

## Terms to Know

**Money** is a medium of exchange. **Money** is currency, which includes coins and paper bills.



**Barter** is trading or exchanging of goods and services without the use of money.



**Credit** is buying a good or service now and paying for it later.



**Debt** is a good or service owed to another.



**Saving** is money put away to save or to spend at a later time.



## The Economy of the Virginia Colony



The economy of the Virginia colony depended on agriculture as a primary source of wealth.

## How **Money**, **Barter** and **Credit** were used in the Virginia Colony

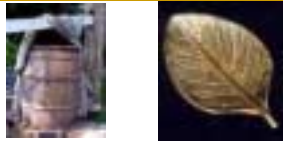
**Few** people had **paper money** and **coins** to use to buy goods and services.



**Barter** was commonly used instead of money.



**Tobacco** was used as money. A tobacco farmer could use his tobacco to pay for goods and services.



Farmers and other consumers could also buy goods and services on **credit** and pay their debts when their crops were harvested and sold.



Colonial Virginia had **no banks**.



## Decline of Agriculture Society

During the 20<sup>th</sup> century, Virginia went through great change. Up until that time, most people in Virginia farmed. By the end of the 20<sup>th</sup> century, agriculture (farming) declined. That means fewer people farmed to make a living. There are two reasons why this happened:

1. Old systems of farming no longer were effective.
2. Crop prices were low and farmers could not earn enough money.



20<sup>th</sup> Century



1607 to the 20<sup>th</sup> Century

## 20<sup>th</sup> Century Farming in Virginia

### Decline of Farms in Virginia

