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NOTES FOR TEACHERS

What Is Money, Anyway?

Students learn the three jobs money does (trade, saving and measuring), what people have used as money over 3,000 years, and why money ultimately rests on trust.

Grades 9–12

1:33 video

Economics Standard 11

Free to use, no sign-up

STEP 1

Before watching

If you had to get through a week without money, trading only things for things, what would you swap, and what problems would you run into?

STEP 2

Watch the episode

Bitcoin Basics, 1:33: thesteadyblock.com/episodes/what-is-money/ (also on YouTube, @TheSteadyBlock)

STEP 3

Discussion questions

1. What are money's three jobs? Give an everyday example of each from your own week.
2. Cowrie shells, gold coins and paper notes have all worked as money. What did they have in common, and why was a paper note for centuries often a promise you could swap for gold or silver?
3. Supporters of today's dollar say money doesn't need gold behind it as long as people trust it and it is well managed; critics say money without a fixed anchor is easier to misuse, and point to Zimbabwe in 2008. Which view do you find more convincing, and what evidence would change your mind?

STEP 4

Exit quiz

1. Which of these is NOT one of money's three jobs in the episode?

- A. Trade (a medium of exchange)
- B. Saving (a store of value)
- C. Measuring (a unit of account)
- D. Guaranteeing a profit

2. Steady's fish has gone bad by Friday. Which job of money does that show fish is bad at?

- A. Trade
- B. Saving
- C. Measuring
- D. Counting

3. What happened to the US dollar in 1971?

- A. The first US paper money was printed
- B. Its last official link to gold ended
- C. It was replaced by coins
- D. It stopped being used abroad

4. About how many US dollars are cash, according to the episode?

- A. About 9 in 10
- B. About half
- C. About 1 in 10
- D. None at all

5. According to the episode, what ultimately makes money work?

- A. Trust that others will accept it tomorrow
- B. The metal it is made of
- C. The picture printed on it
- D. A bank's opening hours

Key terms

Barter	Trading goods directly for other goods, without money.
Medium of exchange	Something people accept in trade, so you can sell to one person and buy from another.
Store of value	Something that keeps its worth over time, so you can save it and spend it later.
Unit of account	A shared measure, like the dollar, used to compare the prices of different things.

National standard

MAIN STANDARD • ECONOMICS STANDARD 11

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

ECONOMICS STANDARD 11, GRADE 8, BENCHMARK 1

As a store of value, money makes it easier for people to save and defer consumption until the future.

ECONOMICS STANDARD 11, GRADE 8, BENCHMARK 2

As a unit of account, money is used to compare the market value of different goods and services.

SAVING 12-4

Inflation can erode the value of savings if the interest rate earned on a savings account is less than the inflation rate.

The episode's three jobs are the uses of money in Economics Standard 11 and its grade 8 benchmarks (its "measuring" is the unit of account). Its Zimbabwe example opens a discussion of Saving 12-4: money that loses its value is bad at the saving job.

From the Voluntary National Content Standards in Economics (Council for Economic Education, 2nd edition, 2010), Standard 11, pp. 26-27; National Standards for Personal Financial Education (Council for Economic Education and Jump\$tart Coalition, 2021), Saving grade 12, p. 23.

Numbers in this episode

As of October 2026

- 3 jobs: Trade (a medium of exchange), saving (a store of value) and measuring (a unit of account), as economists describe money.
- 3,000+ yrs: Cowrie shells were used as money in China in the Shang and Zhou eras (about 1600–1000 BC), and in West Africa into the early 1900s.
- ~2,600 yrs: The first coins were struck in Lydia, in today's Turkey, in the 7th century BC from electrum, a natural mix of gold and silver.

- ~1,000 yrs: Government paper money (jiaozi) began in Song-dynasty China in 1023–24.
- 1971: The US closed the “gold window”: foreign governments could no longer exchange dollars for gold.
- ≈ 1 in 10: Cash was \$2.39 trillion of the \$23.34 trillion US M2 money supply in August 2026 (Federal Reserve H.6).
- 2008–09: Zimbabwe’s hyperinflation peaked in November 2008; in February 2009 the country stopped using its own dollar for foreign currencies, including the US dollar and the rand.

Where each number comes from is listed on the [episode page](#).

Further reading

For students or teachers who want to go deeper.

FOR STUDENTS

Money: At the Center of Transactions (<https://www.imf.org/en/publications/fandd/issues/series/back-to-basics/money>)

International Monetary Fund, Finance & Development (Oner and Asmundson, 2018)

A short explainer of money’s three jobs and of fiat money, which has value because people agree it does.

FOR STUDENTS

Nixon Ends Convertibility of U.S. Dollars to Gold and Announces Wage/Price Controls (https://www.federalreservehistory.org/essays/gold_convertibility_ends)

Federal Reserve History

The story behind the episode’s 1971 date. A few terms (Bretton Woods, balance of payments) may need a quick definition.

FOR TEACHERS

Fiat Money & Cryptocurrency: What Is Money? (<https://www.federalreserveeducation.org/teaching-resources/economics/money/fiat-money-cryptocurrency-what-is-money>)

Federal Reserve Education

A free Federal Reserve lesson (written for middle school, 46–60 minutes) on money’s three functions; a free teacher account unlocks the answer key.

Links checked October 2026.

Free to use in class. Educational content only, not financial or investment advice.

Answer key: What Is Money, Anyway?

1. **D. Guaranteeing a profit**

Money helps people trade, save and compare prices; it doesn't promise anyone a profit.

2. **B. Saving**

Something that spoils can't hold its value until later, and holding value is the saving job.

3. **B. Its last official link to gold ended**

In 1971 the US stopped letting foreign governments swap dollars for gold, ending the dollar's last official link to gold.

4. **C. About 1 in 10**

Cash was about 10% of the M2 money supply in August 2026; the rest are numbers in bank accounts.

5. **A. Trust that others will accept it tomorrow**

Money works because people trust others will accept it; when that trust broke in Zimbabwe in 2008, people switched to other countries' money.

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Episode narration uses a synthetic voice.