

# Teaching *The Hudson River Valley Review*

## Development of a Market Economy

**Grade level: 7**

### Rationale:

Both articles focus on the economic impact of industrialization in the Hudson River Valley. Schultz and Guiry (2010) focus on the economic changes from 1783-1835 which was evident by the newspaper collection at the Huguenot Historical Society's Early American New Newspaper Collection. Mott's (2007) piece researches the changing nature of the banking system in the late 19<sup>th</sup> century, including several banks and their leaders.

### Objectives:

Students will be able to:

- Act out two different types of economy: barter and market.
- Create a Venn diagram contrasting the banknotes of the Hudson River Valley in the 19<sup>th</sup> century to today.

### New York State Social Studies Standards:

#### **Standard 1: History of the United States and New York**

Students will: use a variety of intellectual skills to demonstrate their understanding of major ideas, eras, themes, developments, and turning points in the history of the United States and New York.

- **Key Idea 3:** Study about the major social, political, economic, cultural, and religious developments in New York State and United States history which includes learning about the important roles and contributions of key groups.

#### **Standard 4: Economics**

Students will: use a variety of intellectual skills to demonstrate their understanding of how the United States and other societies develop economic systems and associated institutions to allocate scarce resources, how major decision-making units function in the U.S. and other national economies, and how an economy solves the scarcity problem through market and nonmarket mechanisms

- **Key Idea 1:** The study of economics requires an understanding of major economic concepts and systems, the principles of economic decision making, and the interdependence of economies and economic systems throughout the world.

### New York State Content Understandings:

#### **Urbanization: economic, political, and social impacts**

- Economic interdependence (e.g., resource use; from farm to market)

### Teacher Resources:

#### **Articles from *The Hudson River Valley Review*:**

Schultz, Sally M., and Michael Guiry. "The Changing Nature of Mid-Hudson Valley Business During the Dawn of the Industrial Era (1783-1835)." *The Hudson River Valley Review*

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26.2 (2010): 5-29. Print.

Mott, Lucien. "Banking in Early America. The Mid-Hudson Valley, the Banks of Newburgh."

*The Hudson River Valley Review* 23.2 (2007): 59-72. Print.

(Online: <http://www.hudsonrivervalley.org/review/pdfs/HRVR23Pt2Online.pdf>)

### **Materials:**

- Articles
- Index cards with the following words: wheat, corn, cows, cheese, and land.
- Copies of the banknotes (both modern and 19<sup>th</sup> century)
- Copies of blank Venn diagrams
- Pencil/Pen

### **Procedures:**

1. The teacher will write the words "barter" and "market" economies on the board. S/he will ask the students what they know about the two terms. After a brief discussion, teachers will tell the students that these are the first two economic systems in the Hudson River Valley.
2. Next, the teacher will randomly hand out the index cards. S/he will ask the students about what they have in their "decks." The teacher may ask "which are worth more and why?" She can then explain that in a barter economy, people trade various things that they make or grow for other items. There is no need for currency.
3. Teachers will then pass out the handouts with the historic currency from the Hudson Valley and a copy of a blank Venn diagram. On one side, students are to write "Old Money," and on the other "New Money." Then they will record the similarities and differences between the two types of currency. Then they can discuss the many differences and similarities. After teachers can explain that before there was a uniform national currency, people used these old banknotes created by local lenders.

### **Assessment:**

1. Teachers will ask the students to write a one paragraph essay in which they will compare the barter and market economies. They will need to explain *how* the relationships among Hudson River Valley residents changed as the economy made these changes. They should also explain how they buy and sell items today. (They can mention that adults use credit cards, for instance.)

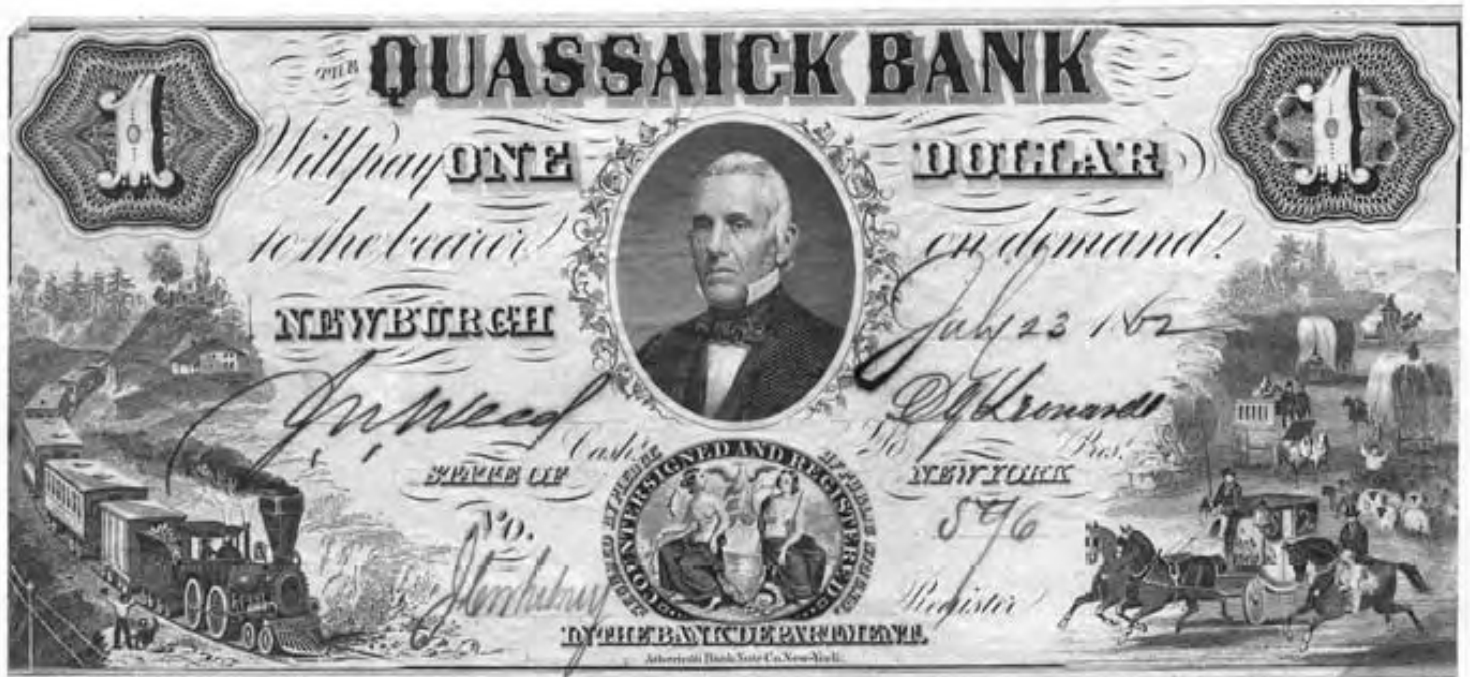
### **Enrichment**

1. Students will design a new future U.S. currency. Will it be metal and plastic, or will it take another form? What about a dollar or two dollar coin like in Canada? Should we keep the penny? Why?

Banknotes and gold coin from the Hudson Valley in the 19<sup>th</sup> Century



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## Modern Currency Samples

