

HISTORY OF BANKING PIXEL ART ACTIVITY

- Reading comprehension questions reveal a Pixel Art Mystery Picture
- Instant student feedback
- Low-prep/easy grader

THE HISTORY OF BANKING IN THE UNITED STATES

Banking in the United States has a rich and complex history that dates back to the early days of the nation. In the late 18th century, during the infancy of the United States, there was no central banking system. Instead, individual states and private banks issued their own money. This lack of a unified system created challenges for commerce and trade, prompting the need for a more organized approach to banking.

The first significant step towards a centralized banking system occurred in 1791 with the establishment of the First Bank of the United States, located in Philadelphia, Pennsylvania. Proposed by Alexander Hamilton, the Secretary of the Treasury, the bank aimed to regulate currency and provide a stable financial foundation for the growing nation. However, it faced opposition from those who believed concentrated too much power in the federal government. As a result, the bank's charter expired in 1811, being defeated in the senate by a tie-breaking vote.



What followed, a series of state-chartered banks emerged to fill the void of a national bank. This period, known as the Free Banking Era (1837-1863), saw a proliferation of state-chartered banks issuing their own banknotes. However, the lack of federal oversight led to widespread fraud and financial instability, highlighting the need for a more organized and uniform banking system.

The National Banking Act of 1863 aimed to address these issues by establishing a system of national banks. It was passed by the Office of the Comptroller of the Currency (OCC). This act provided a uniform framework for the national financial system during the Civil War. It also laid the foundation for the Federal Reserve Act of 1913. The Federal Reserve acts as the central bank of the United States, responsible for regulating the money supply and controlling inflation.

SURVIVING
in
secondary

Question

In the late 18th century, there was no _____ system.

What year was the first centralized bank established in the U.S?

What city was the First Bank of the United States located?

Who was the Secretary of Treasury that proposed a central banking system?

What year did the national bank lose its charter?

What type of banks emerged to fill the absence of the national bank?

Lack of federal oversight led to _____ and financial instability.

The National Banking Act of 1863 established a national banking system, overseen by the office of the _____ of Currency.

The National banking act of 1863 also provided uniform _____.

In what year was the Federal Reserve established?

The federal reserve regulates _____ supply, controls inflation and lends _____ during financial crisis.

Today, there is a mix of National, state-chartered banks, _____ and online banking institutions in the U.S.