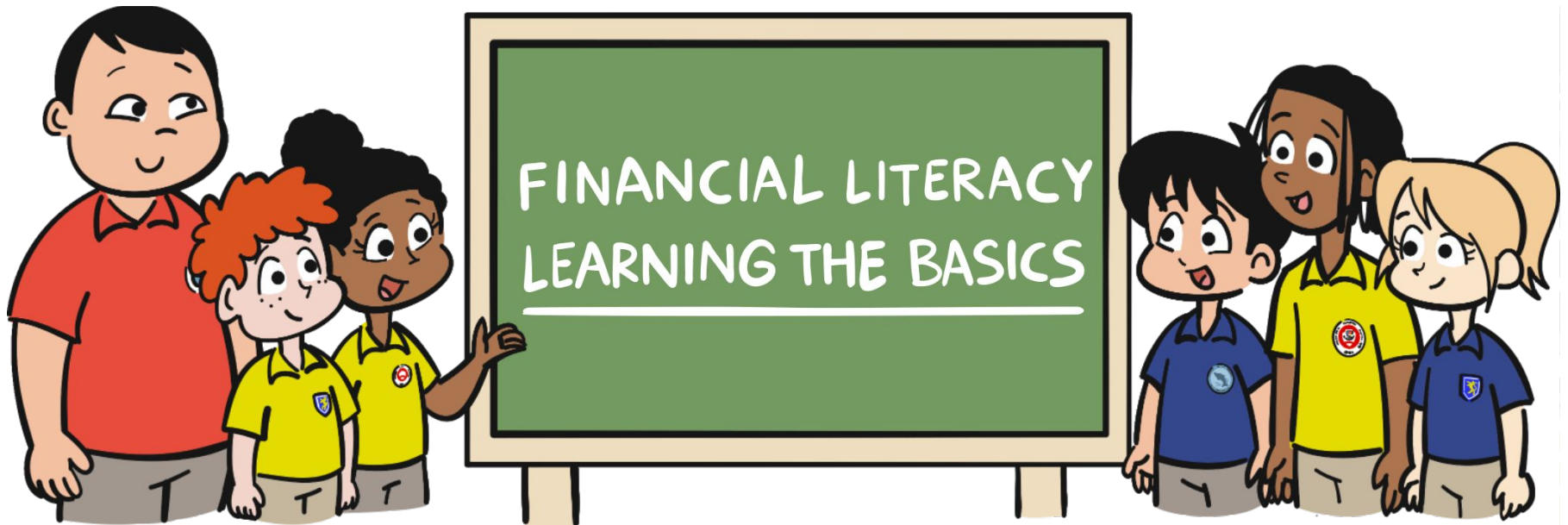




City Pay it Forward





How to use the materials

There are 5 parts to the curriculum



Part 1

Slides

- Start each lesson by using the PowerPoint presentation as a framework
- Make sure you view the slides in

SLIDE SHOW mode only



Part 2

Practice

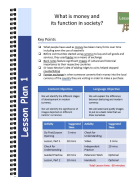
- Guided Practice (10 minutes)
- To do in the *middle* of the lesson
- Independent Practice (20 minutes)
- To do at the *end* of the lesson



Part 3

Lesson Plans

- Prepare, in advance, for each lesson with a comprehensive lesson plan
- Include additional activities, debate topics and inter curricular suggestions



Part 4

Videos

- Use videos to set up the Independent Practice
- Videos are embedded in the PowerPoint slides
- Access via

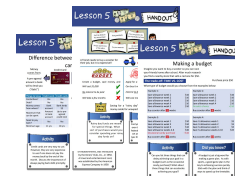
SLIDE SHOW mode only



Part 5

Handouts

- Three optional handouts per lesson are provided to be used to extend the teaching in-class or as homework assignments





Write four complete sentences
on the following question:

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



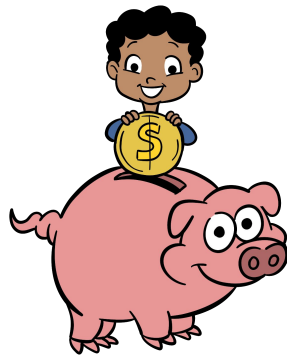
You have \$5, what do you do?



Put it under your mattress



Buy some candy



Put it into your piggy bank



Put it into a bank account

What does a bank do?



Keeps money safe



Lends to businesses
and people

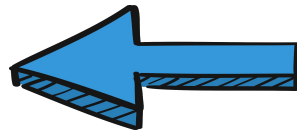
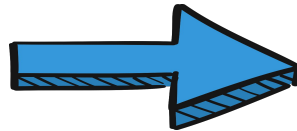


What is Interest?

“The amount a bank pays you for depositing money into a savings account”

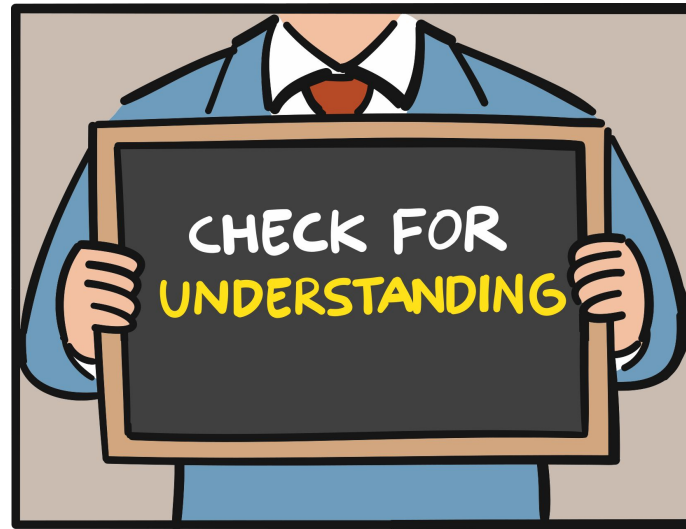


You deposit
\$50 in the bank

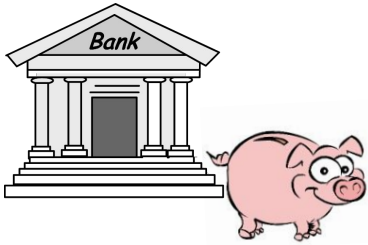


You get
\$2 in **interest** each year





*What does a bank do?
Three reasons to borrow
money from a bank?*



Compound interest

Save for longer, earn more

compound
interest



You deposit \$50:

Year 1 → \$52.00
Interest earned \$2.00

Year 2 → \$54.00
Interest earned \$2.00

Year 3 → \$56.00
Interest earned \$2.00

Year 4 → \$58.00
Interest earned \$2.00

Year 5 → \$60.00
Interest earned \$2.00

Simple Interest

You deposit \$50:

Year 1 → \$52.00
Interest earned \$ 2.00

Year 2 → \$54.10
Interest earned \$ 2.10

Year 3 → \$56.30
Interest earned \$ 2.20

Year 4 → \$58.60
Interest earned \$ 2.30

Year 5 → **\$61.00**
Interest earned \$ 2.40

Compound Interest

Over time,
this makes a
big difference

What if you put \$1.00 in a bank in 1821....

... what would it be worth today?



1821



200 years



2021



Almost
\$2,000
today

The power of
compound
interest!



Start saving early!!

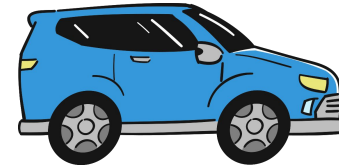
Start saving at:

By age 40,
you might have
saved enough to buy...

10 years old



25 years old



30 years old



35 years old



Have you ever asked yourself....



... is your money safe in the bank?

What if this happens to the bank

Gets hit by lightning?



Burns down?



Is my money safe
in the bank?

Falls into a sinkhole?



Gets robbed?



Closes down?



... The answer is ...

Yes!

YES

Yes

Yes, your money is safe
in the bank



Where else would you put it? Would you bury it in the ground like the Romans?

Your bank account is protected!!

DO
YOU?
KNOW!

All bank accounts in the United States are protected up to \$250,000 by the **Federal Deposit Insurance Corporation (FDIC)**

Awesome!



What is the FDIC?

- An independent agency of the federal government
- Created in 1933 after thousands of bank failures during the Great Depression
- Insures bank accounts against bank failures up to \$250,000



FDIC insurance gives people confidence that their money is safe in the bank



GUIDED PRACTICE

Why is your money safe in the bank?

Why is it important to start saving early?



Use this worksheet:

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

Be careful with your bank information

While your money is safe in the bank, you still need to be extremely careful with your personal financial information ...



...at the ATM machine



... over the internet



... on email



... on the phone



SCAM ALERT

Do NOT share your bank details, PIN numbers, or passwords with people you do not know



What is Identity Theft?

When someone steals your personal information, pretends to be you, and applies for credit cards and debt in your name

How we pay for things is changing

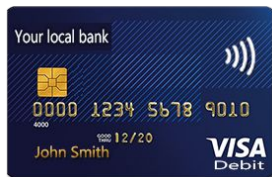
Before

We bought things using bills and coins (“cash”)



OR

Credit cards



Today



Cash



Internet



Smart devices



Smartphones



In-app, in game

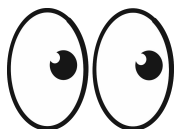
Society still pays for things in cash but its usage is rapidly declining

Most payments now do not use cash as the shift to a

“cashless society” accelerates



The Future



When was the last time you paid cash (or coins) for something?

A cashless society is not far away



United Kingdom



China



South Korea



Canada



Sweden



By the end of 2023, cash will no longer be accepted in Sweden

Combination cash + cashless

Mostly cashless

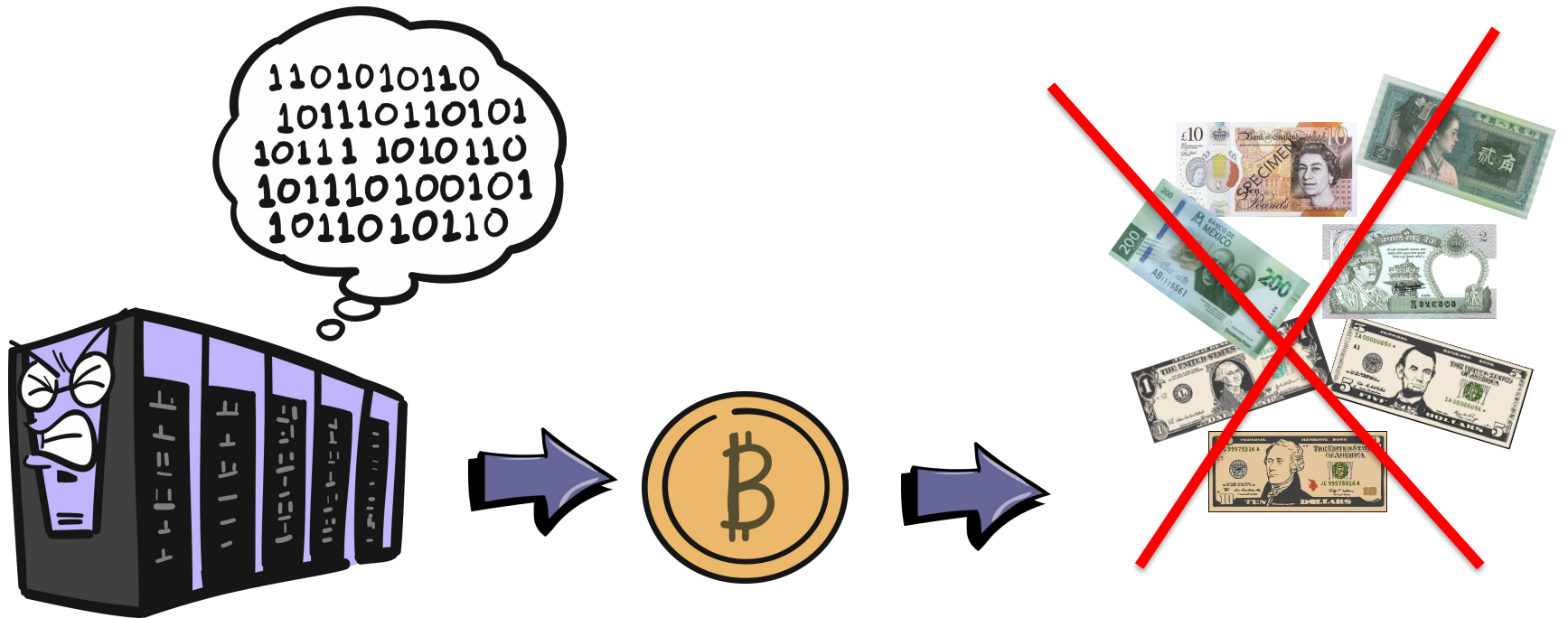
100% Cashless

The US is moving more and more to a cashless society with over 50% of transactions not using cash (trend accelerated by Covid-19)

Do you think we will ever be a cashless society?

What is cryptocurrency?

Cryptocurrency is a digital currency created (or mined) by super powerful computers



Supercomputers work on a really hard math problem over many days

The result is one bitcoin

Some believe that cryptocurrency (or digital currency) will one day replace banknotes

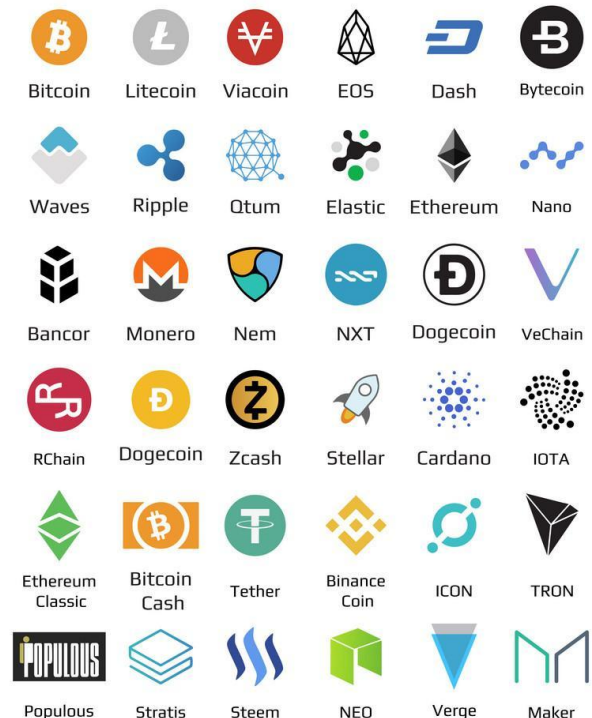
Digital currencies – a way of the future?

There are over **4,000+** cryptocurrencies

How does it work?

- Cryptocurrencies exist only in digital form as digital files
- A person holds their cryptocurrencies in a digital wallet
- When one wants to “pay” someone, they transfer the digital file from one electronic wallet to another
- Cryptocurrencies use 'decentralized control', which means that they aren't controlled by one person or the government
- The most well known cryptocurrency is Bitcoin

Best known crypto currencies



NEWS FLASH!

Cryptocurrency news

NEWS FLASH!



In 2021, El Salvador became the first country to accept Bitcoin as legal tender



Microsoft has started accepting Bitcoin as payment for games, apps and other digital content for platforms like Windows Phone and Xbox



More and more retailers are now accepting cryptocurrency as forms of payment (via gift cards)



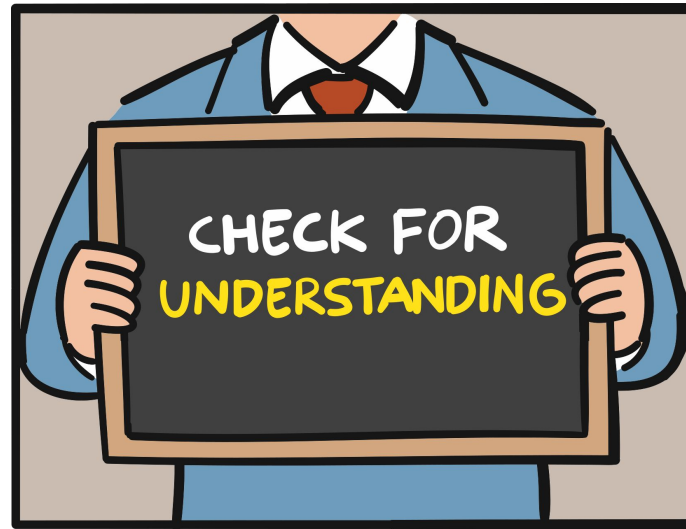
Value of Bitcoin:

2018	\$1,500
Apr. 23	\$24,000
Max	\$61,000!!!



**Cryptocurrencies:
The Future?**

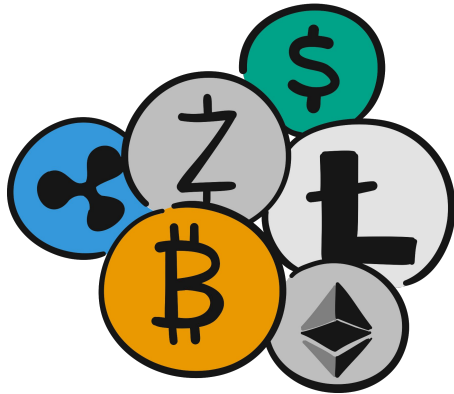
No one knows for sure ...



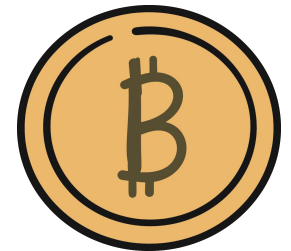
*Do you think
digital currencies
are here to stay?*

Independent Practice - Video

Cryptocurrency



NO CASH
ACCEPTED



The shift to a
cashless society is
accelerating



Go to the next
slide to start video

Independent Practice Video



Will start automatically
(ensure to view in **Slide Show** mode)



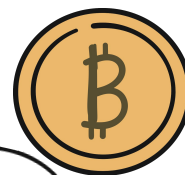
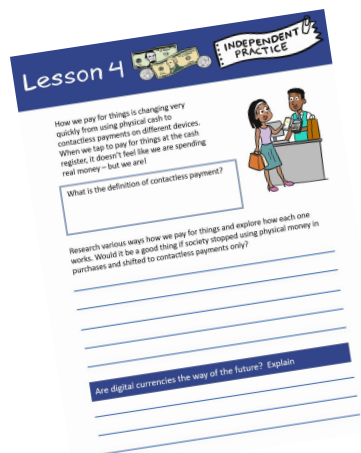
INDEPENDENT PRACTICE



The way people pay for things in society is changing very quickly and shifting from using physical cash to contactless payments

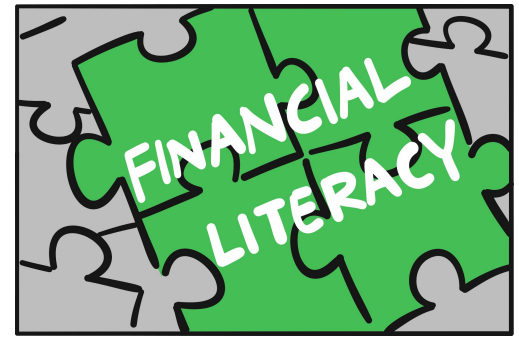


Do research on the different contactless payment methods and the growth in the use of digital currencies



Student Handouts

Lesson 4



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 failures

Lesson 4 HANDOUT

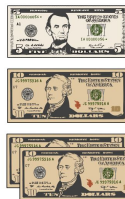
Can you calculate interest?



- 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

Lesson 4 HANDOUT

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”

Things you might borrow money for:



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.