



THE HISTORY of MONEY

What makes money **valuable**? A dollar bill is only a piece of paper. You cannot eat or wear it. So why do people want it? It is because money is hard to get.

Bartering

Imagine you are a goat herder in China in 1200 B.C.E.* You visit a market with your goat. The market sells items such as cows and tools. You need a broom, but you do not want to trade your goat for a broom. A goat is too valuable! Instead, you might trade goat milk for the broom. But what if the broom seller does not want goat milk?



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Early Currency

There is no need to worry. Earlier, you sold some milk in exchange for ten cowrie shells. You give two shells to the broom seller. Cowrie shells were the first **currency** in China. They made it easier to buy and sell things. They



*B.C.E.: Before the Common/Christian Era





Modern Money

In today's **economy**, many people use credit cards to purchase items electronically. Numbers on a computer screen show the value of the **transaction**. Many people prefer to use cards than paper money. We have come a long way from cowrie shells!

were also lighter and easier to carry than a goat. You start to save these shells to **invest** in another goat. Later, you can drink or sell that goat milk, too.

A New Currency

People started using metal coins in China around 1000 B.C.E. Soon, currency became a **global** idea. In 700 B.C.E., gold and silver coins were popular in Europe and the Middle East. These coins were usually round. After being weighed on a scale to **determine** their value, they were stamped with different designs that **stated** their value.



Paper Money

Carrying a bag of coins was heavy. The weight of coins and a metal shortage are two reasons China began to produce paper money in the 10th century. The earliest European paper money appeared in Sweden in the 1600s. Italy followed about 90 years later. At first, the value of paper money was based on the amount of gold or silver a person had in the bank. Today, the numbers printed on paper money tell its value.



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Make Connections

Why did using currency replace bartering?
ESSENTIAL QUESTION



Comprehension Check

C. Answer the questions.

1. What problems did people have when they used metal coins?

2. What do we use to purchase items electronically?



Comprehension Strategy

Ask and Answer Questions

As you read, stop and ask yourself questions about what you don't understand. Then read and find the answers. **Asking and answering questions** can help you understand the text better.

Use Text Evidence

Step 1

Reread the text. Then read the questions and underline the answers in the text.

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There is no need to worry. Earlier, you sold some milk in exchange for ten cowrie shells. You give two shells to the broom seller. Cowrie shells were the first **currency** in China. They made it easier to buy and sell things. They were also lighter and easier to carry than a goat. You start to save these shells to **invest** in another goat. Later, you can drink or sell that goat milk, too.



Question 1	How much did you as a goat herder pay for the broom?
Question 2	Why did cowrie shells make bartering easier?
Question 3	Why wouldn't you trade your goat for a broom?



Your Turn

Reread the text. Complete the chart with the main idea and key details.

Carrying a bag of coins was heavy. The weight of coins and a metal shortage are two reasons China began to produce paper money in the 10th century. The earliest European paper money appeared in Sweden in the 1600s. Italy followed about 90 years later. At first, the value of paper money was based on the amount of gold or silver a person had in the bank. Today, the numbers printed on paper money tell its value.

Main Idea

Key Detail:

The weight of coins and a metal shortage are two reasons China began to produce paper money in the 10th century.

Key Detail:

The earliest European paper money appeared in Sweden in the 1600s.

Key Detail:

Italy followed about 90 years later.



Summary

Fill in the blanks to complete the summary.

their weight

credit cards

form of currency

paper money

people bartered

different value

Before money was invented, _____. However, it was hard to exchange things of _____, so people in China used cowrie shells as a _____. Then they started using metal coins. The coins had different designs based on _____. China was also the first to use _____ because metal coins were too heavy. These inventions soon spread to other countries. People now use _____ to make purchases. The way we use money has changed so much since the days of cowrie shells!

