



## How do people use money?

People use money in different ways. One common way people use money is by spending it to get the goods and services they want and need. People spend their money on goods and services because they expect to be better off after the exchange.

Money makes exchanges between buyers and sellers simple and easy.

Today, when we want a good or service, we can go to a store and exchange our money for things we want. It hasn't always been that easy. Before money, people used to barter for goods and services. This means they exchanged goods and services for other goods and services. While there are many advantages to bartering, it was not a very efficient way for people to get the things they wanted. Finding two people who each had something the other person wanted and were willing to trade was sometimes difficult or complicated. Nowadays, most sellers are willing to accept money in exchange for the goods or services they sell. They then use the money they receive from a buyer to buy the goods and services they want. Money makes exchange much simpler.

Besides spending, there are other ways that people use money. Some people save part of their money. Saving money means not spending it now so that it is available to use in the future. Saving can be difficult because we all have unlimited wants for goods and services we believe will make life easier or more enjoyable. When we save, we give up the opportunity to get those goods and services we want now so that we have money to get the things we want in the future.

People save their money for different reasons. Some people save their money to buy something in the future that they don't have enough money to buy today. We call this short term saving. Some people save money for many years so that they have money for something big in their future like college, a house or retirement. We call this long term saving. Even though saving can be difficult to do, people are better off when they save some of their money for the future. Setting goals can help people to not spend all of their money now so that they can save for the future.



Think about it...

Think about a time when you spent money to get a good or service you wanted. Why did you make the exchange?

Do you save some of the money you earn or get as a gift? Why or why not?

How could you set a goal to help you to save some money for the future?

## What do we do with Money?

Another way some people use money is by giving to organizations who help others in need. We call these types of organizations charities. Charities raise money to help others in need. There are many different types of charities. Some charities help people who are sick or need special medical treatment. For example, the American Cancer Society and American Heart Association work to promote healthy lifestyles, free from cancer and heart disease. Other charities, like Big Brothers Big Sister of America and Boys & Girls Clubs of America help children be safe, learn and gain confidence and skills. Some charities help animals, people with disabilities, schools, veterans, people who have experienced a natural disaster or people who are hungry. There are many different ways to help people in need. When people put other's needs above their own wants, giving helps to make the world a better place, one dollar at a time.



Think about it...

Have you ever given money to help someone else in need? Why or why not?

If you had \$100 to give, to whom would you give it? Why? How do you think it would be used to help others in need?