

Money



What is money? This question seems easy enough to answer – it's coins and banknotes! But money can take different forms. It's also debit cards and the numbers of your bank account. Nowadays, smart technology means that money can be just a code – maybe on a station or supermarket wall.

From beads to paper

Beads and shells: before money existed, everybody just exchanged things. At some point thousands of years ago, somebody decided that an attractive bead had the same value as a loaf of bread, or that six shells had the same value as one sheep! Imagine using shells to do the shopping.

Metal money was first used in China around 1000 BC.

Paper money appeared in China around 1150 AD. Then people began to use 'letters of credit' in place of metal money, so they didn't have to carry around large sacks of coins. When they got to their destination, they showed their letters of credit at a bank and got money in exchange.

Did you know? The first coins weren't circular! They were different like shells, knives or spades*.



Money in the UK

London is a major financial centre and 14% of the money that the UK makes is from banking and insurance.

But Britain's currency has always been different from the rest of the world. For example, until recently, the pound was divided into 20 shillings and the shilling was equal to 12 pence! (That made calculations difficult...) It was only in 1971 that the UK made the change to a decimal system with 100 pennies in a pound – and not everybody was happy with that!

All British money features the monarch on one side. On the other side of banknotes there are pictures of important British people from the past, like Charles Darwin and Winston Churchill.

Did you know? The average pocket money for a teenager in the UK is £7.44 a week.

Virtual money

Credit and debit cards are a kind of virtual money, because we can buy anything we want by using the card to transfer numbers from one bank account to another. Now they are everywhere, and in many countries they are used more than cash. Some people think they make it too easy to buy things. But even credit cards may soon be history. Already, with new technology, we can pay for things with our smartphones. In some countries, fingerprints have replaced PINs when you make a payment. In China,

virtual supermarkets are printed on the walls of metro stations. To buy something, you simply scan the code next to a picture of the product with your smartphone.

Did you know? Credit cards were first used in the USA in the 1940s as a way of paying for petrol.