

Economic Systems

Pioneers such as Moses and Phoebe Tyler lived in isolation. They were not near towns that provided needed services.

One service found in towns is banks. Banks are **financial institutions**. Banks help people with money in a variety of ways.
Banks

- Provide a safe place to save or keep money
- Lend money for large purchases

Because of living in isolation, pioneers would have to make their own arrangements to keep money safe. The most common way was a secret hiding place.

And, if a large sum of money were needed for buying property, farm animals, etc., neighbors and family members would often lend money to one another. The historical documents of the Tyler family include many receipts showing us that these kinds of loans took place.

What would be the disadvantages of not having a bank to use?

