

## Alexander Hamilton on the \$10 Bill: How He Got There and Why It Matters

by Brian Phillips Murphy

2015 was a big year for Alexander Hamilton.

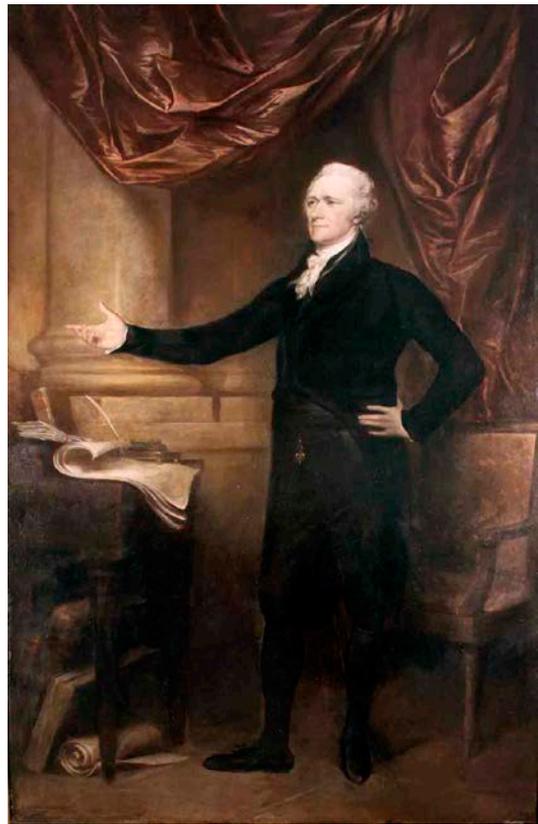
Nearly two hundred eleven years after the nation's first treasury secretary was shot and killed in a duel with then Vice President of the United States Aaron Burr, an Off Broadway play opened at the Public Theater in New York City's East Village to rave reviews and sold-out houses. The brainchild of Tony Award-winning playwright Lin-Manuel Miranda, *Hamilton* had an extended run and remained the toughest ticket to score in town. By the summer, the hip-hop-infused musical was bound for a bigger home on Broadway, having created a boom of interest in all things Alexander Hamilton.

Then along came the Treasury Department to spoil the party.

In June, Jack Lew—the 75th person to succeed Hamilton as treasury secretary—announced a surprise plan to bump his predecessor's portrait from the face of the \$10 bill by the year 2020 so that a woman could appear on the nation's paper money. He asked people to submit names for consideration during the summer and even asked people to begin using a hashtag on Facebook and Twitter: [#TheNew10](#).

Currency redesigns are nothing new in the history of US paper money. In fact, they are fairly frequent; new security features like holograms, special threads with printed numbers and "USA," and watermarks are added every seven years or so to keep up with new technologies used by counterfeiters. The \$20 bill is one of the most counterfeited pieces of currency in the world; meanwhile, the \$10 is far less used—about 5 percent of the 36.4 billion pieces of paper money in circulation are \$10s. With that statistic in mind, in 2013 a Treasury Department task force recommended that as part of a larger redesign the \$10 be the first bill to get a new look by 2020.

Under an 1862 law called the Legal Tender Act, passed not long after the United States began printing paper money in 1861, the Treasury Department has the authority to decide who and



Alexander Hamilton by John Trumbull, 1805 (City Hall Portrait Collection, Public Design Commission of the City of New York)

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what gets to be on the national currency. Since then there has always been a place for Alexander Hamilton: he was first on the \$5, then the \$2, \$20, \$50, \$500, \$1000 (those larger denominations were only used to move money among banks or between banks and the Federal Reserve). Since the currency was redesigned and given a standard size in 1928, Hamilton has been on the \$10. His portrait was engraved from the 1805 John Trumbull painting that hangs in New York's City Hall (you can see it behind the mayor's podium when he is on television).

Alexander Hamilton and Benjamin Franklin are the only two men currently featured on the nation's currency who did not serve as president. That's no accident. Before the paper notes were redesigned in 1928, a presidential commission recommended that only the faces of former presidents should appear on the money since they are more "familiar" to the public than former Cabinet members or generals. Exceptions were made, however, for Franklin, Hamilton, and Civil War-era Treasury Secretary Salmon P. Chase.

In his announcement, Jack Lew said that he wanted to see a woman "who was a champion for our inclusive democracy" on the new \$10. But as much as some activists were excited to finally see a woman on the currency again (Martha Washington was on \$1 silver certificates from 1886 until 1896), choosing to bump Hamilton struck a nerve. "Why not Jackson?" people asked, pointing to President Andrew Jackson's anti-national bank stances and catastrophic Indian removal policies. A group called "Women on 20s" already seemed to be making progress toward that end; New Hampshire senator Jeanne Shaheen had introduced a "Women on the Twenty Act" in the US Senate in April. Former Federal Reserve chairman Ben Bernanke—an economist not given to fits of public anger—said he was "appalled" by Jack Lew's decision. Abby Joseph Cohen, the president of Goldman Sachs's Global Markets Institute, publicly spoke in favor of Hamilton's case. Harvard University economist Carmen Reinhart told reporters that "Hamilton deserves to retain his place."

After getting an earful of support for Hamilton—a lyric in the opening of Miranda's musical calls him "the ten-dollar founding father without a father"—the Treasury Department backed off from its plans in December. Citing "a tremendous amount of engagement," a spokesperson for Secretary Lew said any decision would be postponed into 2016 and stressed that "the process is about more than just one square inch on a bill."

So Hamilton may be saved for now. But why do we care so much about preserving his memory?

That answer is partly symbolic. Having Hamilton staring back at us from the \$10 is a reminder of the outsized role he had in designing the country's financial system.

Behind that symbolism is substance. It was no accident that so many of Hamilton's most vocal supporters took to the pages of the *Wall Street Journal* and to CNBC to speak in his defense. For people who work in the financial and banking sectors—particularly in New York—Hamilton's legacy is a part of daily life. The Bank of New York, which Hamilton designed and co-founded in 1784, still exists today as BNY Mellon. That bank's stock was one of the first to be traded among a group of stockbrokers who formed a formal association in 1792: the New York Stock

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Exchange. Hamilton's plan for national finance called for the sale of public debt in the form of interest-paying bonds and the chartering of a national bank. His plan for manufacturing led to the founding of Paterson, New Jersey, the first American business incubator.

These political and financial legacies proved themselves durable during Hamilton's lifetime. His vision for a dynamic domestic economy of banks, trade, and factories may have been rhetorically opposed by Thomas Jefferson's Democratic-Republicans in 1800, but the Jeffersonians relied on Hamilton's debt models to finance the Louisiana Purchase. They soon accommodated themselves to broader precedents and institutions laid down by Hamilton during the Washington administration. Moreover, under Thomas Jefferson and James Madison, the treasury secretary's job continued to be what it had become under Hamilton's reign: that of an indispensable advisor and confidante to the president.

But even as Jefferson and his cohort were forced to retain parts of Hamilton's agenda, they were relentless in their criticism of the man himself. Convinced that Hamilton had been corrupt, Jefferson ordered a review of the treasury department's papers to find evidence. When none was found, the President refused to admit that Hamilton had acted honestly as treasury secretary; he instead decided that Hamilton was too clever to get caught. Long labeled as a closet "monarchist"—someone who supported the idea of establishing a royal lineage in the United States—Hamilton was invoked to discredit generations of future politicians. Henry Clay, Daniel Webster, and John Quincy Adams were all compared to Hamilton during their careers. Democrat Andrew Jackson and his supporters said that the Second Bank of the United States, which they opposed, "carried the seed of Hamilton's first monster."

It was not until the Civil War that Hamilton's reputation began to be rehabilitated in national politics, often by Republicans who—like Hamilton—had served in the Army. By the turn of the century, Hamilton was treated as a revered statesman and specifically lauded for his financial insights.

*Hamilton* the musical, then, is less of a departure than a continuation of a longstanding and respectful fascination with Alexander Hamilton. It accepts that in 2016 we live and labor in Hamilton's economic vision of America, and sets out to show how improbable it was that an orphaned immigrant could rise so quickly to have so much influence over his present, and ours.

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