

Pioneer Currency in Utah: Have you got change for 5?

Summary

Pioneer society needed a uniform medium of exchange -- not so much among themselves, but for use with non-Mormon suppliers and California immigrants. This lesson explores the efforts to create this medium in the Utah Territory before the spread of 'greenbacks'.

Time Frame

2 class periods of 45 minutes each

Group Size

Individual

Life Skills

Thinking & Reasoning

Materials

Dollar bill, Sand (preferably in a small pouch), Precise scales, 'Designing Money' Worksheet

Background for Teachers

Barter, or exchange of goods, was sufficient for early pioneer society, but it was not always convenient or practical. Furthermore, for obtaining needed supplies from the East it was worthless. To develop universally acceptable currency, Mormon leaders decided to mint gold coins, using gold dust from California.

Intended Learning Outcomes

Students will comprehend the need for money in a society and the artificial value of coin and paper currencies. Students will design their own coin and paper currency.

Instructional Procedures

Show a dollar bill. Lead a discussion of why a piece of paper with ink, a picture of a dead guy, a signature, and a serial number has a certain value. It does, only because the bill is universally accepted at face value. Read the included background information before class.

Share the experience of William Palmer's pioneer father from the attachment.

Explain the idea that bartering didn't always work for everyone. Some people might need things but did not have the appropriate things to trade for it, or not have items of similar value. A directed role play using items that students have at school could be used for the bartering exercise. Concentrate on making trades using items of different values.

Describe the use of gold dust as a medium of exchange. Have students predict how much a pinch of sand will weigh on the scale. Have students get a pinch of sand from a pouch using dry and wet fingers. Record the variances of the weight on a chart to illustrate how unfair this practice was to the pioneers.

Discuss the practicality and problems of using paper currency backed by stored dust. Compare it to US currency under the gold standard. Discuss how the government maintains the value of money today. Ask students to suggest other ways the government could maintain the value of money.

Explain that coins were minted with a value slightly below face value due to necessary impurities. Describe both sides of the minted coins.

Have students design their own coins (two sides) and paper currency (two sides).

Extensions

Perhaps you could select one or two currencies that seem to have the most promise of maintaining (or increasing) value. Print money and distribute it among the class as a bank. Set up a way for the students to trade using their money.

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