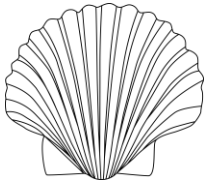
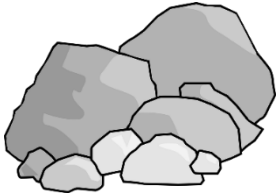


# Characteristics of Money

Money is anything accepted by most people as payment for goods and services. The coins, bills, and electronic money (like debit cards) we use to pay for things today look very different from the money used long ago. Early forms of money included items such as shells, feathers, salt, stones and even cows. These items did not work very well as money for many reasons. This led to the creation of the paper and coin money we use today. Our money system today works well because it has the following six characteristics:



**Portable** – Money must be easy to carry. Stones and large quantities of salt can be very heavy and difficult to transport. Would you like to carry around money that weighed as much as a brick or was as large as a poster? The size and weight of an object were very important in deciding what type of money would work best. Our bills and paper money are small, light and easy to carry around.



**Divisible** – Money must be able to be divided easily into smaller parts so that people can purchase goods and services at any price. Cows did not work well as money because they cannot be divided easily. Coins and bills of different values make it easy for people to get the things they want. When children first learn to add, they practice counting by 1's, 2's, 5's and 10's. These numbers are easy to count. This is why we have one, two, five and ten dollar bills. We don't have a thirteen dollar bill because thirteen is not easy to add or divide into smaller parts.



**Durable** – Money must be able to last through many different people using it. Shells are not long lasting because they can be easily broken. The bills we use in the United States are printed on special paper made from cotton and linen. Did you know that a bill left in your pants pocket could survive your washing machine and dryer? An average one dollar bill lasts almost 6 years and transfers through many hands during that time.

**Rare** – Something is rare when there is not a lot of it around. Often times, the more rare something is, the more valuable it is. Shells and feathers did not work well as money because they are easy to find near the ocean and therefore not very rare. Money is rare because it exists in small amounts compared to how much people want of it. When money is made, it goes through a special printing process so that people cannot easily copy it, which helps to keep it rare.

**Accepted by people everywhere** – Money acts as a go-between, making it easier to buy and sell things. Money gives people freedom to choose when and where to become a buyer. Today, most people would not accept feathers in exchange for goods and services, but people all over the world accept dollars for payment.

Name \_\_\_\_\_

# Characteristics of Money

What are the five characteristics of money?

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Why did shells not work very well as money?

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Why do the bills and coins we use today work better than the early forms of money?

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# Characteristics of Money

## vocabulary

Complete the following sentences with the vocabulary word that makes the most sense.



1. Something is \_\_\_\_\_ when it is easy to carry around with you.
2. \_\_\_\_\_ goods are long lasting because they are not easily broken or damaged.
3. When something is \_\_\_\_\_, there is few of it.

Write a sentence using one of the above vocabulary words.

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