

Forms of Exchange in Colonial Virginia

In colonial Virginia, very few people had paper **money**, a medium of exchange/currency which includes coins and paper bills, to use to buy goods and services. After all, colonial Virginia had no banks for them to keep their money in. Some people who did have money were **saving** it (putting money away to save or to spend at a later time). Therefore, they had to find other ways to get the goods and services they needed without money.

Tobacco was often used in place of money. A tobacco farmer could use his tobacco to pay for goods and services that he needed.

Barter was commonly used instead of money. A **barter** is a trading or exchanging of goods and services without the use of money.

Farmers and other consumers could also buy goods and services on **credit**, buying a good or service now and paying for it later. They would pay off their **debt**, a good or service owed to another, when their crops were harvested and sold.

credit - buying a good or service now and paying for it later.
debt - a good or service owed to another