

MY MONEY

A four-Part Educational Package
for Students in Elementary School

by

James F. Tucker and Barbara W. Garber
FEDERAL RESERVE BANK OF RICHMOND

My Money is an educational package on money in the United States that teaches students at four levels (generally intended for elementary school grades with the possible exception of Part IV, which may be appropriate for middle school). Each part consists of lessons on money and exercises for evaluating the student's understanding of this information and other classroom discussions about money. *My Money* is designed to supplement the teacher's regularly assigned materials in economics education and to augment specifically other classroom information on U.S. coins and currency.

No single part or combination of parts of this series is designated for a specific grade level. Teachers should review the description of each part and decide whether it is suitable for a particular class or grade level. Each successive part presumes some incremental educational experience by the students.

TEACHER'S GUIDES

PART I

Description and Objectives

Part I contains two lessons on the recognition of small-denomination coins, as well as on the relationships among these coins. Exercises are provided to test the students' understanding of the information.

Part I has three objectives. The main objective is to teach students how to recognize the penny, nickel, dime, and quarter. The second objective is to teach students the relationships between these coins. A third objective is to provide students with an opportunity to apply their training in arithmetic.

Classroom Procedure and Materials

The suggested classroom procedure is to discuss the recognition of coins and relationship in the lesson and then administer the accompanying exercises. Crayons or colored pencils are needed to complete the exercises on pages 2 and 4. To assist in the recognition of coins, the teacher might want to display real coins and invite the students to identify each one.

PART II

Description and Objectives

Part II provides two lessons that review the identification of coins and their relationships to one another and gives lessons in making change. The exercises provide the students with opportunities to use addition and subtraction, and give the teacher ways to evaluate students' understanding of the values of coins.

Part II has two objectives. As with Part I, one objective is to teach students how to recognize money and to help them understand the numerical relationships between various components of money. The other objective teaches students how to make change with money by providing various arithmetic exercises.

Classroom Procedure

The teacher may wish to collect the leaflet after the students complete the exercises and grade them, or he or she may wish to call on students individually to answer the questions orally in class. To assist in the recognition of coins, the teacher might want to display real coins and invite the students to identify them.

PART III

Description and Objectives

Part III reviews relationships between various components of currency, discusses the uses of money, and provides advanced lessons on making change. This part assumes that the students are at a certain reading level and are familiar with places where money is spent.

The main objective of Part III is to ensure that elementary school students are acquainted with all of the basic components of money used in the United States. A secondary objective is to drill students in the recognition of money, while offering practice in arithmetic.

PART IV

Description and Objectives

Part IV reviews some aspects of U.S. money and discusses money's place in our economic system. Topics include the functions of money, the demand for and supply of currency, and the value of money. This part also discusses the control of money as one of the functions of the Federal Reserve System.

Classroom Procedure

Part IV includes a four-page leaflet with a discussion of the information outlined above and a separate page of tests on this information. Teachers may want to distribute the information leaflets to students for review at home and discuss the information in class on the following day. The tests (to be removed from this leaflet by cutting on the perforated line) may be given on the day of the classroom discussion or on the following day. The key to the tests is provided below.

KEY TO TESTS

Matching Test

- | | |
|------|-------|
| 1. H | 6. B |
| 2. G | 7. D |
| 3. F | 8. A |
| 4. J | 9. I |
| 5. C | 10. E |

True or False Test

1. False
2. True
3. False
4. False
5. True

These materials are produced by the Federal Reserve Bank of Richmond and may be obtained free of charge by contacting:

Public Services Department
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, Virginia 23261
Phone: (804) 697-8109

TESTS

MY MONEY —Part IV

Instructions: Place the letter of the WORD/PHRASE in the right column on the line next to the matching TERM in the left column.

TERM	WORD/PHRASE
1. _____ added to their accounts	A. U.S. government securities
2. _____ money's real value	B. produces all coins
3. _____ determines the need for money in the United States	C. legal tender
4. _____ Bureau of Engraving and Printing	D. increased need for money in the economy
5. _____ all currency	E. charged to their accounts
6. _____ the Mint	F. Federal Reserve System
7. _____ Christmas shopping period	G. amount of goods and services that it will buy
8. _____ legally authorized collateral	H. credited to their accounts
9. _____ serves as medium of exchange	I. money
10. _____ deducted from their accounts	J. prints Federal Reserve notes

Instructions: Check TRUE or FALSE.

- Travelers checks are legal tender.
_____ True _____ False
- Money in itself is useless.
_____ True _____ False
- If the volume of money grows more rapidly than the rate at which goods and services are produced, prices will fall.
_____ True _____ False
- When the prices of goods and services fall, money has less value.
_____ True _____ False
- In the United States, currency is the only legal tender provided by the government under its sovereign power.
_____ True _____ False



Virtual Economics Resource Library

Chapter Title: PART I

Keywords: Characteristics of Money; Functions of Money

General Topics: Mathematics

Grade Levels: 4,5,6

Document Type: Instructional Unit

Title: My Money

Author: James F. Tucker and Barbara W. Garber

Publisher Information: Federal Reserve Bank of Richmond

Public Services Department

P.O. Box 27622

Richmond, VA 23261

User privileges: Text and graphics may be selected. This document may be printed.

[Ordering Information](#)

[Table of Contents](#)

[Next Page](#)

①

Penny



= 1 Cent

Nickel



= 5 Cents

Dime



= 10 Cents

②

5 Pennies



1 Nickel



(5 Cents)

③

10 Pennies



1 Dime



(10 Cents)

④

2 Nickels



1 Dime



(10 Cents)

⑤

5 Pennies



1 Nickel



1 Dime



(10 Cents)

6

EXERCISE 1



Penny



Nickel



Dime

7

Color 3 pennies brown



8

Color 5 pennies brown



9

Color 8 nickels red



10

Color 4 dimes blue

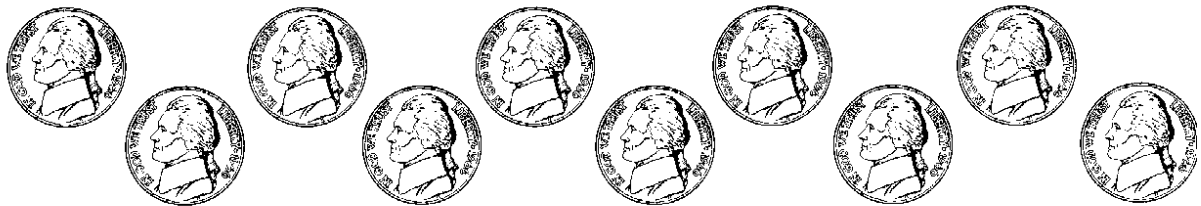


11

Color 2 nickels brown

Color 3 nickels blue

Color 5 nickels red



12

Color 3 dimes red

Color 7 dimes blue



LESSON 2



Quarter
or
25 cents

14

5 Nickels

1 Quarter



15

2 Dimes

5 Pennies

1 Quarter



16

1 Dime

3 Nickels

1 Quarter



17

2 Dimes

1 Nickel

1 Quarter



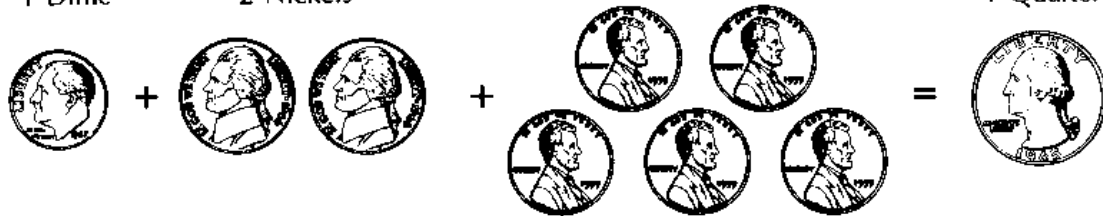
18

1 Dime

2 Nickels

5 Pennies

1 Quarter



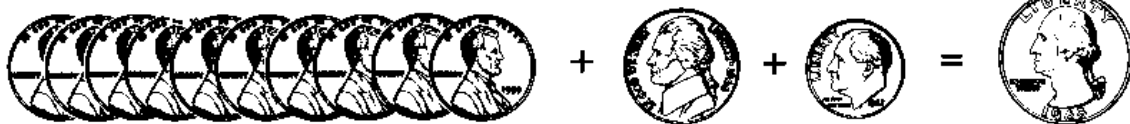
19

10 Pennies

1 Nickel

1 Dime

1 Quarter



20

EXERCISE 2

Color 15 cents



21

Color 20 cents



22

Color 25 cents



23

Color 10 cents



24

Color 12 cents



25

Color 17 cents





Virtual Economics Resource Library

Chapter Title: PART II

Keywords: Characteristics of Money; Functions of Money

General Topics: Mathematics

Grade Levels: 4,5,6

Document Type: Instructional Unit

Title: My Money

Author: James F. Tucker and Barbara W. Garber

Publisher Information: Federal Reserve Bank of Richmond

Public Services Department

P.O. Box 27622

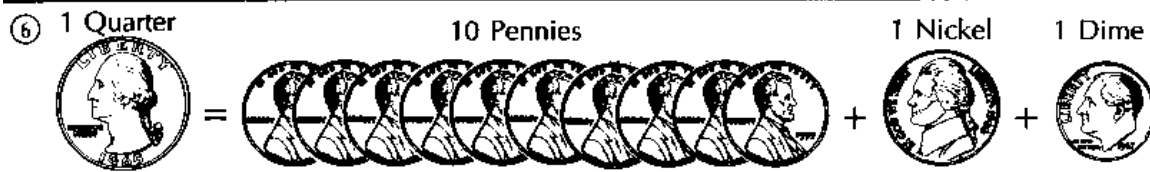
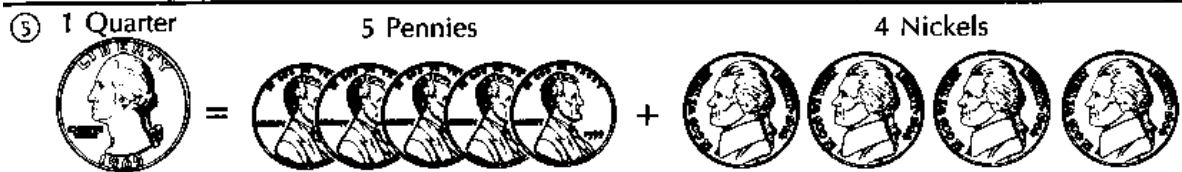
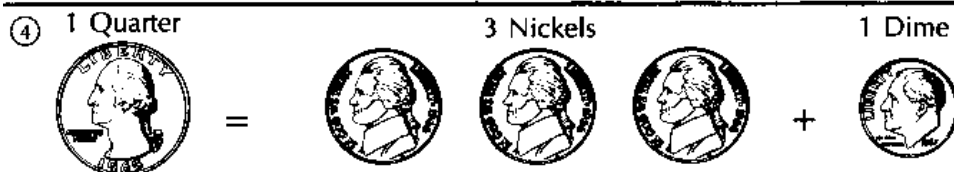
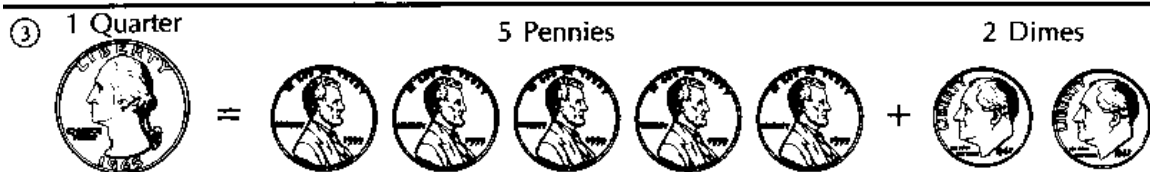
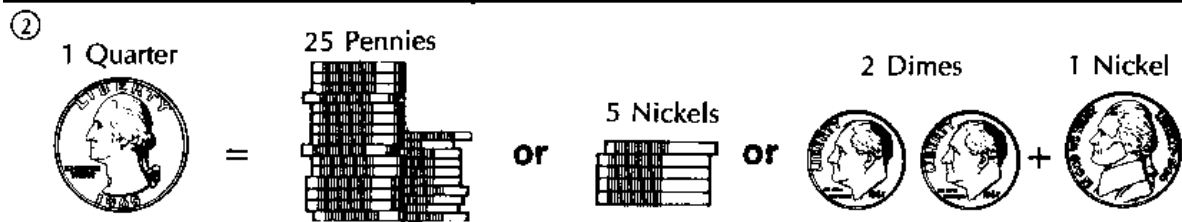
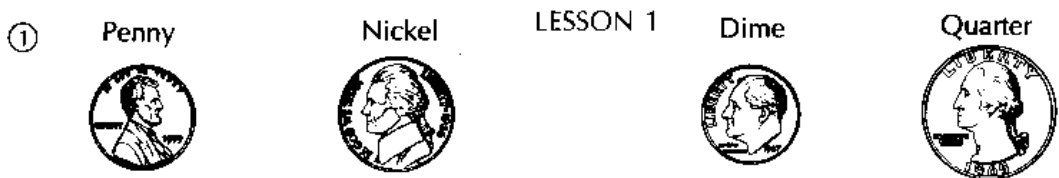
Richmond, VA 23261

User privileges: Text and graphics may be selected. This document may be printed.

[Ordering Information](#)

[Table of Contents](#)

[Next Page](#)



⑧

Color 16 cents

EXERCISE 1



⑨

Color 23 cents



⑩

Color 34 cents



⑪

Color 50 cents



⑫

Color 43 cents



⑬

Color 29 cents



⑭

Color 37 cents



⑮

Color 52 cents



1. You buy a 3-cent piece of bubble gum and give the clerk a dime



2. You buy a 10-cent cookie and give the clerk a quarter



3. You buy a newspaper for 21 cents and give the clerk a quarter



4. You buy a pack of gum for 17 cents and give the clerk a quarter



HOW MANY COINS WOULD YOU GIVE AS CHANGE?

Example:

You sell lemonade for 10 cents to a woman who gives you a quarter

Pennies Nickels Dimes

1. You sell a cookie for 5 cents to a friend who gives you a dime

Pennies Nickels Dimes

2. You sell a ball for 11 cents to a friend who gives you 2 dimes

Pennies Nickels Dimes

3. You sell a newspaper for 13 cents to a man who gives you a quarter

Pennies Nickels Dimes



Virtual Economics Resource Library

Chapter Title: PART III

Keywords: Characteristics of Money; Functions of Money

General Topics: Mathematics

Grade Levels: 4,5,6

Document Type: Instructional Unit

Title: My Money

Author: James F. Tucker and Barbara W. Garber

Publisher Information: Federal Reserve Bank of Richmond

Public Services Department

P.O. Box 27622

Richmond, VA 23261

User privileges: Text and graphics may be selected. This document may be printed.

[Ordering Information](#)

[Table of Contents](#)

[Next Page](#)

LESSON 1

Penny



Nickel



Dime



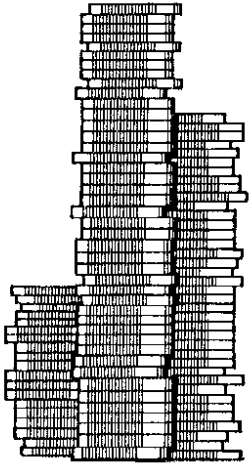
Quarter



Half Dollar



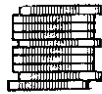
100 Pennies



20 Nickels



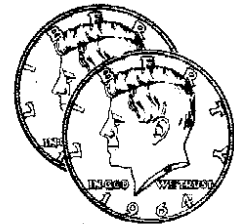
10 Dimes



4 Quarters

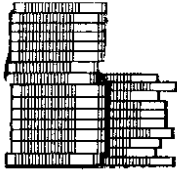


2 Half Dollars



One Dollar \$

25 Pennies



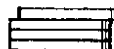
3 Quarters



3 Dimes



4 Nickels



2 Quarters



+

= 1 Dollar

+

+

= 1 Dollar

2 Quarters



1 Half Dollar



1 Quarter



2 Dimes



1 Nickel



1 Half Dollar



=

+

+

=

Example:

John agrees to pay Ken 27 cents for a comic book. He gives Ken two quarters. Ken owes John 23 cents in change. He gives John

Pennies

Nickels

Dimes

Quarters

- A. You are the clerk at a hotel and a customer asks you for change for a dollar because he needs 2 dimes to use the telephone. You give the customer

Pennies

Nickels

Dimes

Quarters

- B. You are the clerk at a store. John buys a 7-cent piece of candy and pays for it with a quarter. You owe John _____ cents. You give him

Pennies

Nickels

Dimes

Quarters

- C. You are the clerk at a drug store. Amy buys a 28-cent newspaper and pays for it with two quarters. You owe Amy _____ cents. You give her

Pennies

Nickels

Dimes

Quarters

- D. Your friend owes you 67 cents and pays you with a dollar. You owe your friend _____ cents. You give her

Pennies

Nickels

Dimes

Quarters

- E. You are the clerk at a store and a customer buys a loaf of bread that costs 33 cents. She pays you with a dollar. You owe the customer _____ cents. You give her

Pennies

Nickels

Dimes

Quarters

- F. You are the clerk at a hotel desk. A customer wants to buy a pack of chewing gum for 22 cents and also wants one quarter and one nickel in his change for use in a pay telephone. He pays you one dollar for the gum. You owe the customer _____ cents. You give him

Pennies

Nickels

Dimes

Quarters

LESSON 2

USES OF MONEY

Money is used to buy groceries. Groceries are bought at stores, and the money is paid to cashiers who work at the stores. Some stores are large. Others are small.

Money is used to buy medicine at drugstores. People need medicine when they are sick. Doctors tell people when they should buy medicine.

Money is used by people who own cars. People use money to buy gasoline for their cars. People buy gasoline at service stations.

Money is saved by people. For safekeeping, some people save money by taking it to a bank.

Money is used to pay taxes. Taxes are paid to the government which uses the money to build roads and schools.

Money is often used to make donations to organizations that help needy people. Some of these organizations are located in our own neighborhoods.

Money is used when people travel. Sometimes, people stay at hotels when they travel. People pay money to the hotels for staying there during the night.

Money is used to pay the fare when we ride on the city bus. In some cities, we must have the exact change for the fare.

Money is used when people have fun. People pay money to go to the movies where they have fun.

Money is given to children to buy things. Some children buy candy. Some children buy cookies.

CHECK THE RIGHT PLACE

1. For safekeeping, money should be taken to a:
 Church Store Bank School
2. Money is paid as taxes to:
 Government Church Store Service Station
3. Money is used to buy gasoline at a:
 Bank Church Service Station School
4. On Sunday, money is usually given to a:
 Service Station Bank Church School
5. On overnight travel, money is often paid to a:
 Bank Hotel School Church
6. Money is used to buy groceries at a:
 Bank Church Store Hotel
7. When people are sick, they may use money to buy medicine at a:
 School Drugstore Church Hotel
8. To keep from losing money, many children carry money in their:
 Hat Pockets Toys Shoes
9. Money is used when people pay to have fun at the:
 Hospital Bank Movies Store
10. Money is given to children to buy such things as:
 Clothes Cookies Gasoline Medicine



Virtual Economics Resource Library

Chapter Title: PART IV

Keywords: Characteristics of Money; Functions of Money; Supply; Demand; Federal Reserve Structure

General Topics: Mathematics

Grade Levels: 4,5,6

Document Type: Instructional Unit

Title: My Money

Author: James F. Tucker and Barbara W. Garber

Publisher Information: Federal Reserve Bank of Richmond

Public Services Department

P.O. Box 27622

Richmond, VA 23261

User privileges: Text and graphics may be selected. This document may be printed.

[Ordering Information](#)

[Table of Contents](#)

[Next Page](#)

MY MONEY — Part IV

by
James F. Tucker and Barbara W. Garber
FEDERAL RESERVE BANK OF RICHMOND

In the United States, the money that we see and often use is known as currency. Currency consists of coins and paper money and constitutes legal tender in the United States. Legal tender must be accepted for the payment of all debts unless the debt instrument itself specifically calls for another form of payment, such as, the delivery of commodities. Personal checks and travelers checks are *not* legal tender.

COINS

Coins are often referred to as "convenience money" because we use them in many of our daily transactions, such as buying lunch at school and buying small items at the store. The most frequently used coins today are the penny, nickel, dime, and quarter. Less commonly used is the half dollar.

All of these coins honor past U.S. Presidents. The one-cent piece honors Abraham Lincoln, the five-cent piece honors Thomas Jefferson, the ten-cent piece honors Franklin D. Roosevelt, the twenty-five-cent piece honors George Washington, and the fifty-cent piece honors John F. Kennedy.

PENNY



NICKEL



DIME



QUARTER

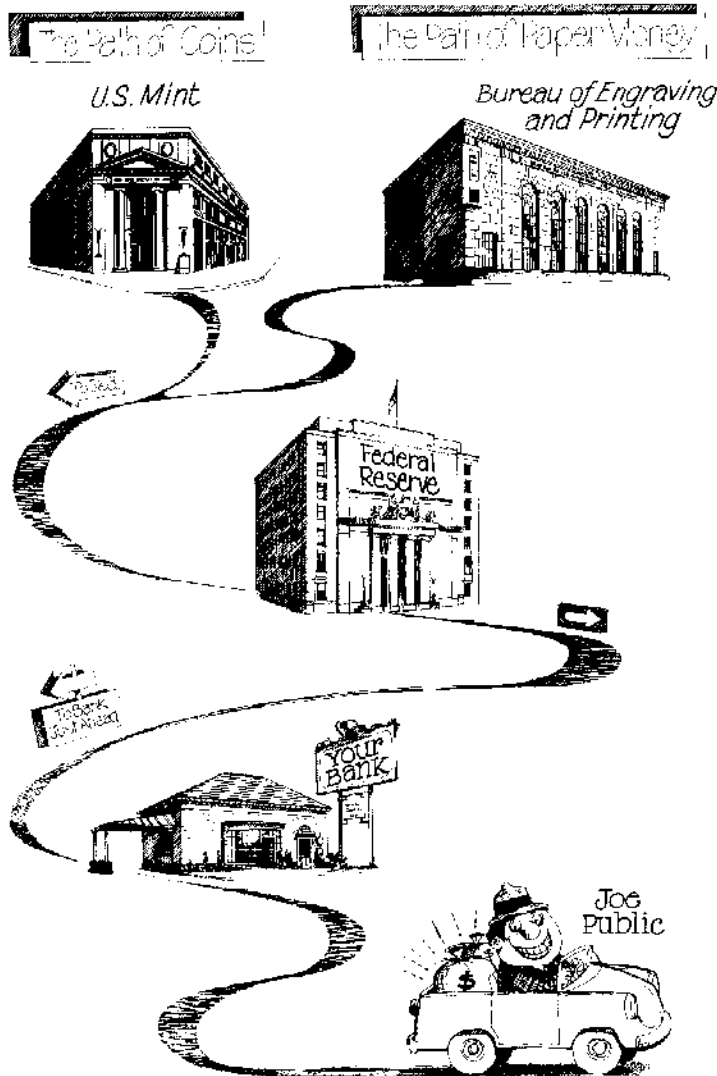


HALF DOLLAR



All U.S. coins are produced by the Bureau of the Mint, also known simply as the Mint. The Mint is a division of the United States Treasury Department, and its operating units are located in Philadelphia, Denver, and San Francisco.

MONEY



Distribution

The Federal Reserve System determines how much money is needed for economic activity and supplies the amount needed. Coins and paper currency are put into or retired from circulation by Federal Reserve Banks. Federal Reserve Banks use commercial banks and other depository institutions as the channel of distribution to the public. When these institutions need to replenish their supplies of currency, they order coins and notes from the Federal Reserve Bank or Branch in their area, and the face value of that currency is charged to their accounts at the Federal Reserve. When the public's need for currency declines, and depository institutions return excess cash to a Federal Reserve Bank, the dollar value of the currency is credited to the account of the depository institution.

Before being issued to the public, Federal Reserve notes, or paper money, must be secured by legally authorized collateral, most of which is in the form of U.S. government and federal agency securities held by Federal Reserve Banks.

Supply and Demand

The public's need for money changes from time to time. The need for money may increase or decrease on different days of the week, on certain days of the month, and during different seasons. In agricultural regions the need for money is heavy during seasons when crops are being harvested. Throughout the country, the need for money increases immediately before holidays such as Easter, Labor Day, and Thanksgiving because these are periods when many people take trips, buy clothing, or for other reasons spend more money than usual. There is an extraordinary increase of currency in circulation in the days immediately before Christmas when money is used for shopping. After these holiday periods, excess money is redeposited in banks by merchants and other owners of businesses with whom the money has been spent. These banks, in turn, send the money to the Federal Reserve Banks.

In addition to daily, monthly, and seasonal changes in the need for money, there are changes in need that reflect changes in economic conditions. When economic activity is increasing, the need for money increases. When economic activity slows down, the need for money declines. From time to time, growth in population and changes in public buying habits contribute to changes in economic activity, which, in turn, contributes to changes in the need for currency.

PAPER CURRENCY

Federal Reserve Notes

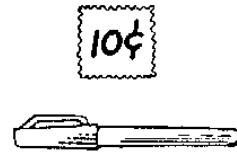
By far the largest portion of currency is paper money and most of our paper money consists of Federal Reserve notes. Federal Reserve notes are issued in denominations of \$1, \$2, \$5, \$10, \$20, \$50, and \$100. These notes are produced or printed by the Bureau of Engraving and Printing, which also designs, engraves, and prints other official items such as postage and tax stamps. After the notes are printed, they are turned over to the 12 Federal Reserve Banks, which distribute them to banks in their district.

You can easily tell which Federal Reserve Bank authorized a particular note by looking at the Bank seal on the note, printed in black at the left of the portrait and showing the name of the Bank in the circle. The letter corresponding to the district number of the Federal Reserve Bank appears in the center of the seal. The district number appears on both ends of the face of the note above and below the center area just inside the engraved border. For example, the Federal Reserve Bank of Richmond is headquarters for the Fifth District. Notes issued by that Bank, therefore, carry the fifth letter of the alphabet "E" in the center of the Bank seal and the number "5" on the left and right, above the center area.



VALUE OF MONEY

Twenty years ago, one dollar was equal to 4 quarters or 10 dimes or 20 nickels or 100 pennies. This one dollar could buy a hamburger, a postage stamp, an ice cream cone, and a pen.



Today, one dollar is still equal to 4 quarters or 10 dimes or 20 nickels or 100 pennies, but this dollar can buy only a postage stamp and a pen.



Money's real value can be measured only in terms of the amount of goods and services that it will buy. This means that when prices of goods and services rise, money has less value. However, when prices fall, money has more value. Put very simply, one can say that the value of money goes in the opposite direction of the general price level.

Money, like anything else, derives its value from its scarcity. Assuming a constant rate of use, if the volume of money grows more rapidly than the rate at which goods and services are produced, prices will rise. This will happen because there will be more money to spend than goods and services to buy at prevailing prices. On the other hand, if the growth in the money supply does not keep pace with the economy's current production of goods and services, prices will fall, and the value of money will increase.

Remember, money in itself is useless. It can serve as a medium of exchange, but it works only when all people in the community are willing to accept it. In a modern economy, this "general acceptability" rests on a nation's ability to keep its money's purchasing power relatively stable. In the United States, the Federal Reserve System is one of the nation's institutions that is primarily concerned with keeping the purchasing power of the nation's money relatively stable. Through its ability to influence the nation's money supply, the Federal Reserve System pursues a monetary policy aimed at avoiding the extremes of inflation and recession, while encouraging economic growth.