

The Euro: Money Changes Everything - Classroom Activity

Grades: 9-12

Overview: Students use the new euro currency to compare purchasing power with the US Dollar.

Objectives: Basic introduction to euro for students unfamiliar with currency or foreign exchange rates.

Materials Needed:

- “The EURO: Money Changes Everything” background paper [available here](#).
- A Euro and a US dollar coin or bill in equal denominations; images of the spectrum of euro coins and bills, either physical specimens or images; exchange rate.
- Euro images are available online:
http://ec.europa.eu/economy_finance/euro/notes_and_coins/notes_coins_main_en.htm.
- Posters can be downloaded from the web site www.eurunion.org (click on For Youth, Fun!, AudioVisual Library).
- Computer or newspaper on which to find current \$/€ exchange rate. It is available online at the Financial Times web site (www.ft.com) or in major print newspapers.

Procedure:

1. Introduce students to the currency the euro. Show a euro bill or coin and a US dollar or cent in equal denominations and hold them in your hands like a balance. Ask students to tell you which is worth more. This changes all the time, depending on the current foreign exchange rate. On January 1, 2007, \$1=.75€, and €1=\$1.3275.
2. Give students (or have them look up) the current exchange rate. The actual exchange rate doesn't necessarily tell you which is worth more, but what your dollar can buy in the other currency.
3. Have students evaluate the value of the euro with a simple exercise. At McDonald's in Belgium, one can purchase a hamburger for €1. Ask students to figure out how many dollars that is using the current exchange rate. (equation is xy , where x =price and y =€/(\$)). If a hamburger in the US costs \$0.80, where would the hamburger cost more in US\$?
4. Show the students the euro so that they can identify the currency. Pass around notes and coins if available.

Some facts about the new currency:

- ◆ The euro bank notes each show images of the different architectural styles.
- ◆ The euro coins are different for each country, but freely circulated among countries. One side of the coin shows a map of Europe; the other side a symbol representative of each country.

Educational Content Standards for Washington State:

Social Studies (Economics): 3.2

Math: 1.1, 3, 4, 5.2, 5.3

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