

## AT THE INTERSECTION OF ECONOMICS AND CULTURE: THE THRIFT INDUSTRY AND PROGRESSIVE ERA SOCIAL REFORM

David L. Mason

*The Ohio State University*

### ABSTRACT

Although America's thrift industry originated in 1831, it did not truly grow until the 1880s when the country was entering the Second Industrial Revolution. By then thrifts were becoming an important source of home finance for the urban working class, who were attracted to it by promoters who emphasized the practical benefits of home ownership. These same industry promoters, however, also gained the support of Progressive Era elites by positioning the industry as a solution to urban problems created by industrialization. The success of these efforts is seen quantitatively in terms of industry growth, and qualitatively in the diversity of support in terms of race, gender and ethnicity.

Scholars have studied Progressive Era social reforms from many perspectives, but one area that has received little attention was the effort to promote thrift institutions [known at the time as building and loans (B&Ls), and later as savings and loans (S&Ls)] as a way to increase home ownership and alleviate urban congestion. Thrifts were cooperative organizations whose objectives were to encourage savings and home ownership among working-class men and women. During the Second Industrial Revolution, thrift boosters gained broad support for the industry, from not only the working class, but also from members of Progressive Era elites. To reach the first group, promoters used mass-circulation pamphlets that showed how thrifts provided an affordable way to purchase a home. B&Ls paid compound interest on savings and made home loans payable in monthly installments. To reach elite reformers, thrift supporters wrote articles in reformist publications that argued that the encouragement of home ownership and mutual cooperation among the working class could help solve social ills affecting America's industrial cities. They emphasized the positive effects B&Ls had on character, citizenship, and personal industry—goals shared by many Progressive Era social reformers. The result of these efforts was a surge in the creation of new thrifts that served working-class men and women, including many in ethnic communities whose members saw these institutions serving as a bridge between the old and new worlds. By combining the goals of business promotion with social improvement, thrift leaders not only achieved greater growth in their industry, but also firmly linked it to a distinct set of values and ideals.<sup>1</sup>

### Origins and Early Growth of the Thrift Industry

America's thrift industry began in 1831 when the Oxford Provident Building Association was organized outside Philadelphia in Frankfort, Pennsylvania. This new type of financial institution was patterned after England's building societies, which began in the 1780s. Many of Oxford Provident's founders were familiar with this movement before they emigrated from Britain's industrial Midlands. Like the building societies, early B&Ls were designed to provide people of modest means with the ability to own a home through the thrift and mutual cooperation of all its members. To instill the habit of systematic savings, thrift members subscribed to shares in the association and paid for them over time in scheduled monthly installments. When enough money accumulated, the thrift's officers held an auction in which members bid to receive a home loan. The amount each person could borrow was based on the face value of the subscribed shares, and in essence the loan became an advance on the unpaid amount of the share value. Significantly, each potential borrower had to be declared eligible by a committee that checked the property to be acquired, which was pledged as security along with the unpaid shares, as well as a member's "character" or capacity to repay the loan. This last aspect was important since the cooperative efforts of all members to maintain their obligations were critical to making the B&L work. Once a loan was made, the member/borrower continued to make the same regular monthly payments, along with interest on the advanced funds. Since B&Ls were cooperative corporations, overhead expenses were kept to a minimum, and the profits from loan interest, fees and fines were distributed to the members as dividends. These dividends, however, were not paid in cash, but rather credited to each person's share account, which in turn reduced the amount the member owed on the shares. The effect of this was that members earned compound interest on their savings. This process of accumulating money, lending it to members, and distributing the profits continued until all the loans and/or shares were paid in full. At that point, any remaining funds were divided among the members and the association was terminated.<sup>2</sup>

As originally designed thrifts were temporary institutions that stayed business for only as long as it took members to pay off their loans or shares. This form of organization, which became known as the "terminating plan," only issued shares when it began business, and if anyone wanted to join after the initial share issue they had to make back payments to put them on a par with the existing shareholders. This requirement helped ensure that all members received equally in future dividend payments. Unfortunately, as the B&L remained longer in business these back payments became so large that it was impossible for new people to join. Another problem with terminating associations was that as the shares neared maturity the funds paid in often exceeded the demand for loans. To avoid accumulating idle cash, a thrift would force non-borrowing members to take advances or require them to liquidate their shares prior to maturity.<sup>3</sup>

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Although the first loan Oxford Provident made defaulted, the overall record of this pioneering B&L was impressive, and its success led to the organization of the Second Oxford Provident in 1841, which included women members. Soon other wage-earning working-class men and women embraced this relatively simple way to achieve home ownership and formed building and loans of their own. By 1860 Philadelphia had over 100 thrifts and was becoming known as the “City of Homes,” and by 1888 the thrift industry had spread to nearly every state and totaled about 3,500 associations. Over the next five years, however, the number of B&Ls skyrocketed to over 5,500. Several reasons account for this tremendous growth, including the nearly 400 percent increase in America’s population between 1830 and 1880 which led to increased demand for more substantial homes, especially in urban areas. Higher incomes for artisans and mechanics caused by the industrial revolution also resulted in an ability of the working class to allocate more funds to housing. Aside from these demographic factors, two other important changes within the thrift industry helped increase their appeal—improvements in how thrifts were organized and operated, and the concerted effort by industry leaders to advertise B&Ls to different groups of society.<sup>4</sup>

### “Americanizing” the Thrift Industry

As B&Ls formed across the nation, their structure and operation changed to make them more efficient. One important change was to make the B&L a perpetual institution, and in the early 1850s thrifts began to issue shares over time on set dates. This small innovation, which became known as the “serial plan,” accomplished several goals. First, issuing new shares periodically allowed an association to stay in business longer, and since each share series was accounted for as a separate transaction, there was no need to make large pack payments to put all members on the same cost basis, thus making it easier for people to join. Furthermore, the steady influx of new members helped maintain consistent loan demand, which allowed members not ready to borrow to continue saving without penalties. Consequently, more working-class people who wanted to save long term became members, which helped highlight the thrift aspects of B&Ls. Because the first thrift to issue multiple series of shares was the Third Oxford Provident Building Association, the serial plan also was known as the “Philadelphia plan.”<sup>5</sup>

The serial plan quickly replaced the terminating plan to become the dominant form of industry organization for nearly one hundred years. Still, there were disadvantages to using the serial plan, especially as thrifts grew in size. Since different series had their own dividend and payment requirements, larger thrifts had to develop more complex record keeping and accounting systems to track member accounts. Also, because each series was a large block of shares with fairly uniform maturity dates, cash management skills were needed to ensure the thrift had sufficient funds to pay members when their shares came due. Furthermore, while members typically were not forced to borrow money, they were required to withdraw their funds once the shares were paid in

full. Finally, in areas of rapid growth issuing shares only on set dates could hamper business activity.<sup>6</sup>

By the late 1870s, these shortcomings led to a new form of thrift structure, the "permanent plan." In the permanent plan shares were issued to members as the need arose. Each share was accounted for as a separate transaction, and the member received a passbook to record deposits and dividends. A second important innovation was the creation of a new type of share given to members when their existing shares matured. These certificates called paid-up stock, allowed members to keep their savings in the thrift and continue earning dividends. While issuing paid-up stock instead of paying out savings reduced cash management problems and kept money in a B&L for lending, it also opened the door for well-off people to join a thrift solely as an investment. A final development under the permanent plan involved the use of contingent reserve funds to handle losses due to loan defaults. Under the serial plan, reserve funds were not needed since profits were kept in a common fund, with any loan losses charged against it. The only real effect of this was that it took longer for shares to mature. When thrifts began to issue shares on demand, however, the failure to account for loan losses separately meant that each member would not share equitably in the profits. To prevent this, B&Ls under the permanent plan first had to set aside part of the profits in reserve to cover loan losses before calculating member dividends. While holding reserves was hotly debated within the industry, by 1900 the common feeling was that reserve funds helped maintain public confidence in an association.<sup>7</sup>

A third innovation in B&L operations appeared in the early 1880s and was developed by the Mutual Home and Savings Association of Dayton, Ohio. This structure, which became known as the "Dayton plan," closely resembled the permanent plan, except that these thrifts accepted deposits from non-members, allowed share withdrawals prior to maturity without penalties, and permitted members to make payments at any time and in any amount. Also, Dayton plan thrifts eliminated the awkward practice of loan auctions to set interest rates, and instead used a flat rate to which was added a premium to compensate for borrower risk. Like the use of reserve funds, this practice would also gain in popularity by the early 1900s.<sup>8</sup>

The most important innovation under this plan, however, was in how these thrifts calculated the repayment of a loan. A typical B&L loan was repaid through a "sinking fund," in which the loan principle was steadily reduced over time and matured when the shares that secured it matured, a period of between six and ten years. This was a significant improvement over bank mortgages, which were repaid interest-only during the three-year term with the full principal due at maturity. There were, however, two weaknesses to the "sinking fund" approach of repayment. First, it was impossible to fix an exact maturity date since the level of dividends, which often changed over time, affected the principal balance. Also, the interest paid on a loan was based on the original loan amount and did not change even as the loan principal fell.<sup>9</sup>

Dayton plan thrifts solved this by tying the loan repayment to the interest rate, not the dividend rate. By using the outstanding principal balance to calculate the interest

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portion of the loan payment, it was possible to determine when a loan matured precisely. Also, the monthly payment was fixed, and was applied to interest due and principal reduction more accurately. The result of this change was the modern amortizing mortgage, an innovation that the federal government used as part of the Home Owners Loan Act of 1933. Because the magnitude and extent of this government program was so large and popular with the public, other financial institutions quickly adopted this repayment system. Unfortunately, most historians fail to give the thrift industry their proper due in pioneering this consumer-friendly loan device.<sup>10</sup>

The last major structural change for thrifts occurred around 1900 and was particularly popular in Oregon, Kansas, and California. This structure, which became known as the "guarantee stock plan," required B&L management to purchase non-withdrawable stock as a form of reserve and to pay dividends based on a guaranteed return. If profits exceeded the required dividend payments, the stockholders received the excess, and if profits were insufficient to meet the need, the balance came from the stock fund which the guarantee shareholders then had to replenish. This process gave management a strong incentive to operate the thrift as efficiently as possible, and helped maintain member confidence. Furthermore, since these shareholders were also the leaders of the association, this plan helped maintain management stability and continuity. Finally, since dividend rates were not based on profits these thrifts could advertise these rates with certainty, which became very effective in attracting funds.<sup>11</sup>

### The Working-Man's Way to Wealth

While changes in association structures made forming new thrifts easier, societal changes also aided the growth of thrifts. By the late 1870s, urban housing conditions for the wage-earning working class were declining, and thrift leaders saw this situation as an opportunity to attract new members. One way they did this was by distributing mass-circulation pamphlets that explained how to become a home owner simply by adopting the habit of thrift. While these circulars often detailed the material benefits of joining a B&L, including compound interest and installment lending, they also emphasized how acquiring a home through a B&L would lead to improved personal morals and character, and better family life. One of the most popular of these "how-to" publications was *The Working-Man's Way to Wealth* by industry-booster Edmund Wrigley in 1869. Wrigley developed two basic themes in this work. The first explained how easy it was for people to develop the habits of thrift and mutual cooperation as a way to acquire a home and improve their economic status. He outlined in detail how thrifts operated, including the process for saving and borrowing, and noted that "the building association is the only plan by which the working man can become his own capitalist." The second theme focused on the positive effect thrift membership had on the individual, which included improved morals, self-esteem, self-sufficiency, and a better environment in which to raise a family. Wrigley's message that B&Ls were a source of both moral uplift and material benefits was repeated in virtually every industry promotion in the late nineteenth century.<sup>12</sup>

Public addresses, which were often published, were another important medium used to reach potential members. Robert Treat Paine, Jr., a Massachusetts thrift leader and president of Boston's Associated Charities, also employed both moral and practical arguments to encourage wage-earners to join associations. In one widely-circulated speech, Paine commented on the safety of thrifts, their reputation for good dividends, and their ability to offer their members a better life. He noted that "the chance offered by these associations may be the cornerstone of your prosperous life. The spirit must be, first to encourage thrift; then to aid one after another to own his own home; and in and through it all a spirit of cordial cooperation."<sup>13</sup> Another example of how public speaking was effective in promoting the industry was F.W. Bell's address before the Office Men's Club. Bell, who unlike Paine was not associated with a B&L, marveled at the democratic nature of thrifts noting they create "a community in which communism, socialism, and anarchy will not be tolerated." From his research into the industry, Bell concluded that thrifts are "far more beneficial to the poorer and middle class than...savings banks in that...they possess the only plan by which the working man can become his own capitalist." Delivered to a group of workingmen, this speech typified both the curiosities many had about the benefits and operations of thrifts, and the interest in how this class of people was searching for ways for self-improvement.<sup>14</sup>

Advertising in daily papers was another important way to promote the industry, but given space constraints tended to focus on the material benefits of thrift membership. Associations typically highlighted their dividend rates and sometimes gave brief financial statements to indicate their safety. Advertising copy usually centered on how joining a B&L would lead to home ownership and allow a person to escape paying rent. One advertisement from the Lumberman's Building Association of Philadelphia was typical:

Young man and Woman, stop and reflect! The money you fritter away uselessly will make you independent. Today sign the magna charter of your independence and like our forefathers, in about eight years you will, in a great degree, be independent by saving only thirty-three cents each day. In that time you will realize \$2,000 or have a home and be independent of the landlord.<sup>15</sup>

Aside from using newspapers, thrifts in many urban areas formed trade groups to publish more formal journals as another way to promote the industry and give working-class people additional information about the B&L business. While these longer articles described B&L operating procedures, they also dealt extensively with how joining a thrift was a way to help you towards a better life. By appealing to the emotional arguments for joining a thrift, including stronger families and security in times of sickness and old age, these B&L journals further separated their industry from other financial concerns.<sup>16</sup>

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### Reaching the Social Reformers

A second area of industry promotion aimed at a different audience, the Progressive Era elites. Magazines such as *Scribner's*, *Cassier's*, and *The North American Review* ran articles written by industry leaders that focused on the need to increase home ownership as a way to alleviate deteriorating urban living conditions, as well as to improve public spirit and morality. One writer contended that encouraging cooperation among men of small means was "one of the best arguments in favor of building associations." Other authors saw the creation of more B&Ls as a "remedy the difficulties and disabilities [of] housing...skilled workmen and great laboring class," that would also produce upstanding citizens since "a proper home helps build proper moral values." Another industry supporter contended that belonging to a B&L not only "encourages the development of thrift and providence among wage-earners...[but] has a social and moral value in counteracting the tendency in a city population to wider divergence between rich and poor, and the development of a proletariat class."<sup>17</sup>

A second theme industry leaders used to gain greater support from Progressive Era elites connected increased home ownership with greater citizenship, patriotism and political stability. One industry leader maintained that because thrifts develop mutual cooperation, which "exerts a salutary effect upon the very nature of man...[and] brings out in full force brotherly love and charity," supporting these associations could help reduce "the struggles of Labor and Capital...which are the dream of the reformer." The writer expanded on this stating that "a community of patient, diligent, frugal and contented workers, recognizing fully the power and beauty of co-operative effort...improve the barren places of the earth. In place of wasting their hours and strength to useless opposition [and] listening to the idle talk of the demagogue, they unite, not for the purpose of overthrowing capital, but with the design of becoming in good time capitalists themselves."<sup>18</sup> A thrift industry regulator expressed similar thoughts, noting that "these associations...serve as a barrier against dangerous paternalism...and they become likewise the foes of communism. [As] indirectly valuable moral agencies and a partial solution to the tenement-house problem, [thrifts] are worthy of careful attention." Given the labor unrest of the time, the potential for restoring social harmony through home ownership achieved through B&Ls must have appealed to reformers.<sup>19</sup>

One organization that closely followed the thrift industry and its potential for social reform was the American Social Science Association. The Association first examined the B&L movement in 1874, and continued to follow its progress for thirty years. Its quarterly publication, *The Journal of Social Science*, carried numerous articles charting industry growth and identifying ways thrifts could be used to benefit society. One of these writers, Philadelphia newspaper publisher and thrift executive Addison Burke credited the industry with helping make his city "one of the healthiest in the world." He noted that since thrifts encouraged self-sufficiency, a thrift "does more good for the community than the philanthropist who, in helping workmen to acquire homes through gifts of money...leads them to look forward with a beggar's wistful eye to means of

getting money without working for it.” Robert Treat Paine, Jr. also used economic and moral arguments to advocate the creation of B&Ls, noting that “surely the great end to aim at is that each family shall live in an independent home with their children safe from the contagion of a crowded tenement house.”<sup>20</sup>

One of the most influential writers on the thrift industry was Seymour Dexter, a New York B&L president who also authored many of that state’s thrift laws. Like others who tried to encourage reformers to support the industry, Dexter showed how the economic benefit of increased home ownership also had positive political and moral effects noting that “a homeowner is a conservative citizen [who] will never be infected with the spirit of anarchy.... It is in the true home of this kind that the family...will thrive the best...that morality will find the surest welcome, temperance its ablest advocates, and patriotism its purest development.... This movement...deserves the support and encouragement of all employers of labor as well as those devoting their energies to moral, patriotic, or philanthropic purposes.”<sup>21</sup> Dexter was also the first to advocate government regulation as a way to help B&Ls extend the benefits of thrift and home ownership to more of the working class. According to Dexter, “there was no better way to advance the condition of the wage-earning working classes [than] building and loan associations...[and] to secure this result, there should [be passed laws] uniform in their essential features [with] State supervision similar to that exercised over savings banks.” Dexter supported this idea by showing how effective supervision helped the industry grow in Pennsylvania. Specifically, because that state’s laws limited the number of shares a thrift could issue, the majority of B&Ls were small with lower expenses, which meant more money for home loans. Given these positive economic and social benefits, Dexter concluded that thrifts “deserve the attention of all men who are interested in practical agencies for advancing the masses of men” especially “when organized under proper legislative guidance and restriction, and guarded by a wise State supervision.”<sup>22</sup> By showing how B&Ls were important even to people who would not otherwise join a thrift, industry leaders increased public awareness of these associations, which resulted in broader support from different socioeconomic groups.

### **Ethnicity, Gender and the Thrift Industry**

An examination of how different segments of society used the thrift industry to improve their status provides qualitative evidence supporting the idea that encouraging the growth of B&Ls did help advance the interests of Progressive Era reformers. The first example involves how ethnic groups joined these associations as a way to help them assimilate into American society. During the 1880s, immigrant communities in several metropolitan areas used the idea of mutual cooperation to give them the opportunity to buy homes. Ethnic Americans managed these associations, and conducted the meetings and maintained records in their native languages. By 1893, over 550 B&Ls, or 10 percent of all thrifts, were ethnic institutions serving German, Italian, Irish, Scottish, Polish, Hungarian, Serbian, Croatian, Yugoslavian, Lithuanian, Estonian, Latvian, Russian, Catholic and Jewish communities. In Chicago, ethnic B&Ls



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were so numerous they formed trade associations based on nationality. As one thrift leader stated, "these various foreign groups have contributed in no small measure to Americanize the thousands of aliens who have come from different parts of the world to make Chicago their home."<sup>23</sup>

Several reasons explain why ethnic groups took so readily to the thrift movement. First, at about the time thrifts first began to appear in America, they were also moving into parts of Europe, including France and Germany. As was true with the founders of Oxford Provident, it is likely that these immigrants were familiar with how B&Ls worked from their native countries. Second, the fact that forming a B&L was relatively easy had some benefits to newly arrived Americans. Few states at this time had extensive regulations governing thrifts, and none required minimum levels of capital or reserves; in contrast, opening a bank involved meeting numerous financial conditions. Consequently, organizing a B&L was possible by people who had little or no financial resources. Given the magnitude and diversity of ethnic associations, it is fairly certain that immigrants saw the thrift industry as more than an economic movement, but it as a cultural institution that served as a bridge for them to improve their lives, and become more like other Americans, objectives sought by many Progressive Era reformers.

Women comprised a second demographic group that became very involved in the thrift movement. From as early as the 1840s, single women could own shares and take out loans in their name, and by 1893 over a quarter of thrift members were women. Similarly, women also organized thrifts, with the first association founded exclusively by women appearing in 1880. Women also had unusually good opportunities to manage a B&L, and it was common to find a woman serving as secretary, a position whose responsibilities in those days were similar to a vice president. As the thrift industry matured, women also served in the different state and national organizations, often attending conventions as delegates. In 1923 Ann Rae was elected president of the national trade association, a position she earned based on her experience as president of one of the largest B&Ls in New York and her work as president of that state's own trade association. In 1927, Rae was named the U.S. delegate to the first international building and loan congress held in London.<sup>24</sup>

The main reason why women attained such prominent roles was the traditional close identification between women and the home environment. Mary Murrell, the secretary of a Chicago B&L, provided strong evidence of the innate connection between thrifts and women, as well as the ideals of Progressive Era social reform. Contending that "women are the teachers of thrift and helpful principles," Murrell considered it natural that they be involved in institutions that promote savings and home ownership, objectives that would ultimately lead to better environments to raise children and stronger families. She also noted how monthly share payments for most thrifts were small enough to allow wage-earning women with limited incomes to join as another incentive for their participation. Regarding their abilities as thrift leaders, Murrell indicated that thrifts were "in conception and practical workings essentially feminine," since they were smaller and more community-focused than other financial institutions.

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This, combined with what Murrell described as women's "rare facility of utilizing with power the small forces of life that are often regarded by men as unworthy of their time and attention," made thrifts ideally suited for female leaders. Like other industry leaders, she insisted that "could such a movement be put on a foot by the large employers of labor, and thus eliminate the most fruitful cause of discontent among the laboring classes, the millennial dawn would all but be upon us and would have brought about a condition of affairs more practical and immediate than is indicated in Mr. George's "Progress and Poverty" and almost as fruitful of perfect happiness as is pictured by Mr. Bellamy in his "Looking Backwards. 'God speed the day!'"<sup>25</sup> Regardless of the reasons for their involvement, the fact that women were active in B&Ls and regularly held positions of responsibility separates this industry from other financial institutions.

### Measuring the Success of Thrifts

The quantitative evidence of how thrift leaders successfully encouraged the formation of new B&Ls is also very strong. As seen in the following table, industry growth during the Progressive Era exceed that of earlier and later periods:<sup>26</sup>

<i>Year</i>	<i>No. B&amp;L</i>	<i>Chg./Yr.</i>	<i>Total Members</i>	<i>Chg./Yr.</i>	<i>Assets (000)</i>	<i>Chg./Yr.</i>
1888	3,500		N/A		\$300,000	
1893	5,598	13.9%	1,359,366	N/A	\$473,137	11.5%
1908	5,599	0.0%	1,920,257	7.1%	\$784,176	4.4%
1913	6,429	3.0%	2,836,433	9.5%	\$1,248,479	11.8%

Similarly, an 1893 survey of the industry showed that over 70 per cent of all B&L members were working-class people. The leading member occupations were housewives and housekeepers (17.7 per cent), laborers (14.7 per cent), artisans and mechanics (14.5 per cent), merchants (12.2 per cent), and factory workers (8.8 per cent); only 2.2 per cent of all members were described as "capitalists."

Furthermore, nearly 600 associations served specific occupation and employment groups. In terms of the success in providing these people homes, the report showed that these associations had financed over 350,000 homes over their collective lives, while foreclosing on just 8,400 loans, with the greatest growth occurring during the period of concerted industry promotion described above. While other factors contributed to this growth, the significance of the efforts by thrift leaders to gain the support of the working-class and Progressive elites cannot be discounted.<sup>27</sup>

Finally, the success of B&Ls in fostering mutual cooperation and confidence between men and women of limited means helped the industry weather short term financial crises like the Panic of 1907, and survive the initial shock of the Depression of 1893. Both of these economic downturns caused hundreds of banks to fail but had virtually no effect on the thrift industry. The key reason for this was that the relationship between B&Ls and their members was different than that between banks and

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their customers. People who saved at a commercial bank were legally considered creditors, and as such had the right to receive payment of deposits on demand. Thrift members, however, owned their institution and could not legally demand immediate payoff. Rather, they had to submit a withdrawal request that the thrift had to honor within 30 days. This repayment delay helped diffuse the panic created by a run, and permitted more effective cash management. While few associations prior to 1930 invoke this privilege, the legal right to delay withdrawals was an important asset that helped preserve industry solvency.<sup>28</sup>

### Conclusions

Although the thrift industry first appeared in America in 1831, it did not become an important financial force until the start of the Second Industrial Revolution. Changes in population and worker income, combined with crowded urban conditions, provided strong incentives for wage-earning working-class men and women to pursue the dream of owning a home. As institutions dedicated to encouraging thrift and home ownership, B&Ls were ideally suited to meet these needs. Following a variety of changes in the organizational structure of these associations, the thrift industry experienced an unprecedented level of growth during the 1880s and 1890s. An important factor in this expansion was the concerted efforts by industry leaders and supporters to promote thrift ideals. Significantly, this promotional effort took two distinct forms. One aspect was an appeal to a working-class desire for financial independence, and the chance to improve one's life. While emphasizing the benefits of thrift on one's morals and self-esteem, the basic message focused on how participating in a B&L could lead to home ownership. A second way the industry tried to garner broader support was by showing how thrifts could help meet the goals of progressive era social reformers. Here the focus was on how home ownership would lead to less urban congestion, healthier living environments, and greater amounts of the spirit of community, citizenship and patriotism. An example of how these two types of promotion meshed was in the rise of ethnic community thrifts, which allowed newly arrived immigrants the ability to realize a part of the "American Dream," as well as increased morality and citizenship. Similarly, women, many of who shared the goals of social reformers, took an active role in the industry, even serving important leadership roles. The success of the thrift industry in achieving these goals is evident not only in absolute numbers, but also in how specific groups of working-class wage earners formed associations and attracted members. By linking thrifts with home ownership and saving, industry leaders not only ensured the continued existence of their industry, but also created an image of the thrift that would last for years.

### Notes

1. This paper is based on research conducted as part of my dissertation "From Building and Loans to Bailouts: The Evolution of the Savings and Loan Industry from 1831 to 1989." My thanks to Dr. Mansel Blackford and Dr. William Childs for their comments and suggestions.

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