

Economics - Early Money

From Harcourt

Long ago, people did not use money to buy things. They traded goods or services for other goods or services. One person might not want to take what another person wanted to trade. Money made buying and selling easier.

People used different things for money. Shells were used in many places. In ancient Rome, the soldiers got paid with salt. Stones could be used as money. People also used metals, such as silver and gold.

Metal could be shaped into coins. Coins lasted a long time. They were easy to carry. They could be marked to show how much they were worth.

Paper money came along years later. China was one of the first countries to make paper money. People in China knew how to make paper and ink. To make paper money, they carved a design on a wood block. They put ink on the block and printed the block on paper. Paper money could be used just like coins.

In the early United States, people did not have much money. They traded with each other for the things they needed. They traded many things, such as iron pots, nails, and grain.

The colonists also used money from other countries. Silver dollars from Spain were called pieces of eight. One of these Spanish dollars could be cut into eight pieces, or bits. Two bits added up to a quarter. A quarter is still sometimes called two bits.

The first money of the United States was made in 1776. The Continental Congress needed money to help pay for the war against Britain. Benjamin Franklin helped design the Continental dollar.

Most of these early dollars were made out of pewter. Pewter is a gray metal, much like silver. But the early United States had limited access to silver during the war.

In the early 1800s, the United States government began using paper money. Some of these bills had pictures of crops, plants, and trees.

1. Money made buying and selling _____.
2. What did the soldiers in ancient Rome get paid with? _____
3. Which country was one of the first to make paper money? _____
4. How many pieces were the silver dollars from Spain made of? _____
5. What is a quarter sometimes called today? _____
6. What year was the first money made in the United States? _____
7. What were the early U.S. dollars made out of? _____
8. When did the United States begin using paper money? _____

Economics - Money Designs

From Harcourt

Making fake money, or counterfeiting, is a crime. Counterfeiting has been a problem since people began using money.

At one time there were about 7,000 kinds of paper money in the United States. It was hard to know which bills were real. Almost half of the bills in the country were not worth anything!

In 1865, the United States Secret Service was created. It worked to stop the counterfeiting of United States money.

Copying current United States money is hard to do. Current bills have a thread that glows under a special light. They also have a design that can be seen only when the bill is held up to light. Some printing is so tiny it looks like thin lines. These are just some of the designs that help prevent counterfeiting.

Money is designed so that it cannot be copied easily. But money designs can also show a lot about a country. We can learn about culture and geography by looking at money designs from different countries.

Queens, kings, and other leaders are on many coins and bills. Money also shows authors, scientists, explorers, inventors, musicians, and artists. Money might show people working on a farm or playing a sport.

Today, United States money shows leaders and important people from the past. Coins and bills also show important events, historical buildings, and natural landscapes.

1. What is *counterfeiting*? _____
2. At one time there were about _____ kinds of paper money in the U.S.
3. When was the Secret Service created? _____
4. Which of these designs does not make copying money hard to do?
 - a. A thread that glows under special light
 - b. A design that can only be seen under light
 - c. Using the color green
 - d. Very small printing
5. According to the passage, who is on money?
 - a. Queens, kings, and other leaders
 - b. Authors
 - c. Scientists
 - d. Athletes

Economics - Money Designs

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People may choose to spend money to buy something or to do something. They may also save money to earn interest. Like people, governments must also make economic choices.

People must look at the costs and the benefits of spending money. Sometimes they must make trade-offs when deciding which things they will do. A trade-off is a giving up of one thing to get something else. The thing that is given up is called the opportunity cost. Following these steps can help you make an economic choice.

- Step 1** Identify your goal and decide what is needed to reach it. Identify any other goals you have.
- Step 2** Identify the trade-offs of each choice.
- Step 3** Identify the opportunity costs of each choice.
- Step 4** Make an economic choice. Then think about why your choice was the best one.

Joe has a budget of \$100 to buy clothes. He sees a shirt that is okay for \$30. It's a shirt he can wear to school and is made of material that will last a long time. He sees another shirt that is AWESOME for \$55. The awesome shirt has extra pockets and a cool design. Joe also has to buy pants and a pair of shoes.

1. What is the trade-off if Joe buys the awesome shirt?

2. What is the trade-off if Joe buys the okay shirt?

3. What is the opportunity cost for each shirt?

4. Which shirt do you think Joe should buy? Why?

Name: _____

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Most people agree that it is important to make good decisions about money. Some people think it is best to save money. Others believe it is also important to share money with people who have less.

Read these points of view from other people:

Lynnette Khalfani: an author who has written books about budgeting and saving money.

"Feel free to spend money on the things you need... just live within your means."

Richard Moore: a state treasurer who believes his state should save money for the future.

"We should invest in projects that will make us stronger like schools and roads."

Ben Carson: a brain doctor who came from a poor family.

"Happiness doesn't result from what we get, but from what we give."

Andrew Carnegie: a person who is very wealthy and believes if you are rich you should share.

"I will stop saving my money and start giving away my money."

1. Which person talks about spending money on needs?

2. How does Richard Moore feel about saving and investing money?

3. How is Ben Carson's view like that held by Andrew Carnegie?

4. Which ideas about spending, saving, or sharing do you agree with? Give your reasons.
