



Money

Money

Money!

By Nancy Wilkinson

Lesson One The History of Money

Objectives:

- 1) The students will learn about the history of coins and paper bills.
- 2) The students will find different countries on a map.

Materials Needed:

World maps for each group.

Opening Activity:

Show the pictures of the foreign currency shown on the next page.

Activity:

- 1) Have students read, as a class or silently, the reading portion for lesson one. This explains the history of coins and paper bills.
- 2) Pass out the world maps to each group.
- 3) Have the students find the countries on the world map that call their currency a “dollar”.

Closure:

Show different currencies from different countries if possible.



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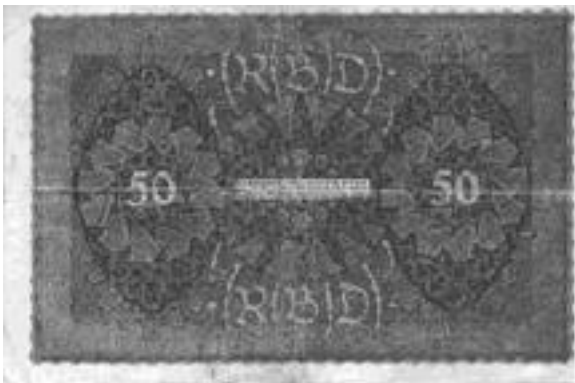
The pictures below are of German Deutchmarks. The first one is for 500,000 marks. It was worth less than a penny when it was created in 1925.



The Deutchmarks below are for 2 marks and 1 mark respectively.



This the front and the back of a fifty mark note. The word Funfzig means 50 in German.



Lesson One Reading

Coins

Money has been around for almost as long as man has. Money came in many different forms. Here is a list of some different types of payment:

Stone money – Yap Island	Salt – Africa
Ivory Whale Tooth – Fiji	Tobacco – Solomon Islands
Elephant Hair – Africa	Brick Tea Money – Siberia

As early as 2500 BC various types of metal were used for exchange of goods and services. By using coins, the money could be counted out rather than weighed as was necessary with the “currency” above. The need for smaller values of coined prompted some colonists to cut up coins. Half of a coin was called four bits and a quarter of a coin was called two bits. When countries created their money, it was backed up by the gold reserve each country held. In other words, one dollar of US money was worth one dollar of the gold that the United States had. The United States and other countries actually have several hidden locations where bars of gold are located. This type of money is called *commodity currency*.

Since 1971, many countries, including the United States, decided not to have each coin or bill backed up by gold. Today, money cannot be exchanged for precious metal. This is called *flat currency*. The value of the money is based on how good the economy is. If people have jobs and are making money, then you can buy a lot more things with a dollar. Sometimes, in times of inflation, the currency worth drops. If you lived in Germany, an item that cost 1 mark (Germany’s name for their dollar) in 1918 would cost 736,000,000 marks in 1923. Therefore, many people burned their money because it was cheaper than buying wood with it.

The Dollar

In 1775, the Continental Congress began printing its own paper bills as a way of showing some independence from Great Britain. These Continental dollars were backed up with a supply of silver. It was not quite enough, as it turned out. The bills soon lost their value, and by 1781, they were abandoned altogether.

Beginning in 1792, The U.S. Government stopped printing bills and began minting coins that were made from household silver donated by George and Martha Washington. During the Civil War, however, as the demand for currency rose, Abraham Lincoln instructed the Bureau of Engraving and Printing to begin producing bills again. Not wanting to repeat the problems with those Continentals, the government backed up its bills with silver, then gold. Later, the Federal Reserve Bank was put in charge of the supply, controlling how quickly money was printed.

How did we decide on naming our paper money the dollar? This comes from a silver coin called the Joachimsthaler minted in 1518 in the valley Thal of St. Joachim in Bohemia. The coin was used in many different countries. It was called the daalder in Holland, the daler in Scandinavia and the dollar in England. Of course, each country has its own currency, but many countries call their currency the dollar. Below is a list of the countries that called their paper currency the dollar:

Australia	Canada	Bermuda
Hong Kong	Bahamas	Barbados
Belize	Brunei	Cayman Islands
Dominica	Fiji Islands	Guyana
Jamaica	New Zealand	St. Lucia
St. Vincent	Singapore	Solomon Islands
Trinidad and Tobago		Zimbabwe

Activity 1:

Look at a map of the world. Where are the countries located? Are they all in one area or continent?