

The Mini Page

Issue 40, 2019

Founded by Betty Debnam

CELEBRATING 50 YEARS!

Next Week:
Play ball!

Keeping Up With Money



photos courtesy 401calculator.org

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 divide its powers among different parts of the country. The Federal Reserve Act became law in 1913. It was a **compromise**, or settlement of

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



photos courtesy Federal Reserve Bank of Kansas City

If a bank has too much cash on hand, it sends the extra to the regional Fed bank, where it is counted and stored.

differences, between the central bank that private bankers wanted and the decentralized bank that much of the public wanted.

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. You may have an account at a commercial bank.)

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.

Mini Fact:

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

Money Fact-a-roonies

- Large denomination, or value, bills, such as \$500, \$1,000, \$5,000 and \$10,000 bills, were printed until 1945. 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

Answers: A. \$50 bill; B. \$10 bill; C. \$20 bill; D. \$5 bill

Resources



On the Web:

- bit.ly/MPbillnotes
- bit.ly/MPcurrency

At the library:

- "Curious About Money" by Mary E. Reid

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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, FEDERAL, LIFE SPAN, MINT, MONEY, PAPER, REGIONAL, RESERVE.

C O I N S U C U R R E N C Y E
B P A P E R T N U O C C A Y V
C O M P R O M I S E M O E E R
R G N I V A R G N E U Q H N E
B A X T N A P S E F I L B O S
R K N A B X E C O N O M Y M E
C I R C U L A T I O N G J W R
M F E D E R A L A N O I G E R
R X A N O I T A N I M O N E D
A Q I U A E R U B U S L L I B



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 our 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.

adapted from epa.gov

For later:

Look in your newspaper for articles about the economy.

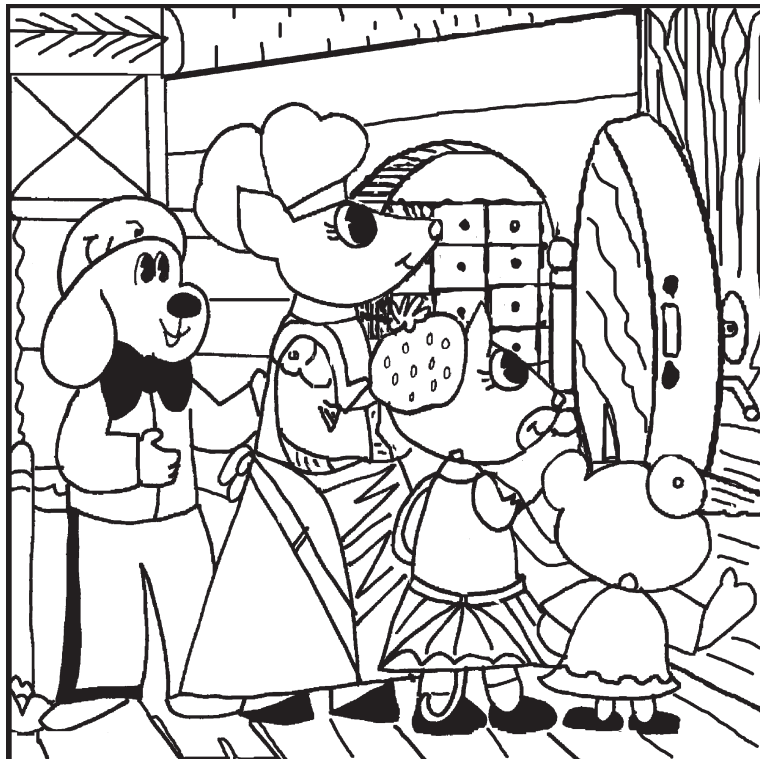
Teachers: For standards-based activities to accompany this feature, visit: bit.ly/MPstandards. And follow The Mini Page on Facebook!



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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.



Mini Spy Classics appear in the first issue of each month.

Hey Mini Spy Fans! Order your Mini Spy Booklets (Volumes 1, 2 and 3) with 48 of your favorite puzzles! Visit MiniPageBooks.com, or call 844-426-1256 to order. Just \$4 plus \$1 shipping.

Based on materials originally produced and/or created by Betty Debnam.

- umbrella
- sailboat
- heart
- fish
- number 2
- carrot
- squid
- key
- strawberry
- letter L
- surfboard
- man in the moon
- kite
- teapot
- exclamation point
- word MINI
- pencil
- bell
- letter E

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