

Handout for February 2024 Newsletter **Teaching About the Economics of Banking in FRED®**

Purpose.

1. Create a time series plot of bank deposits to GDP in the United States.
2. Change the graph format to show a world map of bank deposits to GDP in 2019.
3. Describe and discuss the patterns of bank deposits to GDP across nations.

Pedagogical Rationale. This assignment requires that you first search for data and plot them into a time series graph. Next, you will change the graph format to show a map and customize it by formatting the data groupings. Lastly, you will describe and discuss patterns in the geographical distribution of the data. These tasks will develop your proficiency in searching for, transforming, and interpreting data.

Grading. Your grade will be determined by (a) how precisely you complete the search and transformation data tasks and (b) how accurately you interpret the data.

Steps to Search for and Transform the Data.

1. Access <https://fred.stlouisfed.org/> and search for “Bank Deposits to GDP for United States.”
2. Select “Annual, Percent, Not Seasonally Adjusted.”
3. Click on the green “VIEW MAP” button.
4. Click on the orange “EDIT MAP” button.
5. In the “Date” box, select “2019-01-01.”
6. Select “Data grouped by: User Defined Method” and enter the following maximum interval values next to the color boxes:
 - 25
 - 50
 - 100
 - 370
 - 409
7. Select line colors accessible to your users.

Writing Prompts. Answer the following questions:

1. During 2019, which country reported the highest bank deposits to Gross Domestic Product (GDP)? What is the principal economic activity in that country?
2. Name the three Asian countries where the reported value of bank deposits to GDP during 2019 was larger than 100%. Of those three countries, which one has the highest standard of living?
3. Note the range of bank deposits to GDP indicated by the distribution of colors in the map. What seems to be the most frequently reported value of bank deposits to GDP across the world during 2019? How would you expect the value of bank deposits to GDP to impact a country’s ability to fund investment in capital goods?