

It's All About Your \$
Federal Reserve Bank of New York

It's All About Your \$

a teacher's guide



Updated:
October 2009

FEDERAL RESERVE BANK *of* NEW YORK

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I. Introduction

It's All About Your \$ is a set of classroom activities developed by the Federal Reserve Bank of New York to promote economic and financial literacy among upper elementary and middle school students. By participating in these activities, students will be able to:

- demonstrate an understanding of the barter system, the history of money and the role money plays in an economy;
- draw conclusions about other cultures by examining foreign currency;
- discuss the importance of combating counterfeiting; and
- create a monthly budget.

Instructional materials include:

- a teacher script with directions for conducting activities and asking follow up questions for discussion;
- a student play about the barter system
- student handouts on foreign currency, counterfeiting, a budget worksheet, and other images referred to in the learning activities.

In addition, the following accompanying materials are available for download at <http://www.newyorkfed.org/education/elemiddleschool.html>

- a dvd video with excerpts of the learning activities conducted by a master teacher; and
- *Once Upon a Dime*, a comic-style booklet that helps readers learn about the barter system and the role money plays in an economy.

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II. Teacher Script

Preparation

Students should:

- read the comic-style booklet, *Once Upon a Dime*, available for download at <http://www.newyorkfed.org/education/elemiddleschool.html>
- bring a one dollar bill to class

Introduction

Teacher shows the class a one, five, ten, or twenty dollar bill, and asks:

- What is it about this piece of paper (actually cotton and linen) that makes it so special?
- What are some of the different things we can do with money?
- What if all the money in the world disappeared - how difficult would that make it for us to get the things we need or want?

Teacher says:

- Today we're going to learn a lot about money:
 - First, we'll see how people got the things they needed and wanted before money was invented.
 - Next, we'll take a look at the different kinds of things people used for money before coins and paper currency existed.
 - Then, we'll examine money from four different countries and compare each country's money to ours.
 - Also, we'll talk about counterfeiting and see how good you are at finding fake or counterfeit currency.
 - Finally, we'll work on an activity about budgeting that will show us how to develop a plan to use money wisely.

1. The Barter System

Teacher says:

- We're now going to perform a play in which you'll see how people got the things they needed and wanted before money was invented. I'd like 12 people to volunteer for the following roles. (*Depending on the sex of the participants, the group leader should change the names of the characters, for example Queen Justine to King Justin, Willy to Wilhemena, Fred to Frederica, etc.*)
 1. Narrator #1
 2. Narrator #2
 3. Narrator #3
 4. Narrator #4
 5. Queen Justine
 6. Pedro, the fisherman

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7. Willy, the weapons maker
8. Fred, the flower grower
9. Paul, the house painter
10. Dorothy, the doctor
11. Anne, the farmer
12. Karen, the carpenter

Note: The audience has a speaking part as a chorus.

Teacher hands out the play (see p. 8) and selects 12 students to act as the characters. Teacher directs students to perform their parts.

At the end of the play, the teacher asks:

- In your own words, describe how the barter system worked.
- Discuss some of the problems the characters in the play faced using the barter system.
- How does using money make it easier for people like Pedro and Dorothy to get the things they need and want?

Teacher says:

- It's easy to see why most people changed from bartering to money as a means of exchange. However, before paper and coins were used as money, people in different parts of the world used different kinds of things to purchase goods and services they wanted.

Teacher distributes Handout #1 and asks:

- What problems would purchasers and businesses face if items like cattle, shells, or fish were used as money today?
- What advantages are there in using paper and coin money instead of cattle, shells, or fish?

Class break

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2. Foreign Currency

Teacher asks students to take out the \$1 bill they brought with them to class and divides them into groups of five. Teacher distributes one of the four foreign currency samples from Handout #2 and one copy of Handout #3 to each group.

Teacher says:

- Now we're going to look at some currency from other countries and compare.

Teacher selects one person in each group to act as a recorder, who will list the group's responses on Handout #3.

Teacher says:

- I'm giving each group one example of a different foreign currency that I brought to class today. After each group member has a chance to look at it, the group should put together a list of as many differences as you can between the foreign currency sample and the one dollar bill you brought with you. One example is that the colors are different.

After the groups make their list, teacher asks:

- What are some of the major differences between U.S. currency and the foreign currencies you looked at?
- Tell us some of the things you learned about each country from studying its currency.
- If you were redesigning U.S. currency, in what ways would you make it look like the foreign currencies you examined?

3. Counterfeit Money

Teacher says:

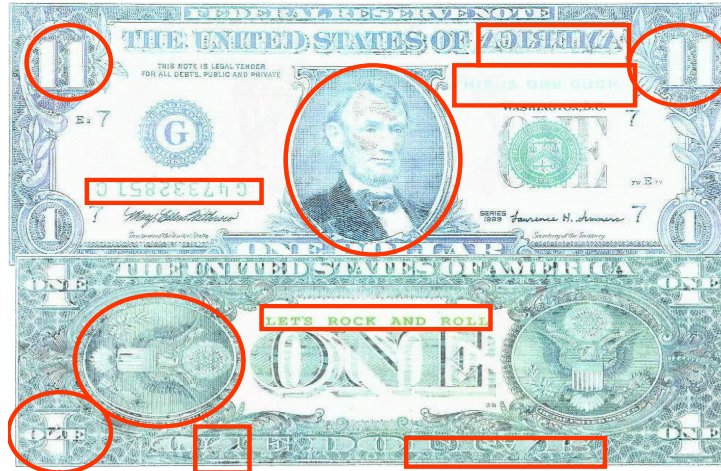
- In order to protect the value of our money why is it necessary that we stop counterfeiters from making and using fake money?
- Study both sides of the \$1 bills you brought with you and then put them away.
- Let's see what kind of counterfeit detective you would make. Good detectives are very observant and are able to see things that others don't.
-

Teacher distributes Handout #4 and says:

- Look at Handout #4 and see if you can find the four mistakes that appear on the front and four mistakes that appear on the back of this counterfeit one dollar bill. (The mistakes on this counterfeit bill appear in red below).

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Teacher calls on students to identify the mistakes they found and asks:

- Why does the government think it is so important to stop counterfeiters from making and using fake money?

Class break

4. Budgeting

Teacher distributes Handouts #5 and #6, and says:

- We've learned a lot about money today. Perhaps the most important thing we'll learn is how to make a budget, a plan for spending and saving money. In this activity let's make believe that you earn or receive an allowance of \$50 a month. Let's now go over the directions for this activity on Handout #6.

Teacher explains the directions on Handout #6 referring to the exercise on Handout #7.

After the group completes the activity on Handout #7, the teacher asks:

- Where did you decide to spend the most money? Why?
- Where did you decide to spend the next highest amount of money? Why?
- How much did you decide to save? Why?
- How important is it to put some money aside for savings?
- What is one important idea you learned about budgeting from this activity?
- How would you complete this sentence: "It's a good idea for everyone to make a budget because _____."

Conclusion

Teacher asks students to respond to the following:

- Tell us something important you learned about money today
- **THE END**

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III. Student Play: *The World of Barter*

CHARACTER SPEAKING PARTS AND DIRECTIONS FOR CHARACTERS

Narrator #1

Before people used money, they traded with others to get the things that they needed to live. This was called the barter system. An example of how the barter system worked appears in the play you are about to see.

Narrator #2

One day, eight people went sailing. They thought this would be a great way to spend a sunny afternoon. Unfortunately, their ship sank. However, the group found its way safely on a small island. As they could find no other people on the island, the group decided that each person would have to perform a special job to meet everybody's needs and wants.

Narrator #3

(As Narrator #3 reads each character's name, the character bows to the audience.)
Justine was elected queen. As queen, it would be her job to make all important decisions. Ann volunteered to be the farmer; Fred, the flower grower; Pedro, the fisherman; Willy, the weapons maker; Paul, the painter; Dorothy, the doctor; and Karen, the carpenter.

Narrator #4

The first morning Queen Justine called everyone together.

Justine

(Justine seated, rises from her throne)
Starting today we will use a barter system to get the things we need or want!

Audience

(in a very loud voice) All hail Queen Justine.

Ann

(Ann raking her crops)
A barter system? What does that mean?

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- Justine** That means that if there is something that you need or want, you'll have to trade something that you have to get it.
- Fred** (Fred planting some flowers.)
Do you mean that if I want fish for dinner I must go to Pedro to trade my flowers?
- Pedro** (Pedro fishing with a rod.)
For my fish?
- Audience** *(in a very loud voice)* Exactly.
- Narrator #4** Everything was going well until the day that Pedro and Dorothy decided to get married.
- Dorothy** (Dorothy holds her hands over her heart.)
At our wedding, I would like lots of flowers.
- Pedro** In order to get any flowers, we'll have to trade with Fred.
- Fred** (Fred sneezes two or three times.)
Achoo! Achoo! Achoo! These allergies are driving me crazy. Hello Dorothy and Pedro. How can I help you?
- Dorothy** We're getting married soon and would like some beautiful flowers at the wedding. We'll trade you three allergy shots, to stop your sneezing. Or, if you'd like, Pedro will give you three fish in return for the flowers.
- Fred** No way. I've already had allergy shots and ate a fish dinner last night. Now, if you could get me some vegetables from Ann you've got a deal.
- Pedro** Quick let's go find Ann.

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Ann I would like to help you. Except, I don't have allergies and can't stand fish. However, I could really use a bow and arrow for hunting. Why don't you go to Willy, he makes great weapons.

Dorothy I guess we'll have to look for Willy.

Narrator #4 Getting Willy to agree on a trade wasn't easy.

Willy (Willy working on a weapon he is making.)
I don't need any allergy shots, nor do I want any fish. I would like to get my house painted. Paul does great work. Perhaps you can get him to paint my house.

Paul (Paul painting a wall)
Sorry, I am not looking for a fish dinner or allergy shots. However, I could use some shelves, like the kind Karen the carpenter builds.

Karen (Karen hammering a nail.)
If you want those shelves built, you'll have to get me . . .

Audience (*in a very loud voice*) Enough! This is impossible.

Dorothy Let's see if I understand this. If Karen trades us some shelves for Juan's fish or my allergy shots, we can trade the shelves for a house painting, then the house painting for a bow and arrow, the bow and arrow for some vegetables, and then the vegetables for the flowers for the wedding.

All (*in a very loud voice*) There must be a better way. What can we do?

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Handout #1: Money in History

Some people used cattle as money



Other peoples used cowrie shells as money



Still others used fish for money

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Handout #2: Money Around the World

The currency of other nations is different from ours.



Angola

4



Saudi Arabia

5

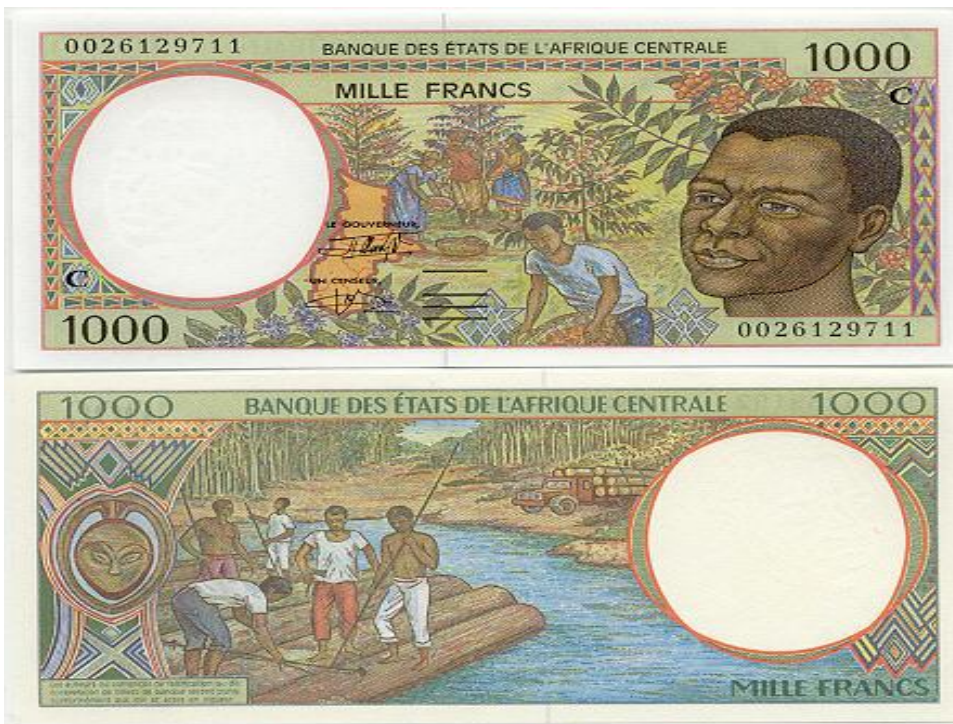
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New Zealand

6



Central African Republic

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Handout #3: Foreign Currency



Foreign Currency Detectives

Directions

In the spaces below, your group should list as many differences as you can between the foreign currency you looked at and the one dollar bill you brought to class. For example, one difference is that U.S. currency is mostly green and other currencies are different colors.

Differences between foreign currency and U.S. one dollar bill

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____
- 8) _____
- 9) _____
- 10) _____

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Handout #4: Counterfeit Detection

How many mistakes can you find on the front of this counterfeit one-dollar bill?



8

How many mistakes can you find on the back of this counterfeit one-dollar bill?



9

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Handout #5: Price Comparison

Directions

- 1) Look at the price list below. Decide which items you want to buy, activities you want to do, and how much you want to save and give to charity, over the next month. Check the price of the item or activity and write the amount that you wish to spend, save, or give to charity in the correct box on Handout #6.
- 2) If you choose to budget for lunches you must spend \$30 (no more and no less).
- 3) If you choose to save or give to charity, you may budget any amount between \$1 and \$50.
- 4) Check to make sure that the total amount that you decided to spend, save, or give to charity is not more than \$50.

Price List for Activities and Items

<i>Activities and Items</i>	<i>Prices</i>
FOOD	
Lunches for one month	\$30
Snacks for one week	\$5
TOYS	
Big toy	\$25
Little toy	\$10
ELECTRONICS	
CD	\$15
Movie rental	\$5
Video game	\$15
GOING TO THE MOVIES	
One movie at the theater	\$5
SPORTING GOODS	
Baseball glove	\$25
Basketball	\$25
Football	\$25
CLOTHES	
Blouse or shirt	\$25
Cap	\$25
Pants or jeans	\$25
SAVINGS	\$1-\$50
GIVING TO CHARITY	\$1-\$50

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Handout #6: Budget Planner

FOOD	TOYS	ELECTRONICS	GOING TO THE MOVIES
SPORTING GOODS	CLOTHES	SAVINGS	GIVING TO CHARITY