



PROJECT: GET IT DONE
TOGETHER

MODULE 1: Money—Earn it!

Session 1: Introduction and expectation setting

Reading: History of US Money

Source:

mycreditunion.gov/financial-resources/history-united-states-currency

From the 1700s to Today

Early American colonists used English, Spanish and French money while they were under English rule. However, in 1775, when the Revolutionary War became inevitable, the Continental Congress authorized the issuance of currency to finance the conflict. Paul Revere made the first plates for this “Continental Currency.” Those notes were redeemable in Spanish Milled Dollars. The depreciation of this currency gave rise to the phrase “not worth a Continental.”



After the U.S. Constitution was ratified, Congress passed the “Mint Act” of April 2, 1792, which established the coinage system of the United States and the dollar as the principal unit of currency. By this Act

the U.S., became the first country in the world to adopt the decimal system for currency. The first U.S. coins were struck in 1793 at the Philadelphia Mint and presented to Martha Washington.

The government did not issue paper money until 1861. In the interim years, however, the government did issue “Treasury notes” intermittently during periods of financial stress, such as the War of 1812, the Mexican War of 1846, and the Panic of 1857.

During this same period (1793 - 1861), approximately 1,600 private banks were permitted to print and circulate their own paper currency under state charters. Eventually, 7,000 varieties of these “state bank notes” were put in circulation, each carrying a different design!

With the onset of the Civil War, the government - desperate for money to finance the war - passed the Act of July 17, 1861, permitting the Treasury Department to print and circulate paper money. The first paper money issued by the government were “demand notes” commonly referred to as “greenbacks.” In 1862, Congress retired the demand notes and began issuing United States notes, also called legal tender notes.

Under Congressional Acts of 1878 and 1886, five different issues of “silver certificates” were produced, ranging from \$1 to \$1,000 dollar notes. The Treasury exchanged silver certificates



for silver dollars because the size and weight of the silver coins made them unpopular. The last series of silver certificates was issued in 1923. However, the last series of modern silver certificates produced were the series 1957B/1935H \$1 notes, series 1953C \$5 notes, and 1953B \$10 notes.

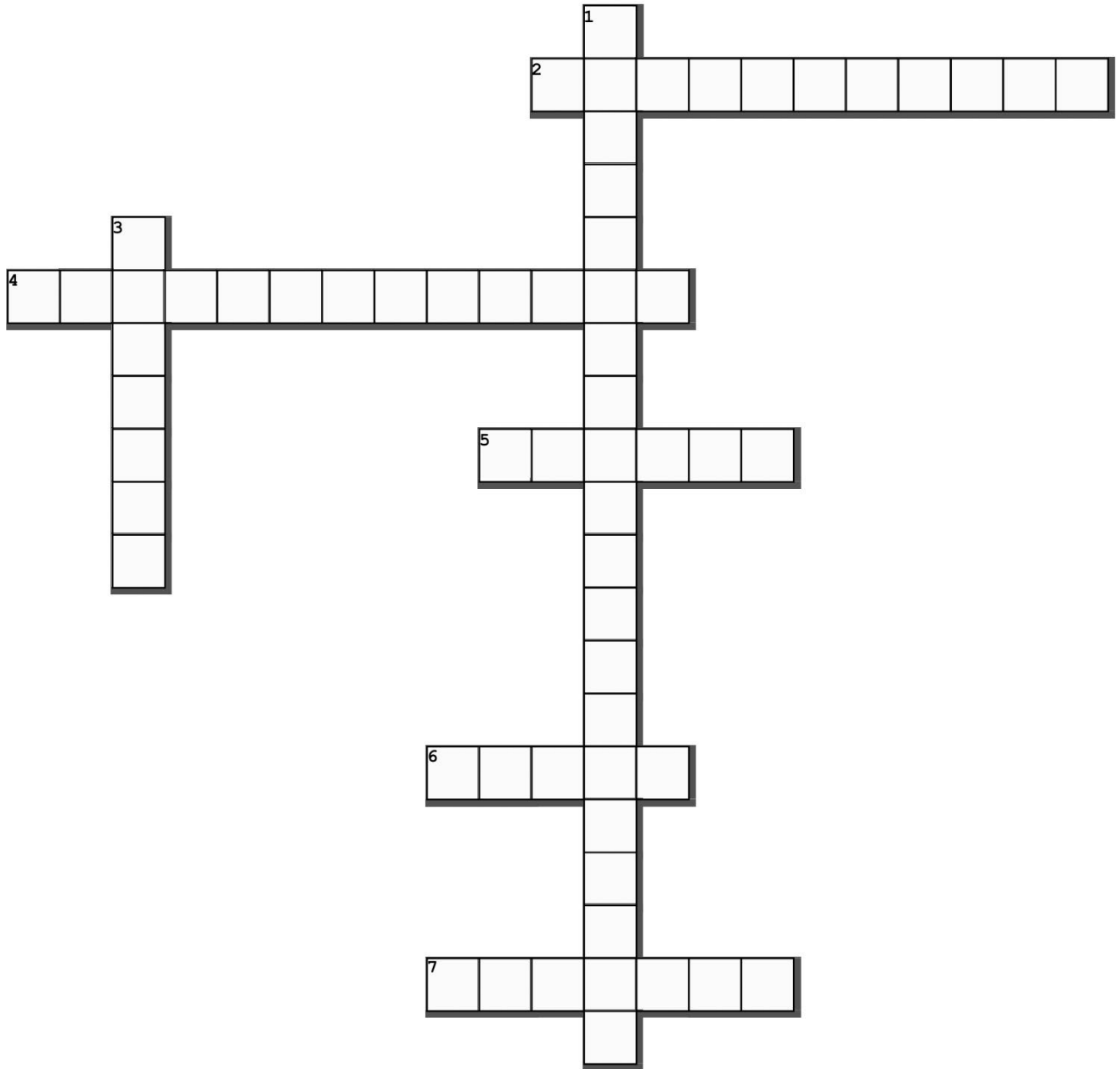
During the period from 1863 to 1929, the Government again permitted thousands of banks to issue their own notes under the National Banks Acts of 1863 and 1864. These were called “national bank notes,” but unlike the earlier “state bank notes,” they were produced on paper authorized by the U.S. government and carried the same basic design.

In 1913, Congress passed the Federal Reserve Act, establishing this nation’s Federal Reserve System. This Act authorized the Federal Reserve Banks to issue Federal Reserve Bank notes. In 1914, the Federal Reserve Banks began issuing Federal Reserve notes - the only currency still being manufactured today by the Bureau of Engraving and Printing.

Group Activity: Crossword: History of Money

Complete the crossword puzzle below

NAME _____



ACROSS:

2. The first paper money issued by the government were _____.
4. Under _____ Acts of 1878 and 1886, five different issues of "silver certificates".
5. The first U.S. coins were struck in 1793 at the Philadelphia Mint and presented to _____ Washington.
6. The government did not issue _____ money until 1861.
7. What act was passed on April 2, 1792?

DOWN:

1. In 1913, Congress passed the _____.
3. Early American colonists used English Spanish and French money while they were under what rule?