



## **“Money, Money, Money!”** —19<sup>th</sup> Century Currency— **Soldier Pay in the American Civil War Activity**

Union privates were paid \$13 per month until after the final raise on June 20, 1864, when they got \$16. In the infantry and artillery, officers were as follows at the start of the war: colonels, \$212; lieutenant colonels, \$181; majors, \$169; captains, \$115.50; first lieutenants, \$105.50; and second lieutenants, \$105.50. Other line and staff officers drew an average of about \$15 per month more. Pay for one, two, and three star generals were \$315, \$457, and \$758, respectively.

The Confederate pay structure was modeled after that of the US Army. Privates continued to be paid at the prewar rate of \$11 per month until June 1864, when the pay of all enlisted men was raised \$7 per month. Confederate officer's pay was a few dollars lower than that of their Union counterparts. A Southern Brigadier General for example, drew \$301 instead of \$315 per month; Confederate colonels of the infantry received \$195, and those of artillery, engineers, and cavalry got \$210. While the inflation of Confederate money reduced the actual value of a Southerner's military pay, this was somewhat counterbalanced by the fact that promotion policies in the South were more liberal.

As for the pay of noncommissioned officers, when Southern privates were making \$11 per month, corporals were making \$13, "buck" sergeants \$17, first sergeants \$20, and engineer sergeants were drawing \$34. About the same ratio existed in the Northern army between the pay of privates and noncommissioned officers.



Soldiers were supposed to be paid every two months in the field, but they were fortunate if they got their pay at four-month intervals (in the Union Army) and authentic instances are recorded where they went six and eight months. Payment in the Confederate Army was even slower and less regular.

Source: "The Civil War Dictionary" by Mark M. Boatner



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Complete the reading comprehension guide to identify the wages of different soldiers from each side, prior to June 1864.

<u>Union Soldiers</u>	<u>Wages per Month</u>	<u>Confederate Soldiers</u>	<u>Wages per Month</u>
Private		Private	
Brigadier General		Brigadier General	
First Lieutenant		Colonel of Infantry	
Colonel		Colonel of Artillery	
Major		Non-Commissioned Corporals	
3 Star General		Non-Commissioned Sergeants	

Here is a quick exercise for you to familiarize yourself with soldiers pay during the Civil War. Please use reading to differentiate between different ranks of the Northern and Southern military.

1. How much would a Union private get paid for 2 year?
  
2. How much more would a Union B.G. get paid after 1 year compared to a Confederate B.G.?
  
3. How much would a 3 Star General in the Union get paid for 1 year?
  
4. How much less does a Colonel of Infantry get paid in the Confederacy compared to Colonel of Artillery?
  
5. How much does a First Lieutenant in the Union get paid for 6 months?



## **“Money, Money, Money!”** **—19<sup>th</sup> Century Currency—** **History: Civil War Currency**

Just as the Revolutionary War prompted the Continental Congress to issue paper currency, the financing of the Civil War provided the catalyst for the continuing evolution of U.S. currency. In 1861, the U.S. Treasury issued its first paper currency since the Continentals--Demand notes. They were printed in \$5, \$10, and \$20 denominations, redeemable in coin on demand. Demand notes were also called "greenbacks" because their reverse sides were printed in green ink. Although Demand notes were no longer printed after 1862, they're still valid today, redeemable in current cash at face value.

Demand notes were replaced by Legal Tender notes, which were issued in denominations ranging from \$1 to \$10,000. To save metals during the Civil War, Legal Tender notes were originally backed by faith in the government, rather than gold or silver. In 1879, the U.S. Treasury began redeeming Legal Tender notes for coin. They were issued until 1966 and are still redeemable today at face value.

Lack of confidence in paper money resulting from the Free Banking Era and the Civil War inspired the creation of Interest-bearing notes, issued from 1861 through 1865. The interest paid on these notes provided the incentive for citizens to hold the currency and also helped to finance the final years of the Civil War.

Between 1861 and 1865, the Confederacy issued currency backed by cotton to millions of southerners, gambling that a Confederate victory would ensure the currency's value. Meanwhile, enterprising Northerners printed Confederate money and circulated it in the South. This led to one of the greatest inflationary periods in America, particularly in the South. By the War's end, Confederate notes were almost worthless and many people bartered or used black market Union issues as a medium of exchange.



Widespread hoarding of coins and the need to divert metals toward the war effort created a shortage of coins during the Civil War. Paper tickets, stamps, and bills were frequently substituted, but the scarcity was so great that Congress authorized the issuance of "paper coins" as a temporary "fractional currency." From 1862 to 1876, the federal government issued more than \$368,000,000 in fractional currency in three- to fifty-cent denominations. Called "shinplasters," these paper coins were much smaller in size than our existing currency. After the Civil War, fractional currency was no longer needed and Congress stopped issuing fractional currency in 1876.

Source: San Francisco Federal Reserve



## “Money, Money, Money!” —19<sup>th</sup> Century Currency— History: Civil War Currency

Value of CSA Currency from 1861 to 1865\*  
(This is inflation at its worst)

Date	CSA Currency vs. \$100 of Gold
<b>Jan. 1862</b>	<b>\$120</b>
<b>Jan 1863</b>	<b>\$300</b>
<b>Jan. 1864</b>	<b>\$1,800</b>
<b>Jan. 1865</b>	<b>\$3,400</b>
<b>Feb. 1865</b>	<b>\$5,000</b>
<b>Mar. 1865</b>	<b>\$4,700</b>
<b>Apr. 1865</b>	<b>\$5,500</b>

\* Reference - *Jefferson Davis*, Varina Davis, 1890, Vol. II, p. 535.

$$(\text{Price (Y2-Y1)}) / 100 = \text{Inflation Multiplier} \quad (3400-120) / 100 = 3280 / 100 = 32.8$$

This means that in January 1865 products cost 32.8 times the cost in January 1862.

**Inflation Activity-** Use the Inflation Multiplier to determine the price of products in 1865.

**Example -** How much did \$5.00 worth of tar cost?  $32.8 \times \$5.00 = \$165.00$  Try it yourself below.

<u>Product</u>	<u>Price in January 1862</u>	<u>Price in January 1865</u>
Wheat	\$2.00	
Flour	\$1.50	
Cotton	\$3.00	
Tobacco	\$4.00	
Wood	\$10.00	
Apples	\$6.00	



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Private	<b>\$13</b>	Private	<b>\$11</b>
Brigadier General	<b>\$315</b>	Brigadier General.	<b>\$301</b>
First Lieutenant	<b>\$105.50</b>	Colonel of Infantry	<b>\$195</b>
Colonel	<b>\$212</b>	Colonel of Artillery	<b>\$210</b>
Major	<b>\$169</b>	Non-Commissioned Corporals	<b>\$13</b>
3 Star General	<b>\$758</b>	Non-Commissioned Sergeants	<b>\$20</b>

Here is a quick exercise for you to familiarize yourself with soldiers pay during the Civil War. Please use reading to differentiate between different ranks of the Northern and Southern military.

1. How much would a Union private get paid for 2 year? **\$312**
2. How much more would a Union B.G. get paid after 1 year compared to a Confederate B.G.? **\$168**
3. How much would a 3 Star General in the Union get paid for 1 year? **\$9096**
4. How much less does a Colonel of Infantry get paid in the Confederacy compared to Colonel of Artillery? **\$15**
5. How much does a First Lieutenant in the Union get paid for 6 months? **\$633**



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<u>Product</u>	<u>Price in January 1862</u>	<u>Price in January 1865</u>
Wheat	\$2.00	\$65.60
Flour	\$1.50	\$49.20
Cotton	\$3.00	\$98.40
Tobacco	\$4.00	\$131.20
Wood	\$10.00	\$328.00
Apples	\$6.00	\$196.80