

Lesson | Money Basics

Why do we use money?



Objective

- Define “money”
- Discuss why we need money
- Identify bills and coins
- Consider how money is used

Time

60 Minutes

Materials

- One real \$1 bill
- Play or real coins (two or three coins per student)
- Ways to Spend Money printable
- Piggy Bank Quiz (optional)

BONUS

- Encourage students to take the Piggy Bank Quiz to examine how they use their money. Are they Squirrel-Away Squirrels, Do-Good Dolphins, or Spendy Spiders?

Part I – Vocabulary And Concept Development

1 Money and Value: Show students a real \$1 bill. Ask them to describe what you are holding (a dollar, a bill, money, a piece of paper, etc.). Explain that in the United States we call this a dollar bill. Ask them if a dollar bill could be used as a bookmark or to make a paper airplane. Then ask them what else the dollar could be used for. Lead the class to the idea that the dollar bill has value and that we can use the dollar bill for something that we need or want. Pair off students and ask them to share with the students sitting closest to them their experiences observing other people (like their parents) using money to purchase things they want or need. Then ask them to share with one another their own ideas about how they would spend \$1.

2 Bills and Coins: Have students name different types of money. Make a list of their responses. Identify each response as a bill or coin. Note: Some students may identify names of foreign currency. Accept those responses, but ultimately lead students to the understanding that money can generally be divided into two groups: bills and coins. Emphasize that both bills and coins have value and are used to purchase things that we need or want.

PART II—The Value Of Money

Activity—Who Has the Most?

Students will compare amounts of money.

Preparation: Each student in the class will receive an envelope that contains two random coins that you have placed in the envelopes prior to the lesson. The coins can be the same or different. The difficulty of this activity can be adjusted by limiting the number of types of coins that are used. For example, you may want to use only pennies and nickels in the envelopes, or you may want to use all types of coins including half-dollars.

Activity: Divide the class into small groups of three to four students. Pass out the envelopes containing the coins.

Have students open the envelopes and count the amount of money they have. Have them compare this amount with the others in the group to discover who has the most. Emphasize the difference between the quantity of coins and the value of the coins. As an extension, have the students in each group count up the total value of coins for their entire group. Collect the envelopes and repeat the activity as needed.

PART III—Why We Need Money

Ask students if they have ever traded something with someone else to get something they wanted. For example, maybe they traded a school snack for a plastic dinosaur, or a piece of Halloween candy for another piece of candy they preferred. Tell students that trading (also known as bartering) was the main system that people used many years ago to get things that they needed or wanted. Trading is still used today for some things, but paper money and coins have generally replaced the trading system.

Explain to students that when we use money to get the things we want and need, we categorize these things into either goods or services. Have students discover the difference between goods and services with the following activity.

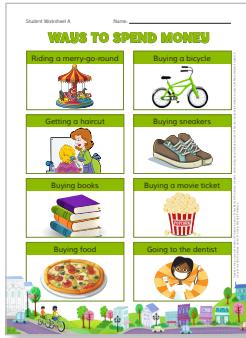
Activity—Goods or Services

Students will decide if a purchase is a good or a service.

Preparation: Make one copy of the Ways to Spend Money activity sheet for each group and cut the eight pictures apart and paper clip them together.

Activity: Divide the class into groups of three to four students. Give each group one set of pictures from the Ways to Spend Money activity sheet.

Have students in each group spread out their sets of pictures. Tell students that these are things that cost money. The pictures show two different ways to spend money: goods



and services. Goods are things that we buy to keep or use, like a dozen eggs, a bicycle, or a toothbrush. Goods are usually things that we can touch. Services are things that are done for us, like a train ride to visit your grandparents or when you go somewhere you need to buy tickets to get into, like an amusement park. Challenge students to work together in their groups to separate the pictures into two groups—goods and services.

To increase the challenge of this activity, do not define “goods” and “services” prior to having the students divide the pictures into two groups. Tell them only that the pictures

represent ways that we can spend money, and have the groups work together to separate those ways into two groups.

Answers:

Goods: bicycle, food, T-shirt, book. Services: riding a merry-go-round, getting a haircut, watching a movie, going to the dentist.

PART IV—Where Money Comes From

Ask students how people get money. Make a list of their ideas. Most people earn money from their jobs. Have each student name and briefly act out a type of job that he or she might like to do each day.

WAYS TO SPEND MONEY

Riding a merry-go-round



Buying a bicycle



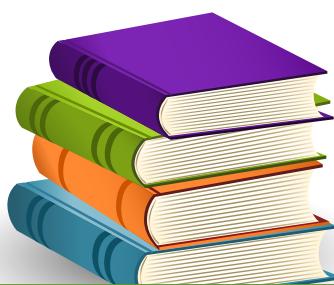
Getting a haircut



Buying sneakers



Buying books



Buying a movie ticket



Buying food



Going to the dentist



FORMAS DE USAR EL DINERO

Subir a un carrusel



Comprar una bicicleta



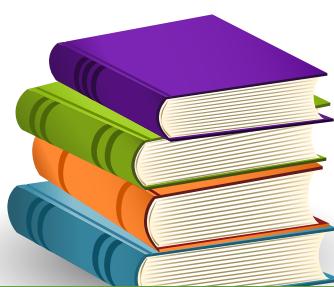
Cortarse el cabello



Comprar zapatillas



Comprar libros



Comprar una entrada de cine



Comprar comida



Ir al dentista

