

“It Takes Money”: Economics for Preschoolers



Many preschoolers are aware that “it takes money” to do many things in life, though they do not fully understand money’s values and uses. Here are some ways to help 4- and 5-year-olds begin learning about how people trade money for things they need and want.



Introduce picture books about money and its uses.

- Ask a librarian to help you find stories and informational books to share with the class.
- As you read aloud, invite children to discuss what they know about how people use money. Point out concepts and vocabulary such as *trade*, *buy*, *save*, *money*, *coin*, *cash*, *change*, *credit cards*, *swipe*, *tap*, *services*, and *merchandise*.



Help children study some of the ways people use money.

- Encourage children to observe adults in their lives using money. For example, ask them if they have seen parents or older siblings buying things with cash or coins; writing a check; buying something online; swiping, tapping, or inserting a credit card; or having their phone scanned.
- Find a vending machine with relatively healthy foods (juice, crackers). Show how the machine gives something back when you insert enough money.
- Take children on site visits to retail shops and other businesses. Help them make up interview questions and create simple surveys to find out how people who work in the businesses use and keep track of money. What goods or services does each business provide? What are the prices? What machines and methods help workers count, store, and dispense money?
- Give children time to sketch what they see on their visits. Items to sketch or draw could include computers, cash registers, card readers, price tags, sale signs, and receipts.



Turn the dramatic play area into a business, using information the children have collected.

- Invite children to decide what their business will be—restaurant, hair salon, pet shop? Ask them to list props they will need, such as receipt books, order forms, a toy cash register, a real adding machine, “merchandise,” and play forms of money, including credit cards and smartphones.
- Ask some children to make price tags or advertisements, such as signs, fliers, or coupons.



Explore the value of money with a “Snack Shop.”

- Talk with the children about food as a resource that people want and need. Invite a group to set up a “store” to sell food and drinks to classmates at snack time. Help them draw a menu of available snack items with prices, for example: *Apple Slice, 2 cents. Granola Bar, 3 cents. Juice, 2 cents.* Children should be able to buy at least two items for 5 cents.
- Give five pennies apiece to any child who wants to visit the Snack Shop. Help each child decide what to buy. Children can take turns working in the Snack Shop. While coins are not used often in today’s society, using them provides a concrete way for children to experiment with money and purchasing choices.

Any opinions, findings, conclusions, or recommendations expressed in this tip sheet are those of the author(s) and do not necessarily reflect the views of the Illinois State Board of Education.



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