



CHAPTER 1

MONEY: WHY DO WE NEED IT? HOW DO WE MAKE IT?

Some people think a lot about money. Do you remember the first time you thought about it? Most likely, you first noticed money when you saw your mother or father use money to buy something. Or maybe they paid someone to repair the car or to cut the grass. One day you got your little mitts on some money. Your mother or father gave you money to buy something at a store. Maybe your grandparents gave you some money for your birthday. And money became a part of your life.

With each coin or bill, your generous relatives were teaching you about money. You learned that you could use it to buy candy, CDs, and movie tickets. Through the years, you've seen your parents and others make choices about spending money. Should they buy the big SUV (a want) or repair the family car (a need)? Money helps you buy both your wants and your needs.

What exactly are wants and needs? Wants are things you can live without but would like to have. These things are different for everyone. You may want a new pair of expensive sneakers. Your friend might want a new video game. Needs are things people cannot live without. Food, clothes, and a place to live would be on everyone's list of needs. To meet your wants and needs, you need money. How do you get the money you need?

MONEY FOR PRODUCTS AND SERVICES

Money doesn't just fly out of automated teller machines (ATMs), grow on trees, or magically appear behind your

VALUE ADDED

Bills (paper money) of the lowest value change hands more often than bills of higher value. Here's how long the typical bill lasts before wearing out:

\$1 bill: 22 months	\$10 bill: 18 months	\$50 bill: 5 years
\$5 bill: 16 months	\$20 bill: 2 years	\$100 bill: 8.5 years