

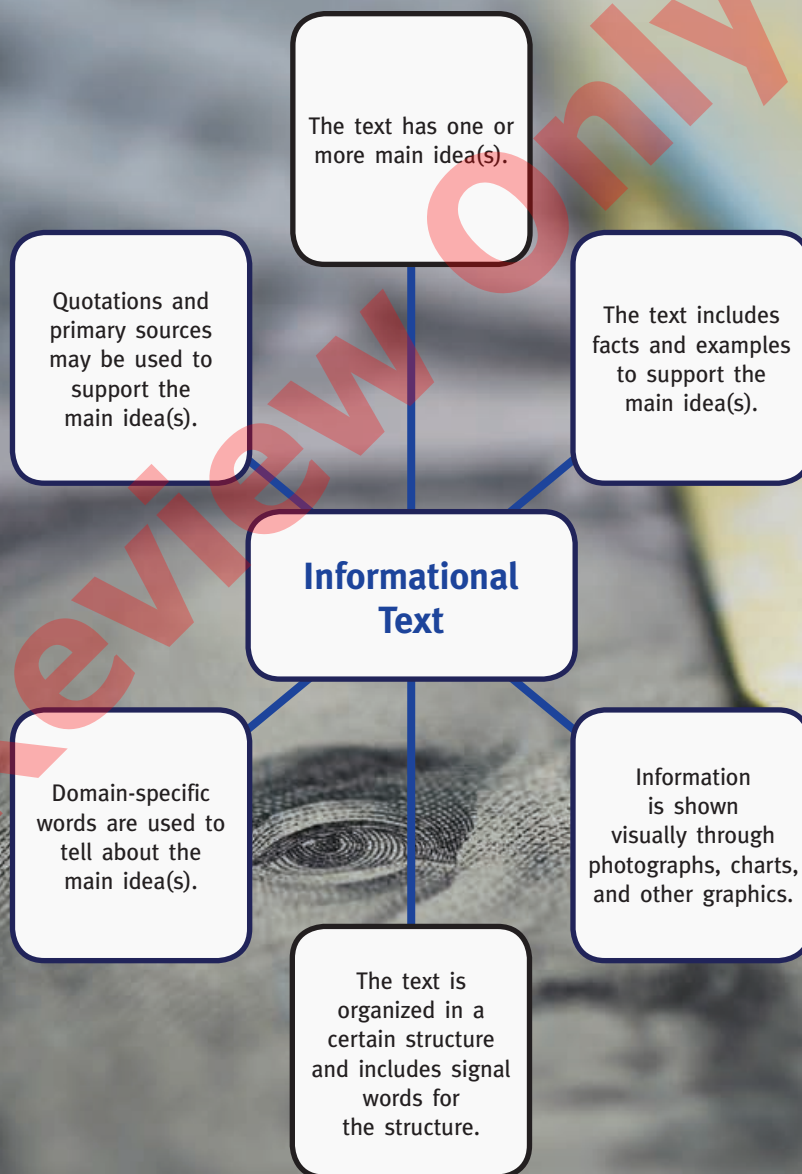
Money Matters\$

by Tom Cardigan

**How does the U.S.
make and use money?**

Informational Text

Look for the genre features noted below as you read this book. Use the features to help you understand the text.



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Money Matters

Money plays a big part in daily life. People use money to buy what they need. They also use money for things they want. Where does the paper money and coins people use every day come from?

In most countries, the government is in charge of making **currency**, or money. The government decides when to make currency. It decides how much to make. It also decides what the money looks like.

This book explores money in the United States. Find out who makes it, what is special about it, and how it is used.



ON THE MONEY



Imagine being able to fold \$100,000 in half! Well, it was possible in 1934. The most valuable bill ever printed in the U.S. was the \$100,000 1934 Gold Certificate. It was printed for use between banks, not people.



Dollar\$ and ¢ents:

Where Money Comes From

The BEP

The Bureau of Engraving and Printing (BEP) is part of the U.S. government. The BEP prints Federal Reserve notes, or paper money. In 2016, the BEP printed 7.6 billion Federal Reserve notes in different **denominations**—\$1, \$2, \$5, \$10, \$20, \$50, and \$100. Those bills had a total value of \$213 billion.

The BEP has one office in Washington, D.C., and one in Fort Worth, Texas.



▲ Highly skilled BEP workers use special machines to print money.

▼ The BEP in Washington, D.C.



The “paper” money the BEP makes is not actually made of paper. It is made from a blend of cotton and linen. The bills are well made. But regular use causes bills to get worn and torn.

Banks often check the condition of bills. Damaged bills are taken out of **circulation**. The bills are shredded and recycled. That money is replaced with newly printed money.

▼ Damaged money can be sent to the BEP for replacement.



▼ Shredded money can be turned into writing paper.



ON THE MONEY



The average cost to make a bill is ten cents.

The U.S. Mint

The U.S. Mint is also part of the government. The Mint makes the nation's coins—dollars, half-dollars, quarters, dimes, nickels, and pennies. The U.S. Mint produces between 14 and 20 billion coins each year.



penny



quarter



nickel



dime



half-dollar

Then and Now

The first mint was built in Philadelphia, Pennsylvania, in 1792.



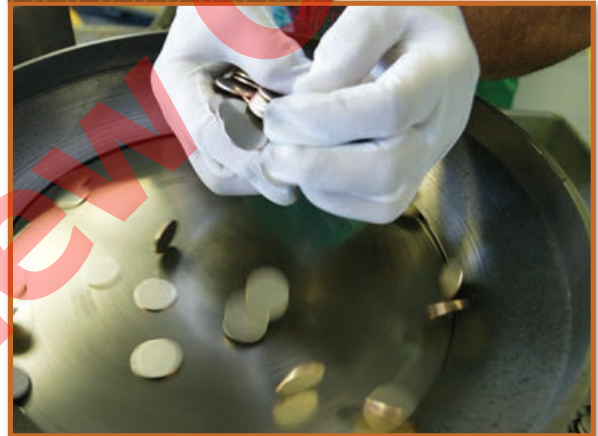
Today, Philadelphia is one of six mint locations in the U.S.



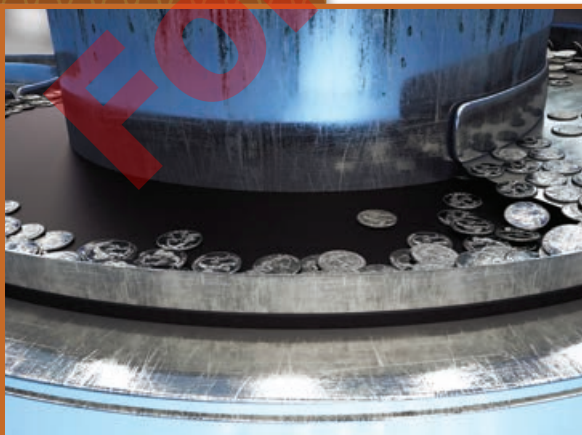
Some mints are factories. They have machines that make the coins. First, sheets of metal are rolled out flat. Then a machine cuts the metal sheets. This creates rounded “blanks.” The blanks are put into a coin press. This machine strikes, or stamps, the pattern of the coin onto the blank. A coin press can stamp about 750 coins per minute. Then people inspect the coins.

Step 1

Round blanks are created from sheets of metal.

Step 2

Blanks are loaded into a coin press.

Step 3

The coin press stamps the blanks.

Step 4

Coins are inspected for problems.

CASE STUDY

Coin Collecting

Collecting coins can be a fun hobby. Rare, or hard to find, coins can be worth a lot of money. Old coins can be valuable, too.

A collector, A. Mack Pogue, and his son have been gathering coins for thirty-five years. Their collection of 650 early American coins is worth \$220 million. One of the rarest coins in their collection is an 1822 Half Eagle. There are only three in existence! In 1822, the coin was worth 5 dollars. Today, it is worth \$8–10 million.

▼ A 1796 quarter dollar sold for \$1.6 million in 2015.



1822 Half Eagle ►

The “Fed”

The Federal Reserve is the **central bank** of the United States. The Federal Reserve’s nickname is the “Fed.” The Fed decides when to make new currency. It was created in 1913 to help manage the country’s money.

The Fed figures out how much money is needed to replace coins and bills that are taken out of circulation. The Fed tells the U.S. Treasury how much money the country needs. The Treasury then tells the BEP and the Mint how much to make.

Most of the money ordered by the Fed is to replace old money.



▲ The Federal Reserve Bank of New York has a vault where gold is stored. The vault is located in the basement of the building.