



Is Money Real?

A stimulus that explores what makes something real via the surprisingly problematic concept of money.



Ask everyone in the room to point to something they think is real.
Now ask them to think of something that is real that they can't see in the room.
Now ask them to think of something that is real that no one can ever see.

Hear some answers, as a way of introducing the concept of 'money' as something that might / might not be real.



This stimulus asks '*Is money real?*' and provides thoughts to help your pupils grapple with the question, such as the peculiar fact that a £1 coin is only worth 6.2p as scrap metal!

- It may also lead to interesting sub-questions, like:
- Does something have to be physical for it to be real?
- If I believe something is real, does that make it real?
- If lots of people believe something, does that make it real?
- If it does, does it stop being real if they stop believing it?



If you get the response, "it's real to you", push for what that really means!

If the discussion about 'reality' is running out of steam, consider re-fuelling and changing direction to discuss value. The poem "We Alone", also attached, can act as a stimulus.

There is something utopian about the poem, and it's interesting that in the original Utopia, a fantasy by Sir Thomas More, gold was plentiful but also despised as a useless, soft metal only good for paving the roads.

It also invites thought about the nature of money. "Sapiens" by Yuval Noah Harari, argues that what sets our species apart is its ability to talk about and sustain fictions – narratives and imaginary entities that don't exist in the physical world. The value of money is one such fiction: if we stop believing in it, its value disappears – as anyone who bought Bitcoins at their height will know.

What connects rarity, beauty and value?
Could this be our revolution? What would it look like?
What are our chains?
Could what is plentiful ever be as valued as what is scarce?
Is money fact or fiction?

NEXT STEPS

Lastly, in the "can" and "could" of the poem, there is an invitation to think about whether we as people do or don't have the power to change such things. More called his fantasy-land of a non-materialistic people "Utopia", from the Greek for "no place", suggesting that human nature would never allow it to happen.

I believe in money, but I'm not sure that it's real.

Let me explain. First of all, I don't think there's any doubt that coins and banknotes are real. I'm willing to trust my eyes. I also believe that the hard disk of the computer of the bank that records how much money I have in my bank account is real.

But coins, bank notes and bank accounts aren't really what money is.

If I had a load of pound coins, and I melted them down, I would find that each coin contained 6.12g of copper, 2.14g of zinc and 0.48g of nickel. If I sold the metal, at today's prices each coin would only be worth 6.2p. 16 coins for the price of one! So it isn't the stuff that coins are made of that makes them money.

Another way you can see that money isn't really just coins and notes is to learn a little about all the other things that have counted as money in the past – shells, stones, salt and even squirrel skins.

Ever since some people have had stuff others have wanted (and have preferred not to just knock them over the head and take it), people have been trading with one another. If someone a few thousand years ago had more sheep than he or she wanted, and someone else had plenty of apples and wanted a sheep, they could barter – doing a straight swap.

But if you go to Westfield shopping centre with a bagful of apples and ask to buy a woolly jumper, all you'll get is a funny look. Money is a much more efficient way of trading because you can use money to buy anything.

But money itself is nothing, except for what we make it. An apple or a sheep is always going to be useful, since you can eat them. Eating a sheep involves more baaing and mess, but a sheep is still going to be a sheep whatever we think about it. But with money it's different. You can't eat money. Except for tossing a coin to see who kicks off a game of football, it's not useful by itself, only for what it can buy.

And it can only buy anything because we all believe it can buy things. But if everybody stops believing money can buy things, it becomes quite worthless.

That's not just something I'm imagining. There are many examples of people stopping believing in a currency, and it becoming pretty worthless. After the first world war, the German Deutschmark lost value so quickly that what you paid for a loaf of bread on Monday would only get you half a loaf on Wednesday and not so much as a slice two weeks later. In Hungary in 1946, the currency fell in value so much that in one year, the value of every banknote in Hungary added together was less than one tenth of a British penny.

Much more recently, a virtual currency, Bitcoin, halved in value in just 40 days to February 1st 2018 – because people stopped believing that other people would keep believing that it was worth so much.

So money seems to only work if we believe in it, a bit like the fairies in the story Peter Pan. So it feels as if money isn't real. We can't make something real just by believing it, can we? But on the other hand, money is so important, it feels like it *must* be real. As the song says, "Money makes the world go around." It certainly makes aeroplanes go around the world, full of people who are spending the money they have earned or travelling to earn it. Lots of things that are real are only possible because of money, even if money is just in our minds.

So, is money real?