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PM

Money is something that people use to buy the goods and services they want and need. Long ago, people bartered with each other, meaning they traded things they had or could do for other things they needed. Over time, people started trading with tokens, such as shells, feathers and beads. Today, there are many different forms of money, from coins and notes to digital money.

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PM Money: Then and Now Diana Noonan

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Money

What Is Money?

When most people think of money, they think of notes and coins. But money can be anything that people are happy to **exchange** for something else. This makes money **valuable** and useful. Money is so valuable and useful that it would be almost impossible to live without it.

Different notes and coins are used in different countries around the world.

When people do work that other people think is valuable, they earn money. A hospital values a nurse's work, so the nurse is paid money for caring for patients. Pet owners value the work of a vet, so they pay the vet money for looking after the health of their pets.

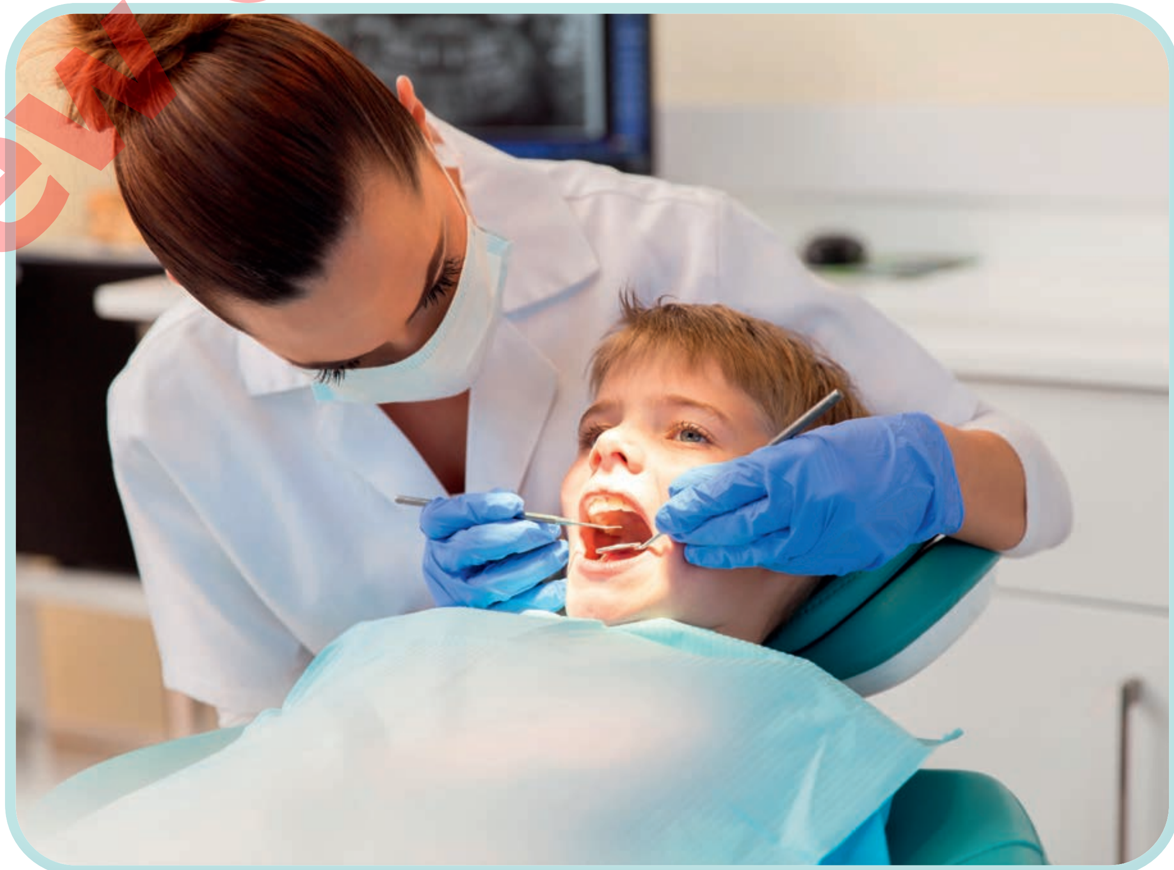
Vets are paid to care for animals that are sick or injured.

Money can also be given as a gift to a friend or family member. For example, in some cultures, gifts of money are thrown towards the bride and groom as they perform a special dance at their wedding.

Money is useful because it can be exchanged for **goods** that people *need*. These goods include food, clothes, shelter and medicine. Money can also be exchanged for goods that people *want*. These include toys, electronic devices and jewellery.

People can choose to spend money on things that make their lives enjoyable, such as video games.

Money is also useful because it can be exchanged for **services**. These include the services people need in order to take care of themselves and the things they own, such as visits to the doctor and dentist, or repairs to people's homes. Money can also be exchanged for services that people want so they can enjoy life more. These can include a tour of a wildlife park, dinner at a restaurant or a flight to visit friends or family.



Dentists provide a service people need to have good dental health.

The History of Money

Before coins and notes were invented, people had to have something valuable to exchange for the goods and services they wanted. Throughout history, different kinds of valuable things have been exchanged.

Bartering

Examples of bartering included a farmer exchanging milk from their cow for bread from a baker, or a gardener exchanging vegetables from their garden for work from a builder.

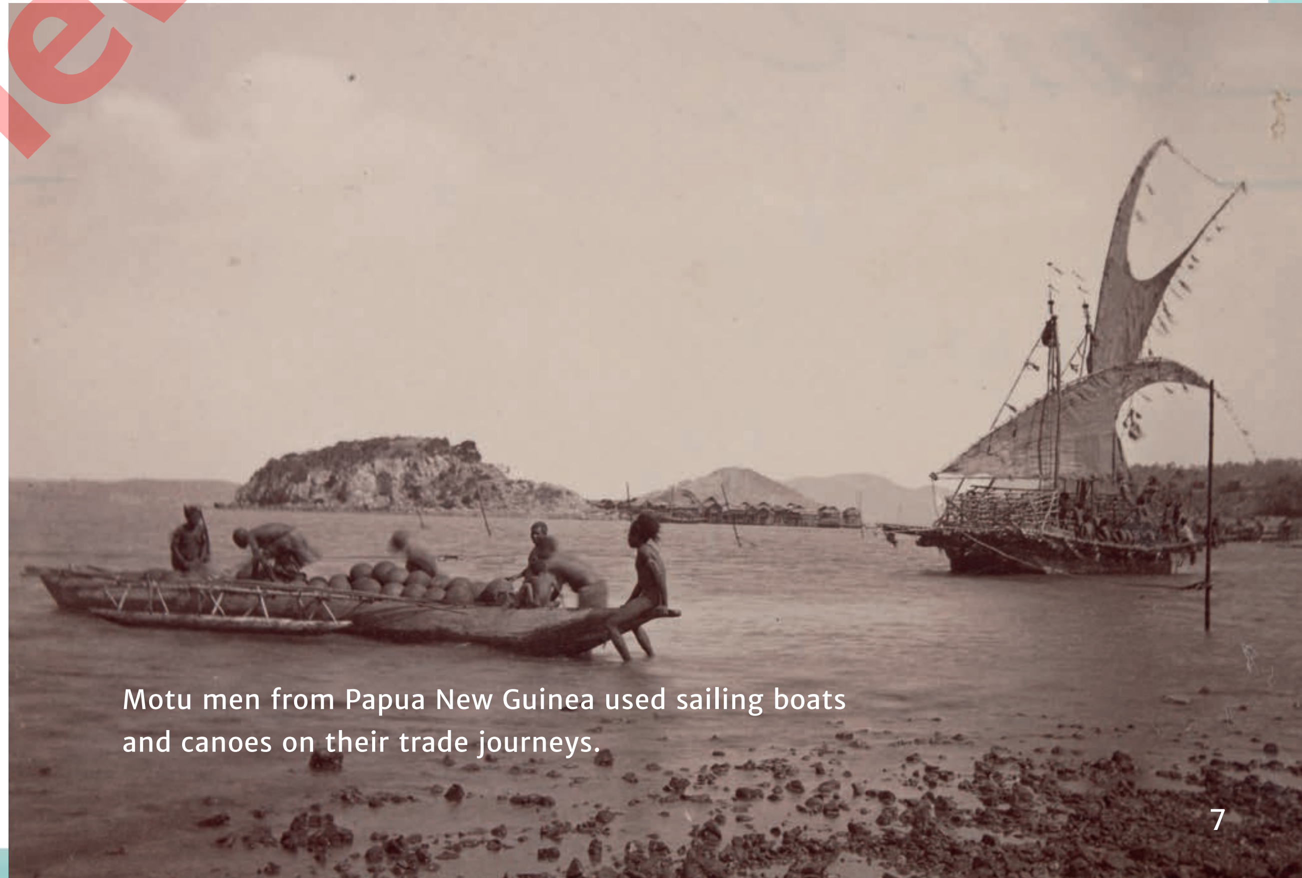
Bartering is the simplest and oldest form of exchange.

When people bartered, they exchanged their own goods or services for someone else's goods or services. The goods or services that were bartered were thought to be of similar value. This meant the barter felt like a fair deal to everyone involved.

This historical drawing shows European traders bartering.

In Papua New Guinea, the Motu people live in an area that is too dry to grow a crop they need called **sago**. However, their land has clay that is good for making cooking pots. For hundreds of years, the Motu people bartered some of their clay pots for sago grown by farmers in another part of Papua New Guinea.

The Motu men travelled long distances by sailing boat to exchange their clay pots. The journey home was slow and dangerous because the sago was so heavy. The Motu sailors' families were relieved when they finally arrived home with their valuable goods.



Motu men from Papua New Guinea used sailing boats and canoes on their trade journeys.