Keeping Up With Money

As candidates for president are reminding voters all the time, the health of our nation’s economy is an important issue. It can also be a hard thing to understand.

This week, The Mini Page takes a look at one aspect of the economy: where money comes from and how banks and the Federal Reserve Bank, or the Fed, manage the flow of it.

**History of the Fed**

The idea of a central bank came up again and again during the early days of the United States. Some wanted a central bank to create one currency, or paper money, in circulation, for all the states. They thought it would help make the economy more secure. Others feared such a bank would give bankers and businesses too much power.

In 1912, President Woodrow Wilson asked for a proposal for a central bank that would secure. Others thought it would make the economy more secure. So in 1913. It was a compromise or settlement of a compromise that holds accounts for the public and businesses. You may have an account at a commercial bank.

A bank’s bank

One way to understand the Fed is to think of it as a “bank’s bank.” A reserve bank stores and distributes currency and coins to commercial banks. (A commercial bank is one that holds accounts for the public and businesses.)

**The source of money**

The Bureau of Engraving and Printing supplies the regional reserve banks with paper money. In the United States, our money is called Federal Reserve Notes. These are produced in either Fort Worth, Texas, or Washington, D.C.

Coins come from the U.S. Mint. The coins we use are produced in Denver, Philadelphia, San Francisco and West Point, N.Y.

Commercial banks keep a certain amount of their money in the form of coins and currency. If a bank needs more money, it asks the regional reserve bank to send it more. Detailed records are kept of the money coming in and going out of the regional Fed banks.

**Money Fact-a-ronies**

- Large denomination, or value, bills, such as $500, $1,000, $5,000 and $10,000 bills, were printed until 1969. Those that were still circulating were removed in 1969.
- U.S. currency is made up of 25% linen and 75% cotton.
- When commercial banks send extra currency to the regional Fed, 15% of the returned bills are destroyed because they’re worn out.

A mini currency quiz

The average life of a $1 bill is 21 months. Can you guess the life spans for these other denominations? Why do you think some bills last longer than others?

- A. 55 months
- B. 18 months
- C. 24 months
- D. 16 months

**Resources**

**On the Web:**

- bsbtyMPcurrency
- bsbtyMPcurrency

**At the library:**

- “Curious About Money” by Mary E. Reid

**Mini Jokes**

Milo: Why didn’t the quarter roll down the hill with the nickel?

Mona: Because it had more cents!

**Eco Note**

Did you know there’s a type of pollution that you can’t see? It’s noise pollution, and it affects your ears.

Sound is measured in units called decibels (DES-uh-bels). The greater the number of decibels, the louder the sound and the more harmful it is to your ears. Start protecting your ears today! How? Turn down the volume on your television, video game, radio and music player. Wear hearing protectors while attending or participating in loud activities. Let a parent know if you are having difficulty hearing.

**For later:**

Look in your newspaper for articles about the economy.

**Teachers:** For standards-based activities to accompany this feature, visit bit.ly/MPstandards. And follow The Mini Page on Facebook!

**Mini Spy Classics**

Mini Spy and her friends are visiting a bank vault. See if you can find the hidden pictures. Then color the picture.

**Try ‘n’ Find**

Words that remind us of money are hidden in this puzzle. Some words are hidden backward or diagonally, and some letters are used twice. See if you can find:

- ACCOUNT, BANK, BILLS, BUREAU, CIRCULATION, COINS, COMPROMISE, CURRENCY, DENOMINATION, ECONOMY, ENGRAVING, ECONOMY, FEDERAL, LIFE SPAN, MINT, MONEY, PAPER, REGIONAL, RESERVE.

**Mini Fact:**

There are 12 Federal Reserve Banks in cities around the country.

*An economy is a country’s system of producing, selling and buying goods and services.*

**Mini Joke:**

Why didn’t the umbrella go to the dance?

Because it had too many spots!

**Trend Watch:**

Have you heard of the latest trend? It’s baby money! Some parents are using money-saving techniques for their children.

**Books:**

Books from The Mini Page are wonderful resources and make great gifts! See all of our Mini Page products at MiniPageBooks.com, or call 800-482-4840 for more information. Mail payment to Andrews McMeel Universal, Mini Page Books, 1801emma, Kansas City, KS 64106. Include $3.00 shipping and handling per order.

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