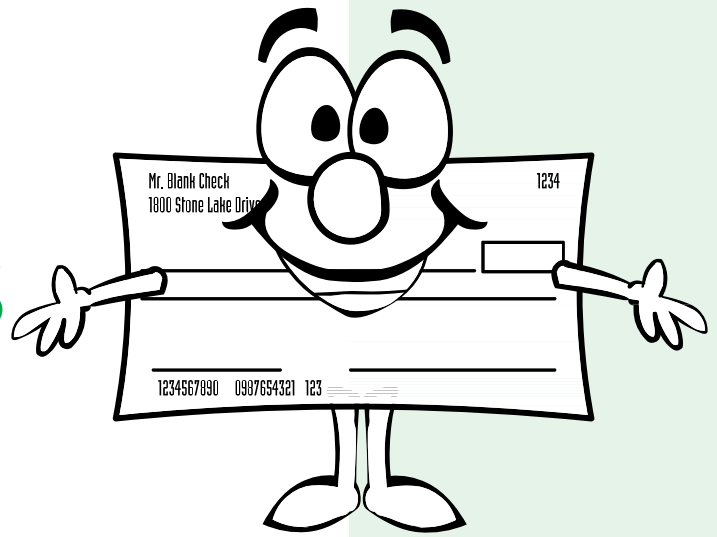


Grade Four

# Characteristics and Functions of Money



## Overview

Students share the book *The Go-Around Dollar*, by Barbara Johnston Adams, to learn about the features of money and how money is used. They complete worksheets on the characteristics and functions of money.

## Lesson Objectives

Students will be able to:

- Discuss the circular flow of money
- Describe the characteristics and functions of money
- Explain that each country has its own currency

## Materials List

1. Book: *The Go-Around Dollar*, by Barbara Johnston Adams (Four Winds Press, 1992)
2. Chart paper or chalkboard
3. Handouts:
  - **Travels of a Dollar** worksheet
  - **The U.S. Dollar** worksheet (two pages)
  - **Forms of Money** worksheet
4. Optional: real one-dollar bill

## Content Standards

The activities in this lesson correlate to national standards in economics and language arts. See the end of this lesson for content standards information.

## Vocabulary

barter  
circulation  
currency  
goods  
money  
services  
trade

## Large-Group Activity

### Materials

- Book: *The Go-Around Dollar*
- Chart paper or chalkboard
- Handout: **Travels of a Dollar** worksheet

1. Gather students to share the book *The Go-Around Dollar*.

○ Say:

**Today we are going to talk about the dollar bill. We all see and use the dollar bill every day of our lives, but have you ever stopped to think about how the dollar bill is used or how many times a one-dollar bill changes hands?**

**I'm going to read a book about the travels of a single dollar bill. It's called *The Go-Around Dollar*, and it was written by Barbara Johnston Adams. It was illustrated by Joyce Audy Zarins.**

**Name some things that are printed on a one-dollar bill.**

Students may say that a dollar bill has a picture of George Washington, a pyramid with an eye, an eagle, the words "The United States of America" and "In God We Trust," or a series of numbers and letters. Write the students' responses on chart paper or a chalkboard. You will refer to this list later.

**As I read the book, pay close attention to the pictures. This book has lots of detailed pictures of the dollar bill. You may see things that you have never noticed on the dollar bill.**

○ Read the book aloud to the class. Be sure to allow the entire class time to see each picture.

2. Discuss the book with the class.

○ **What did Matt do with the dollar bill he found?**

He used it to buy a pair of shoelaces.

○ **Name some ways people use the dollar bill.**

Dollar bills are used to buy things, pay back money that was borrowed, or pay for a service.

○ **What are dollar bills made out of?**

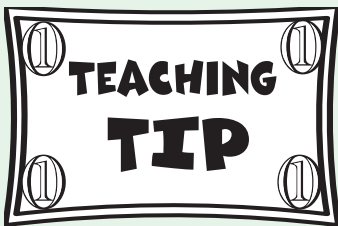
They're made of cotton, linen, and silk.

○ **Why do you think the dollar bill is printed on such strong paper?**

The dollar bill changes hands so often that it needs to be durable. The dollar bill can't be ripped easily because it is printed on strong paper.

○ **How long does it take for a dollar bill to wear out?**

A dollar bill will wear out in about 18 months.



You can either read the story and the dollar facts together, or separate them into two separate readings.

3. Discuss today's economic concepts: functions of money, characteristics of money, currency, and circulation of money.

○ *Functions of Money*

**In this story, the dollar that Matt found was used for many things. Name some ways the dollar was used.**

Write this list on the chalkboard or on chart paper.

The dollar bill was used to buy shoelaces, pay someone to walk a dog, buy a funny hat, and buy ice cream. At the end of the book, the owner of the ice cream shop placed the dollar in a frame because it had special meaning for him.

**Let's look at how this dollar bill was used. When was the dollar bill used to buy goods? When was it used to buy a service?**

The dollar bill was used to buy a service when the boy gave someone money to walk his dog. All the other times it was used to buy a good.

**If you found a one-dollar bill, what would you do with it?**

Allow students to explain what they would do with a one-dollar bill. Students may say that they would buy an item or a service, pay someone back, or save the money.

**A long time ago people used **barter** to get what they wanted. They traded a good or service for another good or service. For example, a baker traded bread for a pair of boots from the shoemaker. That worked, except—what if the shoemaker wanted bread, but the baker didn't need shoes?**

**People eventually started making money. What are the advantages of using money instead of bartering?**

Allow students to respond. Students should understand that money is easy to carry, can be divided into smaller amounts, lasts a long time, and is accepted by people.

○ *Characteristics of Money*

**Now let's talk about the characteristics of money. Before I read the story, you named some things that were printed on the one-dollar bill. Let's look at some of the things you named.** Refer students to the list you created on chart paper or the chalkboard. **Is there anything we can add to this list?**

Allow students to add more items to the list.

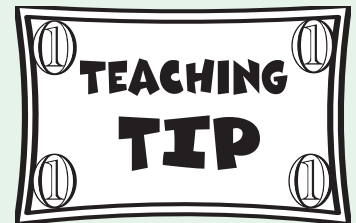
**What color ink is used to print the dollar bill?**

A special formula of black and green ink is used.

**Why do you think a secret formula of ink is used?**

Students may say that it keeps people from making fake or counterfeit bills look like real ones.

**Our government makes our money in a special way so that people cannot easily make it themselves. What would happen if people started making their own money?**



If needed, remind students that goods are items that satisfy wants. Services are activities that satisfy wants.

Money would not be worth as much.

### ○ *Currency and Circulation*

In the United States, all dollar bills are made at the Bureau of Engraving and Printing in Washington, D.C. The Bureau is part of the United States Treasury Department. Once the bills are made, they are sent to one of twelve banks located in different parts of the United States called Federal Reserve Banks. The Federal Reserve Banks send the dollars to smaller banks throughout the country. From there, dollars go into **circulation**, to be used by people all over the United States.

If you were to travel to another country, could you use American dollars to purchase goods and services?

In most countries, you can't use U.S. dollars.

Most countries have their own **currency**. This means that they produce and circulate their own type of money. Have any of you visited a foreign country? If so, what type of money did you use?

Allow students to share their personal experiences.

Hold up a copy of the **Travels of a Dollar** worksheet.

We talked about how money is produced and circulated in the United States, and we read a story about the travels of a dollar bill. Now you're going to get a chance to create a comic book that tells a story about the travels of a dollar bill.

Look at the picture in the first box. It shows a picture of a little girl who receives a dollar bill as a present. Color this picture. In each of the following boxes, draw a picture and write a sentence that explains how the dollar bill was used.

Allow students to work on this worksheet while you work with individual groups in the following small-group activities. After small-group work, you might want to have students share their stories.

## Small-Group Activity One: The U.S. Dollar

### *Concepts Taught*

Characteristics of Money

### *Materials*

- Book: *The Go-Around Dollar*
- **The U.S. Dollar** worksheet (two pages)
- Optional: real one-dollar bill

1. Begin Activity One: The U.S. Dollar.

○ Say:

Most of you have probably seen a dollar bill. But have you ever taken the time to analyze what is on the dollar bill? Let's take a few minutes to closely examine a one-dollar bill.

2. Hand each student a copy of the first page of **The U.S. Dollar** worksheet.

○ Tell students:

**Here are pictures of the front and back of a one-dollar bill. Various parts of the dollar bill are labeled. We are going to find out what each of these parts represents.**

Have individual students describe each labeled part and explain why he or she thinks this is included on the dollar bill. Then reread the *Go-Around Dollar* and explain why the U.S. Government included these features on the dollar bills.

Pass out the second sheet of the worksheet and have students write an explanation of the features next to each label. Point out the bonus question, and explain that something is missing from their drawing of the dollar bill. If possible, show students a real dollar bill to help them discover that the treasury seal is missing.

## Small-Group Activity Two: The Functions of Money

### Concepts Taught

Functions of Money

### Materials

■ **Forms of Money** worksheet

■ Pen or pencil

1. Begin Activity Two: The Functions of Money.

○ Say:

**Throughout the years, many different things have been used for money.**

Give each student a copy of the **Forms of Money** worksheet.

**Look at each picture. Which items do you think have been used as money? Circle each item you think has been used as money.**

Have students share their answers and explain why they think those things would be valuable.

2. Discuss why some things are used effectively for money and some things are not.

○ **Why do you think some things are used effectively for money and some things are not?**

Students should understand that in order to be used effectively for money, an item should have a value that everyone can agree to. The item should be able to break down into smaller pieces, and you should be able to save the item and use it in the future.

3. Discuss why money makes trading easier.

○ **Name two goods or services you want.** Make sure each student has a turn to name two goods or services.

**How you can get these goods and services without money.** Have students role-play how they would barter and get these goods and services without money.

**Would it be easier to get these goods or services if you had money? Why?**

When two people barter, they may disagree about the value of the items being traded. Money has a set value that people accept. Money can be broken down in smaller pieces so people can give change if needed. Have students role-play trading money for goods and services.

## Assessment

Check students' understanding by listening carefully to the responses they give during group discussion. Read through the comic book the students created in the large-group activity to determine if students understand how money is transferred from person to person. Look at the students **U.S. Dollar** worksheet and make sure they recognize the different features of a dollar bill.

## Suggested Online Activity

**NOTE:** Teachers should preview all sites to ensure they are age-appropriate for their students. At the time of publication, all URLs listed here were valid. In addition, some Web sites provide lessons via pop-up screens, so you may have to disable your computer's pop-up blocker software to access them.

### *Interactive Bills*

Visit The Bureau of Engraving and Printing Web site at [www.moneyfactory.com/newmoney/main.cfm/learning/interactivebill](http://www.moneyfactory.com/newmoney/main.cfm/learning/interactivebill) for a close-up look at new 50- and 20-dollar bills. Students can click on buttons to learn about the new enhanced security features of the bills.

## National Standards Correlations

### *Economics*

The activities in this lesson correlate to the following Voluntary National Content Standards in Economics, as determined by the National Council on Economics Education, found at: [www.ncee.net/ea/standards](http://www.ncee.net/ea/standards).

#### **Standard 11: The Role of Money**

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

K–4 Grade Benchmarks:

- Money is anything widely accepted as final payment for goods and services.
- Money makes trading easier by replacing barter with transactions involving currency, coins, or checks.
- Most countries create their own currency for use as money.

## Standard 18: Macroeconomy-Income/Employment, Prices

A nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.

5–8 Grade Benchmarks:

- When consumers make purchases, goods and services are transferred from businesses to households in exchange for money payments. That money is used in turn by businesses to pay for productive resources (natural, human, and capital) and to pay taxes.

### Language Arts

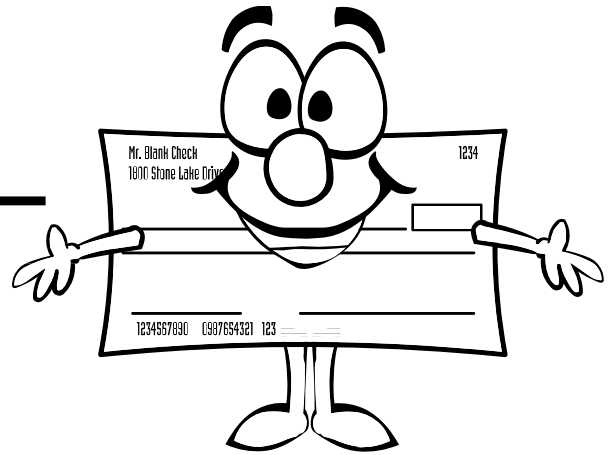
This lesson, based on the children's book *The Go-Around Dollar* by Barbara Johnston Adams, also correlates to the following *Standards for the English Language Arts*, from the National Council of Teachers of English, found at:

[www.ncte.org/print.asp?id=110846&node=204](http://www.ncte.org/print.asp?id=110846&node=204).

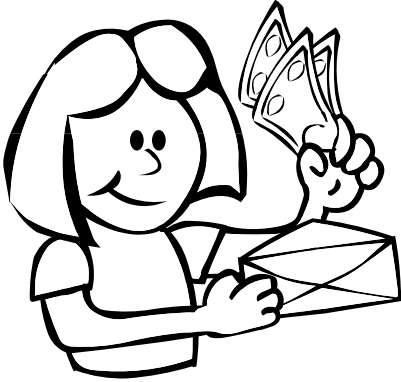
1. Students read a wide range of print and non-print texts to build an understanding of texts, of themselves, and of the cultures of the United States and the world; to acquire new information; to respond to the needs and demands of society and the workplace; and for personal fulfillment. Among these texts are fiction and nonfiction, classic and contemporary works.
3. Students apply a wide range of strategies to comprehend, interpret, evaluate, and appreciate texts. They draw on their prior experience, their interactions with other readers and writers, their knowledge of word meaning and of other texts, their word identification strategies, and their understanding of textual features (e.g., sound-letter correspondence, sentence structure, context, graphics).

# Travels of a Dollar

Name \_\_\_\_\_



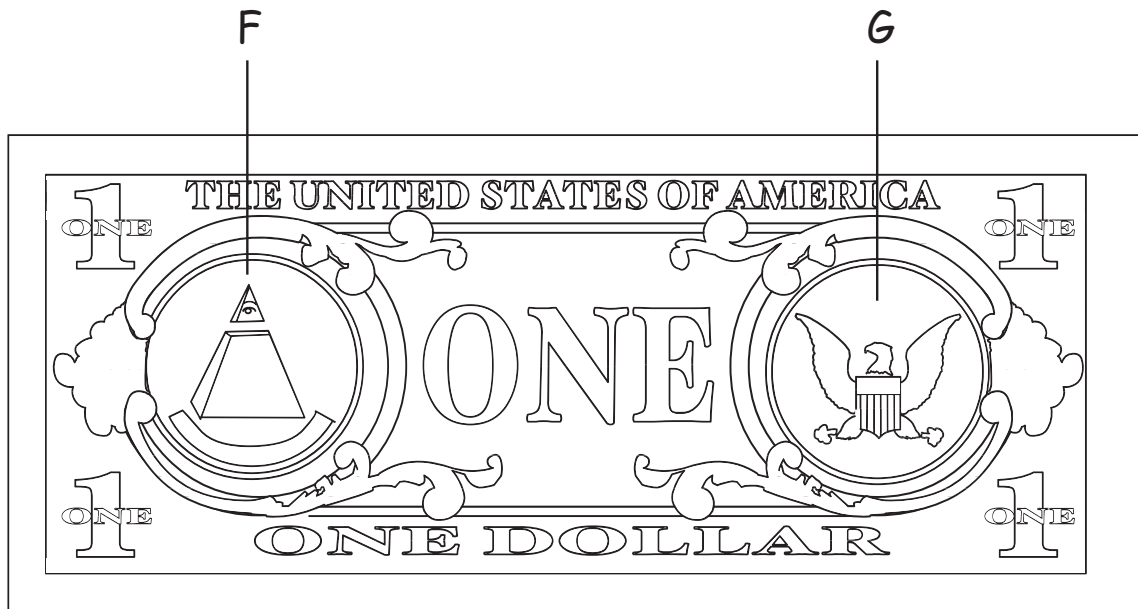
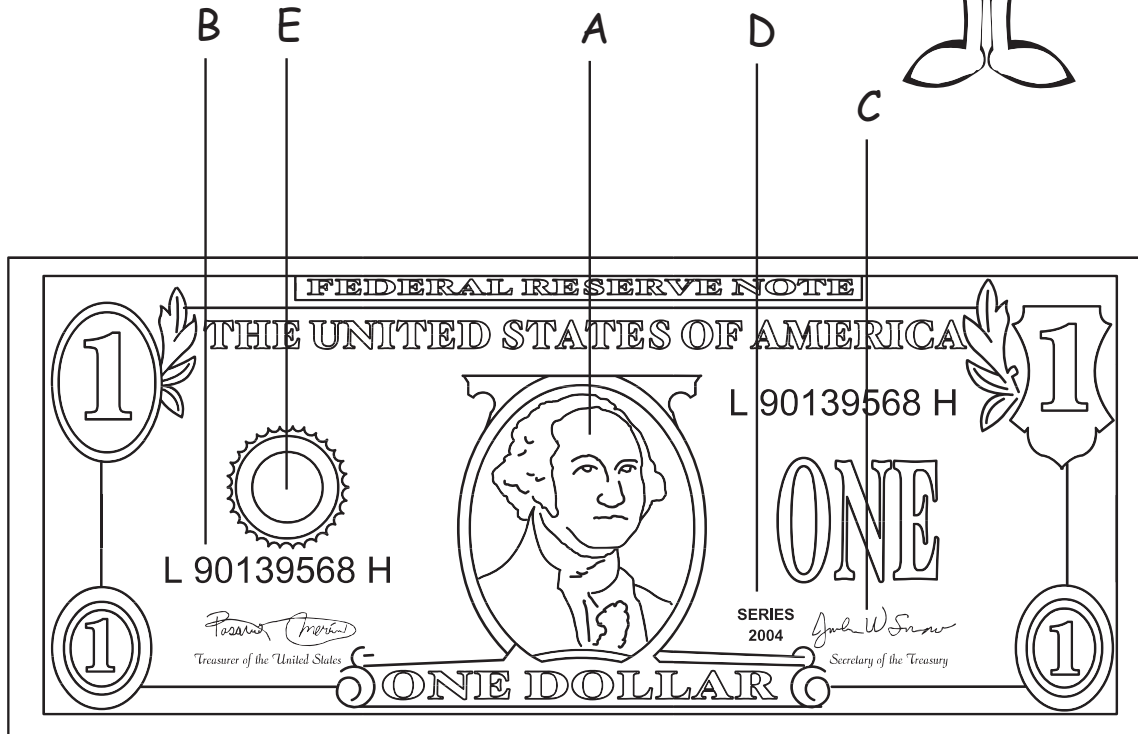
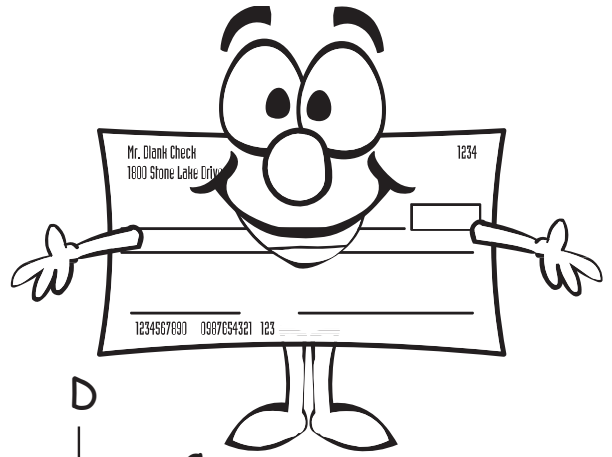
Directions: Color the picture in the first box. In each of the following boxes, draw a picture and write a sentence that explains how the dollar bill was used.



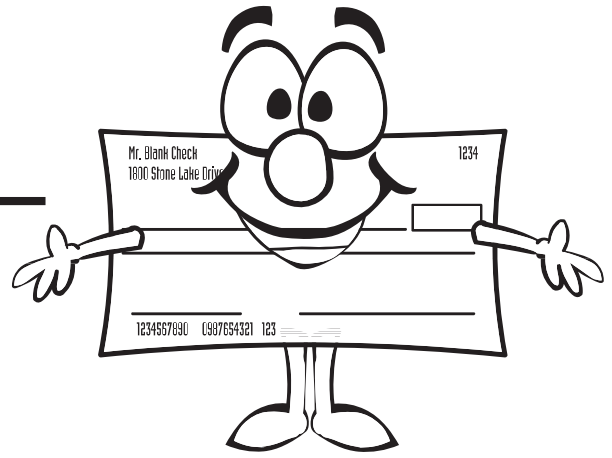
# The U.S. Dollar

Use the letter labels on the dollar bill to complete page 10.



# The U.S. Dollar

Name \_\_\_\_\_



Write an explanation for each lettered label from page 9 on the lines below. Look at a real dollar bill to answer the bonus question.

A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

D. \_\_\_\_\_

E. \_\_\_\_\_

F. \_\_\_\_\_

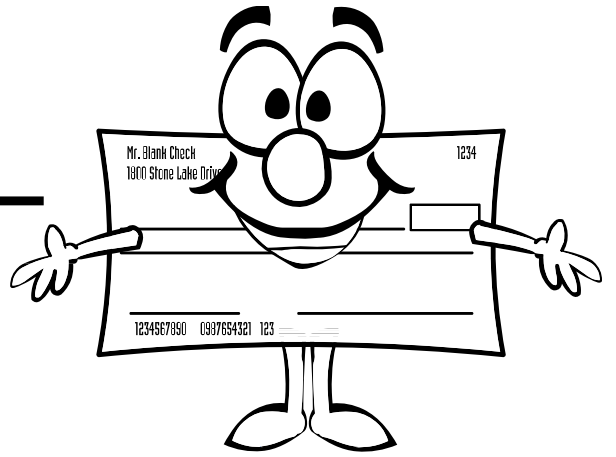
G. \_\_\_\_\_

**BONUS:** What is missing from the front of the dollar bill?  
(Hint: It overlaps the word "ONE.")

\_\_\_\_\_

# Forms of Money

Name \_\_\_\_\_



Directions: Circle each item you think has been used as money.

