

SHOW ME THE MONEY

The purpose of this unit to explore how currency changed as New Jersey was colonized, grew, and eventually nationalized. The enclosed items span from Colonial times to the 21st century. Each item is numbered so it can be displayed sequentially as a viewable timeline.

Invite your students to explore the timeline. You might draw their attention to how early denominations are in English pounds, not American dollars. The 1785 household inventory is a very interesting look at the worth and items in a period home. You might ask students how their current homes compare. The 1857 bill of tuition for the Freehold Young Ladies Seminary is an excellent example of how New Jersey was still using the barter system, even in the mid-19th century. The bank notes (items 7a – 11) are excellent visual examples of how New Jersey banks were established, printed their own bank notes, became nationalized, and were finally replaced by the Federal Reserve. Students might also find the bank checks (items 8a and 8b) a novelty in this era of digital payments.

Below are descriptions of the items to facilitate discussions and help students draw conclusions.

A LITTLE HISTORY...

In the beginning, there was no national currency! The early colonists primarily bartered with fur, meat, tools, etc. Coins from other countries (such as Spain, Holland, and England) were also accepted. Wampum (i.e. tubular beads of drilled shell) was used to trade with the American Indians. New Jersey issued its first paper money in 1709, and its own coins in 1786.

In 1804, two banks were chartered in New Jersey (the Newark Banking and Insurance Company and the Trenton Banking Company). Chartered banks issued their own printed money. In 1863, banks in the States would join a National Banking system, which ended the era of individual bank notes, and ushered in the unified appearance of money we see today. In 1913, the Federal Reserve, America's unified banking system, was established. The Federal Reserve remains to this day, and the United States Department of Treasury prints our currency and mints our coins.

TIMELINE

1) New Jersey Colonial paper money, 1759

Originally, Americans were colonists from England and Europe, and this is reflected in the fact that this money is good for 6 English pounds (£), not 6 American dollars (\$)! These bills required personal signatures to insure they were valid and to also discourage counterfeiting. Also discouraging to counterfeiters? The words “To counterfeit is Death” printed on the back!

2) Itemized household inventory, 1785

This inventory is interesting for two reasons: 1) The values are still reflected in English pounds, not American dollars; 2) It’s an intimate look inside a household from this period.

3a) New Jersey Colonial coin, 1786

3b) New Jersey Colonial coin, 1787

The first official New Jersey copper “Horse Head” coins have a horse head, plow, and NOVA CAESAREA (Latin: for “New Jersey”) on one side. The reverse has a shield with 13 horizontal stripes, a field with additional stripes but no stars, and E PLURIBUS UNUM (Latin: “One from many”).

4) Deed of land sale, 1793 and 1796

Notice the word “Indenture” right away? See the wavy lines cut into the top of the document? It was cut this way, or “indented” to match its sister copy. The wavy lines – the “indenture”- thus proved the contract to be valid.

The document is written on vellum (i.e. processed animal skin), not paper. Legal documents were often written on vellum because it was stronger and more lasting. The Declaration of Independence and the Constitution? Both written on vellum.

5) Bill of sale for stone, 1796

Again, a little slice of life from 1796 Trenton. And we’re still seeing the English pound symbol, not the American dollar!

6) Receipt for tuition, 1857

This a receipt for the school expenses of Miss Elizabeth DuBois from the Freehold Young Ladies Seminary. Notice the last line – part of her tuition was paid with potatoes, showing that even in 1857, America was still using the barter system. Also, did you notice we’re finally seeing American dollar signs, not English pounds?

7a) Bank note, City Bank of Perth Amboy, 1862

7b) Bank note, Sussex Bank of New Jersey, 18-

7c) Bank notes, Farmers Bank of New Jersey, 18-

As banks were established and chartered, they began printing their own money. These are examples of different notes from different banks. Notice that smallest bank note (from the City Bank of Perth Amboy) is signed at the bottom. This was to insure that the note was valid, and to discourage counterfeiters. The other two are unsigned, which means that these were never in circulation.

8a) Bank check, Freehold National Bank, 1872

8b) Bank check, Freehold National Bank, 1876

Another form of currency were checks, which drew from funds an individual deposited in the bank in advance. Instead of a fixed amount on a bank note, you could conveniently write in the exact amount you needed on the check. Paper bank checks are still in use today, even though they are rapidly being replaced by digital payments.

9) Bank note, City National Bank of Hackensack, 1921

Did you notice a major change on this bank note? Instead of it being “The City Bank of Hackensack,” it’s from the “City *National* Bank of Hackensack.” This reflects the trend of moving from individual banks within the state to banks unified at the national level.

10) Bank note, Lincoln National Bank of Newark, 1929

Here we see bank notes beginning to look like the ones we use today.

Examine a modern bank note. You'll notice that National Banks like the Lincoln National Bank of Newark are no longer issuing notes. Instead we have the Federal Reserve issuing them nationally. To complete the timeline, you could also display a credit card and a phone to explain how today, most payments are made digitally.