

Tools for Teaching the Arkansas High School Economics with Personal Finance Course

Session 10:

Financial Institutions

Session Description

Students will learn that money and financial institutions are vital to a well-functioning economy.

Standards and Benchmarks (see page 10.3)

Talking Point

1. Financial institutions are private or public institutions that may be for-profit or non-profit. These organizations pool small amounts of money so that larger investments (with higher returns) can be made. They do this by collecting money from the public or from other institutions and investing those funds in financial assets. A common example is banks that take in customer deposits for safekeeping and use the deposits to make loans to other customers. Another example is insurance companies. Although insurance companies do not take in deposits, in exchange for premiums paid by customers, they guarantee payment to customers if a certain situation occurs.

Resources

NOTE: See p. v for instructions on how to set up an [Econ Lowdown](#) account and assign resources found in the Resource Gallery to your students.

Online Modules

Allow time for students to complete the module:

- Payments 101 (30:00)
https://www.econlowdown.org/resource-gallery/payments_101

Video Q&A

Allow time for students to watch the videos and answer the questions:

- The Federal Reserve and You—Chapter 1: The Payments System
<https://www.econlowdown.org/resource-gallery/the-federal-reserve-and-you-chapter-1-segment-103-the-payments-system>
- The Federal Reserve and You—Chapter 5: Introduction to the Payments System
<https://www.econlowdown.org/resource-gallery/the-federal-reserve-and-you-chapter-5-introduction-to-the-payments-system>

Video Q&A

Allow time for students to read the essay and answer the questions:

- *Page One Economics*®—Banking Basics
<https://www.econlowdown.org/resource-gallery/focus-on-finance-banking-basics>

Lessons

Allow time for students to complete the lesson:

- Hamilton’s National Bank
<https://www.stlouisfed.org/education/hamiltons-national-bank>

Standards and Benchmarks

Arkansas Economic Standards

Content Standard E.4: Students will understand the growth, stability, and interdependence within a national economy. This includes the current and future state of the economy using economic indicators and monetary and fiscal policies for a variety of economic conditions.

- **E.4.ECON.4:** Compare and contrast the roles and functions of financial institutions in the United States including banking practices and regulation of savings and investments.

