

Lesson Created in Partnership with



Title: Banking in Early Nebraska

Date: June 9, 2016

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Grade Level	4
Class Period(s)	2

Nebraska Social Studies Standards	Nebraska Science Standard	Nebraska Language Arts Standards	Nebraska Fine and Performing Art Standards
<p>Financial Literacy: SS 4.2.6 Students will understand that banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.</p> <ol style="list-style-type: none">1. Identify costs and benefits of saving, interest, and borrowing.			



OVERVIEW

Day 1: A. KWL
B. Barter and trade
C. Early Nebraska Banks
D. Saving, borrowing and interest

Day 2: A. Student Atlas of Nebraska
B. Banking Regulations
C. Quick Write

Big Idea or Theme

Banking in early Nebraska was unstable and caused many problems. Regulated banks are a good place to save and earn interest and to borrow and pay interest. It is important for students to understand why the US adopted a standard system of currency.

Essential Question(s):

1. What are the costs and benefits of saving, interest, and borrowing?
2. Why was a nationally recognized standard currency needed in the late 1800's?

PURPOSE/RATIONALE

By the end of this lesson:

Students will be able to tell the cost and benefits of saving, interest, and borrowing.
Students will be able to explain why a national currency was needed.

KEY CONCEPTS/VOCABULARY

Currency

Wildcat banking

Interest

MATERIALS

- [PowerPoint: Drawing Conclusions: The need for regulated banks in early Nebraska. \(Optional\)](#)
- 20 tennis balls or ball-pit balls
- Student Atlas of Nebraska, Dr. Randy Bertolas
- Small dot stickers/markers
- Student Handouts: Nebraska counties map sheet, costs and benefits graphic organizer

OBJECTIVES

The student will be able to:

1. Identify the costs and benefits of savings, interest, and borrowing.
2. Infer why a standard and secure type of currency was needed.

PROCEDURES

Day 1:

1. **Activate: Slide 2:** Introduce the objective for the lesson and clarify any confusing or misunderstood concepts. **Slide 3:** The students and teacher will complete a KWL chart about banks/banking. Provide a KWL handout for each child. This provides for



individualization of learning. Students will eventually use their individual KWL chart for a writing activity. Introduce the class KWL as a general place to record class learning. Explain that students will have time to think, share and record information on their individual charts as you record some of the things you hear them saying throughout the lesson. Instruct students to stay silent and think about what they already know about banks/banking. Instruct students to then write all of the things they already know in the **Know** column of the KWL chart. Use a Timed-Pair-Share structure for students to share with a partner what they already know. Encourage students to write any new ideas they may have forgotten to add as they are listening to their partner. As you roam the room, add what you hear to the class chart. Repeat the previous procedure to fill in the **Wonder** column of the KWL. Students should think, write, and share. Explain that the KWL chart is now a working document to be used throughout the next few days. They will add any new learning to the **Learned** column.

2. **Model: Slide 4:** Explain that before banks started operating in Nebraska, people would trade or barter things they owned or produced for the things they needed. Example, if a farmer who grew corn needed to get nails from the blacksmith to build his barn, he would have to trade his corn for the blacksmith's nails. This would only happen if the blacksmith had the need for the corn and agreed to the trade. The process was time consuming and very demanding at times.
 - **Guide:** Invite a student to the front of the room. Hand him/her a ball. Explain that the ball represents an egg that a farmer might trade for cloth to make clothes for his children. One egg would never be enough. Hand the student another ball and ask students if they believe that two eggs would be enough to trade for cloth for clothes for 5 or 6 six children. Continue to hand "eggs" to the student. When one "egg" falls, explain that it was no good and would not be able to be traded. Ask students to discuss with their shoulder partner the challenges that this method posed. Guide the students to the fact that this type of "**currency**" was difficult to use. Currency is something that is used as money.
 - **Shared: Slide 5:** When more and more people began to settle in Nebraska, the need for a more durable and portable type of currency was needed. People needed money to buy land and build houses. The Western Exchange Fire and Marine Insurance Company opened in 1855. It was an insurance company and bank. It began issuing bank notes or money in exchange of products and goods. Farmers could trade their goods for paper bank-notes. These notes could be exchanged for services or products from stores and other individuals just like money today. If using the PPT, ask students to point out what they notice about the pictured bank notes. It was the first bank opened in Nebraska after new banking regulations were passed.
 - **Slide 6:** People could also borrow money if they showed that they would be able to pay it back to the bank with **interest**. Interest is a percentage of the money borrowed that is added into the final amount paid back. This is how banks make a profit and are able to loan money to more people. To earn interest, people would save their money in a bank. The bank could use the money to loan to others and the saver would earn interest for letting the bank use their money. This practice continues today.
3. **Slide 7:** Wildcat banks also issued bank-notes. They were impossible to regulate and were not backed by gold or silver.
4. You may choose Talking-Chips for a group review or Timed-Pair-Share for a pair review. Students will begin by discussing the costs of saving and borrowing money with a bank. Continue with the benefits of saving and borrowing money with a bank.
5. Review the objective for the class period and clarify any misunderstandings. Instruct students to return to their KWL to add some new learning.
6. **Independent:** Distribute the costs and benefits graphic organizer. Read the top of the organizer to the class and answer any clarifying questions. Students then work to fill in the organizer independently.



Day 2:

1. **Activate:** Introduce the objective for the lesson and clarify any confusing or misunderstood concepts. Instruct students to revisit their KWL chart from the previous class period. Students share one thing they learned during the previous class period.
2. **Model:** Use the maps on page 11 and 45 of the Student Atlas of Nebraska to point out where the Western Exchange Fire and Marine Insurance Company was located (Omaha-Douglas County). Hand out student copies of the Nebraska Map and small dot stickers.
Slide 9: 5 new banks opened in Nebraska in 1856. Allow students time to find the county/city on the map and place a sticker on their maps. Ask students to look at the dots on their map. Students will infer why all of the banks are located where they are. (Rivers, close to other states, etc) Give students time to think, write and share their inferences.
3. **Guided:** Use the map on page 4 of the Student Atlas of Nebraska. Point out Nebraska's place in the US. Students use a Rally Robin structure to name the states that border Nebraska. Students infer why it was important for banks to issue currency that is guaranteed and accepted by other banks. Give students time to think, write and share.
4. **Slide 10:** Explain the Legal Tender Act of 1862 and the National Banking Act of 1863.
5. **Shared:** Review the objective of the lesson and clarify any misunderstandings. Allow students to add any new learning to their KWL chart. Students use a Mix-Pair-Share structure to share what they have added to their individual charts.
6. **Independent:** Quick Write: Use your KWL chart and answer the following question: Why was it important to have a standard currency in the United States instead of allowing individual banks to operate independently?

ASSESSMENT

Day 1: Costs and Benefits Graphic Organizer

Day 2: Quick Write

EXTENSIONS

Visit <http://www.moneyfactory.gov/uscurrency/1note.html> to show students interesting facts about each type of currency.

SOURCES

<http://www.nebraskahistory.org/museum/teachers/material/trailblz/ntb13.pdf>

<http://www.douglascohistory.org/History%20at%20a%20Glance%209-2007.pdf>

<http://nebraskavirtualcapitol.org/panos/31>

<http://www.econedlink.org/teacher-lesson/978/Goods-Services-Some-are-Private-Some-are-Not>

<http://www.waterproofpaper.com/printable-maps/nebraska/printable-nebraska-county-map-labeled.pdf>



Name: _____ Date: _____

Think about the costs and benefits of saving and borrowing money with a bank. Add your thoughts in the boxes below. You may write additional learning about banks at the bottom of the page.

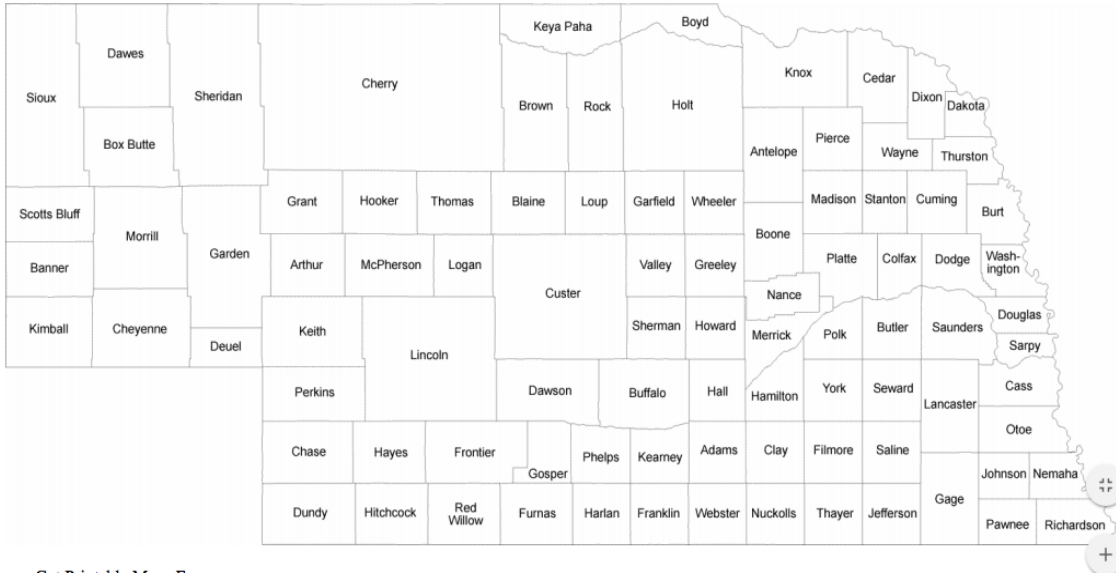
	Cost	Benefit
Saving		
Borrowing		

Additional learning:

Name _____ Date _____



Nebraska Map- Counties



Make inferences based on the information you already know:

Why would the first banks in Nebraska be located in Douglas, Sarpy, Otoe and Nemaha counties?

Why was it important for banks to issue currency that is guaranteed and accepted by other banks?

<http://www.waterproofpaper.com/printable-maps/nebraska/printable-nebraska-county-map-labeled.pdf>

