

## ISSUES OF THE GILDED AGE

**Enrichment: Connection to Economics****The History of United States Currency**

Today, the term *currency* refers to a medium of exchange, such as paper money. In the United States, the term applies to paper money and coins with set values as well as to bank notes, checks, and forms of credit that can be traded for goods and services.

Since the nation's formation, citizens and politicians have debated the advantages and disadvantages of using paper money, of minting gold versus silver coins, and of having a national banking and monetary system. Modern paper money did not go into regular circulation until the Civil War, during which time the Confederate States of America also printed its own currency. Since the end of the Civil War, the federal government has worked to stabilize the money system, combat counterfeiting, and maintain the value of the dollar in the world market.

**Your assignment:** As individuals or in groups, research one of the following topics regarding U.S. currency: the value of currency and the role of inflation, different forms of currency over time, government regulation of currency, the changing face of currency, or the history of counterfeiting. When you have completed your research, prepare a report, a display, or a pamphlet sharing what you have learned. Discuss your projects as a class, and answer the questions on the next page.

**Suggested materials:** poster board or foam board for mounting a display; craft supplies such as markers, paper, glue, and scissors; construction paper for making a pamphlet; images of different forms of currency; relevant statistics and facts

**Suggested resources:** Use reference books, school-approved Web sites, and current financial and business journals and magazines to conduct your research. The U.S. Treasury's Web site, [www.bep.treas.gov](http://www.bep.treas.gov), is a good place to start, as is the Web site of the Federal Reserve, [www.federalreserve.gov](http://www.federalreserve.gov). Federal and state constitutions provide information on the government's role in regulating currency.

**Suggested procedures:**

1. Refer to the chart on the next page to guide your research. Make sure that you answer each question listed for your topic.
2. Decide which project format best suits your topic. If your topic is heavily visual, you may want to make a display or a pamphlet. If your topic has fewer image options, you may want to write a report.
3. Write definitions for key terms. Discuss difficult concepts or terms with your teacher if you are unclear about information you have found.
4. Make a timeline of important milestones that apply to your topic. Use this timeline for reference when organizing your information.
5. Look for images representing currency if you are researching different forms or the changing face of currency. Consider looking for images that show how currency has been made, printed, or counterfeited.
6. Prepare charts or other graphic organizers to explain difficult concepts, such as the structure of the Federal Reserve or the role of federal and state government.

**ISSUES OF THE GILDED AGE**

**Enrichment: Connection to Economics**

**The History of United States Currency**

*Directions: Refer to the chart below for direction on your research topic. Make sure that your project addresses the questions listed for your topic. After each student or group has shared a project, you will discuss the answers as a class. Then, on a separate sheet of paper, answer the question at the bottom of the page.*

Research Topic	Questions to Answer
The value of currency and the role of inflation	<ol style="list-style-type: none"> <li>1. Why does money have value?</li> <li>2. What makes value increase and decrease?</li> <li>3. What is inflation?</li> <li>4. How does inflation impact the value of currency?</li> <li>5. How does the government respond to inflation?</li> </ol>
Different forms of currency over time	<ol style="list-style-type: none"> <li>1. When did the issuance of currency begin in the United States?</li> <li>2. What kinds of currency have been used throughout American history?</li> <li>3. What kind of value did different forms of currency have?</li> <li>4. What controversies have arisen over different forms of currency?</li> </ol>
Government regulation of currency	<ol style="list-style-type: none"> <li>1. What role has government played in the production and regulation of currency over time?</li> <li>2. What role have private banks played in the production and regulation of currency over time?</li> <li>3. What was the First National Bank? What happened to the Second National Bank?</li> <li>4. What is the Federal Reserve? How is it structured?</li> </ol>
The changing face of currency	<ol style="list-style-type: none"> <li>1. What symbols have appeared on currency over time?</li> <li>2. What do different symbols represent?</li> <li>3. How has the shape and size of currency changed over time?</li> <li>4. How has value been represented?</li> <li>5. What words or phrases have appeared on currency over time?</li> </ol>
The history of counterfeiting	<ol style="list-style-type: none"> <li>1. What is counterfeiting? How does it harm the economy?</li> <li>2. How is currency counterfeited?</li> <li>3. How has the government responded to counterfeiting?</li> <li>4. What preventions against counterfeiting might be taken in the future?</li> </ol>

**Critical Thinking** What kinds of currency do you think will be used in the future? What role do you think coins, paper money, plastic, and credit will play?