

Talking Cents with

Ollie

Primary School Teacher Pack

1st to 6th Class resource

lesson 1




Bank of
Ireland

Lesson 1

The Evolution of Money

Lesson Summary

Money is a tool. In fact, it is probably the most universal tool in the world today. It was invented a long time ago. In this lesson, we will explore the evolution of money over time, how it began and how it changed over the years. We will also look at different forms of money through time and money across different countries.

How to use this lesson

- ▶ Read the material presented
- ▶ Use the prompts to discuss the material with your class
- ▶ Encourage children to work in groups
- ▶ Allow time for reflection and discussion
- ▶ Use the appropriate class activity at the end of the lesson to support learning

Discussion Time

A little bit of money history

Today, money is used for all forms of buying and selling. But did you know that money was invented over 2,500 years ago? Until money was invented, things could be a little messy. Back then, people used a system called barter to buy and sell food, cattle and many other items of value. Bartering is swapping one item for another item of equal value. For example, a farmer might swap milk and grain for some tools. But with all the milk, grains and tools moving about the place, things got complicated. So, some bright spark invented 'money' as a way of exchanging milk, grains, tools and lots of other valuable stuff!

The original concept of money was very different to the type of money we are familiar with today. The first known currency was created by King Alyattes in Lydia, now part of Turkey, in 600BC where the first coins featured an image of a lion. And so, the evolution of money continues. Today, there are new types of money called digital or crypto-currency, like Bitcoin, Ethereum and many more.

Plus, technology today allows us to transport money in ever-changing ways. Instead of notes and coins, many people use credit cards, debit cards or their account details stored on their phones, watches and other 'wearable technology' to pay for a vast number of goods and services.

But, despite all of the changes in technology, the concept of money is still largely the same today as it was hundreds of years ago, where the value it represents is still guaranteed by a 'promise' by Governments.

Money will continue to change as you grow up!

Fact - The primary ingredient used to manufacture Euro notes is not paper, but cotton. This is often a surprise to adults who think they're made mostly of paper.



Money Through Time

11,000 years ago

People would barter goods they had a surplus of for ones they lacked.

2,600 years ago

The first known currency was created by King Alyattes in Lydia.

3,120 years ago

In China, people started using replicas of items cast from bronze to trade goods.

1070 years ago

The earliest forms of paper money were developed in China.

75 years ago

Invention of the first type of credit card – led by a man named John Biggins and his 'charge-it' card.

140 years ago

An electronic leap! Western Union spearheaded the first electronic money with the introduction of money transfers via telegram.

30 years ago

European banks began the first mobile banking services

770 years ago

The florin, a coin minted in Florence, Italy was widely used for trade across Europe. In many ways, it is not dissimilar to the Euro that we use across many European countries today.

360 years ago

It took a long time for paper money to really catch on, with a bank in Sweden finally issuing the first bank notes.

730 years ago

Following Marco Polo's travels, he introduced the concept of paper money to Europe which he had been introduced to in China.



20 years ago

Contactless payment cards began to be issued.

10 years ago to now

Digital currency was launched. Mobile and smart-phone banking and payments increase in popularity.

Class Activity – The Value of Stuff

Students can form small groups to discuss the questions below and share their views with the wider class.

Question 1

Do students feel barter was a better way of paying for goods and services than money?

Question 2

If they had no choice but to barter, what they would exchange the following for?

| Item | Exchanged for |
|-----------------------|---------------|
| 1 litre of milk | _____ |
| A pizza | _____ |
| A new bike | _____ |
| A new pair of runners | _____ |

Question 3

Ask students to consider what items they have that they would be happy to barter for another item.

Discussion

The class can consider some of the items students want to barter and discuss whether or not the barter is of equal and fair value.



What is foreign exchange?

Not everyone uses the Euro as their money.

In Sweden, people use the Swedish króna. So, when people from Ireland travel to Sweden, they cannot use the Euro to pay for goods or services, like a snack or a lift on a public bus. However, they can exchange their Euro for Swedish króna. This process is called FOREIGN EXCHANGE. This means that someone from Ireland will have Swedish money to buy food and pay for buses when in Sweden.

Foreign exchange is when people convert one currency to another. In many cases, a fee may be charged to have money converted from one currency to another.

If 10 Swedish króna is worth €1, what would 50 Swedish króna be worth in Euro?



The value of different money can change

Different countries use different currencies. Here in Ireland, we use the Euro, in the UK they use the Pound Sterling, in the USA they use the US Dollar. If someone were to visit Disneyland in the USA, they would need to buy US Dollars before they travel there, as they do not use the Euro in the USA as currency. The price a US Dollar costs to buy changes every day. This is because the number of people who need dollars changes every day. So when people buy US Dollars, they must pay in Euro and this is called Foreign Exchange. It's a little like the price parents pay for petrol or diesel to drive the family car, it goes up and down. When it comes to money in your pocket, money from some countries is more valuable than money from other countries.

Class activity

Where is the Euro used?

19 countries across the European Union currently use the Euro as their currency, these are:

Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands (Holland), Portugal, Slovakia, Slovenia, Spain.

There are some non-European Union countries that use it as their currency, those include the Vatican, San Marino, Andorra, Monaco, Kosovo, Montenegro.

Class Challenge

- ▶ Identify each country listed on the map
- ▶ List all of the countries starting with the letter 'F' that use the Euro
- ▶ How many countries starting with the letter 'I' use the Euro
- ▶ List six non-European Union countries that use the Euro as their currency
- ▶ Where is the Vatican located?

Class Discussions

Class Discussion 1

In a group setting, ask students to consider how they use money to exchange goods and services.

Class Discussion 2

Ask students to list the cost of the following:

Item

1 hour of work _____

A new Nissan Micra _____

A used bike _____

New pair of runners _____

Class Discussion 3

Ask students to develop a list of 10 items and then, consider how they would trade those items.

Class Discussion 4

Teachers to examine some of the items students want to barter and discuss whether or not the barter is of equal and fair value.



Trading Money Across Borders

Countries that don't use the Euro

While we use the Euro in Ireland, some countries close to us do not use the Euro, they use a different currency. Here are some examples:

United Kingdom = Pound Sterling | Switzerland = Swiss Franc
Norway = Norwegian Krone

If \$5 Australian dollars is worth €3, this means that the foreign exchange rate is 1.6666. If I want to convert \$50 Australian dollars into Euro, how much would I receive in Euro?

A. €30 B. €83.33 C. €50

Answer: A €30

Currency



Different countries have different currencies.

But what is currency? It is the acceptable form of money in that country!

In Ireland the Euro is our currency.





A bank is a safe place that the entire community can rely on for their personal money needs. A bank provides a wide range of services.

Banks

A bank is a place to store and protect money. It is also a place to lend and borrow.

A bank is a place where people store their money. This is money they earn through working and save for the future. While many people store their money in a bank, some people will also borrow money from a bank.

The role of a bank is to provide a safe place for those that save their money and act responsibly to those that borrow. After all, the money the bank lends out does not belong to the bank, it belongs to the many savers that work so hard to earn it and save it.



A bank offers a wide range of services. In addition to savings and borrowing, a bank also provides the following:

- ▶ **Current Accounts** - A service offered by banks to keep your money in safely. It's a convenient way of managing your money on a day-to-day basis
- ▶ **Savings Accounts** - A place to hold your money so you can save for future needs, sometimes banks pay interest on the money in your savings account
- ▶ **Online Banking** - To access your accounts and to do your banking online and in a secure way so you don't have to go to a branch
- ▶ **Foreign Exchange** - To get a different currency, if you are going on holiday for example
- ▶ **Insurance** - to provide cover and some protection for important things like homes and cars
- ▶ **Small Business Loans** - to provide funds for small businesses to develop and grow
- ▶ **Credit Cards & Debit Cards** - for purchasing goods or services without using cash
- ▶ **Student Loans** - to fund education
- ▶ **Mortgages** - to buy a home
- ▶ **Pensions** - for future needs in retirement
- ▶ **Fraud Prevention & Security** - to ensure your money is safe



How bank accounts work?

A personal bank account belongs exclusively to the person whose name is on the account. If there is only one name on an account, the account belongs to that person only and nobody else. Some accounts have 2 or more names on an account, this is known as a Joint Account and all the people named own the account.



1

What does IBAN and BIC mean?

Those are extremely important numbers as they provide information to identify your account and the bank at which your account is held. IBAN means International Bank Account Number and BIC means Bank Identifier Code (BIC). They help banks to process payments quickly and safely. Each Bank has a BIC, this is used by all account holders, and each account has a unique IBAN that only the applies to that particular account.



2

Why do people have bank accounts?

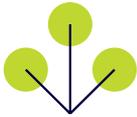
People have bank accounts for many reasons, including to manage their money, to receive money from an employer, to save, to use it to pay for things, to run a business, to transfer money, and much more!



3

Where can you access your bank account?

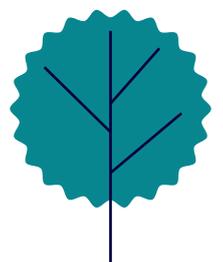
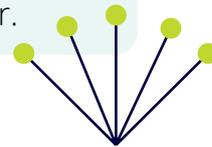
There are many different places you can access your bank account, including in-branch, online, on your phone or tablet, ATM and via a contactless card.



4

What is a bank statement?

It is a summary of the account activity within a period of time. This includes money that was paid into the account and money that was transferred out of the account. This can be for a month, a quarter (3-months) or a full year.



Word Focus

Digital Currency – Money that exists in digital or electronic form.

Barter – To trade one item for another, with the goal of getting a 'fair' trade.

Foreign Exchange – When people convert one currency for another.

Currency – The day-to-day money used in different countries.

Exchange Rate – The amount of Euro you would receive if you wanted to exchange money from other countries.

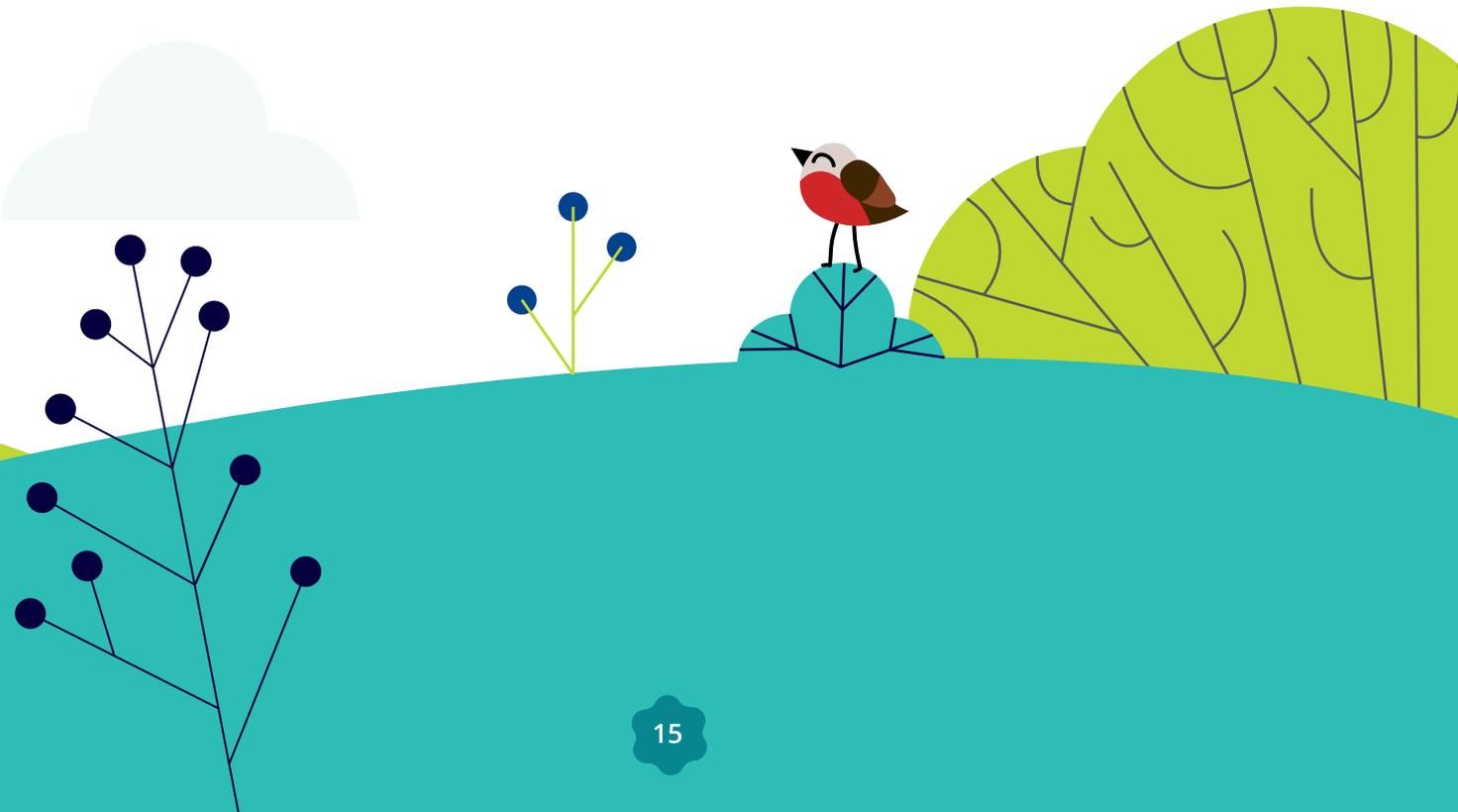
Euro – The official currency in many European countries.





Additional Class Activities

| Class | Learning Objective | Activity |
|-------------------|-----------------------------------|---|
| 1st and 2nd class | Understanding Money | List off how many Euro coins there are. |
| 1st and 2nd class | Understanding Value | Ask students to list Euro coins in order of lowest value to highest value. |
| 1st and 2nd class | Using Money | Ask students to work out the least number of coins it would take to buy a. 2 litres of Milk (€2), b. 3KG of Sugar (€2.50), c. 2lb (454g X 2) of butter (€1.90). |
| 3rd to 6th class | Different Countries Produce Money | Ask students to list the name of the currency used in the following countries in Iceland, Argentina, Brazil, Australia. |
| 3rd to 6th class | Observation | Euro coins have a common theme printed on them. What is it? |
| 3rd to 6th class | Money is Universal | A visiting tourist from Japan arrives in Ireland with only Japanese Yen (Japanese currency). To pay for a meal, what will the Japanese tourist need to do? |



We welcome your feedback,
so please feel free to share
your thoughts at

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