



## “Twenty-two Cents” by Paula Yoo

Banks play a key role in our economy. In this book, students learn about banks and the loan process through the life experience of Nobel Laureate Muhammad Yunus. Students will learn how he started the Grameen Bank to serve the poor. This exercise provides the opportunity for students to:

1. Learn more about the life of Muhammad Yunus and the country of Bangladesh;
2. Learn about how banks make a profit by accepting deposits and making loans; and
3. Learn about interest and how it is applied in both saving and borrowing money.

**Time Limit:** 35-40 minutes

### Supplies Needed:

- *Twenty-two Cents* by Paula Yoo
- Six dollar bills, four quarters, two dimes, five nickels and two pennies
- Interest activity sheet for older students
- Coloring sheet for younger students



### How do banks manage our money?

**Before you start, pull up the Biz Kid\$ video clip, “Young Entrepreneurs: Young American’s Bank.” This 2:30 video tells the story of a bank that loans money to kids and how two children took out loans to start their businesses. It gives a great illustration of how the banking process works. However, you will need to demonstrate to students what interest is and how a bank makes a profit, BEFORE you show the video. The video is located at:** <http://bizkids.com/clip/profile-young-americans-bank>.

**(1) (10 minutes)** Today, we are going to hear a true story about a man who started a bank that was the first-of-its-kind in the world to allow people to borrow very small amounts of money. This bank only charges very small amounts of interest on the loans to poor people, so that these people can earn money and no longer be poor. It is called the Grameen Bank and it is located in Bangladesh.

But, right here in our country, there are banks that your moms and dads borrow money from to buy things like houses and cars. Banks can do this because of something called interest. Let me show you how this works.

**Have six \$1 bills, four quarters, and five nickels ready for the illustration.** Let’s pretend that (pick a student in the group) Mary has \$5. **Count out five dollars and place on the table in front.** Mary decides to put the \$5 in a savings account at the local bank. The bank will pay Mary money for putting her money in their bank. Each month she will receive an interest payment. Mary receives five cents. **Place a nickel with the dollar bills.** If Mary keeps her money in the bank she will continue to receive interest payments and her money will grow. **Add more nickels to the money pile.**

Now, why would the bank pay Mary for storing her money? Shouldn’t she be paying them for keeping it safe? **Take brief responses.** The reason why the bank pays Mary is because they are making money from her money. Here’s how it works. **Clear the area of money except for the five one dollar bills.** Banks loan the money they are storing for Mary to people like your moms and dads to buy things. However, when someone



takes out a loan, they have to pay back the money borrowed plus an interest payment to the bank. On Mary's \$5, the bank receives an interest payment from the borrower of \$1. **Put another dollar on the table. Now, clear the table and replace the \$1 bill with four quarters.** The bank then continues to pay Mary interest on her savings. **Slide one quarter to one side of the table for Mary.** And the bank keeps the rest of the money as a profit. They use that money to pay their employees and keep the bank running.

Before I read you today's story about the Grameen Bank, we will watch a short video about a bank in our country that loans money to kids. This will help you better understand how a bank works.

**Show the video. As time allows, answer any questions or receive comments from the students about the video.**

**(2) (16 minutes)** The story I am going to read to you today is called a biography. A biography is a true story about a person's life. Our story today is about a man named Muhammad Yunus and the work he did to start a special bank that helps people who are poor get loans to start businesses. You'll see these loans make a life and death difference to the people who are receiving them!

**Read the story. This is a longer story, invite the students to get comfortable while you read! When you get to the point in the story where Muhammad sees that the woman only needs 22 cents, stop and show the children what a small amount of money that is using two dimes and two pennies. Point out that the woman was very poor.**

**(3) (10 minutes)** The Grameen Bank is still helping poor people today and are making loans. Since they opened the bank in 1977, they have loaned more than \$2 billion. The average loan amount is \$100. They have offices open in more than a thousand places in Bangladesh.

Just think of all the people who have been able to start their own businesses and get ahead because they were able to borrow money from a bank and pay an affordable interest payment. When you deposit money into a savings account at a bank or credit union, you are not only making money yourself, but you are helping our entire money system work! You can't make loans without deposits.

**Distribute the coloring sheet to younger students and the interest worksheet to older students. Briefly review the difference in interest payments depending on whether the student is a SAVER or a BORROWER. Allow students to work on their sheets until library time concludes.**

## Biz Kid\$ Sketch: Buying a Car



If time allows, there is a humorous Biz Kids short sketch that shows some funny places that people might keep their money instead of putting it in a bank.

Go to <http://bizkids.com/clip/sketch-buying-a-car>. It is one minute and 23 seconds long.