berenberg Bank (Germany) started in 1590.