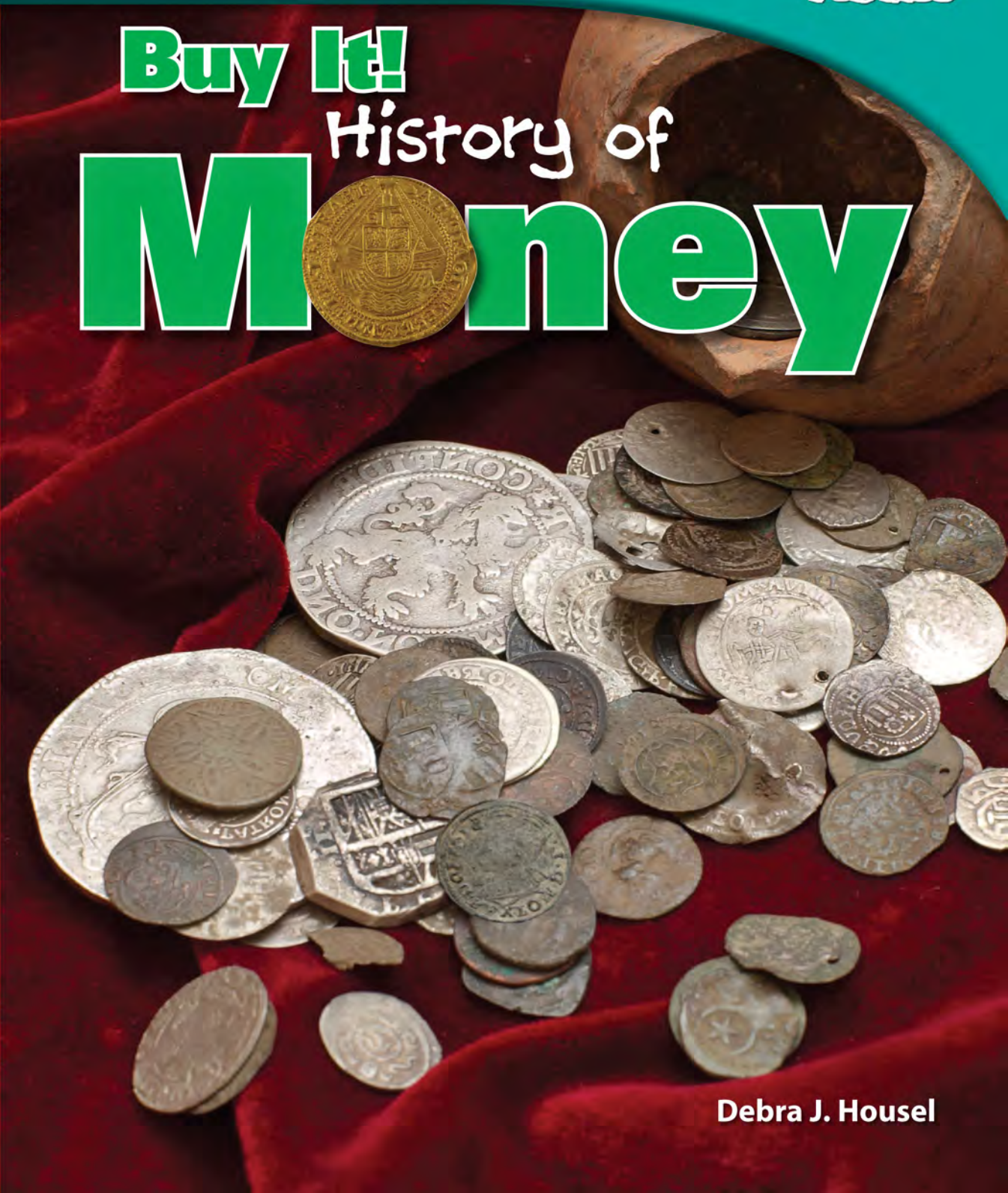
TIME FOR KIDS

Buy It! History of Money



Debra J. Housel

For teachers' inspection ONLY

Consultant

Timothy Rasinski, Ph.D.
Kent State University

Publishing Credits

Dona Herweck Rice, *Editor-in-Chief*
Robin Erickson, *Production Director*
Lee Aucoin, *Creative Director*
Conni Medina, M.A.Ed., *Editorial Director*
Jamey Acosta, *Editor*
Heidi Kellenberger, *Editor*
Lexa Hoang, *Designer*
Leslie Palmer, *Designer*
Stephanie Reid, *Photo Editor*
Rachelle Cracchiolo, M.S.Ed., *Publisher*

Image Credits

Cover Dtopal/Dreamstime; p.3 Robyn Mackenzie/Shutterstock; p.4 LOC [LC-USF33- 012354-M4]; p.5 Edmonds, Francis William/Collection of the New-York Historical Society, USA/The Bridgeman Art Library International; p.6 Shutterstock; p.7 ItaliaStock/Punchstock; Eric Isselée/Shutterstock; p.8 top to bottom: Marilyn Angel Wynn/DanitaDelimont/Newscom; Lena Lir/Shutterstock; p.9 left to right: Best View Stock/Alamy; The Image Works; p.10 Block, IRA/National Geographic Stock; p.10 inset: The Image Works; p.11 Justin Sullivan/Getty Images; p.12 The Image Works; p.13 Mary Evans Picture Library; p.14 Doug Mills/AP; p.15 fstockfoto/Shutterstock; p.16 Stuart Gregory/Getty Images; p.17 Olga Lipatova/Shutterstock; p.19 top to bottom: Kike Calvo/V&W/ The Image Works; NatUlrich/Shutterstock; p.20 Lauren Goodsmith/The Image Works; p.21 top to bottom: SuperStock; Fer Gregory/Shutterstock; p.22 top to bottom: Jill Battaglia/Shutterstock; Jiri Hera/Shutterstock; p.23 top: Bill Aron/PhotoEdit; p.23 left to right: Elnur/Shutterstock; Elena Elisseeva/Shutterstock; lenetstan/Shutterstock; AVAVA/Shutterstock; p.24 Michael Newman/ PhotoEdit; p.25 Tyler Olson/Shutterstock; p.26 Monkey Business Images/Shutterstock; p.27 Bob Daemmrich/Image Works; p.28 left to right: Alex Staroseltsev/Shutterstock; The Image Works; p.29 left to right: Mikhail Pogosov/Shutterstock; Steve Collender/Shutterstock; Paul Fleet/ Shutterstock; p.32 lenetstan/Shutterstock; background: Robyn Mackenzie/Shutterstock; Africa Studio/Shutterstock; Gina Sanders/Shutterstock; back cover: Vaclav Volrab/Shutterstock

Based on writing from *TIME For Kids.*

TIME For Kids and the *TIME For Kids* logo are registered trademarks of TIME Inc.
Used under license.

Teacher Created Materials
5301 Oceanus Drive
Huntington Beach, CA 92649-1030
http://www.tcmpub.com

ISBN 978-1-4333-3681-2
© 2012 Teacher Created Materials, Inc.

Table of Contents

Before There Was Money 4
The Invention of Money 7
Coins 8
Paper Money 12
The Exchange Rate 16
Troubles with Money 20
Money Today 22
Money Time Line 28
Glossary 30
Index 31
About the Author 32



Before There Was Money

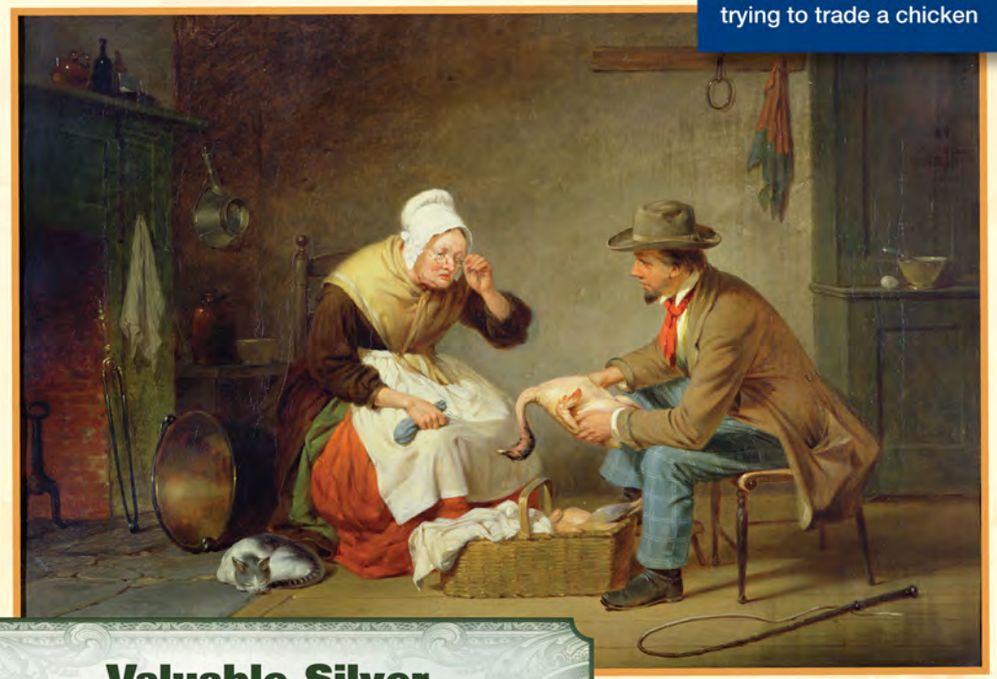
Imagine you are a sheep farmer from long ago. You have enough wool to make two blankets. But, you need a shovel for your land. There's no store or catalog. The only way to get a shovel is to visit the toolmaker who lives miles away. Without money, you must trade, or **barter**, what you have to get what you want.



sheep farmer

You walk to the toolmaker's home with the blankets. He looks them over. Then, he says he will trade a shovel for the blankets. You agree. The two of you have made a good trade.

Does this sound like a good system? It's what everyone did long ago to get what they needed. Such bartering is still done in some places of the world. But, there are some problems with bartering. For example, the toolmaker may not have needed blankets. Also, the sheep farmer had to travel miles to get what he wanted.



a painting of a man trying to trade a chicken

Valuable Silver

Silver is rare. In 2500 B.C., the people in what is now Iraq stamped the weights of silver bars on the bars themselves. The heavier the bars, the greater their value. The bars could then be used for trade.

For teachers' inspection ONLY

The Power of Money

Our world has changed a lot. Most people no longer barter. Everyone uses money to buy the things we need. Did you know that kids in the United States spend more than $15 million of their own money each year? What do you use your money to buy?

The Invention of Money

For teachers' inspection ONLY

Over time, people realized that something had to be agreed on to stand for **value**. Value is what something is worth. The first things used as money had values of their own. For example, cows had value because they gave milk. Spices were valuable because they were hard to find and everybody wanted them.

At one time, spices were popular items to trade.

Coins

Slowly people realized the item itself didn't need to be valuable. As long as everyone agreed, such things as feathers, shells, and **wampum** (WOM-puhm) could be used as money. People took these things in **exchange** for work or goods. They knew that others would do the same in exchange for what they wanted. But this system had problems, too. Feathers blew away. Shells broke. People needed something easy to store and carry. As a result, they started making coins.



Wampum is a form of money made of colorful beads cut from shells and woven into belts.



Furs

American Indians used furs as money. Furs were traded for axes, cloth, fishhooks, and other goods.

For teachers' inspection ONLY

In 640 B.C., the King of Lydia made the first **standard** coins. They were stamped with a lion's image. Each coin had a set value. This meant that people didn't have to weigh them like the silver bars to decide their value. These coins quickly became popular. Some people secretly changed the value of coins. They cut off the edges and kept the shavings. This meant the coins were not worth as much as people believed. This practice continued until the invention of the coin press in 1660. After that, coins had a regular shape.



Lydia, now Turkey, made the first standard-weight coins out of electrum. Electrum is a natural mixture of gold and silver.



Early Chinese Coins

About 3,000 years ago, the Chinese used tiny bronze tools as their coins. But they did not have standard sizes and weights as the Lydian coins did.

