

Electronic Money

Years ago, people used things like shells and feathers for money. While we don't use these things today, we do have many different types of money in the United States. You have already learned about coins and bills, but there are even more forms of money today.

People sometimes write checks to pay for goods and services. Checks make it easier for people to pay other people without having to use paper bills and coins. Checks are made of paper and are linked to a person's bank account. A bank account is used by people to keep their money safe. A check gives instructions to your bank to take money from your bank account and give it to another person or company. To pay for something with a check, a person must first have the money in their bank account.

The person giving the money writes the name of the person or company to whom the money is going. For example, if your grandmother gave you a check for your birthday, she would write your name as the person to whom the money should go. Your grandmother would write how much money she wants to give to you and sign it. When you receive the check, you would take it to a bank where you would give them the check and they would give you the money.

Another way people pay for goods and services is by using a plastic card. A debit card is an example of a plastic card that helps people to pay for the things they want. Like checks, a debit card is also linked to your bank account, but instead of using a paper, you swipe your card to tell the bank to pay a company.

Today, many people use their computer or phones to pay for the things they want. A computer and a phone are not money, but you can use them to electronically buy the things you want when you link them to your bank account.

Money has come a long way from feathers and shells!

