

The History of Money

The origin of the word money derives from the name of a Roman Goddess Juno Moneta, wife of Jupiter.

The first exchange was not money. People grew and hunted their own food. They made their own clothing and shelter. As time went on, people found they could do a certain job better than their neighbor. As a result, they stuck to this job and exchange trading was birthed.

The first money were objects in exchange for products. This included animal skins, cattle and fish. As time went on people began to use metal for exchange as it did not wear out and was more practical. This included spades, knives and other tools.

The first coins were made during 600 B.C. in Lydia, which is now Turkey. These coins were called starters and there were a natural mixture of gold and silver. Seagoing merchants brought these early coins to Greece. By mid 500 B.C. coins were being used in every area where Greeks had set up colonies. The Romans began making coins during 300 B.C. and they brought their coins into all the countries they conquered.

The first paper money was made in China. Marco Polo saw it being used there in the late 1200 A.D. The paper money we use today was developed in England during the 1600's. At that time, many people stored their gold and other valuables in vaults of goldsmiths. The goldsmiths gave written receipts for the valuables, then the owners used the receipts as money. This was the acceptable way to do business.

The first North American money appeared in 1685. This money consisted of playing cards. Each card was marked with a certain value. These cards were so widely accepted that they were issued for more than 70 years. During the Revolutionary War (1775-1781) great amounts of notes called continentals were issued. During the Revolutionary War the new states issued a variety of copper cents.

The first national mint was established in the Coinage Act in 1792. The act also set up the first system of money in the U.S. Congress established an American dollar as the basic unit of this system. The new money also included both gold and silver coins.

The first growth of paper money was during the 1800's. American Banks issued large amounts of paper notes to borrowers. In 1861, the Department of Treasury issued the first U.S. notes called greenbacks. The government issued a large number of these notes to help pay the costs of the Civil War.

The first check came from the Romans in 352 B.C. but it did not catch on. It was not until the early 1500's in Holland that the first check got widespread usage. Amsterdam was a major international shipping and trading center. People who had accumulated cash started depositing it with Dutch cashiers, and getting checks to draw against it for a fee. It then spread to England. In the United States, checks first began in 1681 when cash-strapped businessmen in Boston mortgaged their land to a fund, against which they could write checks. The first printed checks with numbers began in 1792 in England. Today banks in the United States can present checks to the Federal Reserve System or private clearinghouses for regional and national check collection.

The first credit card was introduced in 1946 by John Biggins, a banker in Brooklyn and was called "Charg-It". This card could only be used locally. In 1949 a man named Frank McNamara started Diners Club Card, used mainly for travel and entertainment purposes. Diners Club was the first credit card to be used widespread. In 1959 American Express Card was birthed. In that same year, the option of revolving balance was introduced by Master Card. Visa was birthed in 1966 by Bank of America who established the first BankAmericard to banks nationwide. Today, credit cards are the main source of business in the free world.