BANKS AND BORROWING

Activity Pack -- FREE Resource

Ages 8-12 | No Prior Reading Required
Classroom, Library and Home Use

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Inside a Bank

A bank is where money is protected, moved, borrowed and grown. Let's step inside and see how it works.

Activity 1: What Does a Bank Do?

Write P (protect), M (move), B (borrow) or G (grow) next to each example.

Example	Letter
Keeping a family's savings safe in a vault	____
Paying for groceries with a bank card	____
A baker gets a loan to buy ovens	____
Savings earn interest over time	____
A family gets a home loan	____
Sending money to a grandparent in another city	____

Activity 2: The Economy Machine

Imagine the economy as a machine powered by savers, borrowers, businesses, workers and investors.

Draw arrows to show how money could move from a saver, through the bank, to a baker, and back.

Think About It

* Why is a bank safer than hiding coins under the bed?

* How can money sitting quietly in a vault do more?

How Interest Works

'If I lend you ten coins today, you might return eleven later.' The extra coin is called interest. Banks can also pay interest to savers.

Activity 1: Borrowers Pay Interest

For every 10 coins borrowed, 1 extra coin is paid back (10% interest).

Borrowed	Interest	Total to Repay
10 coins	1 coin	11 coins
20 coins		
50 coins		
100 coins		

Activity 2: Savers Earn Interest

Mia saves $100. Each year the bank adds 10% of what is in her account.

Year	Start of Year	Interest (10%)	End of Year
1	$100	$10	$110
2	$110		
3			

Why did Mia earn more interest in Year 2 than in Year 1? _____

_____

Think About It

* Why do banks charge interest on loans?

* Why does money take a long time to grow?

Loans, Repayments and Investments

'A loan is borrowed money that must be repaid over time.' A young baker borrowed money for ovens, and soon the village was filled with warm bread.

Activity 1: The Baker's Repayments

The baker borrows $600 and repays $50 every month.

1. How many months to repay $600? _____ months
2. How much is still owed after 4 months? $_____
3. She sells 30 loaves a day for $4 each. How much does she take in one day? $_____

Activity 2: Two Farmers

One farmer spent every coin straight away. The other invested in stronger tools, healthier soil and better seeds.

Question	Spending Farmer	Investing Farmer
What did they do with their money?		
What happened years later?		
One thing they could do next		

Think About It

* How is a bank loan like borrowing a library book?

* What would you invest in if you wanted to help your community grow?

The Debt Trap

Note to students:
Every family is different, and borrowing is a normal part of life for many families. There are no right or wrong amounts of money. You never need to share your family's money details.

Picture a monster wrapped in chains labelled TOO MUCH BORROWING, MISSED PAYMENTS and HIGH INTEREST. Debt becomes dangerous when people borrow without a plan.

Activity 1: Builds the Future or Steals Freedom?

Borrowing	Builds the Future	Steals Freedom
A loan to start a bakery	[ ]	[ ]
Borrowing to buy lots of toys you don't need	[ ]	[ ]
A home loan repaid little by little	[ ]	[ ]
Borrowing again to pay back another loan	[ ]	[ ]
A loan to study and learn a trade	[ ]	[ ]

Activity 2: Questions Before Borrowing

Write three questions a wise person asks before they borrow money.

1. _____

2. _____

3. _____

Think About It

* Why do banks need to trust the people they lend to?

* How can emergency savings act like a shield?

The Compass of Wise Choices

Honesty, patience, planning and responsibility guide wise money decisions.

Activity 1: Which Direction?

Situation	Honesty	Patience	Planning	Responsibility
Saving for weeks for something you want	[ ]	[ ]	[ ]	[ ]
Telling the truth about a broken item you borrowed	[ ]	[ ]	[ ]	[ ]
Making a list before going shopping	[ ]	[ ]	[ ]	[ ]
Paying back money you owe a friend on time	[ ]	[ ]	[ ]	[ ]

Activity 2: The Tornado of Spending

Ads and signs often shout BUY NOW and SPEND EVERYTHING.

Where do you see 'buy now' messages in real life? _____

What could you say to yourself when an ad pushes you? _____

_____

Think About It

* Which compass direction do you find hardest? Why?

* How can loans and investments help a whole town?

Save, Invest, Grow, Share

Four words sum up wise money: SAVE, INVEST, GROW, SHARE. 'Every coin can become a tool for building the future.'

Activity 1: My Goals

Write or draw one money goal for each time.

Goal Tier	My Goal	How I Will Do It	When I Will Start
THIS WEEK			
THIS TERM			
THIS YEAR			

Activity 2: Wise Banker Tracker

Colour a star each day you do it.

I did it!	Mon	Tue	Wed	Thu	Fri
I saved some money (even a little)	*	*	*	*	*
I thought before spending	*	*	*	*	*
I paid back or returned something I borrowed	*	*	*	*	*
I learned something about banks or money	*	*	*	*	*
I shared with or helped someone	*	*	*	*	*

Think About It

* Which of the four words matters most to you? Why?

* What dream would you like to build one day?

Teacher's Companion

No Prior Reading Required
This pack is fully standalone. No book or characters are referenced. Any student can complete these worksheets without prior reading. Suitable for classroom, library, and home learning programmes. This pack is an excerpt of a full book-specific learning pack available with purchase at **learningsmart.au**

Australian Curriculum Alignment

Learning Area	Strand	Year Level	Content Description (summary)
HASS	Economics and Business	Yr 3-6	The role of banks: saving, borrowing and interest (WS1, WS3)
Mathematics	Number	Yr 3-6	Percentages of amounts; calculate simple interest and repayments (WS2, WS3)
Mathematics	Number	Yr 3-6	Multi-step money problems (WS3)
Health and PE	Personal, Social and Community Health	Yr 3-6	Responsible decision making (WS4)
Gen. Capabilities	Ethical Understanding	Yr 3-6	Honesty, trust and responsibility with money (WS5)
Gen. Capabilities	Personal and Social Capability	Yr 3-6	Setting and tracking goals (WS6)
English	Literature	Yr 3-6	Discuss metaphors such as 'debt trap' and 'moral compass'

16 Key Banks and Borrowing Lessons

#	Lesson
1	A bank is where money is protected, moved, borrowed and grown.
2	Everyone's savings flow together and help others.
3	Banks keep savings safe.
4	Money is most powerful when it helps build homes, businesses, farms and ideas.
5	A loan is borrowed money that must be repaid over time.
6	Borrowing brings responsibility.
7	Interest is the extra paid back on a loan.
8	Banks can also pay interest to savers.
9	An investment uses money today to create more value tomorrow.
10	If all money disappears today, nothing remains to grow tomorrow.
11	Some borrowing builds the future; some borrowing steals freedom.
12	Debt becomes dangerous when people borrow without a plan.
13	Emergency savings protect families when storms arrive.
14	Money growth often takes time.
15	Honesty, patience, planning and responsibility guide wise choices.
16	Save, invest, grow, share.

Answer Keys and Discussion Guidance

WS1 -- What Does a Bank Do? (Answers)
Vault: P. Bank card: M. Baker's loan: B. Interest on savings: G. Home loan: B. Sending money: M.

WS2 -- Interest (Answers)
Borrowed: 20 = 2 interest, 22 total; 50 = 5, 55; 100 = 10, 110. Savings: Year 2 $110, $11, $121; Year 3 $121, $12.10, $133.10. Year 2 interest is more because interest is paid on last year's interest too.

WS3 -- Loans and Investments (Answers)
1. 12 months; 2. $400; 3. $120. Two farmers: accept reasoned answers (the investing farmer flourished).

WS4 -- Sensitivity Note for Educators
Many families borrow money; avoid judgement. Do not ask about family debt. Builds: bakery, home loan, study. Steals freedom: toys you don't need; borrowing to repay another loan.

WS5 -- Compass (Guidance)
Saving: patience. Truth about broken item: honesty. Shopping list: planning. Paying back on time: responsibility. Accept reasoned alternatives.

WS6 -- Challenge Tracker
There are no correct scores. Celebrate every attempt.

Upsell Note for Educators
This generic pack is based on the Learning Smart book series. The full book-specific learning pack -- which references the characters, story moments, and adventure narrative -- is available with book purchase or subscription at **learningsmart.au**. Book-specific packs significantly increase student engagement and reading motivation.

Differentiation Strategies

Level	Strategy	Example Application
Below Level (support)	Reduce written output; use sentence starters; allow verbal responses; pair with peer.	WS2: use counters to model 10 coins plus 1 interest coin.
On Level (standard)	Complete all activities as written. Use discussion partner for Think About It sections.	Standard completion with class debrief of Think About It questions.
Extension (enrichment)	Track a pretend savings account with 10% yearly interest for 5 years.	Research how interest rates are set in Australia and present your findings.

7 Discussion Questions

1. What are the four jobs of a bank?
2. How do the savings of many families end up helping others?
3. How could a loan help someone start a bakery?
4. What is interest, and who pays it?
5. Why might one farmer struggle while another flourishes?
6. What 'chains' can too much debt put on a person?
7. What does 'Every coin can become a tool for building the future' mean?

Classroom Display Ideas

Bank Map: A labelled bank showing the vault, savers, borrowers and interest.

Interest Garden: Paper coins that 'grow' fruit each week to show interest.

Builds or Steals?: A two-path board sorting kinds of borrowing.

Debt Monster: A poster with chains naming borrowing traps.

Wise Compass: Honesty, patience, planning and responsibility with student examples.

Save, Invest, Grow, Share: Four vault doors with students' WS6 goals.

Want the Full Adventure?

This free activity pack is inspired by the **Learning Smart book series** -- everyday adventures about character, confidence and growing into a kind, capable leader.

The Full Book-Specific Learning Pack Includes:

* Worksheets tied directly to the book's characters and story moments
* Story-based Think About It questions that deepen reading comprehension
* A Teacher's Companion with book-specific discussion questions
* Access to the full Learning Smart resource library

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Books in the Learning Smart Series

Title	Topic
The Great Bank of Money Mountain	Banks, Borrowing and Interest
The Treasure Map of Money Mountain	Financial Literacy
Professor Bee's Body Expedition	Human Body and Science
Belinda and James: Beach Smart	Sun and Water Safety
Guardians of the Web	Internet Safety
The Magical ABC Adventures: Letters A-F	Early Literacy and Phonics

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