TALK ABOUT TEXTS

What is Money?



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macmillan education

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Money

People can earn, save and spend money. Money is paid to people for doing a job. It can also be given as a gift. It can be saved until it is needed.

For many years, we have used metal coins and paper notes as money. This kind of money can be carried around. It can be spent in shops. It can be kept in a bank and taken out when needed.

Now, there are new ways to use money. Many people use plastic cards and even smartphones to pay for things.



People use money to buy food at a supermarket.

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Exchanging Goods

Before money was invented, people exchanged **goods** for other goods. For example, a chicken farmer would exchange some of his birds for some sacks of grain from a wheat farmer.



These people are exchanging red chilies for dried fish.

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This illustration shows people exchanging goods at market stalls in Italy in the 1400s.

Exchanging goods was not always simple. People needed to agree on a price. It was often difficult to decide how much of one thing could buy how much of another. The goods to be exchanged were not always easy to carry around. It was also difficult to save for the future. A chicken farmer would have to get more chickens to be wealthy!

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Precious Items

Another way of paying for goods was with precious items. Precious items were used like money. They were things that everyone wanted. They were swapped for other goods.



Long ago, rice, arrowheads and gold powder were precious items in Japan.

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This illustration shows Native Americans taking beaver skins to exchange for goods from Europe.

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An example of a precious item from the past is a shekel. A shekel was an amount of barley that people used as money. Beaver furs were also precious. Early European settlers in North America traded beaver furs from Native Americans. One fur was worth about 2 kilograms of sugar or one pair of shoes.

Gold

One item that has always been valuable is gold. The Romans used gold coins nearly 2000 years ago. Each coin was stamped with a picture of a Roman ruler.



This coin is stamped with the head of a Roman emperor.



This carving shows two Romans exchanging gold coins and goods.

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