



## Characteristics of Money

**Standards and Benchmarks** (see page 18)

### Lesson Description

In this lesson students learn strategies that they can employ now to start preparing for their future dream job or career. Students conduct an interview to collect anecdotal information about a real-life career progression experience. They will explore their current and potential human capital. Additionally, they learn about hard and soft skills important to job success and identify ways their current talents, interests, and extracurricular activities can form the foundational building blocks of their future careers.

**Accommodation** (see page 17)

### Concepts

Characteristics of money

Money

Scarce

### Objectives

Students will be able to

- define money, scarce, durable, and uniform;
- describe each of the six characteristics of money; and
- explain why some types of money are more useful than other types of money.

### Compelling Question

What makes something useful as money?

### Time Required

45-60 minutes

### Materials

- The Characteristics of Money *PowerPoint Slide deck; Slides 1-26*
- *Handouts 1, 5, and 7, one copy per student*
- *Handout 2, cut apart, one card per group to accompany the money samples*
- *Handout 3, one copy for the group assigned cattle in The Money Lab activity*
- *Handout 4, one copy for the group assigned rai stones in The Money Lab activity*
- *Handout 6, cut apart, four copies of each characteristic for a class of 24*
- *Handout 7 Answer Key, one copy for the teacher*
- *Poster: Characteristics of Money (provided by the Federal Reserve)*
- *Video: "What Makes Something Useful as Money?" Federal Reserve Bank of St. Louis. (NOTE: The video link is included on Slide 4 and can also be accessed here: <https://youtu.be/9fyJ2BhUAPM>.)*



- Money samples (nails, paper/coins, cowrie shells, cocoa beans), one type per group (NOTE: Two additional money samples are provided as handouts: Handout 3: Cattle, and Handout 4: Rai Stones)
- Four small containers for the gathered money samples
- Salt lick
- Water
- Bowl
- Table salt
- Blank sheets of paper for each pair of students
- A marker for each pair of students

### **Procedure**

1. Display Slide 2. Ask students: What is this a picture of? (*Salt: a brick of compressed salt wrapped in reeds to prevent it from breaking*)
2. Tell students that a long time ago people used salt as money, but today most people don't use salt as money.
3. Ask students why they think most people stopped using salt as money. (*Answers will vary. If students think of reasons like the characteristics of money—scarce, durable, portable, accepted, uniform, divisible—emphasize/reinforce these answers by using the appropriate term.*)
4. Show students the salt lick to help them generate ideas about why salt may not be used as money. Let them feel how heavy it is, see how big it is, etc.
5. Have students turn-and-talk to a partner. Have partners imagine they are going to use some salt to buy a chocolate bar. Tell them that it is raining when they walk outside. Ask students what will happen to the salt as they walk to the store to buy the chocolate bar. When partners have finished discussing with each other, have partners share out their predictions.
6. Demonstrate how salt dissolves in water by putting a little table salt in the palm of your hand and pouring water over your hand into the bowl. Make sure students see that the salt was in your hand before it got wet, but now the salt has dissolved. Ask students: if salt is useful as money if it can dissolve?
7. Display Slide 3. Have students turn-and-talk to their partners about the prompt: What Is Money? Refer to Slide 3 as you explain that money is anything that is widely accepted by most people in exchange for goods and services.

### **Discovering the Characteristics of Money**

8. Display Slide 4. Tell students that they are now going to watch a video about what makes something useful as money. Watching the video will help them understand why most people don't use salt as money anymore.
9. Play the video "What Makes Something Useful as Money?" from the Federal Reserve Bank of St. Louis. (NOTE: The video link is included on Slide 4 and can also be accessed here: <https://youtu.be/9fyJ2BhUAPM>.)
10. After playing the video, review the vocabulary terms "scarce," "durable," and "uniform" from the video using Slides 5-7. (NOTE: These slides were added because in the field test, students needed additional work with these terms. If this is not the case for your students, these slides can be skipped.)



11. Tell students they will work with a partner to complete a graphic organizer. Distribute a copy of *Handout 1: Graphic Organizer: What Makes Something Useful as Money?* to each set of partners. Display Slide 8. Tell students they are going to watch the video a second time and, working with their partner they should use the graphic organizer to take notes about each of the characteristics of money. You will stop the video after each characteristic of money so that partners have time to discuss and write their responses.
12. Play the video (link included on Slide 9 or access it here: <https://youtu.be/9fyJ2BhUAPM>) and stop after the definition of scarce. Ask partners to discuss the question and to write down their answers to “Why aren’t leaves scarce?” Have one or two sets of partners share their responses. Give a moment (if needed) for partners to change or add to their responses. Then repeat with each of the remaining five characteristics.
13. Display the Poster: Characteristics of Money and review the characteristics of money using the poster. Then give each set of partners a sheet of blank paper and markers. Ask partners to define each of the characteristics in their own words. (Students can also draw pictures as part of their definitions.) Encourage partners to use their graphic organizers to help them. When everyone is finished, call on different sets of partners to share their definitions. Then have partners post their definitions in the classroom.

### ***Applying the Characteristics of Money***

14. Display Slide 10. Tell students an island has been discovered near the East Coast of the United States. A group of people have decided to start a new country on the island and call it “Newland.” Since they are close to the United States, they will trade with the United States for goods and services they want. The people of Newland know that using money can make it easier to trade. They have heard that people use lots of different types of money, like cattle, cocoa beans, cowrie shells, nails, paper money and coins, and even stones, but they don’t know which type of money to choose.
15. Divide the class into six mixed-ability groups and give each group a money card (from *Handout 2: Money Cards*) and a sample of the corresponding money in a container. Give the group assigned cattle a copy of *Handout 3: Cattle* and the group assigned rai stones a copy of *Handout 4: Rai Stones*. Give each student a copy of *Handout 5: The Money Lab: Investigating Different Types of Money*. Review the second paragraph on Handout 5 (below) with the students.

***You are an investigator from The Money Lab. Your job is to help the people of Newland choose which type of money they will use in their new country. Working in groups, you will investigate one type of money and determine which of the characteristics of money your type of money has. The characteristics of money are scarce, durable, easily divided, portable, accepted as payment, and uniform. Remember, for something to be useful as money, it should have all six of the characteristics of money. Each group of investigators will report its results. We will then use all our results to make a recommendation to Newland about which type of money they should use.***
16. Display Slide 11. Tell students they should read their money card, examine their sample of money, and complete their investigation sheet. Tell students that once all groups have completed their investigation, they will share their findings with the whole class.
17. Create a chart like the one on next page on chart paper or on the board. (Sample Answers can be found in the handout and assessment answer key for this lesson.)



	Scarce	Durable	Easily Divided	Portable	Accepted as Payment	Uniform
Salt						
Rai stones						
Coca beans						
Cowrie shells						
Cattle						
Nails						
Paper/Coins						

18. Model for students how to complete the chart using the example of salt.
19. Display Slide 12 and ask the group that has rai stones to share its findings. Ask students:
  - What type of money do you have?
  - Who used the type of money you have?
  - When was this type of money used?
20. Next, ask students to tell you whether their type of money has each of the six characteristics of money. Place an X or check mark in the box on the chart for each of the characteristics the money has. (NOTE: Not all students will agree on some of the characteristics. For example, some students will think cattle are portable because they can walk around, but others will disagree. Some will think shells are durable and others will not.)
21. Repeat with each of the remaining types of money using Slides 13-17.
22. Once all groups have reported their findings, tell students that now they are going to decide which type of money Newland should choose.
23. Display Slide 18. Ask students to look at the chart the class completed. Remind them that in order to be useful as money, something needs to have all six characteristics. Ask students which type of money they think Newland should use. (*Students should see that only paper money and coins have all of the characteristics that make something useful as money.*)

### Closure

24. Give each student one card from *Handout 6: Characteristics of Money Cards*. Tell students that you are going to read a clue about one of the characteristics of money. If the word on their card matches the clue, they should stand/hold their card up. Display Slides 19-24 as you read the following clues:
  - a. I can last a long time and stay in good condition. (*Durable*)
  - b. I am easy to carry around—not too heavy, not too big. (*Portable*)
  - c. There is a limited amount of me available. (*Scarce*)
  - d. I am the same size and shape. (*Uniform*)



- e. I can be easily separated to make change. (*Divisible*)
- f. You can use me to pay for things. (*Accepted*)

25. Display Slide 25. Ask students the following questions:

- What is money? (*Money is anything widely accepted in exchange for goods and services.*)
- What are the characteristics of money? (*Scarce, durable, easily divided, portable, accepted, and uniform*)
- What makes something useful as money? (*Something is useful as money if it has all six characteristics of money.*)

### **Assessment**

26. Give each student a copy of *Handout 7: Assessment: Are Bottle Caps Useful as Money?* Display Slide 26. Read the short article aloud (below) and ask students to follow along.

**In Cameroon, a country in Africa, some people are using bottle caps as money. For example, one bottle cap can pay for a taxi ride. People started using the bottle caps as money because some businesses are giving prizes for bottle caps. People buy a drink in a bottle, and when they look under the cap, they can see which prize they have won.**

27. Tell students to complete the chart to show which of the characteristics of money bottle caps have for the people of Cameroon.
28. Once they have completed the chart, tell students to answer the question “Are bottle caps useful as money in Cameroon?” and explain their answer. Use the *Handout 7: Assessment: Are Bottle Caps Useful as Money?—Answer Key* to discuss students’ answers.



## Handout 1: Graphic Organizer: What Makes Something Useful as Money?



Why aren't leaves scarce? Leaves are not scarce, because

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Why isn't grain durable? Grain isn't durable, because

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Why aren't cows easily divided? Cows aren't easily divided, because

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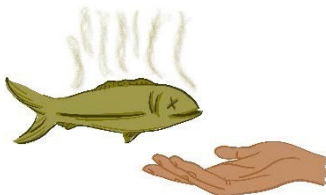
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Why aren't cows portable? Cows aren't portable, because

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Why aren't dried fish acceptable? Dried fish aren't acceptable, because

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Why isn't salt uniform? Salt isn't uniform, because

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Handout 2: Money Cards (page 1 of 3)

# Cattle



Cattle are the first and oldest kind of money. Cattle include cows, sheep, camels, goats, and other farm animals. People used cattle as money thousands of years ago. Some people still use cattle as money today. People all over the world have used cattle as money.

# Cowrie Shells



People in China were the first to use cowrie shells as money thousands of years ago. Cowrie shells were easy to find. Many people around the world have used these shells as money. These shells have been used longer than any other kind of money.



Handout 2: Money Cards (page 2 of 3)

## Cocoa Beans



People in Mexico used cocoa beans as money thousands of years ago. Cocoa beans were important to the people of Mexico. They used cocoa beans to make chocolate. Kings and queens drank chocolate. The people used chocolate as part of their religion.

## Paper and Coins



People in China were the first to use paper money thousands of years ago. Paper money became common about 300 years ago. Paper money and coins last a long time. If they are damaged, they can be replaced with new paper or coins. Today people all over the world use paper money and coins.



Handout 2: Money Cards (page 3 of 3)

## Nails



People in America used iron nails as money hundreds of years ago. There was not very much iron. It was hard to find nails. People really wanted iron nails. Sometimes people would burn down houses where no one lived. Then they would collect the nails from the burned down house.

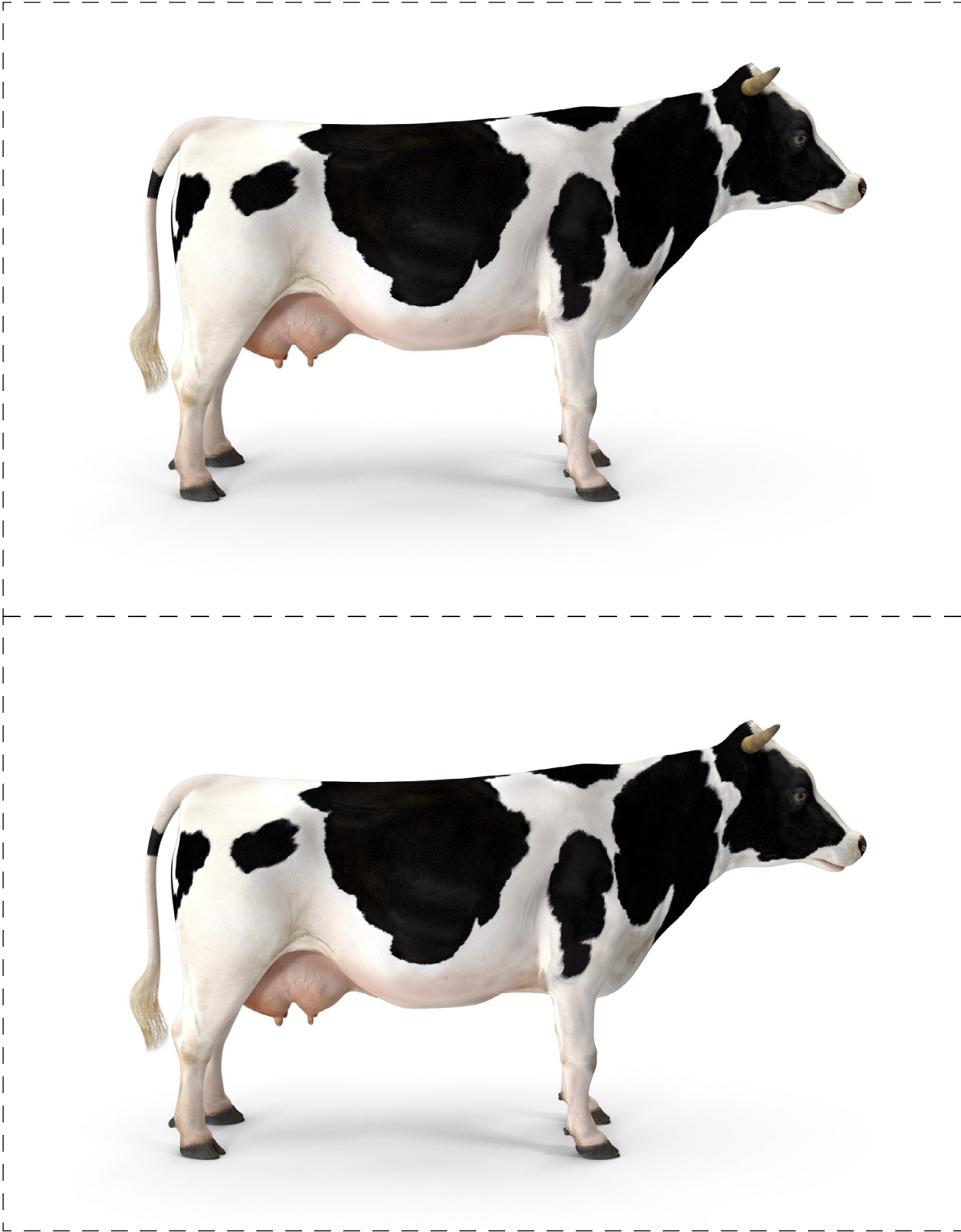
## Rai Stones



The Island of Yap is in the Pacific Ocean. The people on the island have been using stone wheels as money for thousands of years. The stone wheels are called rai. The stones are made of limestone. The limestone comes from other islands that are very far away. The stones are large and very heavy. It takes many people to move one stone. People on Yap still use rai stones as money today.



### Handout 3: Cattle





## Handout 4: Rai Stones





## Handout 5: The Money Lab: Investigating Different Types of Money

An island has been discovered near the East Coast of the United States. A group of people have decided to start a new country on the island and call it “Newland.” Since they are close to the United States, they will definitely trade with the United States for goods and services they want. The people of Newland know that using money can make it easier to trade. They have heard that people use lots of different types of money, like cattle, cocoa beans, cowrie shells, nails, paper money and coins, and even stones, but they don’t know which type of money to choose.

You are an investigator from The Money Lab. Your job is to help the people of Newland choose which type of money they will use in their new country. Working in groups, you will investigate one type of money and determine which of the characteristics of money your type of money has. The characteristics of money are scarce, durable, easily divided, portable, accepted as payment, and uniform. Remember, in order for something to be useful as money, it should have all six of the characteristics of money.

Each group of investigators will report its results. We will then use all of our results to make a recommendation to Newland about which type of money they should use.

What type of money do you have? \_\_\_\_\_

Who used the type of money you have? \_\_\_\_\_

When was this type of money used? \_\_\_\_\_

What characteristics of money does this type of money have? \_\_\_\_\_

Complete the chart below. Write “Yes” or “No” for each characteristic. Then, write why you think your type of money does or does not have each characteristic.

	Yes or No	What is your evidence?
Scarce		
Durable		
Easily divided		
Portable		
Accepted as payment (today)		
Uniform		



**Handout 6: Characteristics of Money Cards (page 1 of 3)**

**Scarce**

**Durable**



**Handout 6: Characteristics of Money Cards (page 2 of 3)**

**Divisible**

**Portable**



**Handout 6: Characteristics of Money Cards (page 3 of 3)**

**Accepted**

**Uniform**



### Handout 7: Assessment: Are Bottle Caps Useful as Money?

In Cameroon, a country in Africa, some people are using bottle caps as money. For example, one bottle cap can pay for a taxi ride. People started using the bottle caps as money because some businesses are giving prizes for bottle caps. People buy a drink in a bottle, and when they look under the cap, they can see which prize they have won.

Do you think bottle caps are useful as money in Cameroon? Use the six characteristics of money to help you decide if bottle caps are useful as money for the people in Cameroon.

Complete the chart below. Write “Yes” or “No” for each characteristic. Then, write why you think bottle caps do or do not have each characteristic.

	Yes or No	What is your evidence?
Scarce		
Durable		
Easily divided		
Portable		
Accepted as payment (today)		
Uniform		

Are bottle caps useful as money in Cameroon? Yes or No (circle one). Explain your answer.

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## Accommodation

### Materials

The following additional materials are needed with this modification of the lesson:

- Vocabulary chart (see Preparation section)
- Blank paper
- Markers

### *Applying the Characteristics of Money*

10. Same as main lesson
11. Follow this step as instructed in the main lesson, but be sure to divide the class into six heterogeneous (mixed ability) groups.
- 12.– 23. *Same as main lesson*

### Closure

24. Follow this step as instructed in the main lesson, but tell students that they can refer to the vocabulary chart, the graphic organizer, or the posted definitions to help them decide if their word matches the clue.
25. *Same as main lesson*

### Assessment

- 26.– 28. *Same as main lesson*



## Standards and Benchmarks

### Voluntary National Content Standards in Economics

#### Standard 11: Money and Inflation

Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

- **Benchmarks: Grade 4**

1. Money is anything widely accepted as final payment for goods and services.



