

Lesson Two

Money

Review

Briefly review the concept of stewardship, that everything belongs to God.

Review the Tithe and why we give it.

Review how you determine the tithe.

Introduction

Ask the kids "What is money?" (most kids will tie money to dollars)

What makes dollar bills so valuable?

Why are dollar bills, which are paper, valuable when monopoly money, which is paper not valuable?

Ask the kids if they want to know why dollars, which are just paper, and are valuable.

History of Money

Bartering

In ancient civilization there was no money. People just traded. If you wanted something, then you had to trade something that you had or could make.

- The farmer might give some turnips for some bread, some tomatoes for some clothes and lots of eggs for a goat.
- Believe it or not, but you probably practice this form of commerce. Have you ever traded at the lunch table? Your sandwich for his fruit roll-up? That's bartering.

A Solution to Inconvenient Trading

Could you imagine how inconvenient this could get? Anytime you wanted something, you would have to lug a wagon of your stuff to trade.

What ideas do you have that might solve this problem?

There was a simple solution. To write some sort of a note or guarantee. The farmer could give the blacksmith a note for two baskets of carrots to pay for the plow. The blacksmith receives the note, knowing that at any time he can go to the farmer and get his carrots. Or, the blacksmith could even take his family to the restaurant and pay for his expensive dinner with this note. The restaurant owner could accept the note knowing that all he has to do is go to the farmer, give him the note and collect the carrots. The blacksmith paid for his dinner with something that had value.

Connection

In a sense, that is what money is. It is something of value that can be paid to receive goods or services. A dollar bill really isn't worth anything by itself, but it represents something that is valuable. Like the farmer's note. It has no value, but it represents carrots.

Standardization of money

Using notes of value was a lot easier than lugging carts of stuff everywhere. However, when you think about it, even the notes could get confusing. Two chickens here, five apples here and one cow there. Also, what if the wood worker you want to buy from doesn't want a note from the farmer. Maybe it isn't of any value to him. Then you have to go to someone that has something that the wood worker wants and trade with him. Even that could get confusing and annoying.

The solution was to find something that was valuable to everyone. Perhaps it would be something that everyone didn't have, making it rare and... Valuable. In many places, gold and silver became "money." It was made into coins. With coins, the farmer could sell his eggs to someone for silver and then he could buy from the wood worker and pay with silver. There wasn't anyone who wouldn't take silver or gold.

In other places, it was other things. In China, tea leaves were money. In America, the native Americans used "Wampum" as money, which was strings of shells. Even in the colony of Virginia, people used tobacco as money. Dogs' teeth in New Guinea, whales' teeth in the Pacific Islands and spearheads in Africa.

American Paper Money

Before 1862, people used gold and silver coins as money in America. However, during the Civil War, people saved up all their coins and there was a shortage. So the US Treasury printed paper money. That money represented gold and silver, like the gold kept in Fort Knox. Just like the note from the farmer, people could count on the paper money because of what it represented.

Today, the Treasury prints money and sends it to special banks called the Federal Reserve. The Federal Reserve then sends it out to banks and merchants so that we can get it when we work and sell things to earn money. The paper money as well as coins can be depended on because the Federal Reserve backs it up and promises its value. If you look on any bill you will see that on the top that it is a Federal Reserve Note... just like the note from the farmer.

The American Federal Reserve Note

Because U.S. currency is universally accepted and trusted, many people try to make illegal copies. That is called counterfeiting. To keep people from copying the money, the notes have been designed to be extremely difficult to duplicate.

(Pass out some bills so that the kids can look at them while you talk)

Paper

It is printed on cotton and linen rag paper. The paper has a distinctive, pliable feel and has tiny red and blue fibers embedded in it

Ink

Special inks manufactured by the Bureau of Engraving and Printing according to secret formulas also help prevent counterfeiting.

Portrait

One of the most noticeable changes is a larger, slightly off-center portrait that incorporates more detail. Moving the portrait off-center reduces wear on the portrait and provides more room for the watermark.

Watermark

A watermark, created during the paper-making process, depicts the same historical figure as the portrait. It is visible from both sides when held up to a light.

Security thread

An embedded polymer strip, positioned in a unique spot for each denomination, guards against counterfeiting. The thread itself, visible when held up to a bright light, contains microprinting—the letters *USA*, the denomination of the bill, and, on the \$50 and \$20, a flag. When viewed under ultraviolet light, the thread glows a distinctive color for each denomination.

Color-shifting ink

The ink used in the numeral in the lower right-hand corner on the front of the bill looks green when viewed straight on but black when viewed at an angle.

Microprinting

Microprinting, which can be read only with a magnifier and becomes blurred when copied, appears in unique places on each denomination. For example, on the \$20 bill, it appears around the border of the portrait and within the number in the lower left corner.

Fine-line printing patterns

Fine-line printing patterns appear on both sides of the note, in the background of the portrait and the buildings. This type of printing is difficult to reproduce on scanning equipment or replicate by other printing methods.

Low-vision feature

A large dark numeral on the back of the note makes it easier for people with low vision to identify the note's denomination.

Quiz

1. What is the highest note that is printed today? A) \$100 B) \$500 C) \$1,000
2. What was the highest note ever printed? A) \$1,000 B) \$5,000 C) \$10,000
3. How many notes are printed each day? A) 12 million B) 24 million C) 38 million
4. How much money is printed a day A) 541 million B) 756 million C) 7 billion
5. How long does the average \$1 bill last? A) 6 months B) 13 months C) 18 months
6. How long does the average \$10 bill last? A) 18 months B) 3 years C) 5 years
7. What is the branch of government that tries to stop counterfeiters? A) The FBI B) The CIA C) The Secret Service
8. Was money ever made out of wood? True or False
9. How many millionaires are there in the world? A) 700 B) 7,000 C) 7 million
10. How much would a million dollars weigh in \$1 notes? A) 1000 pounds B) 2000 pounds C) 4000 pounds

Answers:

1. A
2. C
3. C
4. A
5. C
6. B
7. C
8. True
9. C
10. B