



Story 3

What Is Money?

Happy birthday, Nicholas!" yelled his friends as they left the house. Nicholas closed the door and ran to the kitchen. His mom and his little brother, Christopher, were looking at the table filled with Nicholas's birthday presents.

"This has been a great birthday," Nicholas said. "I had so much fun. And look at all the nice gifts I got." Then he looked at Ms. Kim's card that was still sitting on the table with all the other birthday gifts. He picked it up and opened it carefully, examining the card and the \$5.00 bills inside.

"What did you get?" asked Christopher.

"Two \$5.00 bills. That's a lot of money, isn't it, Christopher!" said Nicholas.

"Nicholas, remember that Christopher is little," said Mom. "He's still learning the value of coins and paper money. You didn't know much about it when you were his age. Why don't you tell him about your money."



"I do know about money!" said Christopher. "I've got money, too. But I only have a dime and some pennies. Are \$5.00 bills a lot of money?"

"Dimes, pennies, nickels, and quarters are coins," Nicholas said. "And coins are money, too. They're made from metal, and they're round like circles." Nicholas held up his money and grinned. "But a paper dollar is worth 100 pennies. These bills are worth \$5.00 each. See the number five on this one? It's worth 500 pennies. And I have two of these bills. The two of them are worth \$10.00!"

"Wow!" said Christopher.

"You see, Christopher, money helps us get the things we want," said Nicholas, speaking like a big brother. "We give people money, and they give us what we want in exchange."

"Your \$10.00 will get us lots of things we want," said Christopher, still staring at the two \$5.00 bills.

"Things I want!" said Nicholas. "This is my money! People can also save their money and use it to buy things later. I think that's what I'll do with my money—at least for now, until I decide what I want the most."

"I think I like money," said Christopher, without taking his eyes off the \$5.00 bills.

They were interrupted just then by a knock at the door. Mom walked to the door and opened it, greeting Carlos, who worked for the Pizza Palace. He was there to bring the family a pizza for their dinner. Mom asked Nicholas to bring her purse. Christopher asked, "Why do you need your purse?"

"Because that's where I keep my money," Mom said. "Sometimes I call my purse a pocketbook because I keep my money in it, just like you put your money in your pocket."

Nicholas brought her purse, and Mom took out some paper money, some silver-colored coins, and another shiny gold-colored coin. She showed the money to Christopher and said, "The dollar bill's value is the same as the value of this gold-colored dollar coin."

Nicholas was watching as Mom explained about the money to Christopher. He looked at the gold coin and said, "I like those gold-colored dollar coins. They're neat!"

"I think I like gold dollars, too," said Christopher, as he watched Mom handle her money.

Mom gave some money to Carlos and closed the door.

"Why did you give him money?" asked Christopher. "It's not his birthday, is it?"

"No, it's not," said Mom. "I gave him the money because we must pay for the pizza and for his delivery service. Carlos earns income by delivering pizza."





While Mom and Dad made the salad and put the pizza on the table, Nicholas took his gifts to his room to put them away. He thought about the \$5.00 bills that Ms. Kim had given to him. He was proud that she thought he was old enough to receive that much money for his birthday. Mom and Dad gave him money for his weekly allowance, but he didn't often have a \$5.00 bill. And now he had two of them.

He opened the special drawer of his dresser—the one he used for his treasured items, such as the shells he found on the beach, his Mickey Mouse puppet, and his marble collection. From the back corner of the drawer he pulled out his coin can. He used the coin can to keep the money he saved from his allowance. He dumped out all his money. First he looked at all the coins; then he put them into piles on his bed and counted them. Nicholas had saved these coins for a long time.

He put the coins back in the can, and he put the \$5.00 bills back inside Ms. Kim's birthday card. "It's nice to have money of my own," he thought as he placed the coin can and the birthday card into the special drawer.

Then he thought about banks: "Mom said I might want to think about putting my money in the bank so it would be safe. And she reminded me that if my money is in the bank it won't be so easy for me to spend it. I think I'll talk to her about going to the bank, but for right now I'm ready to eat some pizza."