

Grade Level: Kindergarten

Social Studies Unit: Economics

Lesson 2: What is Money?

Resources:

- Money display chart containing paper bills, coins, credit cards, checks, debit cards and credit cards, on it
- 21 Empty plastic yogurt containers covered in construction paper
- Crayons

Children's literature:

Rissman, R. (2008). *What is Money?*. Chicago, IL: Heinemann Library.

General Purposes or Goals

To help students understand and appreciate: (1) we trade money for goods and services; (2) money comes in different forms; (3) people earn money by working; (4) why people save some of their money; and (5) where people save their money.

Main Ideas to Develop

- People use money to trade for goods and services.
- Trading is the process of giving something in order to receive something.
- Money can come in the form of paper bills, coins, credit cards, debit cards and checks.
- People can earn money by working (having a job). As kindergarteners, their job is to go to school. In turn, they earn an education instead of money. However, within our job each student has a job and from now on will be paid in fake money for doing their job.
- People often save their money in order to pay for goods and services. Saving money consists of putting away, or not spending, a portion of the money one earns, over a certain period of time.
- People often put their money in a bank account to save it. A bank is an institution for receiving, lending, exchanging, and safeguarding money.

General Comments

This lesson is meant to serve as an introduction to money, what it is, what we use it for, and how we save it. In the past we have had basic conversations about how people use money to pay for things, as well as how the students have seen their parents use money at stores, and how some of the students get weekly allowances for doing chores around the house. From this lesson we will advance to lessons regarding the history of money, how to make a budget, etc.

Starting the Lesson

To assess students' prior knowledge concerning money, I will begin the lesson by asking the students what they think money is and what we use it for. I will also ask the students to offer their experiences with money (seeing mom and dad spend it at the store, being paid an allowance, getting it as a present, earning it, etc.). I will ask students where they keep their money. I will record student responses on chart paper for us to reference later.

I will then read the book, What is Money?, to the students.

Suggested Discussion Format for Lesson

Money is what people use to pay for things; money is what people use to trade. People trade money for goods and services. People trade money for things they want. People trade money for things they need. Furthermore, there are different types of money. Paper bills are money, coins are money checks are money, and credit and debit cards are forms of money.

In the early days of this nation, before and just after the American Revolution, Americans used English, Spanish, and French currencies. The Massachusetts Bay Colony issued the first paper money in the colonies that would later form the United States. In 1785, The Continental Congress adopted the dollar as the unit for national currency. The Federal Monetary System was established with the creation of the U.S. Mint in Philadelphia. The first American coins were struck in 1793. Paper money is printed at the Bureau of Engraving and Imprinting, while coins are formed at the United States Mint. Paper money is produced in 1, 2, 5, 10, 20, 50, and 100, dollar amounts. Coins are produced in amounts of 1 cent, 5 cents, 10 cents, 25 cents, 50 cents and 1 dollar.

People earn money by working, or having a job. The amount of money one earns from their job is known as their income. People have differing incomes depending on their job. For example, a doctor makes more money than a teacher. A teacher makes more money than someone who works at a fast food restaurant. The type of job a person has depends on many factors such as their personal preference, jobs available where they live, their level of education, and their years of experience. Furthermore, people with more years of experience in their job, often make more money than those with less years of experience. Thus, not everyone earns the same amount of money. People use money all over the world, but money also looks different all over the world as well. Although most countries still use paper bills and coins, they look different and have different values. For example, in Italy and many other countries in Europe they use euros, in France they use francs, in the United Kingdom they use pounds, in Mexico they use pesos, In India they use rupees, In Japan they use yen, In Russia they use rubles,

We use money to pay for our needs and wants. Our needs and wants are typically in the form of goods and services. Goods and services have differing costs. Some goods and services may be cheap, while others may be expensive. For example, buying groceries is cheaper than buying a new house. In order to afford goods and services to satisfy needs and wants, people often save some of their money. Saving money consists of putting away, or not spending, a portion of the money one earns, over a certain period of time. People often put their money in a bank account to save it. A bank is an institution for receiving, lending, exchanging, and safeguarding money. When people have bank accounts, they can use personal checks and credit/debit cards as additional forms of

money. A check is a piece of paper that represents money. It has your bank account information on it. When you use it as money, the money the check represents is withdrawn from your bank account for you. Checks are typically used for goods and services that cost large sums of money, to pay bills, and when people do not have money on their person. Credit cards are pieces of plastic that can be used as a form of money. Credit cards let you buy something and pay for it later. When you buy something with a credit card you receive a bill later on and you have a certain amount of time to pay off your credit card bill. A debit card is also a piece of plastic that can be used as a form of money, but unlike credit cards, debit cards are directly linked to your bank account. Like checks, when you use a debit card, the money is automatically taken out from your bank account.

Activity

I will have a large chart constructed out of roll paper. See below.

| Paper Bills | Coins | Checks | Credit Cards/Debit Cards |
|--------------------|--------------|---------------|---------------------------------|
| | | | |

I will also have cutouts of U.S. paper bills, coins, checks and credit/debit cards. I will ask the students to help me sort the cutouts to place them on the chart so we can keep track of all the different types of money we use in the United States.

Next, I will tell the students that starting tomorrow I am going to begin paying them for doing their daily classroom jobs. The students will receive 10 cents for every day they successfully complete their jobs. I will tell the students that they will need somewhere to put their money to save it, thus, they will each make their own “piggy bank” to keep in our classroom bank (The Bank of the Monkeys). At the end of each day, I will pay the students for completing their jobs. They will be given a “bank book” where they will have to keep track of their income. At the end of our social studies unit I will open a classroom store where the students can spend their earnings (this will be done with the help of our 3rd grade buddies).

The students will each be given a plastic yogurt cup covered in construction paper, for them to use as their “piggy bank.” They will have 5 minutes or so to put their name on their piggy bank and decorate it.

Summarize

- People use money to trade for goods and services.
- Trading is the process of giving something in order to receive something.
- Money can come in the form of paper bills, coins, credit cards, debit cards and checks.

- People can earn money by working (having a job). As kindergarteners, their job is to go to school. In turn, they earn an education instead of money. However, within our job each student has a job and from now on will be paid in fake money for doing their job.
- People often save their money in order to pay for goods and services. Saving money consists of putting away, or not spending, a portion of the money one earns, over a certain period of time.
- People often put their money in a bank account to save it. A bank is an institution for receiving, lending, exchanging, and safeguarding money.

Assessment

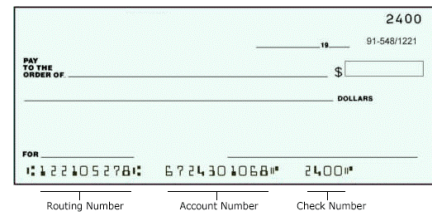
Name: _____ Date: _____

1. Match the following forms of money to their picture.

a. coins



b. paper bill



c. check



d. credit/debit card



2. Circle your answer. This is where most people keep their money to save it.

a. at school

b. in a sock

c. in a bank

d. in their pocket

Homework Assignment

Each student take home his or her money assessment activity to share with their families. This will be use to guide a discussion regarding what we learned today about the different forms of money we use in the United States, what we use money for, how and why we save it and where we save it.

Dear Families,

Your child is bringing home an activity we completed today in class regarding our economics lesson about money and saving. Please discuss with your child the different types of money we use in the United States and also how money looks different in different parts of the world. Also discuss with your child what we use money for and how we earn money. Finally, discuss with your child why we save money and where we keep our money, as today we made our own piggy banks to keep the fake money we earn from doing our daily classroom jobs in over the next few weeks. Thank you!

Miss C and the Monkeys