



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

WRITTEN BY Lis Turner

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A Virtual Field Trip to the Fed

Time Required

1 – 2 weeks

Economic Concepts

Banks – *an establishment for depositing, withdrawing and borrowing money. A bank is a business that sells financial services such as car loans, home mortgage loans, business loans, checking accounts and credit card services. Some people go to the bank for a safe place to keep their money.*

Barter – *the direct exchange of one good for another good, rather than for money.*

Money – *any generally accepted medium of exchange to buy goods and services.*

Trade - *exchanging goods and services with people for other goods and services or for money. When people trade voluntarily, they expect to be better off as a result.*

Wants – *all those things, tangible and intangible, people might wish to possess, but which are not absolutely necessary. It is usually contrasted with needs, or those few things humans require to sustain life.*

Overview

The Money Museum at the Federal Reserve Bank of Richmond houses a 575-specimen collection representative of the monies of our own land, the monies of past civilizations, and the monies of primitive societies. Now available online as a virtual tour, the Money Museum offers teachers and students the advantages of a field trip without leaving the classroom. The learning possibilities are endless.

This lesson's "B is for Barter" activity will give students insight into the concept of barter, including why barter was practical in Colonial America. Students also will learn the advantages and disadvantages of barter. The "C is for Colonial Coin and Currency" activity will give students a feel for the items used as currency in Colonial America. The "D is for Design" activity will acquaint students with how money is made today. The "A

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 facsimile (804) 740-6701 www.powellcenter.org

is for All about Gold and Silver Bars” and the “E is for Explore” activities can be used with students in upper grades or as extra credit projects to incorporate math activities and a more comprehensive tour of the museum. When you are ready to start the tour, click [here](#). Bon Voyage!

Objectives

- Students will participate in a barter activity.
- Students will learn how the Colonists adapted to the limited amount of coinage available to them.
- Students will investigate how coins and currency are designed and made.
- Optional: Students will calculate the value of precious metals.
- Optional: Students will explore the many displays in the Money Museum and relate them to historic events and people.

Materials and Handouts

- Computer with Internet access to [Money Museum website](#)
- [Handout 1](#) **Corn**
- [Handout 2](#) **Pelts**
- [Handout 3](#) **Tobacco**
- [Handout 4](#) **C is for Colonial Coin and Currency**
- [Handout 5](#) **D is for Design**
- [Handout 6](#) **All About Gold and Silver Bards**
- [Handout 7](#) **Federal Reserve Bank of Richmond Money Museum Scavenger Hunt**

Teaching Activity

Day 1 — B is for Barter

Discuss with students the fact that money as they know it (coins and cash) has not always existed. Before there was money, people had to trade what they had for what they needed — food, clothing, and shelter. Among the people found in Colonial America were trappers, farmers, and Native Americans. These people exchanged or traded products they grew or produced for products they needed. This form of trading was called barter. The word “barter” comes from *barater*, a French word meaning, “to trade.” Explain to the students that they are going to experience barter in the “B is for Barter” activity. The classroom has now become Barter City, U.S.A.

Round 1

Divide the students into two groups, equal in size. Trappers will have pelts to trade and Native Americans will have corn to trade. (If the number of students in your class is odd, allow the extra student to distribute the trading cards.) Distribute Handout 1, **Corn**, to the Native American group and Handout 2, **Pelts**, to the trapper group. Give students a card representing their product for trading purposes. Read the Round 1 scenarios and ask each student to make a trade with another student. After students have made their trades, explain that this is the simplest form of barter. It works because everyone has something

someone else needs and can barter for what he or she needs from another trader. Ask the students if they can think of something similar that happens in the lunchroom. For example, “I’ll trade you my cheese sandwich for your peanut butter and jelly.”

Round 2

Divide the students into two groups, uneven in number: Trappers who have pelts to trade and Native Americans who have corn to trade. Be sure there are a few extra students in one group. Read the appropriate Round 2 scenarios to each group. Give each student a card representing their product for trading purposes. Ask each student to try to make a trade with another student. There will be some students who cannot make a trade. After they have made their trades, discuss the problem it reveals. For example, if you cannot find someone to trade with, barter will not work. You may have students industrious enough to pool their resources and trade two-for-one to get what they want. If so, you can discuss how the decreased supply of one product can increase the number of items a trader must offer to barter in order to get what he or she wants.

Round 3

Divide students into three groups of equal size: Trappers who have pelts to trade, Farmers who have tobacco to trade, and Native Americans who have corn to trade. Read the Round 3 scenarios. Explain that in this round, students will not only be trading their product to get what they need; they also will trade to provide products that others want. They may have to barter more than once to get what they want. (See Diagram A.) Ask groups to make their trades. Discuss with the students that barter works best when you can trade what you have directly for what you need. Ask the students what happened when they could not find someone who wanted what they had to trade. For example, they had to make two-tier trades. Discuss how a barter system often necessitates multiple trades in order for traders to get what they want or need. Ask the students to discuss how much more time and energy was used in this round of bartering than in Round 1. After the students have engaged in the “B is for Barter” activity, you may want to discuss the evolution of trading posts. Explain how trading-post merchants acted as middlemen to minimize the number of trades needed. Have the students explore other items in Section 1C of the Money Museum online, and discuss items such as nails and musket balls that were used as “commodity money” in this country before coins and currency came into widespread use. This will lead into the discussion on the next activity, “C is for Colonial Coin and Currency.”

Day 2 — C is for Colonial Coin and Currency

Discuss with the students the fact that England did not supply the Colonies with enough coins and would not let them make their own. This created a problem for the Colonists. The coins they brought from Europe were soon sent back as they purchased supplies. The Colonists were forced to barter for goods or to use items such as wampum, nails, and tobacco as replacements for coins (these replacement goods are sometimes referred to as commodity money). They also used foreign coins, but the value of foreign coins varied from colony to colony. Ask students to imagine themselves living in the Colonial era: where would they most likely spend their foreign coins? They probably would use them in places where their value was highest — where they would have the most purchasing power. That is what happened in the Colonies.

In 1652, Massachusetts began minting Pine Tree shillings. They were produced for many years, but they were always marked with a date of 1652. Ask students if they can figure out why the mint did this. (If England ever found out about this illegal coin, Massachusetts could claim it had not minted any coins since 1652.) Although some individual Colonies had issued paper money before this, the Continental Congress decided in May 1775 to issue paper money to finance the Revolutionary War. Much of this money was paper redeemable in coin. More and more “continentals” flowed into circulation as the war progressed. People realized that Congress could not possibly redeem them in Spanish dollars, gold, or silver. This loss of confidence brought rapid declines in the purchasing power of Continental currency. “Not worth a continental” became a commonplace saying. Have students visit Section 1C, Barter in Colonial America, and Section 3A, Colonial Coin and Currency, to read more about these and other coins and currency of that period. When they finish reading, they should answer the questions on Handout 4, **C is for Colonial Coin and Currency**.

Day 3 — D is for Design

In the “C is for Colonial Coin and Currency” activity, students learned about early American coin and currency. Next, send students to Section 10, The Making of Currency and Coin, to explore how it is done today. A visit to Section 8B, 20th Century Coinage, will acquaint them with some interesting facts about coins. Discuss what types of images used to be on coins (various forms of liberty and eagles). In the 20th century, the United States began using images of actual people on coins. Ask students if they know who is on various coins and currency and why these people have been so honored. You may also want to use the Web sites listed in the references section to supplement this activity. The Web site for the Bureau of Engraving and Printing discusses anti-counterfeiting measures. The Web sites for the Treasury and U.S. Mint have activities sections for students. The Federal Reserve Bank of Boston site offers a baseball-card type of activity for personalities on currency. Handout 5, **D is for Design**, offers a quiz for the students to use during their visit to Sections 8B and 10 in the museum online.

Day 4 — A is for All About the Gold and Silver Bars

In using the virtual tour with students in the upper elementary grades, the teacher may wish to include a math lesson. Go to Section 20, the Gold Bar, in the museum online. Explain to the students that at one time our country used the gold standard. Our currency was backed by gold such as the bar on display. Gold, silver, and precious stones are weighted in troy ounces. The origin of troy weights is explained on Handout 6, **All about Gold and Silver Bars**. In this activity, students calculate the value of the gold bar by finding the price of gold and multiplying it by the weight of the bar.

The silver bar is on display in the virtual museum under Section 21, Precious Metals. Students can also calculate the value of it. Go to www.finders.com.au/Goldprice.htm to find current prices of gold and silver. Use Handout 6 as a worksheet. At the end of the calculations, discuss with the students some items that could change in price if the price of gold or silver changed significantly. Examples include jewelry, silverware, etc.

Day 5 — E is for Explore

The Money Museum contains many interesting items. The scavenger hunt offers students

the opportunity to explore and learn more about the areas included in the A, B, C, and D activities, as well as the entire museum. It can be done in class, as an extra credit project at home, or just for fun. Distribute the scavenger hunt, Handout 7, and let the students begin their adventure. The teacher can obtain an answer sheet from the Federal Reserve Bank of Richmond to help with the discussion in class.

On display in the Federal Reserve Bank of Richmond's Money Museum are exhibits that tell the story of money in Colonial America and the United States. Taking the virtual tour gives teachers and students an opportunity to view and discuss money-related artifacts and exhibits devoted to primitive monies, medieval and ancient coins, and other special-interest items.