THOMAS JEFFERSON AND HIS DEBT

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Abstract: This paper explores the complex relationship Thomas Jefferson had with the large debt he died with. The traditional understanding of Jefferson’s financial disarray attributes the debt to his inheritance and poor spending habits, but when looking at the debt through the lens of America in 1800, the problem is much more complex. Rather than just attributing it to his personality, Jefferson’s debt was more the result of the age in which he lived in and the newly established positions he held.
Thomas Jefferson and His Debt

In 1825, Thomas Jefferson sent a letter to Thomas Jefferson Smith giving advice to a namesake. In this, he gives “A Decalogue of Canons for observation in practical life,” of which his third point is “Never spend your money before you have it.”¹ This was not the only occasion in which Jefferson spoke of the dangers of debt, making it seem like a contradiction that Jefferson himself spent too much money before he had it. Jefferson, much more than his contemporaries, attempted to keep track of his finances, but, it doesn’t appear that until after leaving his second term of office did Jefferson truly realize the extent of his financial deficit. After inheriting a large sum of debt from his father-in-law John Wayles, and accumulating more on his own, Jefferson retired to Monticello in 1808 relieved to be gone from the “splendid misery” of his office, but burdened by a whole new misery.² At his death in 1826, Thomas Jefferson’s debt amounted to over $100,000, worth somewhere over two million dollars in 2017.³ Modern Americans may look at the amount of Jefferson’s debt as surprising because of his status as an early American gentry member, but debt at the founding of America was not the same as debt today. The perception of debt today is attributed to the poor spending habits of its owner, and while this is part of the reason for Jefferson’s finances, it is impossible to understand the extent of his debt without realizing the financial obstacles the man had to face at the founding of

the nation. Thomas Jefferson’s debt was a result of his personality and, largely, a product of the positions he held and the era in which he held them.

**Jefferson’s Opinion on Debt**

For as meticulous a man as Thomas Jefferson was, it is surprising that he got into the debt that he did. Jefferson’s negative attitude toward debt makes his finances seem like a paradox. He expressed these ideas in regrets on his own debt and even in advice to others. Jefferson’s opinion is also reflected in his views on the public debt. Ever since the founding of America, since the young nation incurred debt in its own fight for independence, Jefferson had been promoting the eradication of the nation’s debt. One of the biggest displays of Jefferson’s attitude toward debt was evident in the Dinner Table Bargain, or Compromise, of 1790, where the Hamilton-Jefferson dispute began.

Jefferson, in 1792, stated, “I was duped…by the Secretary of the treasury, and made a tool for forwarding his schemes, not then sufficiently understood by me; and of all the errors of political life, this has occasioned me the deepest regret.” Here, Jefferson gives his opinion of Hamilton and the events of 1790. After much debate, Jefferson was finally convinced that he must make the choice to support Hamilton’s plan for creating public credit. In doing so, Jefferson agreed to the creation of an enlarged and permanent public debt, which he saw as a serious risk to republicanism. This decision created deep regret for Jefferson. James Madison, Jefferson’s close friend and political partner on the issue, said on the subject, “As far as the object will permit I go on the principle that a Public Debt is a Public curse and in a Rep. Govt. one greater than any other.”

Jefferson opposed Hamilton’s policy, partially because of his own

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hatred of debt, but also because of his concerns for the young nation. Jefferson wanted the nation to establish credit, to become internationally respected, and, especially, to see the experiment of republicanism work. Jefferson did oppose Hamilton’s concept of funding, as it avoided debt reduction, but his own policy supported term funding that would work to pay off principle and interest on the nation’s debt. In making his decision to support Hamilton, Jefferson did not abandon his stance toward debt, but realized that he would have to prioritize the stability of the nation above this. In fact, Thomas felt that this decision, the conflict he created between his convictions about debt and the necessities of politics, was something that he was never able to reconcile. This apologetic character towards the compromise suggests just how strong his convictions were about debt.

A Product of His Personality

The accrual of Jefferson’s burden was due in part to his personality. Jefferson’s upbringing signaled that he was a wealthy man, but this wealth did not carry throughout his life. Jefferson chose to constantly take care of others, without considering how feasible this was for him. He also exhibited spending habits that would shock many today considering the financial trouble he was in for the majority of his life. Despite Jefferson’s opinion that one shouldn’t spend their money before they had it, Jefferson managed to do just that.

Peter Jefferson, Thomas’s father, was not an aristocrat in early Virginia, but he did become wealthy. He inherited land and made money from his plantation and jobs as sheriff and county surveyor. His marriage to Jane Randolph, a member of a prominent Virginia gentry

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family, was advantageous and brought forth some wealth. Peter was never well educated himself, but he ended up living a comfortable life and had the ability to leave his son with the opportunity to be educated. Peter died when Thomas was away at Latin school in 1757, leaving Jane with eight children, a house, plantation, and slaves. Jefferson did not inherit his share of land and slaves until he came of age, but at 16, he found it advantageous to attend the College of William and Mary. The opportunities his father gave him set him up for his political career and allowed for him to live a wealthy life. The Jefferson plantation produced plenty of funds to support the debtless family.⁷

Jefferson’s second inheritance that heavily influenced him came with the marriage of his wife, Martha. Upon her father’s death, she inherited the debt he had accumulated. Many recognize this large amount of debt as something that initialized the financial hole Jefferson was never able to get out of. However, Martha not only inherited this debt, but 135 slaves and 11,000 acres of land. Estimates likely value these assets as being worth twice as much as the debt that was simultaneously inherited.⁸ The debt from John Wayles did not put the Jefferson family in good shape, but it did not set them up for failure either. Immediately paying off the debt would have required selling some portion of the slaves and land. Jefferson, despite his wishes, saw neither of these as immediately feasible. There were instructions in John Wayles’ will to use the plantation’s earnings from tobacco to pay the debts to the British merchants that he owed. Shortly after John’s death, it became clear to all of the Wayles heirs that using the annual earnings to pay off the debt would not be sufficient to pay the amount due in a reasonable period

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of time. As result, it was decided that they would divide the land and slaves and begin selling off assets. Because of British laws, once the Wayles assets, which were liable for the debt to the British merchants, were given to Jefferson, Jefferson’s own assets became liable too. Because of this law, the inheritance immediately became a personal problem for Jefferson. After selling some of the assets, the funds were put into the state treasury in order to acquit the heirs. However, the value of money had dropped in the unstable economy, and because of the Treaty of Paris of 1783, the creditors did not have to meet legal impediments as they waited for money to reach the same value it had before the war. Jefferson had some time, as the creditors, under Virginia law, couldn’t yet force Jefferson to do anything, but time was growing short when Jefferson was sent to Paris in 1784. In agreeing to go, he knew that his property would yield less without his oversight, but he assumed his salary in France would be plenty and his own estates’ income could work to pay off debts. Eventually, as this plan did not amount to anything, Jefferson was forced to take out bonds of his own to repay creditors on time, and when those bonds were not paid off, he took out even more. This cycle repeated itself with many other debts Jefferson would come to owe. This decision to go to Paris and failure to sort out the Wayles debt beforehand put Jefferson in a difficult situation that he spent the remainder of his life struggling with.⁹

As the first son, Jefferson inherited plenty from his father. As result of this, it is likely that he saw himself as the new father figure. He expected himself to take care of his family and friends. This paternalistic view of himself translated into many different forms of support. Throughout his life, he was always willing to cosign loans and offer financial support to his

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friends. In 1818, friend Wilson Cary Nicholas, who had become even closer to Jefferson after Nicholas’ daughter married his grandson Jeff, asked Jefferson to cosign two loans that he needed to avoid bankruptcy. Jefferson, after being assured by Nicholas that he shouldn’t worry, cosigned the loans and was surprised later that year to find that his friend and relative had defaulted and left Jefferson with another $20,000 in debt. ¹⁰ This was the hardest hit of all the times Jefferson had put himself on the line for his friends. In an 1826 letter reflecting to his long-time friend James Madison, he admits his embarrassment towards his debt: “You will have seen in the newspapers some proceedings in the legislature, which have cost me much mortification.” He attributes this to “when our friend Nicholas gave me the coup de grace,” and continues to describe its perils. “Ever since that I have been paying twelve hundred dollars a year interest on his debt, which, with my own, was absorbing so much of my annual income, as that the maintenance of my family was making deep and rapid inroads on my capital, and had already done it.”¹¹ Jefferson habitually showed this support for his friends and family all of his life. In 1773, in another exhibit of his paternal self, Jefferson assumed the responsibility for his sister Martha and her six children after her husband, and one of Thomas’s closest friends, died. ¹² Similarly, Jefferson supported his daughters throughout their lives. Soon after Martha’s marriage to Thomas Mann Randolph, it became clear that her husband was not emotionally stable or fit to be a part of Martha’s life. After Jefferson’s retirement, he supported Martha and her eight

children at Monticello, taking on a large burden to provide for them when he was in no position to support himself.\footnote{13}{John B. Boles, Jefferson (New York: Basic Books, 2017), 431-446.}

Similar to this paternalistic side of his personality, Jefferson also had a tendency to host visitors. As the ambassador to France, while his duty required him to host several political guests, he also saw it as his job to host visiting Americans. At Monticello, he constantly had visitors that came and expected for themselves, and their horses, to be housed and fed. This tendency to turn away no visitor became a large expense, especially after he left office. Not just close family and friends came to Monticello, but also distant relatives, dignitaries touring America, and even those wishing to pay respect to the former president. His first official visitors to Monticello in his retirement were close friends Margaret Bayard and Samuel H. Smith, coming in August of 1809. After their visit, there was an almost constant stream of visitors that Jefferson felt obliged to take care of.\footnote{14}{Ibid., 433, 511.}

It should not be mistaken that Jefferson was facing financial hardship all of his life. From his father’s inheritance, Jefferson had plenty to support himself, his mother, and the rest of his siblings. He had the opportunity to be educated and pursue a career outside of the plantation. Even after his marriage to Martha, and the inheritance of his father-in-law’s debt, Jefferson had these same prospects. It is likely that Jefferson considered himself a well-off, if not wealthy, man for most of his life. In the 1780’s, he was paying taxes on 12,050 acres of land and owned 149 slaves, making him the 28th wealthiest man in Virginia.\footnote{15}{Steven Ha Hochman, “Thomas Jefferson: A Personal Financial Biography” PhD diss., (University of Virginia, 1987), 69.} As result of this, Jefferson often did believe he had the means to spend on luxuries. In the 1770s and 1780s, he often made requests
for goods from Europe. In 1773, he asked for a copy of the poems of Ossian from Charles McPherson and he later asked for goods like a piano for his wife to-be.\textsuperscript{16} He even used his own funds to ship a mammoth bone from America to Europe to prove that he believed American fossils to be superior. These habits, it appears, didn’t ever change. He continued to seek out the best inventions, like his polygraph, all throughout his life. After his second term as president, Jefferson began to realize the financial crisis he was actually in. He wrote to his daughter, Martha, in 1808, “I have now the gloomy prospect of retiring from office loaded with serious debts, which will materially affect the tranquility of my retirement.”\textsuperscript{17} Despite this recognition, Jefferson continued his habit for small little luxuries. In his first years back at Monticello, he insisted on a supply of salad oil to eat with his greens, and when this was exhausted, he requested that his grandson bring him back more from Washington.\textsuperscript{18} Into his retirement, he recognized the need for frugality, but failed to forgo all of the luxuries he was accustomed to.

Jefferson’s habit for spending on luxuries appears to be an obvious contributor to his debt. When in France, Jefferson found a taste for French cuisine and paid to have his slave, James Hemings, trained in French cooking while living there. When they came back to Virginia after his service in France was over, Jefferson promised to free James, but only did so after he trained another slave in French cooking. When Jefferson’s belongings were sent back home, Jefferson included all of the essential cooking utensils that he purchased in order to continue having French food in America.\textsuperscript{19} Jefferson always ensured that the food that was to be made at

\textsuperscript{19} Ibid., 202.
Monticello was good. Another large expense came from his favor for fine wines. While in Europe, Jefferson took extensive note of all of the regions in which the best wine was made. While serving as president, he purchased over five hundred bottles for serving of a particular white wine he discovered abroad. During his first year holding office, he spent $2,797.38, a large portion of his $25,000 salary, on wine.\(^{20}\) This love of wine never faded, and while he often drank the wine watered-down at dinner, his cellars, at Monticello and everywhere else he lived, were still a large expense.\(^{21}\)

Jefferson was a bibliophile, once saying that “I cannot live without books.”\(^{22}\) This love of books was another expense in Jefferson’s life. The options for borrowing books did not exist, and Jefferson chose to purchase books, much more expensive than they are today. After the Library for Congress, which Jefferson had worked to put together at its creation, had burned in the War of 1812, Jefferson sold his entire library to Congress for the price of their choosing. Priding his library in being large enough and fit for such a position he wrote to Samuel H. Smith in 1814 that “it is long since I have been sensible it ought not to continue private property, and had provided that at my death, Congress should have the refusal of it at their own price.”\(^{23}\) The price settled on was $23,950 for 6,487 volumes and was a sum much less than what Jefferson actually spent purchasing all of his books. This gives an idea of how large an expense books


were for Jefferson. Even after he sold all of his books to Congress, he continued to purchase many other books for the remainder of his life.  

When Jefferson first chose to build his home, he still would have considered himself a wealthy man. Having inherited plenty from his father, and not yet burdened with his father-in-law’s debts, Jefferson chose to build a modest home on top of a hill, in which he always envisioned building a second, grander home in the future. Choosing to build Monticello on the little mountain made the effort even more expensive. Hauling the materials to build up the mountain was feasible, but was difficult and added more costs. The initial Monticello was modest, but the second home he chose to replace it with, while not incredibly large, exhibited a peculiar attention-to-detail that Thomas was most adamant about. The dome atop it reflected his taste for architecture, the semi-underground building on the side wings was unique, and the interior featured every convenient luxury that could have been imagined in 1800, including dumb-waiters and insets in the wall to use for scaffolding. The final home took over fifteen years to complete, and while Jefferson’s finances might have seemed more sound when he took on the project, by the time it was complete, it became clear that Jefferson would have difficulty keeping up with the maintenance expenses. When Jefferson died in 1826, his family was forced to sell the home Jefferson had invested so much into. By this time, Monticello had begun to see the wear that was destined to occur without the funds for maintenance.  

Not only did Jefferson choose to build a grandiose home, but he also constructed a second, though smaller, home on his property at Poplar Forest. Upon leaving his second term of

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office, he begun the construction on his property in Bedford County, ninety miles from Monticello, which was completed in 1809. The land was inherited from John Wayles in a 4,819 acre tract of land. On this estate, Jefferson profited the most from tobacco. While Jefferson’s main home would always be at Monticello, Poplar Forest was used as Jefferson’s personal retreat, and he visited often during his retirement. The home there was modest; only one story. However, it still retained the detail that Jefferson expressed at Monticello. It had an octagonal shape and pedimented porticoes on the north and south facades. He described the home as “the best dwelling house in the state, except that of Monticello; perhaps preferable to that, as more proportioned to the faculties of private life.” For the years that it took to construct, the payroll for skilled craftsmen for his detailed second home remained a considerable expense.

At Monticello, and in Albemarle and Bedford Counties, Jefferson maintained several thousand acres of land. Habitually, Jefferson expected the income from his estates to support him and payoff his debts while he worked in public service roles he knew did not have sufficient salaries. Rarely, however, did the plantation pay off like he wanted it to. Tobacco prices constantly fluctuated, and while some years were really good for Jefferson, the next year might not be the same. In 1801, he sold 42,487 pounds of tobacco for $2,974.09, 45,139 pounds for $3,325.42 in 1803, and in 1804 only 19,005 pounds for $1,267. Jefferson may have not fully understood that his land was not the richest. While away at Williamsburg, Pittsburg, and Paris, Jefferson had little way of knowing what his farm was yielding. There were often bad harvests,

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29 Ibid., 218-220.
but Jefferson kept optimistic about his land. Jefferson was always seeking to retire to Monticello, and to work as a farmer. In 1793, prior to his presidential positions, he wrote a friend “I am going to Virginia…to be liberated from the hated occupations of politics, and to remain in the bosom of my family, farm, and my books.” He spent much time trying to improve his fields. He devised an intricate seven-year crop rotation, which failed to ever produce significant results, and worked to create a moldboard of his own that worked as a plow. In analyzing what can be looked at from his farm’s yield, it is evident that the land he owned in Albemarle County was not the richest, yet Jefferson chose to stay here because he liked the climate and his little mountain at Monticello, though it may have been better economically to invest in richer lands elsewhere.

**A Product of His Time**

Thomas Jefferson’s debt was not only a consequence of his inheritance or spending habits. Thomas was always optimistic that his income would outweigh his spending. His income, however, was often regulated by the newly established nation; a nation that hadn’t quiet figured what was fair to pay certain officials. Jefferson was regularly under-compensated for his public service roles, starting with his career in law. Early America unfairly compensated Jefferson for his service while, paradoxically, encouraging heavy spending. And once Jefferson had fallen into his hole, the young nation offered little opportunity for him to get out of it. Largely, Jefferson’s debt was an outcome of the instability of finances in the era in which he lived.

After leaving the College of William and Mary after just two years, Jefferson was taken under the mentorship of George Wythe to study law. Within a few years, he started his career as

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a lawyer, but a large salary could not be expected by Jefferson as the House of Burgesses regulated the maximum amount that might be charged by a Virginia lawyer. Jefferson kept an account book of his profits that he made from his practice, but did so optimistically. He included all of the profits he was expecting to collecting from his clients in this ledger for cases that might not have been completed yet, as fees were not usually collected until the cases were over. His ledger also only included income, not business expenses. As a lawyer, Jefferson also faced other pressures to spend. He purchased many books as resources to use in his practice, claiming “a lawyer without books would be like a workman without tools.”  

Jefferson, practicing in the highest courts of Virginia, was also expected to look a certain way and had to purchase fine clothes in order to practice. When taking into account these expenses, his travel and living expenses, Jefferson’s law practice was not financially rewarding. The financial burden Jefferson faced was shared by many other Virginia lawyers at the time. In 1773, six out of eight of the Virginia bar members posted in the Virginia Gazette expressing similar concerns to what Jefferson may have felt: “the fees allowed by law, if regularly paid, would barely compensate our incessant labours, reimburse our expenses and the losses incurred by neglect of our private affairs.”  

As result, a new policy that required more payment upfront was enacted. Jefferson didn’t enforce this policy, however, and gave his practice away sometime in 1773. In his eight years of practice, he collected 1,214 pounds, but was still potentially owed 1,316 pounds. This trend of under-compensation carried on in many of Jefferson’s positions.  

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Of all the public service roles he held, the position of French Ambassador was the most financially troubling because of the insufficient salary he received and the pressures he faced to keep up with French society. While it was expected that Jefferson act as entertainment for important dignitaries, the American government did not subsidize his housing while he served as ambassador. John Adams, while serving as ambassador to France and then England, could afford to keep up an appropriate household from his own pocket. In France, Adams rented a house on the outskirts of Paris that slept forty. The house Jefferson rented, initially the Hotel Landron, was less extravagant than Adams’, but still required four servants. Not only was the house far more expensive than his original quarters, but it also came unfurnished. Having the home was not the only aspect in which Jefferson was expected to keep up. As opposed to 18th-Century America, Paris was a much more affluent sphere, and in Jefferson’s position, it was costly to maintain the image his position should have. Jefferson wrote to James Monroe in 1785 in which, in between explaining his opinions on treaties, he expressed his financial concerns: “For the articles of household furniture, clothes, and a carriage, I have already paid 28,000 livres and have still more to pay.” Jefferson’s expectation was for his salary to pay for his living expenses in Paris while his income at Monticello worked to pay off his debt, but he discovered that the salary he was expecting to receive had actually been reduced. In Paris, he fell $4,000 more into debt. In the same letter to Monroe he expressed concerns on his salary, “For the greatest part of this I have been obliged to anticipate my salary, for which I never shall be able to repay it.” Recognizing that this venture could create a financial deficit, Jefferson elaborated: “The residue goes for expenses so much of course & of necessity that I cannot avoid them without abandoning all respect to my public character. Yet I will pray to you to touch this string, which I know to be a
tender one with Congress with the utmost delicacy. I had rather be ruined in my fortune, than in their esteem…If they raise the salary to what it was, or even pay our house & rent taxes, I can live with more delicacy.”\textsuperscript{35} While still remaining humble, Jefferson recognized that his salary was insufficient.\textsuperscript{36}

As president, Jefferson received a generous, stable salary. The president was the highest paid individual in early America, receiving $25,000 a year in hard money, an assurance that was hard to get in such an unstable economy. Jefferson, aware of his debts, but unaware of the exact financial situation he was in, could have chosen to pay off his dues with this salary, but chose to focus on what he saw as most important to the young nation. As result of the fatherly personality described earlier, he chose to invest in his estates in hopes for larger future returns and to provide for his family, present and future. He also believed it important for the head of a republican government to remain dignified. While in office, he paid out of his own pocket for such luxuries as a riding horse, a carriage, four horses for the carriage, silver and plated ware, and decorations. Jefferson also had no salary to pay for his staff and had to pay the salary of his household employees privately. In his account books, Jefferson kept record of his expenses, totaling to $33,634.84 in his first year of office. Of this, about $13,400 was from personal expenses, while $20,200 was for presidential expenses. He also had expenses at home. For his first year of office, he used his presidential salary, profits from Monticello, and the income from his nailery to cover all of his expenses. Even then, he still contracted a debt of $4,361 and came short $700 of paying all of his expenses. While his salary as president was generous, Jefferson’s obligations, to his


home and his office, exhausted this salary. His account book showed the shortcomings of his salary once again, but a complete balance sheet would have shown Jefferson just how bad his financial situation was becoming as president. After he left office, the $25,000 salary was gone. In 1958, the Former Presidents Act was passed to secure benefits for former presidents after their tenure. Today, the president is paid $207,800 per year in pension by the Secretary of the Treasury. These also provide insurance, protection from the secret service, and a salary for the former president’s personal staff. Thomas Jefferson, only the third president of the United States, experienced no such benefits. The only pension he received was free postage for the rest of his life.

Jefferson lived in an era when currency was very unstable. He had to switch from using the British currency before the revolution, to the French while ambassador, and then to the America dollar once he returned, making it difficult to understand what he had actually spent. Even after the Revolution, it would take a long time for American money to become stable. Currencies differed between colonies and states, and when the paper dollar began being used, cash remained very limited. Early America often relied on bartering, Jefferson himself attempting to pay several of his debts with just tobacco. With paper money short, bank notes were often used as currency too. Out of this shortage, Jefferson faced two issues: having to borrow from others and an inability to keep up with his accounts. Because paper money was hard to come by, Jefferson often found himself borrowing from friends, not because he didn’t have the assets, but because he didn’t have the hard money. When Jefferson passed away in 1826, he

still had debts from the 1760s that resulted from the instability of American currencies. Because of the situation of the early American economy, it was fairly common to find individuals in minor debt. George Washington, an indisputably wealthy founding father, even died with some debt of his own. In his last will and testament he declares that “All my debts, of which there are but few, and none of magnitude, are to be punctually and speedily paid…”\(^3^9\) Washington’s intention to pay off debts speedily were easy for him, however, on the other hand, Jefferson was not always able to immediately pay off debts.\(^4^0\)

Knowing the instability of currencies Jefferson faced, it is easier to understand how impossible it would have been for Jefferson to keep accounts of his finances. Jefferson did keep account books in which he recorded a lot of data, but he never analyzed it in a way that allowed him to understand what kind of financial state he was in. These account books could not keep track of the bartering that occurred and are incomplete records of Jefferson’s finance. Despite this incompleteness, Jefferson’s records are probably the best of any Virginia planter or government official of the time. In his financial biography of Thomas Jefferson, Steven Ha Hochman says “Plantation accounting resembled medieval manorial accounting. There was no distinction between capital and revenue expenditures. Profit and loss seemed of little interest. Farming was not so much a business as a way of life.”\(^4^1\) The accounting that Jefferson and all of his contemporaries were using was far inferior to the double-entry accounting methods that their British counterparts used. But this lack of sophistication was rooted in a lack of sophistication in


\(^{4^1}\) Ibid., 54.
an economy that had not yet mastered the use of paper money. When paper money began being produced on a larger scale, inflation created more problems that Jefferson had to deal with. The fundamentals of the economy of the era created many problems for Jefferson, including an inability to keep a proper ledger, keeping Jefferson blind of his financial disarray.

With money being this unstable, it is not surprising to learn that the economy Jefferson lived in was littered with recessions. The Panic of 1819, as he described it, pushed land prices so low that selling the acreage would not match the equivalent of a year’s rent. In 1819, this complicated his efforts to sell his land and reduce his debt. The economy’s state in Jefferson’s retirement added much stress to the realizations of his mounting debt he was eager to pay off while he was still around. This panic was not the only economic pressure Jefferson faced. For almost all of his life, the economy made prices of land, crops, and even his nails fluctuate. His plantation at Monticello, and that at Poplar Forest, brought in various yields of crops each year and the price per pound of tobacco was constantly fluctuating. The price of tobacco was high in 1797-1799, but highs like this were inconsistent. Thomas also attempted to produce income from a nailery he began. During his presidency, the nailery did well thanks to competent overseers and because of the ease at which he could obtain nail rod. After the War of 1812 and the embargo, the nailery was no longer profitable. Furthermore, Jefferson was rarely available to oversee the estate himself. And even when he was there, it was often for short periods of time until his final retirement. “To keep a Virginia estate together,” he informed James Monroe, “requires in the owner both skill and attention; skill I never had and attention I could not have.”

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42 Ibid., 221-222.
economy and the positions he held, those that kept Jefferson consistently away from his farmland, impacted the profitability of his estate.

Today, the solution for someone in an enormous amount of debt is to file bankruptcy, but at the beginning of the nation, bankruptcy was hardly an option. Before 1848, there were limited laws within the US Constitution that allowed one to file bankruptcy. The first of these was that of 1800, which was repealed in 1803, all under Jefferson’s first term. This first act was modeled after British bankruptcy policy, under which only merchants, bankers, and brokers could petition a creditor to remove debt. After it was repealed, there were no other laws until 1841. The government offered no solution to Jefferson’s debt. Once again, Jefferson’s era failed to benefit his finances.

**Last Resort**

By the time Jefferson had left office for good, he had finally realized the poor state of his finances. For the last eighteen years of his life, he worried about how to pay off this debt. He feared leaving his daughter and grandchildren encumbered in the same debt that was inhibiting his life. In these last years, he tried to come up with possible solutions. He tried, as he had always hoped would work, to use his income from his Monticello crops. When this came to no avail, Jefferson resorted to what he thought was a brilliant plan: a lottery to sell his assets. With over $100,000 in debt, Jefferson was desperate.

The lottery that Jefferson devised was a last minute effort to try to avoid leaving behind the massive debt he had collected. In the 1820s, the nation’s economy was in decline and the value of the property he owned was not up to par. This left few options for coming up with funds

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to pay off the debt that kept Jefferson awake at night. Evidently, Jefferson thought of his lottery one of these sleepless nights. The solution was to sell raffle tickets to people for a chance to win items from his Monticello property. This solution, resembling a form of gambling, gained some opposition, but Jefferson received the necessary approval to have it with some caveats. In order to ensure that the lottery was not a scheme, the total amount of tickets sold could not amount to more than the total value of Monticello, and the house itself must be included in the offerings. The lottery was very slow to come together, and as a result of the publicity it received, Jefferson received charitable donations from various groups to help relieve financial pressure.\textsuperscript{45}

On July 4\textsuperscript{th}, 1826 Thomas Jefferson died with $107,273.63 in debt.\textsuperscript{46} He likely had no way of knowing of this exact number, but he did believe that the efforts he had made beforehand would eradicate this debt. He believed that the donations from Baltimore, Philadelphia, New York, and the South Carolina and Louisiana legislatures would be sufficient to cover his debts, but this was not the case. He thought that leaving all of his property, except for his Poplar Forest lands, to pay off his debts might be sufficient, but this was not the case either. When the lottery had fizzled and all other efforts weren’t enough, Jefferson’s assets were divided up and sold for almost $49,000, not covering half of the debt he owed. His daughter, Martha, was left without a home and spent the rest of her life living with relatives or renting homes. While Monticello was not sold in the initial auction, by 1828 the family chose to sell it, attracting only $4,500 for it. This, the structure that Jefferson built two times, spent over fifteen years constructing, countless hours designing, and years perfecting, was the embodiment of its maker. This piece of his own

perfection, sadly, was sold for only a fraction of its worth. Not until Jeff Randolph, Jefferson’s grandson, died in 1875 and his estate was settled three years later were Jefferson’s debts finally paid off. Jefferson died peacefully, believing that Martha would, at least temporarily, have a home, and his debts would be paid off, but all that he worked for was forced to be sold to recover from the debt he had failed to get out of. What was most important to Jefferson was that he “pay my debts and leave a living for myself in my old age, and leave something for my family.” Instead, he left his family with the exact opposite.

The easy justification for Thomas Jefferson’s debt to the modern American relies on his personality or tendency to spend more. While these parts of his character were important factors in creating his debt, the explanation for his debt is not so simple. Largely, his debt was a product of the time he lived in and the feebly established positions he held. Jefferson’s debt was often accumulated because of the misfortune of others and the misfortune of his own positions. While some may view Jefferson’s debt as something that he got himself into, I believe that his debt was more a product of the time he lived in.


48 Ibid., 512.