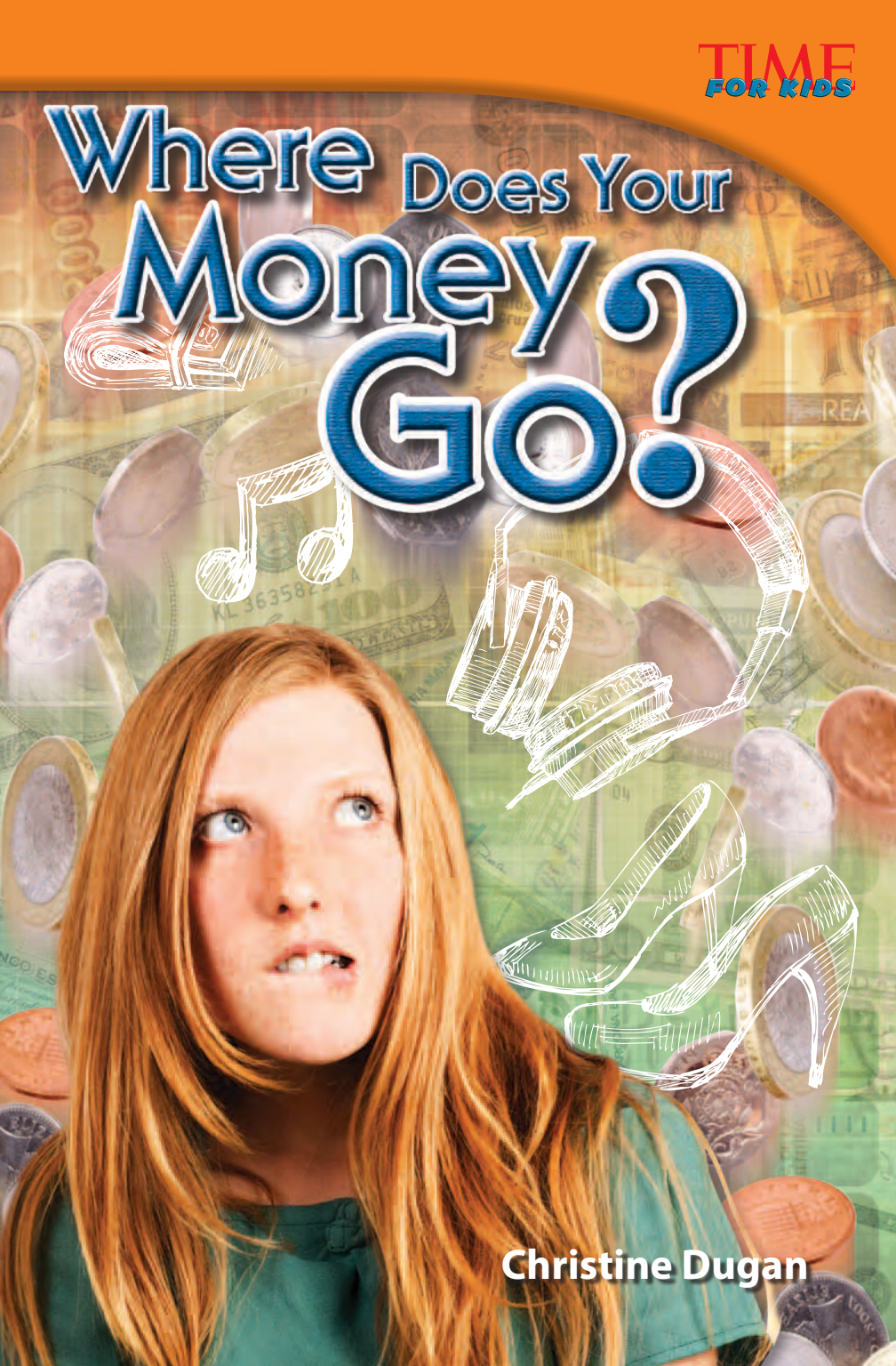

TIME FOR KIDS
Where Does Your Money Go?
Christine Dugan

For teachers' inspection ONLY

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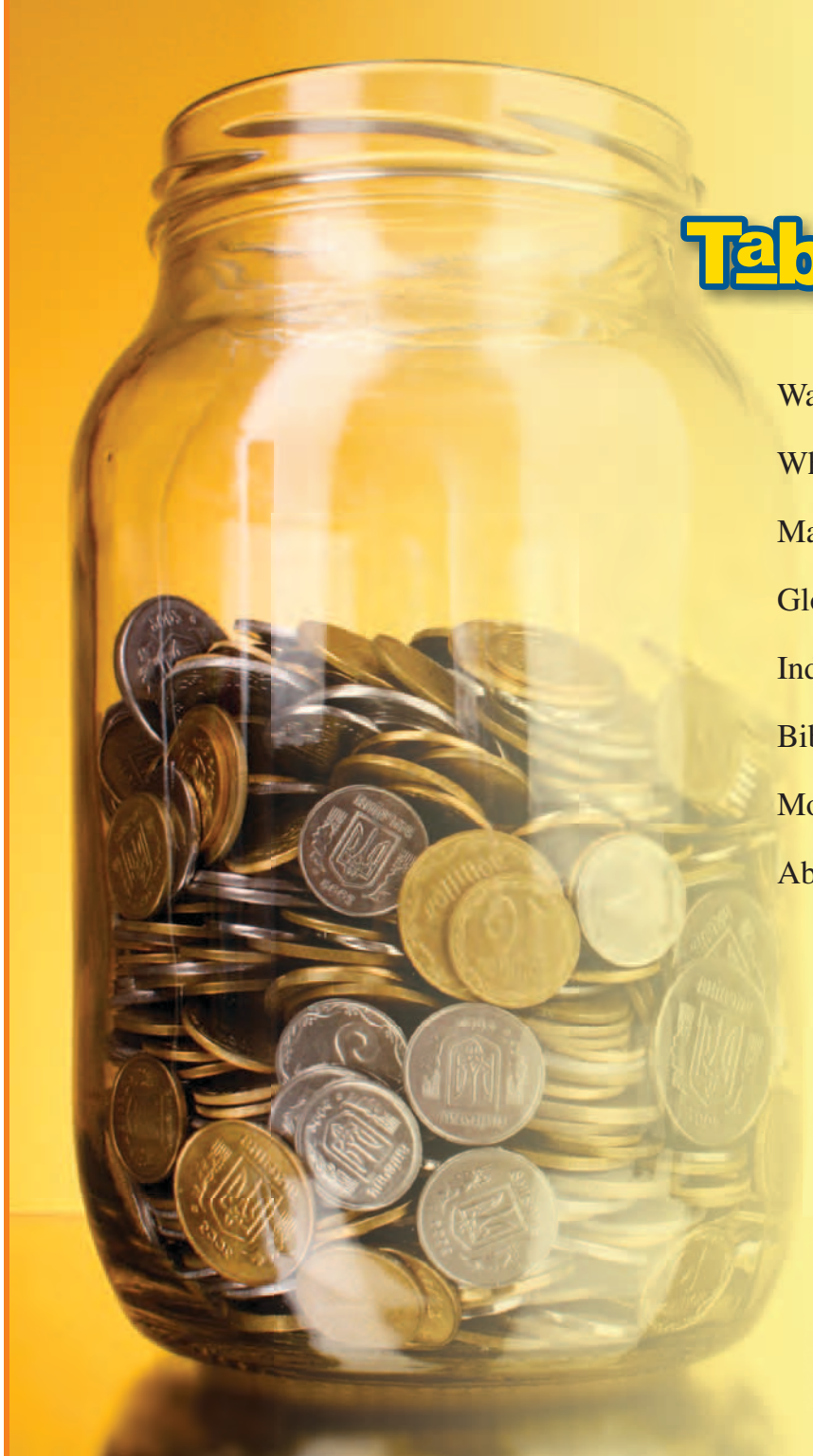


Table of Contents

Ways We Spend 4
What We Buy 24
Making Money Matter 44
Glossary 58
Index 60
Bibliography 62
More to Explore 63
About the Author 64

Ways We Spend

People spend money on everything from silly socks to important medicines. Adults spend money on basic needs such as housing, food, and transportation. They also spend money on extras such as entertainment and vacations. Kids buy treats to eat, games to play, and things to wear. Kids also use money for mini-golf, amusement parks, seeing movies, and other fun activities. How do you spend your money? Where does your money go?

Sources of Income

People are able to shop for things because they have earned money. Most adults earn money from a job. The **income** they earn is paid to them in exchange for their hard work.

Young spenders may not be old enough to work full-time, but that doesn't mean that kids can't have their own money. Kids can earn money from a part-time job, such as babysitting or mowing lawns. Some get an **allowance** by doing chores around the house.



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Purchasing Power

People use different items when they spend money. Some spenders use cash, which includes bills and coins. Others use **checks** or **debit cards**. These take money directly out of a person's bank account. **Credit cards** let people spend money they may not yet have. All these items represent money, even though they don't look like bills. Sometimes, spending money without using cash makes it more difficult to keep track of how much has been spent.

Forms of Cash

Besides bills and coins, many different kinds of objects have been used for money. Some of these examples date back thousands of years. Cultures around the world have used beads, shells, or even cattle as a form of money. Around 500 BC, small pieces of silver were the first coins used.



Cowrie shells were once used for money in Africa.

Modern Minting

Early coins came in many different shapes. Ancient cultures used bars, rings, or lumps of metal. Today, coins are made at government **mints**. Machines cut coins out of strips of metal. An engraver makes a mold for each type of coin so that they are all identical in size and shape and have the correct images on them.



packaging pennies at the United States Mint

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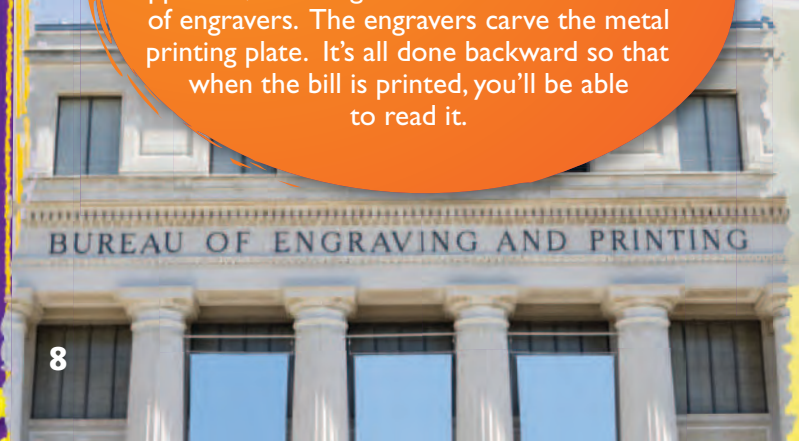
Life Cycle of a Dollar Bill

The **United States Bureau of Engraving and Printing** prints approximately 16,650,000 dollar bills each day! The typical life cycle of a $1 bill is a little less than five years. Once the money is printed, it is shipped to the **Federal Reserve Bank**. The Federal Reserve Bank then sends these new bills to different banks. Banks distribute the money to people. Over a short period of time, the bill becomes worn and is returned to the Federal Reserve Bank.

Can you guess why a $50 or a $100 bill has a longer life cycle than a $1 bill?

The Art of Money

Take a close look at a printed bill and you'll find a work of art. First, an artist draws or paints a design for a new bill. Once approved, the design is handed over to a team of engravers. The engravers carve the metal printing plate. It's all done backward so that when the bill is printed, you'll be able to read it.



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Top Secret!

Paper money is 75 percent cotton and 25 percent linen. Colored fibers and special marks are added to discourage **counterfeiters**. Even the recipe for the printing ink is a secret!



Who Prints Money?

A country's money may be printed in another country! Many countries use companies, not government presses, to print paper money. The world's largest banknote printer is De La Rue Currency. The British company prints more than 150 currencies.