What Does a Bank Do With Money?

Visual lesson



The jar won't close

Kai's kite jar is so full of coins that the lid won't close. "Where do grown-ups keep lots of money?" asks Nia. Grandma Rosa taps her little box. "In a bank. Want to see where banks began?"





Sitting on a bank

Pop! They are in an Italian town square about 600 years ago. Money changers sit at wooden benches, swapping coins from far-off lands. Kai sits on a bench. "So I'm sitting on a bank!" He's right: the word bank comes from an old Italian word for the money changer's bench.

The goldsmith's safe

Later, in London, people asked goldsmiths to look after their gold, because goldsmiths had strong, locked safes. For every bag of gold, the goldsmith gave them a paper slip to show how much was theirs.





What about all that gold?

Soon the goldsmith's safe is full of gold, just sitting there. At the door, a baker is waiting. He needs money to build a bigger oven.

TALK ABOUT IT

What might the goldsmith do with some of the gold?

Lending and keeping track

He lends some gold to the baker, who builds a bigger oven and pays it back later. And the goldsmith writes everything in a big record book: who owns what, and who owes what. That is what a bank does.





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Banks today

Banks today do the same. They keep money safe, they lend some of it to people building homes and shops, and their computers keep a careful record of how much is yours.

Kai's savings

Grandma Rosa takes Kai and his jar to the bank down the street. Kai opens his very own savings account: a place in the bank's record just for his money. The bank worker counts his coins and adds them to it.

TALK ABOUT IT

Where is Kai's money now?





The brass key

That evening, a small brass key goes into the box, next to the folded paper note. "Your money is safe," says Grandma Rosa, "and it's still yours."

Check your wonder

1 **Where does the word bank come from?**

- **A.** An old Italian word for the money changer's bench
- **B.** The bank of a river

2 **What did the goldsmith do with some of the gold?**

- **A.** Lent it to the baker for a bigger oven
- **B.** Kept it in boxes with names on them

3 **How does a bank know how much money is yours?**

- **A.** It keeps a careful record
- **B.** It keeps your coins in a jar with your name

ANSWERS 1-A 2-A 3-A

1. Yes! Money changers worked at benches. 2. That's right, and the baker paid it back later. 3. That's it. The record shows what is yours.

THE END

Visual lesson



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