

## FRANKLIN'S THRIFT

From the Center for Thrift and Generosity  
at the Institute for American Values

*For A New Thrift: Confronting the Debt Culture*  
A Report to the Nation from the Commission on Thrift

*Thrift: A Cyclopedia* by David Blankenhorn

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# FRANKLIN'S THRIFT

*The Lost History of an American Virtue*

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TEMPLETON PRESS

Templeton Press  
300 Conshohocken State Road, Suite 550  
West Conshohocken, PA 19428

[www.templetonpress.org](http://www.templetonpress.org)

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Designed and Typeset by ION Graphic Design Works

Library of Congress Cataloging-in-Publication Data

Franklin's thrift : The lost history of an American virtue / edited by  
David Blankenhorn, Barbara Dafoe Whitehead, and Sorcha Brophy-Warren.

p. cm.

ISBN-13: 978-1-59947-148-8 (alk. paper)

ISBN-10: 1-59947-148-5 (alk. paper)

1. Saving and investment--United States--History. 2. Thrift  
institutions--United States--History. 3. Franklin, Benjamin,  
1706-1790--Philosophy. I. Blankenhorn, David. II. Whitehead, Barbara  
Dafoe, 1944- III. Brophy-Warren, Sorcha.

HC110.S3F73 2009

332.10973--dc22

2008041135

Printed in the United States of America

09 10 11 12 13 14

10 9 8 7 6 5 4 3 2 1

To tomorrow's thrift visionaries  
and  
in memory of Sir John Templeton  
(*November 29, 1912–July 8, 2008*)



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# Introduction



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*David Blankenhorn, Barbara Dafeo Whitehead, and  
Sorcha Brophy-Warren*

**THIS** VOLUME OF ESSAYS is dedicated to enlarging and enriching our historical understanding of thrift. Thrift is one of the oldest American values, but its long and ample history is unfamiliar to most people today. It is not hard to figure out why. The study and teaching of thrift have all but disappeared from American life. Children seldom learn about this value in school. Civic and youth organizations that once championed thrift have moved on to other things. National campaigns for thrift have vanished from public life altogether. Everyday thrift objects and images—advertisements, poster art, piggy banks, children’s games, savings passbooks, budget cookbooks, bank promotions—have become curiosities for collectors. Even today’s historians fail to exhibit much interest in the history of thrift, except as a foil for critiques of capitalism, “Coolidge-ism,” and Main Street boosterism.

Lost from history and living memory, thrift is commonly viewed as nothing more than tight-fisted economizing. Say the word *thrift* and people think of Dickens’ Ebenezer Scrooge or Dell Comics’ Scrooge McDuck. Or perhaps they conjure up images of Depression-era privation and home-front hardships of World War II. Or they think of obsessive string savers and coupon clippers. Whatever image comes to mind,

it is likely to be one of joyless self-denial. Thrifty people, it seems, may be good at pinching pennies, but they are not much fun to be around.

The essays contained in this volume challenge and confound this reductive and unappealing view of thrift. The picture of thrift that emerges in these pages is the opposite of small and small-minded. Thrift, the historical evidence suggests, is big and big-hearted. It is big in several ways. It is rooted in a broad conception of social thriving. It encompasses two classic, and sometimes competing, traditions in American life—self-help and mutual aid. From Benjamin Franklin to the philanthropist Edward Filene, thrift advocates have believed in giving people the opportunity to achieve independence through their own efforts and initiative. At the same time, they rejected a radically individualistic notion of “do-it-by-yourself.” Cooperative institutions and associational bonds were central to their broad conception of thrift. By building institutions of mutual aid, thrift leaders believed, Americans from poor and “middling” ranks could do better together than they could do apart.

Thrift thinks big. Like the environmental movement today (which is itself connected to the thrift ethic), thrift has tended toward a national or even global perspective. Its leaders borrowed from the world’s traditions, ideas, and models of thrift. Benjamin Franklin did not make up Poor Richard’s famous sayings; he borrowed and often improved upon the world’s treasury of thought and lore on thrift.<sup>1</sup> Likewise, the nineteenth-century founders of mutual savings banks patterned their institutions after the “savings and friendly societies” in Great Britain. In the twentieth century, leaders of the American credit union movement built upon the models of the German “people’s banks” and the French Canadian *caisse populaire*.

Thrift is generous. The men and women who set out to create thrift campaigns and institutions were far from skinflints. Some, like the credit union philanthropist Edward Filene, devoted substantial portions of their self-made business fortunes to establishing cooperative thrift institutions. Others, like the community leaders who founded and often ran nonprofit mutual savings banks, insisted on working as unpaid volunteers.

Finally, and perhaps most surprisingly, thrift is a source of pleasure. For one thing, it produces an abundance of good things to savor in life. Benjamin Franklin famously enjoyed rich food, fine wine, elegant carriages, and luxurious living. This indulgence was not a lapse from thrift on Franklin's part; it was one of the rewards of thrift. As Poor Richard said, "Wealth is not his who has it but his who enjoys it." Thrift also offers a second great pleasure. It is fun to give. In the essay on thrift shops, readers will find a portrait of three generations of avid thrift shopping women who enjoy the giving as much as the getting.

But if these essays enlarge our understanding of thrift, they also identify the countervailing forces that have worked to limit and undermine a sustained culture of thrift. Prosperity is one. Thrift has a hard time in good times. Somehow, Americans find it easy to forget about the rewards of thrift in a boom economy. Another is regionalism. Historically, thrift has been more deeply rooted in the institutions and culture of the Northeast and upper Midwest than in the rest of the country. Yet another obstacle is the recurrent challenge from "antithrift" institutions. Today's state lotteries, the leading public antithrift, resurrect the state-sponsored gambling practices of the legally banned nineteenth-century lottery; payday lenders, the leading private antithrift, follow in the tradition of the salary lenders and loan sharks of the early twentieth century.

Yet thrift has demonstrated great resilience over time. For more than three centuries, it has served as a renewable source of social energy and institutional creativity. Franklin established a legacy of thrift for future generations, but it has not been a legacy frozen in time. On the contrary, each generation has had to invent a new case for thrift and to come up with institutions that fit contemporary conditions. Today, as the nation faces the failure of major financial institutions, a crisis of overindebtedness, and the depletion of our natural resource wealth, our generation is called to the task of renewing thrift once again. How we might begin to make such change is the concern of the final section of this book.

With this brief preview in mind, we invite you to dig in for yourself. And enjoy!



PART ONE

*Franklin's Thrift*  
*The Creation of an American Value*



## Chapter 1

# Franklin's Way to Wealth



*Barbara Dafeo Whitehead*

THE TRICENTENNIAL CELEBRATION of Benjamin Franklin's birth brought forth a fresh crop of scholarly articles, popular biographies, and museum exhibits. For the most part, however, the tributes to Franklin's life and work focused on his contributions as a scientist, statesman, and international superstar. Almost entirely neglected was the one contribution for which Franklin has been most widely known: his thought and writing on thrift.

Franklin did not invent the value of thrift, but he made it an American value. For at least two centuries, he stood as the emblem and exponent of thrift. He personified it, practiced it, promoted it, and, through his writings, exported it to the rest of the world. He produced two hugely popular works: *Poor Richard's Almanack* (1732–57) and *The Way to Wealth* (1757). Both were filled with sayings on thrift. Both were reprinted, excerpted, anthologized, and translated into many languages. Both were taught to schoolchildren throughout the world. Indeed, it is fair to say that few Americans—living or dead—have done more to promote the value and practice of thrift than Benjamin Franklin.

Franklin also produced a record of his life. Published first in Europe and then posthumously in the United States, the *Autobiography* (1817) was the classic American self-help book. In it, Franklin offered moral

instruction and how-to advice for practicing thrift and achieving wealth. He also revealed dispositions that reflected not just his own character but the American character itself: the passion for freedom, the aspiration for self-improvement, the pragmatic approach to problems, the desire to do good, and the confident outlook on the future.

Franklin's thrift became the cornerstone of a new kind of secular faith in the individual's capacity to shape his or her own lot and fortune in life. For Franklin's Calvinist forebears, it was God who had the power to elect those who would gain worldly fortune. For Franklin, it was the common man and woman who had the potential to gain worldly fortune through his or her own efforts. No longer would the distribution of material blessings be subject to the mysterious workings of God's grace nor to the mere accidents of fortunate birth. The way to wealth rested in the cultivation of habits of "industry and frugality:" "All Men are not equally qualified for getting Money," he wrote as Poor Richard, "but it is in the Power of every one alike to practise [Thrift]."<sup>1</sup>

A fresh appraisal of Franklin's thrift is especially timely today. In the aftermath of the boom years of the late 1990s, twenty-first century Americans face a sobering reality. The personal savings rate has dipped below zero in recent years. Consumer debt is sky-high. Home ownership has dropped, and foreclosures have shot up as a result of the subprime mortgage debacle. Retirement savings are falling short. The natural wealth of the planet is being consumed at an unsustainable rate.

In his own day, Franklin confronted similar problems: a nation drowning in debt; a society living on credit; and a people burdened by bankruptcies, overindebtedness, and real estate deals gone bust. Like Americans today, he also worried about the trade-offs between helping one's adult children and saving enough for one's own old age.<sup>2</sup> Franklin's proposed solutions sound familiar as well. He believed that Americans should save more and spend less; conserve rather than consume; and sacrifice for the common good rather than accumulate more luxury goods for oneself— notions that echo today's public calls for reducing consumer debt, curbing hyperconsumerism, encouraging

public service, and promoting good stewardship of the nation's natural and human resources.

That said, it is not easy to retrieve the meaning of Franklin's thrift for the twenty-first-century American reader. For some people today, the word *thrift* connotes stinginess; for others, it conjures images of grinding privation and joyless self-denial; for still others, it simply sounds musty and old school. This negative response is not new. It has roots in a long intellectual tradition. In the nineteenth century, even as Franklin became the workingman's hero and the schoolchild's role model, his image and reputation inspired a backlash among some of the literary luminaries of the day. Herman Melville called him a "maxim-monger," a "professor of housewifery," and an "herb-doctor." Mark Twain wrote that Franklin inflicted suffering on generations of boys who had to live by his maxims. Twentieth-century writers continued the tradition. D. H. Lawrence called Franklin a "snuff-colored little man" who corralled all the unruly passions of humankind into a narrow moral accounting system of credits and debits. Most famously, the German sociologist Max Weber attacked Franklin as a "colourless Deist" who preached the gospel of "earning of more and more money" as an end in itself and who promoted a secular philosophy of avarice and crude utilitarianism. Even Carl Van Doren, Franklin's eminent twentieth-century biographer, explained that his mission was to rescue Franklin from the "dry, prim people" who revered him for his ideas on thrift.<sup>3</sup>

This essay takes issue with Franklin's critics and their characterization of his idea of thrift. Specifically, it rejects the claim that Franklin promoted an outmoded, crabbed, and narrowly economic vision of human purpose and possibility. Instead, it offers an alternative claim: namely, that Franklin's thought and writings on "industry and frugality" set forth a social philosophy of human flourishing and freedom rooted in social mobility, economic opportunity, and generosity to others. Indeed, Franklin's ideas about economic independence remain as central to American identity as the ideas of political independence inscribed in the founding documents. If Jefferson wrote the Declaration

of Independence and Madison crafted the Constitution, then Benjamin Franklin, it might truly be said, invented the American Dream.

### FRANKLIN'S THRIFT: A WAY OF LIFE

Franklin is, as one historian has noted, “one of the most massively symbolic figures” in American history.<sup>4</sup> His life and work have been used to exemplify larger themes and ideologies. Over the years, he has been variously portrayed as a noble savage; canny self-promoter; homespun humorist; scientific genius; cracker-barrel philosopher; bourgeois moralist; secular rationalist; and—yes—a small-minded, penny-pinching protocapitalist. Franklin himself contributed to this symbolizing impulse. He was a subtle, many-sided, shape-shifting figure. As a writer, he adopted many personas, identities, and voices. He had serious things to say, but he often said them in a playful way—favoring the lampoon, the spoof, and the hoax as ways to make his point.

Yet beneath Franklin's changing masks and literary guises are the plain facts of his life. Here, we can begin to see the consistent core of his ideas of thrift—or “industry and frugality,” as he more commonly called it.<sup>5</sup> Franklin earned his reputation for thrift the old-fashioned way. He lived it.

Franklin's life can be divided into two parts. Before he became a philosopher-king, he was a colonial tradesman. From his teens to his early forties, he worked as a provincial printer—first as an apprentice in Boston and then as the owner of a printing shop and dry-goods store run out of his house in Philadelphia. During these years, he worked hard and lived simply. Two years after he set up his own business, he was able to pay off all his debts—a remarkable achievement at a time when colonists were beset by chronic currency shortages, overindebtedness, and bankruptcies. He became a substantial creditor, landholder, and land speculator. He was also something of a paper baron. He established eighteen paper mills at one time or another and may have been the largest paper dealer in the English-speaking world.<sup>6</sup>

By the time Franklin was forty-two, he had become a wealthy man. He was able to retire from business for good. In the second half of his life, he left the management of his affairs in the hands of his wife and son-in-law and spent much of the next four decades abroad, pursuing scientific interests, transatlantic friendships, and international diplomacy.

Franklin gave much of the credit for his early business success to his wife, Deborah. Though she brought no dowry into the marriage, she enriched the family in other ways. She proved a highly competent manager of the Franklin enterprises. She ran the general store connected to the printing shop. She kept accounts, dealt with suppliers, and expanded the inventory. She helped with the printing business as well, folding and stitching pamphlets and buying "old Linen rags for the Papermakers." She sold a homemade "itch cream." She managed the Post Office. In addition, she ran the household, kept house without servants, and lived within the family's means. For her contributions, Franklin remained deeply grateful: "Frugality is an enriching Virtue, a Virtue I could never acquire in myself," he later admitted, "but I was lucky enough to find it in a Wife who thereby became a fortune to me."<sup>7</sup>

Another source of Franklin's success was his ability to win the support of powerful patrons. In the eighteenth century, ambitious but obscure young men needed sponsors and patrons to help them get ahead in the world. Franklin got such help from colonial governors and influential public officials who paved the way to profitable government printing contracts. In 1737, he became the postmaster for Pennsylvania. This office gave him free use of the mails, and as a consequence he was able to boost the circulation of his newspaper, the *Pennsylvania Gazette*. Later on, he was appointed the official government printer for Pennsylvania, New Jersey, and Delaware, which gave him the steady business of printing paper money, state documents, laws, and treaties.

Finally, Franklin produced an international best seller. He published *Poor Richard's Almanack* for the twenty-five years between 1732–1757. This annual compendium of useful information and moral instruction

sold ten thousand copies a year or the equivalent of fifteen million copies today—an astonishing record for a publication produced in a colonial backwater. Even more impressively, *The Way to Wealth*, his collection of more than one hundred of Poor Richard's sayings on "industry and frugality," was a hit in France. It first appeared in a Parisian edition in 1777 as *The Science of Good Richard, or The Easy Way to Pay Taxes*, and the luxury-loving French scooped it up for the thrifty price of four sous.<sup>8</sup>

Once relieved of the necessity of making money, Franklin was happy to be done with "the little cares and fatigues of business." He could have made a second or third fortune if he had taken out patents on his inventions. But he chose to keep these inventions in the public domain. He paid for public projects out of his own fortune.<sup>9</sup> He was generous to friends, family, and even strangers. He gave money to grandchildren, nieces, nephews, and especially to his perpetually straitened sister, Jane Mecom, to help them start businesses of their own. He left much of his fortune to philanthropic causes, including an endowment to provide start-up loans for worthy young married tradesmen.

If Franklin was not obsessed with making money, neither was he intent on hoarding it. He enjoyed spending what he had made. He built a big house. He bought a farm in New Jersey. He drove around in a fancy carriage. He boasted a well-stocked wine cellar. He sent his wife "crate upon crate of quality goods from London." He ate well. He relaxed his work regimen. Once lean, he grew fat. Once an early riser, he took to getting up at ten or eleven. Once a believer in vigorous daily exercise, he later found it hard to move a muscle.

His indolent habits drove the famously industrious John Adams absolutely crazy. During their mutual diplomatic service in France, Adams complained that Franklin rarely did any work. The man who, as Poor Richard, urged "Up, sluggard," was becoming a sluggard himself! He breakfasted late, spent his day entertaining visitors, never turned down an invitation to "dine abroad," and, after dinner, went to plays and then on to play chess with the ladies. In such "Agreeable and important Occupations and Amusements," Adams fumed, he "spent

his afternoons and evenings and came home at all hours from Nine to twelve O'clock at night."<sup>10</sup> (To be fair, Franklin was in his seventies, suffering from gout and kidney stones—and could be forgiven for taking it easy.)

Perhaps Adams did not fully appreciate, as Franklin did, that tardiness was an art form in France.<sup>11</sup> Or perhaps Adams, who admired Franklin for his public advocacy of “industry and frugality,” was disappointed by the elder statesman’s easy abandonment of these republican disciplines. Perhaps Adams, like many of Franklin’s later critics, saw his lapse into laziness as hypocrisy. If so, he misread Franklin’s notions of “industry and frugality.” Franklin never thought of these linked practices as ends in themselves. Rather, he saw them as a means to an end. For Franklin, the practice of “industry and frugality” was the simple, natural road to freedom.

### A PATHWAY TO ECONOMIC FREEDOM

Like other founders, Franklin was committed to the struggle for American independence. But his vision of freedom did not begin with political independence. It began with economic independence. Long before he joined the revolutionary cause, he was charting the path to economic independence for the vast population of “middling” Americans who were not born to wealth or privilege.

Franklin himself came from the middling ranks. He had none of the traditional advantages of aristocratic birth, upscale marriage, or inherited wealth as steppingstones to future distinction or success. His family was of modest means. His father made candles for a living. His parents could not afford to send him to school for more than two years. Like his fourteen older siblings, he had to learn a trade and make his own way in the world.<sup>12</sup>

Although Franklin’s genius clearly accounted for much of his greatness, he never attributed his success to his natural gifts and talents. Indeed, he did not see himself as a special case. He believed that anyone who came from middling ranks could gain wealth by working hard,

living simply, saving more than they spend, and diligently pursuing useful knowledge.

Franklin saw economic freedom as freedom from the servitude of debt. In eighteenth-century America, indebtedness was a widespread fact of life. Nearly everyone had to borrow money in order to make a living. Farmers needed credit in order to plant their crops. Merchants needed credit from wholesalers to stock their shelves. And, of course, consumers needed credit to buy merchants' goods. Merchants in New England, Pennsylvania, and Chesapeake colonies often sold as much as 80–90 percent of their goods on credit.<sup>13</sup>

Moreover, the colonies were locked into a highly interdependent system of commercial relationships that depended on credit. The upside was the expanding opportunities to trade and buy. The downside was greater exposure to the risks and penalties of overindebtedness. And in colonial America, the penalties for overindebtedness were incredibly harsh. Bankruptcy laws at the time allowed impatient creditors to demand instant payment in cash—a near impossibility in a cash-poor economy. Debtors who could not cough up the money on demand often went to prison, where they were thrown in with common criminals.

Even worse, insolvents were treated more severely than convicted felons. The state paid for the upkeep of convicts but not of insolvents. Debtors or their families had to pay for their own food, clothing, and rent. Oftentimes, mothers or wives had to beg or borrow money to provide for even the most minimal comforts for an imprisoned family member. In addition, a debtor's term of imprisonment was not fixed. Even the post-Revolutionary reform of the criminal codes did not deal with insolvents. They were the “only prisoners who did not know when or how or even if they would be freed.”<sup>14</sup>

Franklin was not against the borrowing or lending of money. On the contrary, he firmly believed in the “prolific, generating” nature of money. As he often noted in *Advice to a Young Tradesman*, money put out in loans would yield more money in return: “Five shillings turned is six, turned again is seven and three-pence, and so on till it becomes an hundred pounds.”<sup>15</sup> Nonetheless, he saw chronic indebtedness as a

form of enslavement. Franklin, it should be remembered, had a deep, almost instinctive, hatred of servitude. As a young man, he rebelled against the stern strictures of Calvinism. He defied his father. He broke his apprenticeship to his brother. He challenged the Boston establishment. He fled his family in Boston for a life among strangers in Philadelphia.

For him, owing money was yet another limitation on human freedom. Indebtedness was like serving a term of indenture—it bound one over to another person for years. “When you run into debt,” he wrote in *The Way to Wealth*, “you give another power over your liberty.” And again: “Your creditor has authority to deprive you of your liberty by confining you in gaol for life, or to sell you for a servant if you should not be able to pay him.” And yet again: “The Borrower is a Slave to the Lender, and the Debtor to the Creditor.”<sup>16</sup>

He saw overindebtedness as morally debilitating as well as personally constraining. It could lead to lies, cheating, and fraud: “If you cannot pay at the Time, you will be ashamed to see your Creditor; you will be in Fear when you speak to him; you will make poor pitiful sneaking Excuses, and by Degrees come to lose your Veracity, and sink into base downright lying.” Engaging in such behavior, the chronically insolvent also risked losing the respect of others, and loss of reputation could be irreparable. As Poor Richard said, “Glass, China, and Reputation are easily crack’d and never well-mended” (1750).

Reputation mattered in colonial society. In England, some four hundred titled and wealthy families made up the landed aristocracy. In colonial America, such strict class divisions did not exist. Nor did colonists have an ancient system of social rules that established one’s place and rank in the society. There was no hereditary aristocracy, no titles, no peerage. Nor was it easy to know who could be trusted in an immigrant society where strangers arrived every day. In America, therefore, one’s reputation, like one’s livelihood, was not a fixed or inherited status. It had to be earned.

How, then, could one gain a reputation for trust and honesty? For Franklin, it required behaving in ways that inspired social confidence

and public trust. People had to see evidence of trustworthiness in one's conduct. In commerce, that meant exhibiting a work ethic of "visible diligence"—getting up early, spending time productively, and avoiding the temptations of the alehouse. Such industrious behavior would give observers reason to believe that your business would not fold overnight, that you would pay your suppliers, and that you would be honest in your business dealings. "In order to secure my Credit and Character of A Tradesman," Franklin wrote in the *Autobiography*, "I took care not only to be in Reality Industrious and frugal, but to avoid all Appearances to the Contrary. I drest plainly; I was seen at no places of idle diversion; . . . and to show that I was not above my business, I sometimes brought home the paper I purchas'd at the stores thro' the streets on a wheelbarrow."<sup>17</sup>

Too, creditors would be more willing to extend loans to a hard worker than to a drinker or sluggard. As the historian T. H. Breen notes, in an insecure commercial environment, "appearances could determine a merchant's solvency. The kinds of values most often associated with the Protestant ethic—thrift, diligence, honesty and modesty—were forced on the colonial shopkeeper as a condition of doing business."<sup>18</sup>

In *Advice to a Young Tradesman*, Franklin also underscored the importance of appearances in securing credit: "The sound of your Hammer at Five in the Morning or Nine at Night, heard by a Creditor, makes him easy six months longer. But if he sees you at a Billiard Table, or hears your Voice at a Tavern, when you should be at Work, he sends for his Money the next Day. . . . It shews, besides that you are mindful of what you owe; it makes you appear a careful as well as an honest Man; and that still encreases your Credit."<sup>19</sup>

If Franklin saw "industry and frugality" as a commercial value, he believed equally that it was a household—and especially a wifely—virtue. Raised in the Puritan tradition, Franklin seldom thought of individuals as freestanding social or economic actors. He envisioned the household as the primary unit of society and marriage as the fundamental economic partnership. Thus, he focused on the role of wives as promoting industry and frugality in domestic life: "I and thousands

more know very well that we could never thrive 'til we were married. What we get, the Women save."<sup>20</sup> And to his sister Jane on his son's choice of a bride, he commented, "If she does not bring a fortune, she will help to make one. Industry, frugality and prudent economy in a wife are . . . in their effects a fortune."<sup>21</sup>

Franklin did not leave the practice of thrift entirely up to wives, however. In many of his letters and essays, he addressed himself to husbands and fathers. In eighteenth-century America, apprentices were not allowed to marry because they were not yet prepared to become productive workers and independent householders. For men, therefore, marriage carried with it the responsibility for supporting a household. Franklin had stern advice for any young man who wanted to marry before he had the means to "undertake the expense of a family." This included his future son-in-law, Richard Bache. Franklin had heard rumors that Bache was a fortune hunter; worse, Bache had gotten deeply into debt, due to an early business failure. In a letter to Bache, Franklin made his disapproval abundantly clear: "I am obliged to you for the regard and preference you express for my child and wish you all prosperity; but unless you can convince her friends of the probability of your being able to maintain her properly, I hope you will not persist in a proceeding that may be attended with ruinous consequences to you both."<sup>22</sup> (Sally Franklin married Bache a month later.)

However, Franklin's notion of economic independence was not merely the negative freedom from overindebtedness. Economic independence gave one the freedom to do good and to serve others. For Franklin, the ultimate reward for industry and frugality was not more work or more money but more free time. This was the side of Franklin's thrift that John Adams failed to understand. Franklin believed that leisure and pleasure were the rewards for hard work and frugal living. If a man worked like a dog, he might eventually live like a gentleman.

At the same time, Franklin's conception of the life of a gentleman was dramatically different from the life of the eighteenth-century English gentleman. Born into wealth and property, the prototypical English gentleman had no real work to do and lots of time to waste. So he

cultivated a life of idleness, spending time in fox hunting, card playing, dancing, womanizing, and traipsing around his estates. As Henry Fielding observed, “to the upper part of mankind, time is an enemy, and (as they themselves often confess) their chief labour is to kill it.” Indeed, it was their social duty to do so.<sup>23</sup>

This kind of gentlemanly existence was entirely alien to Franklin. Much as he enjoyed a good time, he never espoused killing time. For Franklin, time, like money, was a resource. If the definition of a gentleman meant having leisure time, he thought, then that leisure time should be put to useful purposes. As Poor Richard put it, “A life of leisure and a life of laziness are two things” (1746).

### THE PROPER USE OF WEALTH

Upon his retirement as a printer, Franklin looked forward to a life of leisure spent in “philosophical studies and amusements.” But, as he recounted in the *Autobiography*, “The publick, now considering me a man of leisure, laid hold of me for their purposes, every part of our civil government, and almost at the same time, imposing some duty on me.” Though the call to public service meant sacrifice of his own plan for retirement, there is no evidence that Franklin took on this duty begrudgingly or used it for self-serving ends. For gentlemen like him who were called to public service, he cheerfully proposed one simple rule: “Never ask, never refuse, nor ever resign.”

Public service was just one way to put one’s good fortune to use. A second way was to give away the fortune itself. Franklin did not believe in inherited wealth. As he saw it, riches passed on through the generations bred habits of idleness, wastefulness, and self-destructiveness. Consequently, he contended that those who gained wealth should use their fortunes for the good of others rather than for themselves or their offspring. Moreover, he thought that “liberality,” or what we might call “generosity,” offered rewards to the giver as well: according to Poor Richard, “The Liberal are secure alone/For what they frankly give for

ever is their own" (1750). And: "When you are good to others, you are best to yourself" (1748).

In his view of the proper uses of wealth, Franklin, writing as Poor Richard, often came close to professing a theology of good works: "What is serving God?" 'Tis doing Good to Man" (1747). In a letter written in 1753 to Joseph Huey, a "zealous Religionist," Franklin elaborated:

When I am employed in serving others, I do not look upon my self as conferring Favours, but as paying Debts. . . . I can only show my Gratitude for those Mercies from God by a Readiness to help his other Children and my Brethren. For I do not think that Thanks, and Compliments, tho' repeated Weekly, can discharge our real obligations to each other, and much less those to our Creator.<sup>24</sup>

He added that he wished religious faith were more productive of good works—"I mean real good Works, Works of Kindness, Charity, Mercy, and Publick Spirit; not Holiday-Keeping, Sermon-Reading or hearing, performing Church Ceremonies, or making long Prayers, fill'd with Flateries and Compliments, despis'd even by wise Men, and much less capable of pleasing the Deity."<sup>25</sup>

In practice, Franklin's good works aimed at useful ends. He was not inclined to classical Christian acts of charity for the poor and needy. Rather, he belonged to the "teach-a-man-to-fish" school of philanthropy, or, to state it more precisely, he aimed to "teach future generations to fish." In his private giving, Franklin sought to create economic opportunities for worthy young householders. For example, as mentioned previously, he left a substantial fund in his will to provide loans for young, married tradesmen in Boston and Philadelphia. The recipients were required to pay back 5 percent of the principal each year, thus perpetuating the loan fund. By the mid-1820s, some two hundred and fifty Philadelphia craftsmen, from thirty different trades and profession, had taken advantage of Franklin's bequest to better themselves.<sup>26</sup>

## THE THRIFT CANON

Franklin began his writing career at the age of fifteen and never again put down his pen. When he died at age eighty-four, he had just published a newspaper article arguing for an end to slavery. (Characteristically, the piece took the form of a hoax and appeared under the pseudonym, *Historicus*.) Over his lifetime, he produced a huge literature—at present filling thirty-eight volumes with still more to come. Yet from this prodigious output, only three works have endured over the centuries: *Poor Richard's Almanack*, *The Way to Wealth* (1757), and the *Autobiography* (1817). These three works—his “thrift canon”—established his popular reputation as the practitioner and exemplar of industry, frugality, and generosity.

Anyone expecting to find a systematic treatment of thrift in these works, however, will be disappointed. Franklin never attempted such a treatment. In the Enlightenment world, there were hedgehogs (thinkers who knew one big thing) and foxes (thinkers who knew many things). Benjamin Franklin was a fox. In Carl Van Doren's famous characterization, Franklin was a “harmonious human multitude,” and his three thrift works contain, but do not exhaust, his thought on industry and frugality.

Nor do any of Franklin's three famous works resemble what might be called a treatise on thrift. Franklin was in the marketplace. He had to sell what he wrote. Consequently, he turned to popular literary forms, not learned treatises, to communicate his ideas.

In colonial America, the reading public favored nonfiction over fiction. In part, this preference was due to the lingering influence of Puritanism. Franklin's Puritan forebears saw fiction as threatening to religious piety and the sober contemplation of God's majesty. They tended to be less critical of nonfiction, particularly if it included moral instruction. But the popular preference for nonfiction was also driven by practical concerns. Colonial America was a self-help society, and people craved useful information of all kinds. Indeed, the eighteenth century saw an outpouring of such literature—marriage manuals,

tradesmen's guides, bookkeeping and accounting books, codes of commercial conduct, and so forth.

As a young journeyman printer, Franklin had mastered virtually every popular form of nonfiction—the newspaper article, broadside, report, proposal, opinion piece, satire, letter to the editor, humor piece, and “true life” account. In 1732, with the publication of *Poor Richard's Almanack*, he hit upon the ideal literary vehicle. Next to the Bible, the almanac was the most popular and commonly read household publication. Pocket-sized and paper-bound, these annual guides usually appeared in October or November for the following year and set forth a month-by-month calendar of tide and weather forecasts, astrological predictions, medical nostrums, and other useful information.

But the *Poor Richard's Almanack* was not entirely nonfiction. In the inaugural issue, Franklin introduced the fictional character, Richard Saunders, as its putative editor and compiler. An amateur astrologist who described himself as “excessive poor,” Poor Richard explains that he is going into the almanac business to appease his wife, Bridget, who wants him to quit his idle stargazing and make some money. In addition to providing useful information on weather, tides, and the sun's rising and setting, Poor Richard proposes to include “moral hints, wise sayings, and maxims of thrift, tending to impress the Benefits arising from Honesty, Sobriety, Industry and Frugality.” After this litany, he might have added: but the greatest of these are “industry and frugality.” For as Franklin later wrote in the *Autobiography*, Poor Richard's maxims were chiefly chosen to promote “industry and frugality as the means of procuring wealth and thereby securing virtue.”<sup>27</sup>

Issue by issue, for two and a half decades, Poor Richard produced memorable sayings: “No man e'er was glorious, who was not laborious” (1734); “Eat to live, not live to eat” (1733); “Hope of gains lessens pain”; “He that waits on Fortune is never sure of Dinner”; “Look before, or you'll find yourself behind” (1735); “Keep thy shop, and thy shop will keep thee” (1735); “He that takes a wife, takes care” (1736); “He that buys by the penny, maintains not only himself, but other people” (1736); “God helps them that help themselves” (1736); “Creditors

have better memories than debtors” (1736); “He that would have a short Lent/Let him borrow Money to be repaid at Easter” (1738); “Industry pays debt, while Despair Increaseth them” (1742); “Idleness is the greatest prodigality” (1743); “Rather go to bed supperless/than run in debt for a Breakfast” (1739).

In 1757, Franklin sat down to write a preface to the final edition of *Poor Richard*. At the time, he was languishing on a ship headed for London and facing a looming deadline without any of his notebooks or reference materials. Ever resourceful, he compiled from memory more than a hundred of Poor Richard’s most popular sayings on industry and frugality and put them in the mouth of a new character, Father Abraham. The speech of Father Abraham became *The Way to Wealth*, the most widely reprinted of all Franklin’s works. By the end of the century, it would appear in at least 145 editions, translated into French, German, Italian, Dutch, Gaelic, and Swedish—and later into Catalan, Chinese, Greek, Hungarian, Welsh, and Russian.<sup>28</sup>

In this famous fable, Father Abraham appears before a crowd gathered at a local auction, or *vendue*, as such sales were called at the time. *Vendues* were popular, but controversial, ways for colonial merchants to get rid of damaged or unsold stock. Consumers liked them because they could get luxury goods at bargain basement prices, but many merchants objected to them as unfair competition. Other critics saw *vendues* as a source of corrupting consumerism, creating appetites for frivolous luxury goods. Father Abraham belonged to this latter school. His speech is an appeal to the crowd to restrain their desire for things they do not need.

Here you are all got together at this vendue of Fineries and Knicknacks. You call the Goods, but if you do not take Care, they will prove Evils to some of you. . . . Many a one, for the Sake of Finery on the Back, have gone with a hungry Belly, and half starved their Families; Silks and Sattins, Scarlet and Velvets, as Poor Richard says, put out the Kitchen Fire. These are not the Necessaries of Life; they can scarcely be called

Conveniencies, and yet only because they look pretty, how many want to have them.<sup>29</sup>

Father Abraham sputters on: "What Madness must it be to run into Debt for these Superfluities!"<sup>30</sup>

When Franklin put Poor Richard's sayings in the mouth of a biblical Abraham, he had his tongue firmly in his cheek. The patriarch's wise advice goes completely unheeded by the crowd. They listened, "approved the Doctrine, and immediately practiced the contrary, as if it were a common sermon." His satirical intent was even plainer when he called Father Abraham's speech a "sermon." Franklin hated sermonizing and other religious speechifying.

Yet Franklin was indebted to the sermon. In *Poor Richard* and *The Way to Wealth*, he borrowed from the pulpit tradition of parables, paradoxes, and cautionary stories. At the same time, though, he eliminated the religious message. His text was not scripture but the "world's treasury" of folk sayings. His goal was not salvation but self-improvement. And his rhetorical strategy was not designed to provoke fear and trembling but to get a good laugh. He cloaked his moral instruction in humor of every kind, ranging from satire, spoof, impersonation, joke, burlesque, quip, witticism, pun, and sheer nonsense. Ever the improviser and improver, Franklin added his own touches, often rewriting the sayings to make them crisper and funnier.

But behind the jokiness and even occasional impiety, Franklin had a serious purpose. He had a vision for a new kind of social order based on the virtues of the "middling" ranks. The widespread practice of Franklin's thrift was central to realizing this vision.

## THRIFT FOR A MIDLING SOCIETY

Franklin's long sojourn in France gave him a chance to compare American and European society from his perch on the other side of the Atlantic. Much as he savored the pleasures and refinements of Old World society, he was nonetheless disturbed by the gulf between rich and poor. (Thomas Jefferson and John Adams were similarly distressed

by the sight of so many destitute people living on the streets of London and Paris.) He blamed the system of passing wealth, title, and privilege onto future generations for this division between the idle rich and the desperate poor.

Franklin saw such social divisions as vicious and demoralizing for both rich and poor. Neither class, he believed, was capable of behaving virtuously. Both lived for the pleasures of the moment—the rich because they had too much money and the poor because they had too little. “The poor have little, beggars none, the rich too much, enough not one,” in the words of Poor Richard (1733). Both rich and poor were given to idleness and profligacy. Both were captive to their own greedy desires. For rich and poor alike, as Poor Richard observed, “The restless desire of getting is added to the cruel fear of losing.” As Stacy Schiff writes, America “stood as a corrective to what Franklin described as the two most detrimental of European prejudices: the conviction that useful labor was disgraceful and that estates perpetuated families.”<sup>31</sup>

Thus, people in the “middling ranks” offered the best hope for a virtuous society. Tradesmen, farmers, shopkeepers, printers, bricklayers, and the like were engaged in productive work, and productive work fostered the habit of industry. In Franklin’s view, industry was not merely work in the sense of exertion in the performance of a task. Rather, industry was a particular disposition toward work. To be industrious was to manage one’s time efficiently, to demonstrate diligence and steadiness in workaday routines, and to have faith that hard work and long hours would yield material rewards commensurate with effort.

Especially important was the productive use of time. As Poor Richard explained, “The Industrious know how to employ every Piece of Time to real Advantage in their different Professions: And he that is prodigal of his Hours is, in effect, a Squanderer of Money” (1751). To waste time was, in fact, far worse than losing money. “Money lost may be found,” Poor Richard went on, “but the Treasure of Time once lost, can never be recovered” (1751). Again and again, Poor Richard insists on the advantages of conserving time by early rising: “The sleeping fox catches no Poultry, Up! Up!” (1743); “He that riseth late must

trot all Day, and shall scarce overtake his Business at Night” (1742); “He would be beforehand in the World, must be beforehand with his Business” (1749). (As a young printer, Franklin was a “morning person,” and no doubt his near obsession with early rising drew upon his own experience. Indeed, Franklin may be responsible for the sense of moral superiority among “morning people” even to this day.)

With Poor Richard's repeated injunctions on time-thrift, Franklin also drew an implicit distinction between the idleness of the leisured class and the busyness of the trading class. The highborn aristocrat slept late, dawdled over cards in the afternoon, and drank and caroused into the night. By contrast, the tradesman was up at dawn, opened his shop early, imbibed water instead of wine at lunch, and spent his evenings in the pursuit of useful knowledge.

Still, according to Franklin, the practice of industry alone was not enough to foster virtue. It had to be paired with the practice of frugality. The word comes from the Latin *fruge* for “fruit,” and Franklin used *frugality* in the sense of careful stewardship of the fruits of one's labor. (He called his early earnings “first fruits.”) Thus, if industry produced abundance, Franklin thought, frugality guided its use. As Poor Richard put it, “Industry's bounteous Hand may Plenty bring, But wanting Frugal Care, twill soon take away . . .” (1749).

By careful use and stewardship, Franklin wrote, small gains over time would accumulate and grow. “Weigh every small Expence, and nothing waste, Farthings long sav'd, amount to Pounds at last” (1749). Frugality also provided the chief means of extending wealth over time. Saving and conserving meant that one's children and grandchildren would be educated and prepared for earning their own living. Thus, riches would not be squandered in a single generation but would continue to multiply into future generations.

In short, Franklin's idea of frugality was expansive rather than constrictive. It was based on vision of abundance rather than scarcity, of fertility rather than sterility. It reflected Franklin's sense of the possibilities for a new kind of society. But, as he also made clear, this new

society could only flourish in a spacious and bountiful land where one's work and savings would, in fact, bear fruit.

### THE WAY TO WEALTH IN AMERICA, OR WHY SPOILED ARISTOCRATS SHOULD STAY IN EUROPE

*Poor Richard's Almanack* and *The Way to Wealth* were compilations of popular adages on thrift for an eighteenth-century American readership. Although both asserted the value of industry and frugality, neither work took pains to explain in detail how these linked values produced wealth. As it happens, however, Franklin did attempt such an explanation in another, less well-known, work. He wrote the piece entitled "Information to Those Who Would Remove to America" when he was in France in 1783. It was published in England and Ireland in that year and then, in the following two years, came out in French, Italian, and German translations.<sup>32</sup>

Like much of Franklin's writing, "Information" was not a theoretical treatment of his views. It was a journalistic response to a practical problem. During his eight years in France, Franklin was continually besieged with requests for money, favors, and help from people all over Europe who wanted to immigrate to America. Many of these petitioners were dreamers, bankrupts, adventurers, and property-less younger sons of noble lineage who wanted to get rich quick in the New World. Their heads were filled with "wild imaginations" and schemes: some thought that the Congress would pay for their passage and provide them with "land gratis, negroes to work for them, utensils of husbandry, and stocks of cattle"; others believed that they would be given high government and military offices by virtue of their aristocratic birth. Still others had the idea that "Americans are so ignorant of *belle-lettres*, fine arts, etc., that they would shower riches on those who possessed such talents."<sup>33</sup>

Such aspiring emigrants, Franklin later observed in his essay, "appear to have formed, through ignorance, mistaken ideas and expectations as to what is to be obtained through their removal to America." To dissuade the aristocratic riffraff from emigrating, or as he more tactfully

put it, "to prevent inconvenient, expensive and fruitless voyages of improper persons," he set out to provide a more accurate picture of life and prospects in the New World.

In America, he explained, there are "few people as miserable as the poor in Europe and few that in Europe would be called rich . . . few great proprietors of the soil and few tenants . . . few rich enough to live idly upon their rents . . . or to pay the highest prices given in Europe for painting, statues, architecture, and other works of art that are more curious than useful." More pointedly, he continued, "Birth in Europe has value, but it is a commodity that cannot be carried to a worse market than that of America, where people do not inquire concerning a stranger: What is he? But "What can he do?"<sup>34</sup>

Thus, Franklin noted, his young nation was looking for people who knew how to make things and how to grow things: farmers, "laboring men," artisans, and apprentices with useful skills and the willingness to apply themselves to their trades. Most of all, newcomers must "work and be industrious to live." America, he wrote, is the land of labor.

But it was not simply the presence of a large population of laboring people that accounted for the crucial difference between the Old and New World, according to Franklin. It was the fact that America's natural wealth rewarded productive labor. His country's advantages included "vast forests, still void of inhabitants" and "hundreds of acres of fertile soil full of wood." Large tracts of empty land provided opportunities for young people to marry, have many children, and provide "ample fortunes" for their offspring. Indeed, in an earlier essay, *Observations Concerning the Increase of Mankind* (1751), Franklin argued that early marriages would contribute to a doubling of the population every twenty years.<sup>35</sup>

Such conditions were unique to America, Franklin believed. In Europe, the trades were overcrowded, land scarce, and opportunity limited. Poor people might toil their entire life and never realize the fruits of their labor. Further, European societies consumed too many useless things, creating want and misery for those whose livelihood depended on satisfying the taste for luxuries. In America, on the other

hand, poor people could get ahead: “They begin first as servants or journeymen; and if they are sober, industrious and frugal, they soon become masters, establish themselves in business, marry, raise families and become respectable citizens. Moreover, everyone is welcome, because there is room enough for them all . . . and every one will enjoy security from the profits of his industry.”<sup>36</sup>

Because of such advantages, Franklin believed, fruitfulness multiplied itself many times over: in the fertile yield of the soil, in the “swift progress of population,” in the expansion of opportunities for useful work, in the accumulation of material wealth, in improved lives for offspring, and in the achievement of “cheerful leisure.” A frugal life, in short, was a fruitful life with “comfortable provision for age and for children” for those who would remove to America.

### THRIFT FOR A DEMOCRATIC SOCIETY

During his own lifetime, Franklin’s reputation rested mainly on the great accomplishments of the second half of his life. He was known as Dr. Franklin, international scientist, statesman, and savant. His public portraits feature a bespectacled scholar surrounded by the symbols of his intellectual pursuits—inkwells, books, globes—and with a bolt of lighting illuminating his study.

But in the early decades of the nineteenth century, Franklin’s image and reputation changed. He became the national (and international) exponent and exemplar of thrift. The *Autobiography*, which began to appear in excerpts in 1794 and then in a complete American edition in 1817, helped to create this new image.<sup>37</sup> Some editions also included samplings from Poor Richard’s sayings and *The Way to Wealth*.

Written episodically over many years and still unfinished at the time of his death, the *Autobiography* stopped short of a full account of Franklin’s life. The central focus was on his early years as a printer and successful tradesman. As a consequence, the figure that emerged from the *Autobiography* was “Ben Franklin,” the enterprising young man with the wheelbarrow. His portraiture changed accordingly.

Woodcuts and illustrations portray him as a young man in a leather apron, tending his printing press, trundling his barrow through the streets of Philadelphia.

Franklin's story appealed to a democratizing nation. During the nineteenth century, as Franklin had predicted, the "middling" population of tradesmen, artisans, farmers, and mechanics increased. At the same time, those in the "middling ranks" were turning to self-improvement and self-education as the tradition of worker education through apprenticeships and craft organizations began to wane.<sup>38</sup>

Aspiring young men could identify with the story of the printer who "emerged from poverty and obscurity to a state of affluence and some degree of reputation in the world." The literary form of the *Autobiography*, as well as its content, made it highly relevant to nineteenth century workingmen. Cast as a letter of paternal advice to a son—a literary genre earlier popularized by such figures as Daniel Defoe and Lord Chesterfield—the *Autobiography* could be read not only as the story of an eminent man's life but also as a practical guide to everyman's life.

The *Autobiography* remained hugely influential throughout the nineteenth and much of the twentieth century. It inspired other ambitious young men to follow Franklin's example. Jared Sparks, the editor of Franklin's works and president of Harvard University, read the *Autobiography* as a young man and later remembered, "It was this book that first roused my mental energies. . . . It promoted me to resolutions, and gave me strength to adhere to them. . . . It taught me that circumstances have not a sovereign control over the mind."<sup>39</sup>

Through his writings and reputation, Franklin also became the hero of a working class. As early as Independence Day, 1795, the General Society of Mechanics and Tradesmen of New York, composed of both masters and journeymen, toasted the "memory of our late brother mechanic, Benjamin Franklin: "May his bright example convince mankind that in this land of freedom and equality, talents joined to frugality and virtue may justly aspire to the first offices of government."

Franklin's image as a workingman was particularly cherished by printers, who claimed him as their patron saint. In 1799, a group of printers founded the Franklin Typographical Society of Journeymen Printers. In 1822, another Franklin Typographical Society was established in Boston, and in 1844, a similar organization appeared in New York.<sup>40</sup> Throughout the century, printers held Franklin festivals to celebrate his birthday—and to proclaim, “Once a printer, always a printer, and never ashamed of the craft.”<sup>41</sup>

Indeed, the printers' refrain reflected Franklin's larger influence in shaping the social identity and confidence of the “middling sort.” With his life as a model, they were able to see themselves as the producers of goods and, through their productive enterprises, as the creators of a good life for themselves and their offspring. In their celebration of productive labor, as historian Gordon S. Wood observes, “These middling working people came to dominate nineteenth-century northern American culture and society to a degree not duplicated elsewhere in the Atlantic world.”<sup>42</sup>

PART TWO

*Thrift after Franklin*  
*Institutions and Movements*



## Chapter 2

# U.S. Mutual Savings Banks and the “Savings Bank Idea”

The Virtue of Thrift as an Institutional Value



*Sorcha Brophy-Warren*

*“In their beginnings savings banks were merely voluntary associations of public-spirited and philanthropically inclined persons.”<sup>1</sup>*

### LOFTY INTENTIONS

THE INSTITUTION MOST FREQUENTLY IDENTIFIED as the first modern savings bank was the “Savings and Friendly Society” organized by the Reverend Henry Duncan in 1810, in Ruthwell, Scotland. Distressed by the money “thrown away by young women on dress unsuitable to their state, and by young men at the ale house, for no other reason than that they have no safe place for laying up their surplus earnings,” Duncan established the small bank to encourage his working class congregation to develop thrift.<sup>2</sup> Whether the Savings and Friendly Society was the first “true” savings bank is certainly debated, but many of the first incorporated savings banks in the United States cite the Ruthwell bank as their model.<sup>3</sup> Whatever the particular institution that served as the model, it was European voluntary organizations and “friendly societies” that provided the inspiration for their state-incorporated American counterparts.<sup>4</sup> These United States banks differed from