**BBC Sounds - Understand: the economy**

[Understand - The Economy - The Economy: 5. Banks - BBC Sounds](https://www.bbc.co.uk/sounds/play/m001dxpj)

**5: Banks**

What are banks and what do they do with our money? Tim Harford explains where your money goes when you put it in a bank account and reveals that your bank might actually be a shadow bank. Economic historian Victoria Bateman tells the story of Priscilla Wakefield, one of Britain's forgotten female economists, who created the first saving bank for working-class women in a Tottenham grammar school.

What is the fundamental role of banks?

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How do banks make a profit?

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How do banks create money (bank money)?

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How did Irish pubs create money in the banking strike in 1970?

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What role did Priscilla Wakefield play in the banking system in 1798?

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What did the Savings Bank Act of 1817 create to keep people’s money safe?

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Why do many people believe that banks will not be allowed to go bankrupt?

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What impact did the failure of Lehman Brothers have on the world economy?

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Read about Lehman Brothers here:

[The Collapse of Lehman Brothers: A Case Study (investopedia.com)](https://www.investopedia.com/articles/economics/09/lehman-brothers-collapse.asp)