Answer Key

Chapter 10

Section 2

Reading Study Guide

Graphic Organizer:
Origins: Banking began in Italy, Middle Ages; merchants stored money, valuables; merchants lent deposits, earned interest (fractional banking); merchants in colonial America did likewise; early U.S. banks unstable, chartered by states; Hamilton pushed for national bank; First Bank of the United States chartered 1791; 1811, charter not renewed; 19th-Century: 1816, Second Bank of U.S. chartered; Jackson vetoed renewal, 1832; all banks were state banks; wildcat banking; struggle for stability: greenbacks backed by government bonds; National Banking Act, 1863: system of national banks, national currency backed by Treasury bonds; gold standard adopted, 1900; 20th century: 1913 Federal Reserve Act established Federal Reserve System, a central bank; bank failures during Great Depression; New Deal Banking Act of 1933 reformed banking; FDIC provided deposit insurance; 1980s deregulation of S&LS.

1. credit union
2. federal government, states
3. Credit unions have membership requirements.

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