Money Sense - Volume 1 - Version 4
CARDINAL COMPASS - NO. 1

What Is Money?

VOL. 1

Why people trade, what money does, and how to choose when you cannot have everything.



HANDS-ON LEARNING | WITH CARL THE CARDINAL

Read this together. Long ago and still today, people trade with each other to get the things their families need and the good things they want. Money is a tool that makes that trading easier. In this book you will trade goods, trade with practice tokens, sort needs from wants, and look at pretend coins the way a detective looks at clues.



Meet Carl

Carl the Cardinal is your guide. At the market bench he has to choose: a basket of apples, or a wooden toy boat. He cannot have both, so he thinks, he chooses, and he names what he gave up. His green neckerchief and his gold compass medallion stay on for every adventure. Watch for Carl on the activity pages too.

Color your own Carl on the last page.

READ TOGETHER

What Is Money?

Every family needs some things to live, and every family enjoys some things just because they are good and fun. Nobody makes everything they need by themselves. A farmer grows apples but needs shoes. A shoemaker makes shoes but needs apples. So people **trade**.

> **Trade:** a trade is when two people agree to give something and get something. Both sides say yes.
>
> **Money:** money is a tool people agree to use for trading. A person can take money for apples today and use that same money for shoes tomorrow.
>
> **Need:** a need is something a person must have to live and stay safe and healthy, like food, water, clothing, and a safe home.
>
> **Want:** a want is something a person would like to have, but can live without, like a toy boat or an extra treat.
>
> **Choice:** a choice is picking one thing. Picking one thing often means giving up another thing, and naming what you gave up is part of choosing well.

Trading goods directly can be slow and tricky. The apple farmer has to find a shoemaker who wants apples, right now, in the right amount. Money solves that problem. Because it is widely accepted, money can be carried, saved for later, and traded again and again.

The big idea to keep

Money is a tool, not a measure of what a person is worth. A person with more money is not a better person, and a person with less money is not worth less. Money itself does not make something valuable either. People value things because those things meet a need, do a job well, or bring real good to someone.

Say it in your own words

Why do people use money, and what happens when we cannot buy everything? Write or draw your answer in the big box. Take your time. This box is yours.

Words we met on this page

Exchange: giving and getting in a trade. **Need:** something we must have to live, stay safe, and stay healthy. **Want:** something we would like to have, but can live without.

READ TOGETHER - HISTORY

Many Answers Through Time

People in different places came up with different answers to the same problem: how do we trade fairly when I do not have exactly what you want? These answers overlapped, and several are still in use today. This is not a ladder.

Long before coins, and still today: Trading goods. People trade things directly: food for tools, work for food. No start date is claimed, because people have always done this, and still do.

Long before coins, and still today: Valued objects. For thousands of years, people in many places used special objects as money: cowrie shells in parts of Asia and Africa, and strings of shell beads called wampum in North America.

About 650 BC: early coins in Lydia (modern Turkey). People there stamped lumps of electrum, a natural mix of gold and silver. Coins appeared at about the same time in China, and later in India, so this answer grew in more than one place.

The 1020s, in China: government paper money. Merchants had already used private paper notes when they left heavy coins in safe shops. In the 1020s the government in China issued its own paper notes, called jiaozi. Earlier private paper came first; government paper followed.

1792, in the United States. The young United States set up its own mint to make American coins.

1950: one card for many businesses. A card called Diners Club let people pay at many restaurants with one card and settle the bill each month. That was a multiple-business charge-card milestone, not the invention of all payment cards. A payment card helps send payment instructions. A debit card uses money in an account. A credit card lets someone borrow to pay and repay later. Neither is free money.

Money that moves by computer and phone. In your grandparents' and parents' lifetimes, money began moving between accounts by computer, and later by phone. No single year is named here, because this answer grew step by step. The money is real; you just cannot hold it.

A story from history: Wampum in Early America

Indigenous peoples of the Northeast made wampum: beads from shells, strung and woven into belts. For those peoples, wampum still carries cultural and diplomatic meaning: belts record agreements and important messages, and that continues today. When European settlers arrived and coins were scarce, colonists also used wampum as currency for a time. Colonial Connecticut even accepted wampum beads in payment of taxes, at four beads to a penny. Not every Native nation used wampum as everyday cash, and wampum was never only money.

Closing thought: These answers did not replace each other in a line. People still trade goods, still use coins and paper, and now tap cards and phones too, sometimes all in the same day.

BEFORE ANY ACTIVITY

Money Ground Rules

Read these rules out loud together before Trade Day. They keep every activity in this book honest, private, and open to every family.

1. **Every figure in this book is made up.** The trades, prices, and examples are pretend, so families can practice without sharing anything real.
2. **Practice money is pretend and stays pretend.** Tokens, paper coins, and the star bill in this book are learning tools. They are never real money and must never be used to try to buy anything.
3. **Family money talk stays private.** What your family earns, spends, saves, and gives is your family's business. Nobody has to share real numbers to do this book well.
4. **Be honest in every trade.** Say what a thing really is, keep your word, and make sure both sides still say yes at the end.
5. **No activity needs real money.** Nothing in this book requires a bank account, an allowance, or buying anything. Paper, pictures, and pretend tokens do the whole job.

You will need: a checklist for the whole book

Tick each circle as you gather each thing. A grown-up stays with you for every activity.

Tick	For every activity	Tick	For Trade Day and Detective
◯	Paper and crayons or markers	◯	Plain paper circles or buttons, for practice tokens
◯	A pencil	◯	Picture goods cards (you will make these on page 5)
◯	A notebook, or the record pages in this book	◯	Scissors, for grown-up hands only
◯	A grown-up with you	◯	The printable practice coins and pretend bill (Detective pages)

Talk about the checklist together: which things do you already have at home? Which activity are you most looking forward to, and why?

Grown-ups: never copy real money, not even as a craft. The practice pieces in this book use stars and the word PRACTICE on purpose, so they can never be mistaken for the real thing.

TRADE DAY - STAGE 1

Trading Goods



This is a model, not a reenactment. Trade Day is a small model of a trade problem. It shows how trading goods feels. It is not a play about how money began, and families long ago solved their trades in many different ways.

Set up and trade

1. Draw or cut out picture goods cards together: apples, carrots, bread, eggs, cloth, a toy boat, and any goods your family invents. Give each trader a different set.
2. Each trader picks one thing they need or want from another trader's cards.
3. Try to trade goods for goods only. No tokens yet. The other trader must truly want what you offer, right now.
4. Keep trying until a trade works, or until you get stuck. Getting stuck is part of the lesson, so notice it and talk about it.

The hard part has a name worth feeling: a direct trade works only when each side wants what the other side has, at the same time. When that match is missing, honest traders can still walk away with no trade at all.

Print or copy note: if you want to cut out the goods cards, print or copy this page separately first, or draw the cards on scrap paper, so cutting does not destroy the instructions or the page behind it.

Record your trades

I gave	I got	Did both sides want the trade?

Try It First: Three Traders

Play this short example before Stage 2. It works with **one child and one grown-up**: there are three trader roles, and the grown-up may play two of them.

Trader A: Apples
Has: apples. Wants: bread.

Trader B: Bread
Has: bread. Wants: eggs.

Trader C: Eggs
Has: eggs. Wants: apples.

The mismatch

A wants bread, but B does not want apples. B wants eggs, but C does not want bread. C wants apples, but A does not want eggs. Trading goods only, everyone is stuck, even though every trader is honest.

Now add tokens

1. Give each trader **5 practice tokens** to start. Everyone starts equal.
2. Agree on simple prices together: **bread costs 3 tokens, eggs cost 2 tokens, and apples cost 2 tokens**.
3. A pays B 3 tokens and gets bread. A has 2 left, and B now has 8.
4. B pays C 2 tokens and gets eggs. B has 6 left, and C now has 7.
5. C pays A 2 tokens and gets apples. C has 5 left, A has 4, and everyone has the good they wanted. Check the total: 4 plus 6 plus 5 is 15, the same 15 tokens you started with.

One choice remains

One choice remains: B still has 6 tokens, enough to buy one more good at the agreed prices. B can spend some tokens on one more good, or save them all. Choosing one thing still means not choosing another. And notice: tokens helped here because everyone agreed on the prices and agreed to accept tokens. Tokens do not guarantee that every trade a trader wants will happen.

Reset before Stage 2: gather back every goods card and every token, put the cards back in their starting piles, and give each trader a fresh, equal set of tokens. Stage 2 starts clean.

Your turn: practice the numbers

Now try the same prices as a separate counting practice, not another trade in the story above. Imagine a new shopper, not Trader B, who has **6 tokens**. The prices are the same: bread 3 tokens, eggs 2 tokens, apples 2 tokens. Work out each choice, then decide.

1. One loaf of bread costs _____ tokens, so the shopper would have _____ tokens left.
2. Apples and eggs together cost _____ plus _____, which is _____ tokens, so the shopper would have _____ tokens left.

Talk it over: which choice would you pick for this shopper? Name what the shopper gives up with it.

TRADE DAY - STAGE 2

Trading with Tokens



Trade the same way, with one change

1. Start fresh after the reset on the worked example page. Give every trader the same set of plain practice tokens: paper circles, buttons, or the practice coins from page 10. Tokens are pretend and stay pretend.
2. Agree together what each good costs in tokens. Write the token price on each picture card.
3. Trade again. This time a trader can accept tokens for goods, then use those tokens later for something else.
4. Try the trade that got stuck in Stage 1. See if tokens unstick it.

Notice together

What got easier? Did anyone have to find the one perfect match this time? Tokens worked because everyone at your table agreed to accept them. Real money works the same way, by agreement and trust, on a much bigger scale.

Name what was given up

Tokens did not remove choosing. Every trader still had a limited pile. Finish these lines out loud or in writing:

I chose: _____

With my tokens, I gave up buying: _____

The trade got easier because: _____

ACTIVITY - SORT AND EXPLAIN

Needs and Wants Sort

Print or copy note: print or copy this page separately before cutting, or sort by pointing and writing on scrap paper, so cutting does not destroy the instructions or the page behind it. A grown-up can also read each label aloud and point to its picture cue.

Point to each item below, or cut the items out with a grown-up's help, and sort them into three piles: **Need**, **Want**, and **It Depends**. There is no single answer key for this page. Your job is to explain your thinking.

- **Drinking water**
- **Bread for lunch**
- **A warm bed**
- **Medicine when sick**
- **A winter coat**
- **Apples**
- **A toy boat**
- **A shiny sticker**
- **Ice cream**
- **A bicycle**
- **A book to read**
- **A birthday cake**

Need	Want	It Depends
_____	_____	_____
_____	_____	_____
_____	_____	_____

Why It Depends is an honest pile

A coat is a need on a cold day and not the first need on a warm one. A bicycle might be a want for play, or the way a grown-up gets to work. A book might be wanted for fun, or needed for school. **Needs differ from family to family and from day to day**, and a good sorter asks about the situation before deciding.

A worked example: the winter coat

It Depends, worked through: On a freezing day, a warm coat is a **need**, because it keeps a person safe and healthy. A second, fancier coat bought only because it looks new would be a **want**. Same kind of thing, different situation. That is why the situation, not just the object, decides the pile.

Pick one item you put in It Depends. Explain, in one or two sentences, what would make it a need and what would make it a want.

ACTIVITY - LOOK CLOSELY

Coin and Bill Detective



Detectives look closely before they decide. Use the printable pieces on the next page. Every piece is pretend, on purpose, and every feature in the checklist below is a feature that is really there.

Print or copy note: print or copy the next page separately before cutting, so cutting does not destroy the instructions or the page behind it.

Detective checklist: compare what is really there

- **Sizes:** the four practice coins are four different sizes. Put them in order, biggest to smallest. Different sizes help traders tell pieces apart quickly.
- **Marks:** each coin has a different mark: a star, a leaf, a sun, and a moon. Find each one.
- **The star on the bill:** the printable pretend bill has a real star picture printed on it, in the middle. Find it, and find the word PRACTICE on the bill too.
- **Words:** find the word PRACTICE on every piece. Honest practice money says what it is.

Worked example, with no real money at all

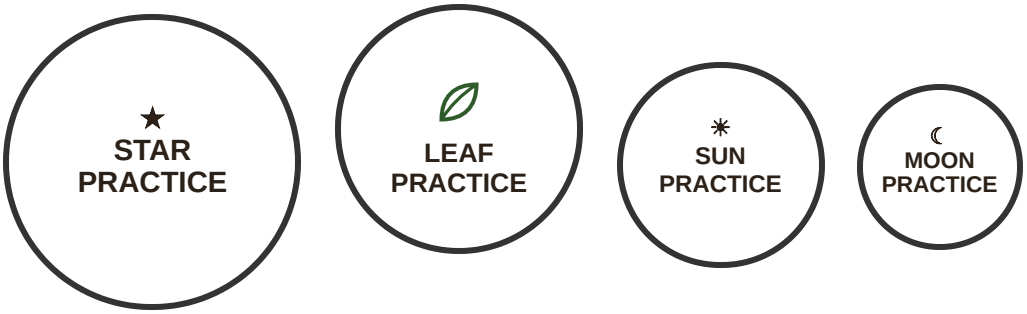
Here is one finished detective report, as an example. **Coin 1 (biggest, star mark):** widest of the four, star in the middle, PRACTICE written under the star. **Coin 4 (smallest, moon mark):** narrowest of the four, moon in the middle, PRACTICE written under the moon. **The pretend bill:** a rectangle, a big printed star in the middle, and the word PRACTICE printed on it twice. Your report can follow this pattern for the leaf coin and the sun coin.

Grown-up note on edges (optional): some real metal coins have ridged edges and some have smooth edges, and that can be one clue to which coin is which. Cut paper cannot show that fairly, because a paper edge mostly shows how it was cut, so ridges are not part of the checklist above. **Real coins are optional.** If a grown-up wants to show real coins from a pocket or a jar and talk about their edges together, that is a fine extra. This activity is complete without them. **Never copy real money**, and never try to spend practice money.

ACTIVITY - PRINTABLE PIECES

Detective Printables

Print or copy this page separately, then cut out the pieces with a grown-up. Keep this page loose, so the rest of the book stays whole.





PRACTICE MONEY - STAR BILL - NOT REAL

PRACTICE

Write your detective report

Biggest coin: its mark is _____. Smallest coin: its mark is _____.

The bill: I found the printed star _____ (yes or not yet), and the word PRACTICE _____ times.

Record every coin

Coin order	Its mark	PRACTICE on it?	One thing I notice
1st (biggest)			
2nd			
3rd			
4th (smallest)			

Detective talk: Why do different sizes and different marks help people who trade? Talk together, then finish this line: Sizes and marks help because _____.

Second look: Mix the four coins up and lay them out in a new order. Put them biggest to smallest one more time, then check your table above. Did your order match? If one coin moved, fix the table together.

Cut slowly around the outside edge of each circle, with a grown-up. Keep the cut pieces together in an envelope or a small bag, so your detective set is ready to use again.

RECORD PAGE

My Money Choices

Use this page to record your own trading and choosing from this week. Draw or write. There are no wrong amounts here, because every figure in this book is made up and your real family money talk stays private.

A trade I made

Draw the trade here

Something I chose

Something I gave up when I chose it

One need from my week

One want from my week

Finish this sentence out loud: **Money is a tool. It is not a measure of what a person is worth, because a person's worth does not come from money.** Say it once more in your own words in your notebook.

THINK DEEPER

Questions That Go Further

1. Why can trading goods directly get stuck, even when both traders are honest?

2. What made tokens easier to trade with than goods? What did tokens not change?

3. A friend says a coat is always a need and a bicycle is always a want. What would you ask before agreeing?

4. If the traders stop accepting a practice token, can it still buy apples in your game? Could the apple still be useful? Explain.

5. Carl can pick the apples or the toy boat, not both. What should he name out loud after he chooses, and why does naming it matter?

Level Up (to age 13): A trader accepts a shell, a coin, or a number on a screen. What has to stay true for any of them to work in trade? Write a short paragraph using the words agreement and trust.

Answer key for grown-ups

1. A direct trade needs a double match: each side must want what the other side has, at the same time, in a workable amount. Honesty does not create that match.

2. Tokens are accepted by everyone at the table, are easy to carry and count, and can be saved and traded again. They did not remove choosing: tokens were limited, so each choice still meant giving something up.

3. Ask about the situation: the weather, the day, and what the item is for. A coat can be a need in winter; a bicycle can be how someone gets to work. Context decides.

4. No. If traders stop accepting the token, it cannot buy apples in the game, because a token works in trade only while people accept it. The apple is different: it can still be eaten and meet a need, whether or not anyone trades for it. Acceptance in exchange and usefulness are not the same thing.

5. He should name what he gave up. Naming the cost makes a choice honest and helps him choose contentedly instead of pretending he lost nothing.

Level Up: Strong answers say each form works only while people agree to accept it and trust that others will accept it later.

Family Talk and Words to Know

Family Talk

Money is a tool God entrusts to us for working, serving, and giving. A tool is judged by the work it does and the care we take with it. Talk together: what is one need our family can meet well this week, one way we can serve someone with our time or skills, and one good thing we can enjoy with contentment, without needing the next thing too?

Contentment means being thankful for what we have while we work and choose wisely. It does not mean never wanting anything. It means wants do not get to be the boss.

> *"The earth is the LORD's, and all it contains."* Psalm 24:1 (New American Standard Bible)

Words to Know

Word	What it means in this book
Money	A tool people agree to use for trading.
Trade	An agreed exchange: giving something and getting something.
Barter	Trading goods or work directly, without money.
Need	Something a person must have to live and stay safe and healthy.
Want	Something a person would like to have but can live without.
Token	A plain pretend piece that stands for value in a practice trade.
Coin	A flat, usually round piece of money, often metal.
Bill	A piece of paper money. In this book, the star bill is clearly pretend.
Choice	Picking one thing, often giving up another thing to do it.

Our Family Talk notes

Write or draw one answer for each talk together prompt. Keep this page. It is a good record of how your family thinks about money.

One need our family can meet well this week:

One way we can serve someone with our time or skills:

One good thing we can enjoy with contentment:

FOR GROWN-UPS

Grown-up Sources

Each source below is named by what it supports in this book. The links are clickable in the PDF. For a printed copy, the short addresses are listed under each title, so the page can be found again.

How money is made

BEP: The Buck Starts Here, How Money Is Made

bep.gov/currency/how-money-is-made - how paper currency is produced.

U.S. Currency Education Program: Lesson Plans for Classrooms

uscurrency.gov/educational-materials/classrooms/lesson-plans - an additional learning resource, with lesson plans and activities about bills. A learning resource, not the production source above.

U.S. Mint Coin Classroom

usmint.gov - how coins are made and used, and the Mint set up in 1792.

Cards, and the timeline claims

CFPB: How Are Prepaid Cards, Debit Cards, and Credit Cards Different?

consumerfinance.gov - the source for the debit and credit wording on the timeline page.

Smithsonian, National Museum of American History: Plastic Payments

americanhistory.si.edu - the source for the 1950 Diners Club wording: a multiple-business charge-card milestone.

Smithsonian, National Museum of American History: Forms of Money

americanhistory.si.edu - valued objects, shells, and early forms of money.

British Museum: Money Gallery Guide (PDF)

britishmuseum.org - early coins in Lydia, about 650 BC, and the overlap with early coins in China.

Paper money note: the timeline dates government-issued jiaozi to the 1020s, distinguishing it from earlier private paper notes. No single primary institutional source closing the exact year 1024 was found in this build, so the book uses the safer decade wording.

Federal Reserve Education

federalreserveeducation.org - free economics and personal finance lessons.

Wampum story

Oneida Indian Nation, Wampum: Memorializing the Spoken Word (oneidaindiannation.com): wampum's continuing cultural and diplomatic significance, and colonial Connecticut accepting wampum beads in payment of taxes at four to a penny. Smithsonian, National Museum of American History, Forms of Money (above): wampum among valued objects used in early America.

Color Your Own Carl

Print this page and color Money Carl at the market bench, choosing between a basket of apples and a wooden toy boat.



Color guide, matching Carl on page 1

Red crest and body, dark mask around the eyes, orange beak, cream chest, green neckerchief, and a gold compass medallion. The apples are red, the basket is warm brown, and the little boat is wood with a blue stripe on its hull and a cream sail with a blue stripe.