

# HISTORICAL CURRENCY ACTIVITIES

FEDERAL RESERVE BANK of KANSAS CITY

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## TEACHER INTRODUCTION

The historical currency cards illustrate how U.S. currency evolved from its earliest form in 1776 to the \$100,000 paper note printed in 1934. Changes in currency design, denominations and distribution by banks show the development of our country through this time period. These cards can be used to supplement the teaching of historical events, as part of an economics or personal finance lesson, or as an art activity on design and symbolism.

The currency photos were chosen from the American Currency Exhibit of the San Francisco Federal Reserve Bank and can be located at: [www.frbsf.org/currency/index.html](http://www.frbsf.org/currency/index.html). This exhibit divides the currency into eras and explains the historical context of each era as background information for the notes. It contains a “Showcase of Bills” tour that includes additional currency for viewing.

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## SUGGESTED GROUP ACTIVITIES

- After introducing the currency cards, divide the class into small groups and give each group one of the 12 cards. Ask each group to research the era of their card by using the website listed above to find the following information:
  - What era is your currency from?
  - What years does your era encompass?
  - Name three historical events from your era.
  - Describe the symbols or imagery shown in your currency.
  - How does your currency design illustrate the historical time period?

Ask students to create a short Powerpoint presentation to share their research with the class.

- Tell students that even though the look of currency changed greatly during this time period, there were several key elements included in the design of most notes. Divide the class into six groups and give each group two of the 12 cards. Tell students that they will be looking for differences and similarities while comparing their two cards in the following areas: denomination, size, colors, famous person depicted, symbols, state or national issuing bank, signatures, and use of serial or identification number. Hand out Activity 1 “Currency Comparison” for the group to complete a Venn diagram of the two bills.
- Discuss the topic of the Free Banking Era during the country’s westward expansion (see [www.frbsf.org/currency/expansion/history/index.html](http://www.frbsf.org/currency/expansion/history/index.html).) Share the example of the 1862 State of Louisiana five-dollar bill as currency issued during this era. Brainstorm a list of reasons why currency issued by states without federal regulation would be problematic. (*The list should include the following: difficulties in determining real from counterfeit bills; knowing the actual value of the bill and if it is backed by gold or silver; no laws to regulate the size, denomination or design; bills could be issued by almost any group - cities, railroads, stores or individuals; people from other states might refuse to accept certain state currencies.*) Tell students these problems led to “wildcat” or “broken” notes, which were worthless currencies issued by banks that failed or went broke. Ask small groups to write and perform a skit about the problems of the era, ending with the passage of the National Bank Act, which established federal currency.
- Tell students that fractional currency, representing values less than a dollar, was issued by the government from 1862-1876. These paper notes came in denominations from 3 cents to 50 cents. Share the example of the 1863 five cent fractional currency note. Explain that this currency was made due to the hoarding and storage of coins for their metal value, as well as the need for more metal during the Civil War. Ask students to research fractional currency by going to [www.hobbizine.com/page0057.html](http://www.hobbizine.com/page0057.html) in preparation for a debate on the pros and cons of using fractional currency today instead of metal coins.

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Assign affirmative and negative teams for this topic, “Resolved: The Treasury should issue fractional currency to replace coins in the United States today.” Ask students to prepare information backing their team’s position, and hold the debate as a classroom activity.

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### SUGGESTED INDIVIDUAL ACTIVITIES

- Research symbolism on our currency by looking at the following reference: [www.philadelphiafed.org/publications/economic-education/symbols-on-american-money.pdf](http://www.philadelphiafed.org/publications/economic-education/symbols-on-american-money.pdf). Study the design of several currency cards and note the imagery and symbols used on the bills. Make a chart showing the various symbols and what they represent. For example, the symbol above the pyramid on our current one dollar bill is said to represent the “all-seeing eye.” Share your chart with the class.
- Since counterfeiting was a common problem with early notes, choose one of the currency cards to redesign with added security measures. Research current anti-counterfeiting features for bills at [www.newmoney.gov/currency](http://www.newmoney.gov/currency) to get ideas for your redesigned currency. Draw and display your revised notes with the security measures highlighted and share your ideas with the class.
- Women and minorities have rarely been depicted on historical currency. The currency cards show two exceptions: Martha Washington is pictured on an 1886 \$1 silver certificate; and Chief Running Antelope is pictured on an 1899 \$5 silver certificate. Write a persuasive essay urging the Secretary of Treasury to approve the use of a noted woman, Native American or other minority on future currency. Share the reasons you feel this American should be portrayed on a bill. Possible choices to recommend are: Eleanor Roosevelt; Clara Barton; Harriet Tubman; Standing Bear; Martin Luther King; and Thurgood Marshall.
- Silver certificates were paper currency issued by the government that represented a stated amount of silver dollars or bullion held by an investor. They were created to allow investors to purchase silver without having actual possession of the metal. These certificates were payable to the bearer in silver on demand. Examples in the currency cards include silver certificates with Martha Washington and Chief Running Antelope. As silver prices rose rapidly in the 1960s, investors began to profit by selling the metal on the open market. Congress stopped redeeming the certificates for silver so that no hoarding of the metal would occur. The certificates were redeemed for Federal Reserve notes instead. Draw a political cartoon showing the investors’ reaction to the government’s elimination of payment in silver for the certificates.
- Several Federal Reserve notes in large denominations were taken out of circulation over the years and no longer used by the public. Research to find information about these bills at [www.moneyfactory.gov/uscurrency/largedenumications.html](http://www.moneyfactory.gov/uscurrency/largedenumications.html). Answer the following questions and write a news article about the elimination of these bills.
  - What note denominations were taken out of circulation?
  - Who was portrayed on each of these bills?
  - When were the notes last printed?
  - Why were the bills eliminated?
  - Where could you find examples of these notes today?

Although it was not printed for public circulation, the \$100,000 bill shown on one of the currency cards was used by banks for a brief period of time. Include information on this bill in your article.

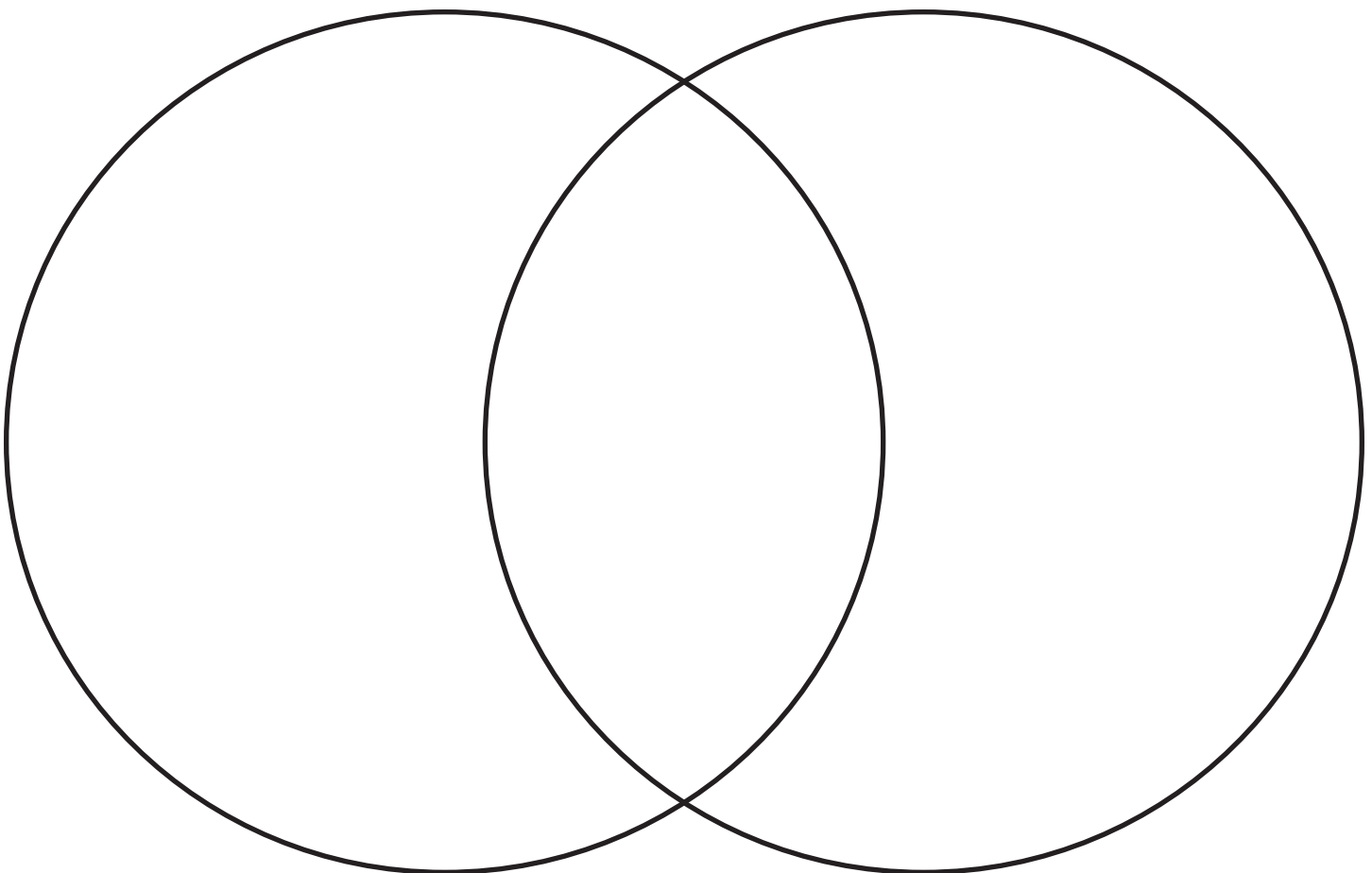


## ACTIVITY 1: CURRENCY COMPARISON

Compare two currency cards to find similarities and differences between the notes in the following areas: denomination; size; color; famous person depicted; symbols; states or national issuing bank; signatures; use of serial or identification number. Label each circle with the currency's year and denomination above. Place similarities within the intersection of the two circles, and differences in the outer areas of each circle. Add any other unique features you find while examining the currency.

CURRENCY TITLE AND TIME PERIOD

CURRENCY TITLE AND TIME PERIOD



## HISTORICAL CURRENCY INDEX

**1. 1776 Colonial Currency 12 Pence Note**

Paul Revere engraved this note from the Massachusetts Bay Colony. An image of a codfish, which symbolized prosperity for the Massachusetts fisheries, is depicted on the front side of the note.

**2. 1777 Colonial Currency 4 Pound Note**

“To Counterfeit is Death” is inscribed on the back of this Pennsylvania Colonial note. Counterfeiting and inflation were considered to be the “ills of paper money.”

**3. 1840 Second Bank of the United States \$2000 Note**

Congress chartered the First Bank of the United States to operate until 1811 and authorized it to issue paper bank notes. The privately-owned bank was the subject of controversy, and its charter was not renewed. The Second Bank of the United States was given a 20-year charter in 1816.

**4. 1862 State of Louisiana \$5 Note**

One year after this note was issued, President Abraham Lincoln signed the National Bank Act. The 1863 law attempted to create a uniform national currency and a strong national banking system.

**5. 1864-1869 Fractional Currency 5 Cent Note**

Spencer M. Clark, First Superintendent of the National Currency Bureau under President Lincoln, is depicted on this 5-cent fractional currency note. Portraits of contemporary government officials appear on several notes from this era. Congress would later pass legislation banning the portraits of living persons on bank notes.

**6. 1870 National Gold Bank \$10 Note**

National Gold Bank notes were issued to alleviate the burden of handling gold nuggets and gold dust. Nine of the ten National Gold Banks were located in California due to the abundance of gold resulting from the 1848 California Gold Rush.

**7. 1880 Legal Tender \$10 Note**

Pocahontas is depicted in a scene titled “Introduction of the Old World to the New World.” Many Legal Tender notes depicted scenes reflecting westward expansion to the new frontier.



**8. 1886 Silver Certificate \$1 Note**

This note features the portrait of Martha Washington, the only woman to have her portrait on U.S. currency. Pocahontas is the only other woman depicted on U.S. currency, appearing on the 1880 \$10 note.

**9. 1899 Silver Certificate \$5 Note**

Chief Running Antelope from the Sioux tribe is one of only two Native Americans depicted on U.S. currency.

**10. 1901 Legal Tender \$10 Note**

The bison on this note symbolizes the strength and pioneer spirit of the American West. The portraits of Lewis and Clark were included to generate interest in the 1905 Lewis and Clark Centennial Exposition.

**11. 1912 First National Bank of Albuquerque \$50 Note**

Second Charter National Bank notes depicted a variety of historical landscapes, including George Washington crossing the Delaware River. National Bank notes were the most common type of paper money in circulation between the Civil War and World War I.

**12. 1934 Bank Transfer \$100,000 Note**

Featuring a portrait of Woodrow Wilson, this note was the largest denomination printed by the Bureau of Engraving and Printing. Bank Transfer notes were used only for transactions among Federal Reserve Banks and not for public circulation.







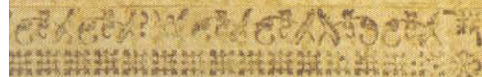
# **1) 1776 Colonial Currency 12 Pence Note**





Counterfeit is DEATH.


PHILADELPHIA:  
by JOHN DUNLAP.  
1777.



FOUR Pounds.



FOUR Pounds.



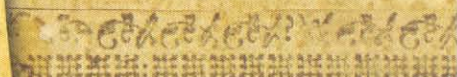
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To Counterfeit is DE

PHILADELPH  
Printed by JOHN DUN  
1777.



FOUR Pound





## **2) 1777 Colonial Currency 4 Pound Note**



### **3) 1840 Second Bank of the United States \$2000 Note**





#### **4) 1862 State of Louisiana \$5 Note**





UNITED STATES  
FRACTIONAL CURRENCY  
RECEIVABLE FOR ALL U.S. STAMPS  
FIVE CENTS

FURNISHED ONLY  
TO THE ASSISTANT  
TREASURERS OF THE  
UNITED STATES

Engraved and printed at the Treasury Department.

ACT OF MARCH 3, 1863.



## **5) 1864-1869 Fractional Currency 5 Cent Note**



**6) 1870 National Gold Bank \$10 Note**





## **7) 1880 Legal Tender \$10 Note**







## **8) 1886 Silver Certificate \$1 Note**



## **9) 1899 Silver Certificate \$5 Note**





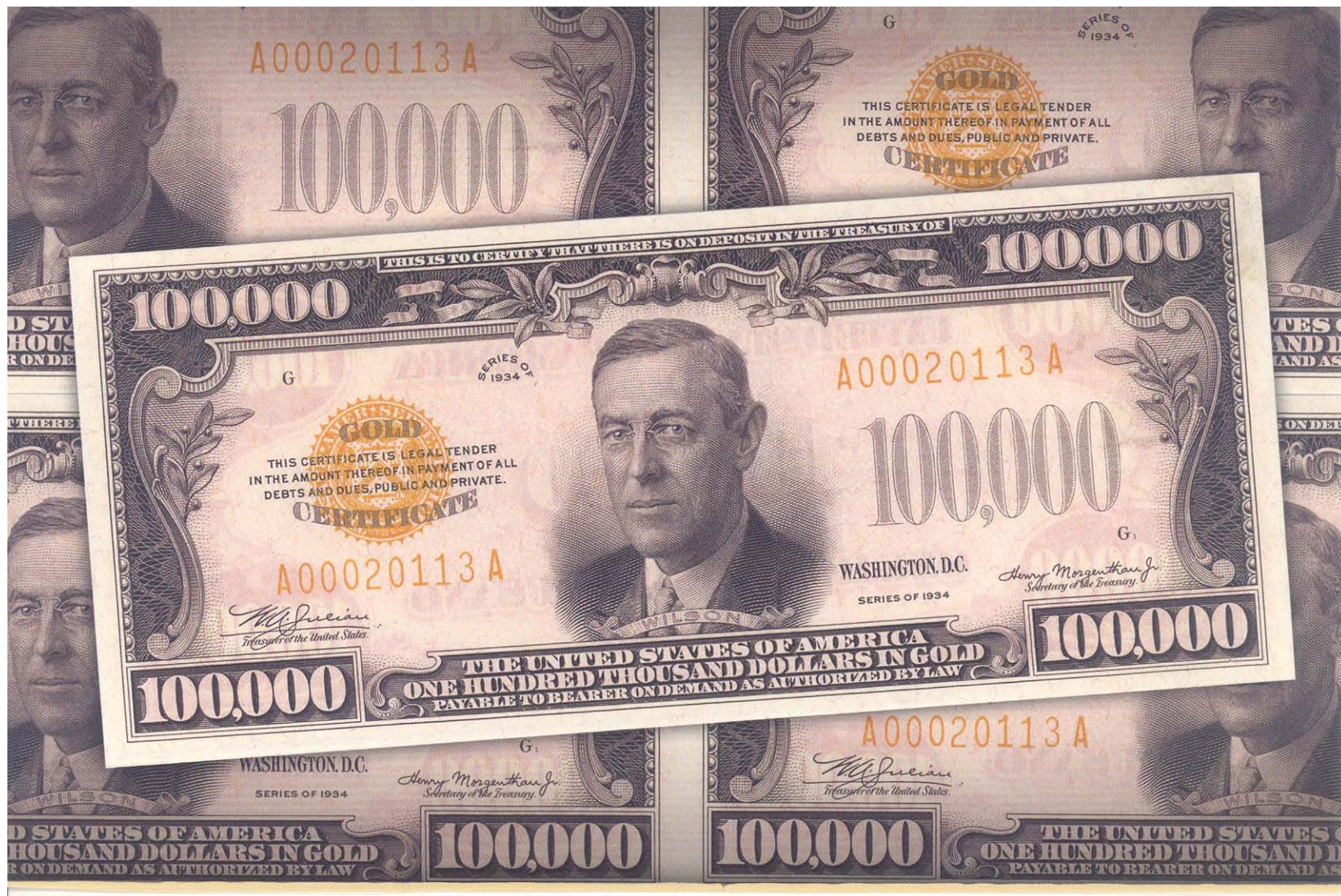
## **10) 1901 Legal Tender \$10 Note**







**11) 1912 First National Bank of Albuquerque \$50 Note**





**12) 1934 Bank Transfer \$100,000 Note**