The History of the United States Two-Dollar Bill

America's Most Misunderstood Banknote









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The United States two-dollar bill is one of the most fascinating and misunderstood pieces of American currency. Although many people believe it is rare or no longer printed, the $2 bill remains legal tender today and is still produced in limited quantities. Throughout its history, it has been redesigned several times, survived changes in the nation's monetary system, and become a favorite among collectors.

Today, the two-dollar bill is often tucked away as a souvenir or lucky charm rather than spent, making it one of the least-seen denominations in circulation.

The First Two-Dollar Bills

The first United States two-dollar notes were issued in **1862** during the Civil War as Legal Tender Notes, commonly known as "Greenbacks." These notes featured a portrait of Alexander Hamilton.

Congress authorized these notes to help finance the enormous costs of the Civil War. Before then, banks had issued many of their own notes, but the federal government needed a standardized national currency.

Unlike gold and silver certificates that came later, these early Legal Tender Notes were backed by the credit of the United States government.

Changing Designs

Over the next century, the two-dollar denomination appeared in several different forms:

- Legal Tender Notes
- National Bank Notes
- Treasury Notes
- Silver Certificates
- Federal Reserve Notes

Among the most beautiful was the **1896 Educational Series** Silver Certificate. This artistic series featured allegorical scenes representing science, commerce, and history and is considered among the finest pieces of American paper money ever engraved.

Thomas Jefferson Becomes the Face of the Two-Dollar Bill

Beginning in **1928**, when U.S. currency was reduced to today's familiar small size, Thomas Jefferson replaced Hamilton on the front of the note.

Jefferson was chosen because of his tremendous influence on American democracy as:

- Principal author of the Declaration of Independence
- Third President
- Founder of the University of Virginia
- Advocate of individual liberty

The reverse of the 1928 note featured his Virginia home, Monticello.

Why the Two-Dollar Bill Nearly Disappeared

By the 1950s and 1960s, Americans simply stopped using the denomination.

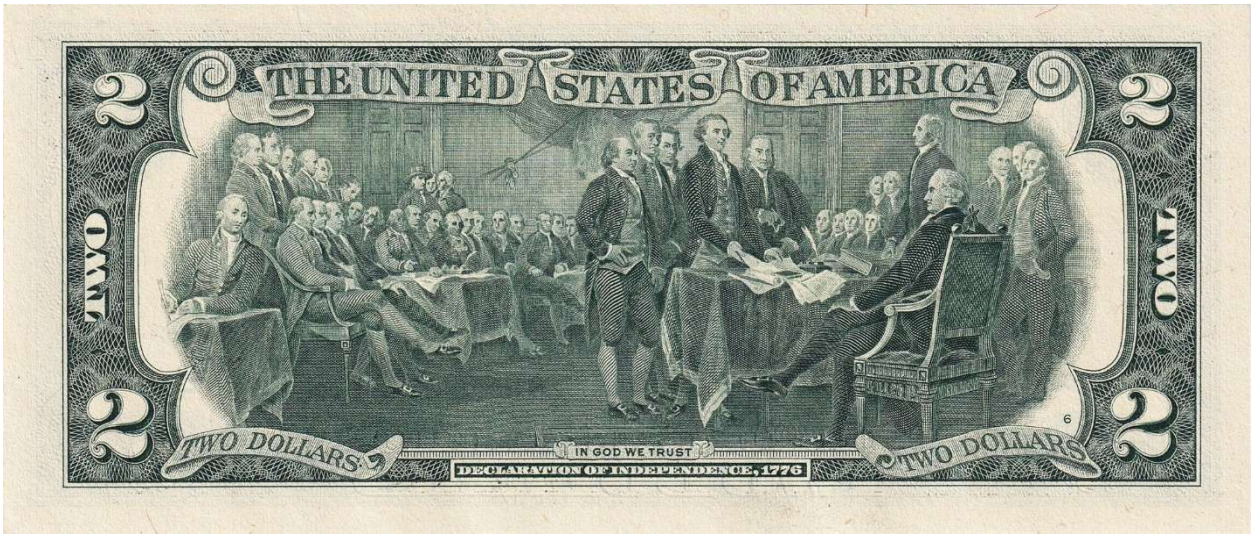
Several reasons contributed:

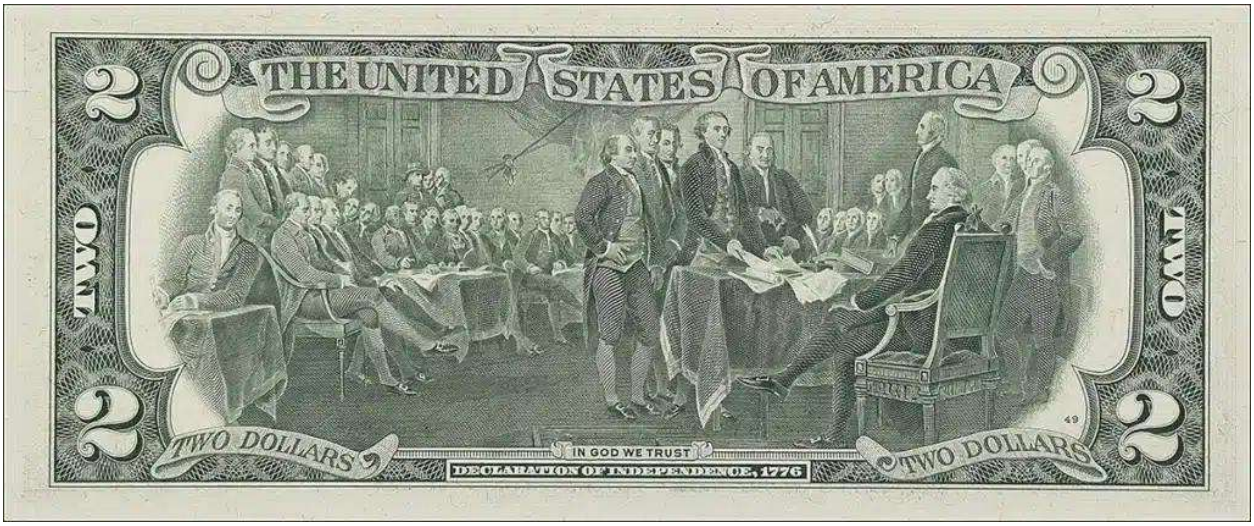
- Cash registers often lacked a drawer for $2 bills.
- Businesses rarely ordered them from banks.
- Many people believed they were discontinued.
- Some associated them with gambling and horse racing because racetracks frequently paid winnings using $2 bills.

Since people tended to save rather than spend them, banks had little reason to order more.

The Return of the Two-Dollar Bill


TWO DOLLARS
FEDERAL RESERVE NOTE
THIS NOTE IS LEGAL TENDER
FOR ALL DEBTS, PUBLIC AND PRIVATE
C09013826 A
JEFFERSON
SERIES 1976
THE UNITED STATES OF AMERICA
TWO DOLLARS
USA 13c
Spirit of 76





The U.S. Treasury reintroduced the $2 bill on **April 13, 1976**, the birthday of Thomas Jefferson, as part of the nation's United States Bicentennial celebration.

The redesigned note featured:

- Jefferson's familiar portrait on the front.
- A new reverse showing Declaration of Independence, based on the famous painting by John Trumbull depicting the presentation of the Declaration of Independence.

The Treasury hoped Americans would begin using the denomination regularly, reducing printing costs by replacing some $1 bills with $2 bills.

Unfortunately, many people believed the reissued notes would become valuable collectibles.

First-Day Issue Excitement

Banks across the country experienced long lines on **April 13, 1976**.

Collectors purchased crisp new notes and many took them immediately to post offices to receive special **First Day of Issue** cancellations. These souvenir notes, bearing an April 13, 1976 postmark, became popular keepsakes.

Ironically, by saving millions of the new notes instead of spending them, Americans defeated the Treasury's goal of increasing circulation.

Today, ordinary first-day canceled notes remain common because so many were preserved.

Are Two-Dollar Bills Rare?

Not at all.

Although they are seen infrequently, millions remain in circulation, and the Bureau of Engraving and Printing still prints them periodically when the Federal Reserve System orders more.

Their apparent rarity comes from spending habits—not from a lack of production.

Valuable Two-Dollar Bills

Some $2 notes are worth far more than face value, especially if they are:

- Civil War-era Legal Tender Notes
- National Bank Notes
- 1896 Educational Series Silver Certificates
- Rare star notes
- Low serial numbers
- Printing errors
- Uncirculated examples

Most circulated 1976 notes are worth about $2, while pristine examples or notes with special serial numbers may bring collector premiums.

Fun Facts

- Jefferson has appeared on the $2 bill since 1928.

- The current reverse is based on John Trumbull's famous painting of the Declaration of Independence.
- Many people mistakenly think accepting a $2 bill is illegal or suspicious—it is fully legal U.S. currency.
- Some people give $2 bills as tips or gifts because they are unusual and memorable.

Conclusion

The two-dollar bill has traveled a remarkable path through American history. From helping finance the Civil War to its patriotic return during the 1976 Bicentennial, it remains one of the nation's most distinctive banknotes. Though often mistaken for a rarity, the $2 bill is still an active part of the U.S. monetary system. For collectors, it offers a rich variety of designs, historical significance, and collecting opportunities, making it one of the most enjoyable denominations in American numismatics.