Chanukah Gelt refers to money given as a gift during Chanukah. It is typically given to children and sometimes teachers, often in conjunction with the game of Dreidel. Gelt means “money” in Yiddish. In Hebrew it is called דְּמֵי חֲנֻכָּה (Chanukah money).

But why do we give gelt during Chanukah?

1. We read in the Talmud that the Chanukah lights are sacred and may not be used for any other purpose. The example given is that one may not count money by the candles’ light. Giving out Chanukah money – and not counting it near the menorah – is a reminder of the primacy of Torah, which is “more precious than gold and silver.”

2. When discussing what a poor person is to do if he does not have enough money to purchase both Chanukah candles and kiddush wine, the Talmud states that Chanukah lights take precedence, because they serve to publicize the miracle. The widespread custom of giving Chanukah gelt to the poor enabled them to get the money they needed for candles without feeling shame.

3. The Hebrew word חנוכה shares the same root as חינוך, education. The occupying Greek forces were determined to force Hellenism upon the Jewish population, at the expense of the ideals and commandments of the Torah. Unfortunately, they were quite successful in their endeavor. After the Greeks were defeated, it was necessary to re-educate the Jews and reintroduce a large part of the population to Torah values. Appropriately, during Chanukah, it is customary to give gelt to children as a reward for Torah study.

4. In his record of the Chanukah events, Rambam writes: “The Greeks laid their hands upon the possessions of Israel.” The Greeks treated the possessions of Israel in the same spirit in which they defiled the oil in the Beit HaMikdash. They did not destroy the oil; they defiled it. They did not rob the Jewish people; they attempted to infuse their possessions with Greek ideals for egotistical and ungodly purposes rather than for holy pursuits. Chanukah gelt celebrates the freedom and mandate to channel material wealth toward spiritual ends.

5. According to popular legend, it is linked to the miraculous victory of the Maccabees over the ancient Greeks. To celebrate their freedom, the Chashmonaim minted national coins. It may also have begun in 18th-century Eastern Europe as a token of gratitude toward religious teachers, similar to the custom of tipping service people on Christmas. In 1958, the Bank of Israel issued commemorative coins for use as Chanukah gelt. That year, the coin bore the image of the same menorah that appeared on Maccabean coins 2,000 years ago.

6. Like other oppressors of the Jewish people (such as the Nazis in more recent times), part of the Greek attack on the Jewish people was to take their money (See Rambam Chanukah 3:1). According to the Lubavitcher Rebbe, the giving of Chanukah gelt is to celebrate this part of G-d’s salvation.

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1 Likutei Levi Yitzchak, Igrot, p. 358.
One minhag favors the fifth night of Chanukah for giving Chanukah gelt. Unlike the other nights of Chanukah, the fifth does not ever fall on Shabbat, hence never conflicting with the halachic injunction against handling money on the Shabbat.

American chocolatiers of the 20th century picked up on the gift/coin concept by creating chocolate gelt. In the 1920s, Loft’s, an American candy company, produced the first chocolate gelt, wrapped in gold or silver foil in mesh pouches resembling money bags.