**Banking and Financial Systems.**

**Unit 1. Lesson Plans**

Lesson One: What is a bank? What do banks do? Who owns banks? Where do banks operate?

Retail banks (also called commercial banks) provide teller services, consumer loans, real estate loans, credit cards, debit cards, checking accounts, savings accounts, certificate of deposits services, and sometimes investment services.

Instructional Strategies: Direct Instruction/ Group Discussion

Lesson Two: Introduction to internet banking versus brick and mortar banks, money center banks, investment banks, and State chartered versus nationally chartered banks. The emergence of regional and national banks versus community banks is introduced.

Lesson Three: On line, bill paying, ATMs, peer to peer payment systems, in store payment services for third parties. What are the advantages and disadvantages of each?

Lesson Four: What are the various other financial institutions and how do they compare to banks? (Credit Unions, Finance Companies, Savings & Loans, Money Centers like seen inside of Wal-Marts, Pay Day Loan Centers, Pawn Shops). What is the purpose of each?

Lesson Five: The Federal Reserve is made up of twelve reserve bank districts. Introduce each and their functions. Students will go to the Federal Reserve of St. Louis website (instructor guided) and thoroughly research the offered research services, and stated functions of that Bank. Start students off by introducing the money supply and inflation which is tracked by the St. Louis site.

Lesson Six: Theory of Money Supply. Introduce with a reading of Chapter 1 of Money Mischief by Milton Friedman, entitled The Island of Stone Money. Students will follow with a discussion of what constitutes money. Show students that what they consider money (show them any paper currency and the top statement of being a Federal Reserve Note) and what that means, i.e. that it is an IOU, a promissory note and not money.