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**Gaming the System:
The Not-So-Poor and Savings Banks in Antebellum New York**

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ABSTRACT:

Savings banks owe their origin to an early nineteenth century campaign to teach the poor thrift and thereby avoid poverty in old age. As an institution they grew and thrived in the following decades, but whether they achieved their objective remains moot. Most account-holders did not accumulate nest eggs in the prescribed manner, and many were not even poor. This paper exploits the rich archives of one New York savings bank to illustrate these points.

Beginnings and Diffusion

Savings banks emerged in Germany and Switzerland in the second half of the eighteenth century, with one of the first established in Hamburg in 1778 (Lehmann-Hasemeyer and Wahl 2021; Olmstead 1976: 5), as a vehicle to encourage poor people to save. Similarly, in industrializing Britain, they were one of several schemes conjured by social reformers to encourage the poor to greater thrift. Such schemes were directed particularly at “industrious and frugal” servants and tradesmen, and more generally at those who might be reduced to destitution by unemployment, illness, or old age. Saving for a rainy day might have been second nature to the businessman and the farmer; not so the labourer or the servant. One early proponent of savings banks in Great Britain claimed that saving was not “an intuitive faculty of the mind”, but needed to be taught, like reading and writing (Davis 1817: 8). In the United States, the proclaimed aim of the earliest savings banks was identical: to provide the industrious poor, be they “mechanics, tradesmen, laborers, servants and others” (Philadelphia) or “Mechanics, Laborers, Hirelings and others” (Baltimore), a relatively attractive return on their savings, considerable liquidity, and security.¹

From humble beginnings in a cottage in lowland Scotland in 1810, savings banks spread rapidly throughout the United Kingdom. On both sides of the Atlantic it became fashionable for the rich and powerful to help savings banks as patrons or part-time managers. In Britain, high profile economists David Ricardo and Thomas Malthus lent a hand for a time.² The link drawn between saving and pauperism made some of those targeted by the philanthropists suspicious, however. Confusing intent and outcome, they saw the banks as a sinister ploy to keep down wages and abolish the poor laws.

In both the U.K. and the U.S. the new institutions won legislative support. As a confidence-building measure, in 1816 the British parliament stipulated that the banks’ savings be re-deposited with the Commissioners for the Reduction of the National Debt, who initially would pay a generous 3d per £100 per diem or 4.55 per cent per annum on them.³ Against the objection that the legislation had not been demanded by

¹ Osborne 2014: 32; *American and Commercial Advertiser*, 12 March 1818.

² Ricardo, *Works and Correspondence*, vol. 7, pp. 34n, 187, 220-1.

³ E.g. Davis 1817: 9. In order to prevent free-riding by the not-so-poor, depositors were limited

those whom it sought to protect, its leading parliamentary proponent George Rose MP (1744-1818) argued that ‘both the principle and the detail of such an institution was beyond the common ideas of persons engaged in daily and manual labour’.⁴ In the U.S. savings banks, individually chartered under state law, were given greater discretion over the range of assets held and the rate of interest paid. In 1818 the state of Maryland granted the Savings Bank of Baltimore a charter giving it complete discretion over its portfolio. In 1831-2 New York State gave the Poughkeepsie Savings Bank and the Brooklyn Savings Bank legal permission to lend on bond and property mortgages. Such lending would bulk large later, though runs sparked by the panics of 1837, 1854, and 1857 taught the banks to be cautious. This enhanced freedom over their investments partly explains why the interest rate paid on deposits in the U.S. was higher than in the U.K. at that time. In mid-century 5-6 per cent was typical, almost double the rate paid by the typical U.K. savings bank. The higher return on bonds and mortgage loans in the New World allowed (or forced) American banks to be more generous to their depositors, though it also left them more vulnerable to panics.⁵

By the end of 1818 Great Britain contained nearly five hundred savings banks. The rate of growth tapered off thereafter, and most of the savings banks still in existence in mid-century had been established by the early 1820s (Pratt 1845; Horne 1947: 379-85; Fishlow 1961). Ireland’s first successful bank opened for business in Belfast in January 1816, and the Irish savings bank network was also essentially in place by the mid-1820s. In Ireland as in the rest of the UK. account-holders were disproportionately urban, with the four main cities holding two-fifths of all accounts (Ó Gráda 2003).

The growth of the savings bank network in the U.S. was more gradual at first. News from Great Britain was a key element in moves afoot in late 1816 to create banks in New York, Philadelphia, and Boston.⁶ In the U.S. savings banks still numbered only 61 in 1840, but there were 108 by 1850 and 278 by 1860. While the 1850s was a decade of

to investments of £50 per annum in Ireland and £100 in Britain.

⁴ *Hansard*, 35 (1817), p. 348.

⁵ In New York several banks paid six per cent on sums of under \$500, and five per cent on sums over \$500. See Olmstead 1976: 36-38.

⁶ Sherman 1934: part 1; Olmstead 1976: 6-7; Payne and Davis 1956: 17. Olmstead (1976) and Osborne (2014: 20-79), offer excellent introductions to the history of the movement in the U.S.

crisis for the savings bank movement in the U.K., it was a crucial decade in their spread on the other side of the Atlantic. In New York City the Bank for Savings (established in 1819) still held 73 per cent of all accounts and 53 per cent of savings as late as 1848, but a wave of new savings banks drove those percentages down to 24 and 21 by 1861. By 1860 New York City's nineteen savings banks held deposits of over \$40 million, or \$50 (about £10) per inhabitant, dwarfing the average deposited per inhabitant in Ireland or in Britain around the same time. At that time New York contained one savings bank account per four people (Olmstead 1976: 4). Most U.S. savings banks were located in New England and in the Middle Atlantic states: vast swathes of the west and south still contained none.⁷

The same individualist philanthropy that underpinned middle-class support for the banks in the U.K. was also at work in the New World. Evangelical fervour was sometimes behind the efforts to help the poor help themselves: several of those who encouraged seamen to 'save' as directors of the Seamen's Bank were also directors of a society aimed at 'saving' seamen, while the advent of the Provident Institution for Savings in Boston was presaged in a small weekly called *The Christian Disciple*. In Boston, too, the leading petitioner in favour of the Five Cents Savings Bank in 1854 was one Rev. Edward Edmunds, and the bank was first located in the Second Universalist Meeting House on School Street.⁸

Though philanthropy was the dominant factor, some promoted savings banks with an eye to personal gain. This was certainly more a factor in the U.S. than in the U.K. For instance, some of the main movers behind the New York Bank for Savings (established in 1819) were also supporters of the capital-starved Erie Canal project. In the first decade or so of its existence the bank's savers in effect subsidised canal building (Olmstead 1976: 78-83). Several promoters of the Bowery Bank also

⁷ In order to attract enough savers, some kind of population density was necessary to operate a savings bank. This explains the lack of savings banks in the western U.S., which had a population of only 179,000 in 1850 (Bureau of the Census 1961: 220). Payne and Davis (1956: 19) speculated that the failure of the new institution to spread west was due to the 'egalitarianism' of the newly settled West and the reluctance of its poor to accept charity from their 'betters'. Perhaps, but such a cultural interpretation hardly accounts for the lack of savings banks in the South. Population does not explain it either, as the South contained a number of large population centres and registered a population of 8.9 million in 1850 compared to 8.6 million in the North East.

⁸ Compare Orcutt 1934: 20-1; Payne and Davis 1956: 27-36; Sherman 1934: 46; Kyle 1926: 69-77.

combined ‘philanthropy’ with financial gain. The short-lived Knickerbocker Savings Bank performed the same role for the Knickerbocker Bank, and when the latter failed in 1854 it dragged the former down with it.⁹

In time, the savings banks would spawn a large historical literature on both sides of the Atlantic, much of it commemorative and celebratory, and often written by either past employees or specially commissioned authors. But they have also attracted considerable academic research, some of which has been more critical of the savings banks for their vulnerability to corrupt management or their failure to follow or achieve the goals set out by their founders (e.g. Smelser 1959; Payne and Davis 1956; Fishlow 1961; Olmstead 1976; Alter *et al.* 1991; Mersland 2011; Osborne 2014). Olmstead (1976), in particular, provides a fine analysis of the early history of New York’s savings banks, which include the Emigrant Industrial Savings Bank (later the Emigrant Savings Bank or ESB), the main focus of the present essay. The records of this bank, founded in 1850 for the benefit of the city’s Irish immigrants, are probably the single richest archival source anywhere on the mid-nineteenth century New York Irish; they contain a unique wealth of detail on account holders including complete records of transactions during the bank’s first eight years (Casey 2013; Anbinder *et al.* 2019). Here we rely on data in the banks ‘test books’ and deposit ledgers. The test books contain a wealth of personal detail on each account holder (name, address, occupation, names and locations of siblings and parents, date of arrival in US (if relevant) and on what ship, and more), while the ledgers provide the date and size of each deposit and withdrawal made.

The Emigrant Savings Bank

The ESB began to accept deposits in rented premises at 51 Chambers Street (across the road from New York’s City Hall) on 30th September 1850. An outgrowth of the Irish Emigrant Society, the bank was the brainchild of its earliest officers, a group of leading Irish-born businessmen, with the Catholic bishop of New York, John Joseph Hughes, lending prestige as a figurehead. Hughes, born in Ireland in 1797, had lived in

⁹ Sherman 1934: 39; Burrows and Wallace 1998: 444-5; Olmstead 1976: 77-86, 126-31, 142-3; Orcutt 1934: 20-1.

the U.S. since 1817. For a community mostly new to urban life and to savings banks, his influence probably lent the new institution the credibility it needed to survive.¹⁰

New York was already a world-class city by this time. Its port was responsible for 36 per cent of U.S. imports and 69 per cent of exports (Albion 1939: 270-8). On the eve of the civil war over one-fifth of its population of eight hundred thousand was Irish-born, and the Irish formed an even higher proportion of its labour force. Naturally, most of the ESB's depositors were Irish. An increase over time in the non-Irish share might be expected but the bank became more 'Irish' over time, as the shares of German, British, and U.S. depositors declined. In 1858, the last year for which there are deposit ledgers, three-quarters of new account holders were Irish, compared to fewer than three-fifths in 1850-1. This pattern is probably due to the creation of several other mutual savings banks in New York during the 1850s (Olmstead 1976: 16).

Gaming the System:

In his famous sociological study of the Industrial Revolution Neil Smelser¹¹ struck an iconoclastic note about English savings banks. Although he conceded that the new institutions provided "a cushion of stability in the sphere of consumption and savings for the new, more differentiated elements of industrial society", he also claimed that they bypassed the really poor, and that their main beneficiaries "were *not* those dependent on poor relief." Economic historian Albert Fishlow also characterised the early savings banks in England as not living up to the aims of their philanthropic founders. Such critiques, though striking and against the grain at the time, were not new: the accusation was common in the early decades of the savings bank movement. Smelser and Fishlow, however, effectively marshalled quantitative data to show that in England at least comfortably off people quickly 'captured' the new institutions for their own gains.¹²

As in the U.K., in the U.S. too there was a gap between founding principles and

¹⁰ For more on the early history of the ESB see Casey 2013; Ó Gráda, 1999; Anbinder *et al.* 2019.

¹¹ Smelser 1959: 368-75.

¹² Clapham (1930: I, 592) had made the same point in 1930, as acknowledged by Fishlow (1961: 27).

how savings banks were managed in practice. Some bank trustees tried very hard to restrict the benefits of savings banks to the industrious poor by imposing controls on the upper limits deposited and by closing or paying no interest on inactive accounts. In Philadelphia in December 1833 the directors of the local savings bank resolved to end the practice of receiving deposits ‘by’ one person ‘for’ another. In New York the Bowery Savings Bank apparently decided at some point early in its history to accept deposits only from “widows, orphans, single women and minors”, but this rule did not last long. In the early decades the Bank for Savings in New York remained truest to the spirit of the movement, and repeatedly attempted to limit free riding by well-heeled depositors. On five occasions between 1824 and 1854 the Savings Bank of Baltimore purged itself of account-holders deemed to be other than the ‘poor’ (Wilcox 1916: 148; Olmstead 1976: 58-64; Payne and Davis 1956: 34).

The average amount held per account in New York’s savings banks on the eve of the Civil War in most cases exceeded \$200, a level also exceeded in antebellum Baltimore (Payne and Davis 1956: 22; Olmstead 1976: 157-161). In Boston the average sum deposited in the Five Cents Savings Bank grew from \$42 in 1855 to \$70 two years later, \$94 in 1860, and \$150 in 1868 (Kyle 1926: 83-6, 90). One could become an account holder in the ESB by depositing just one dollar—and twenty-four did so between 1850 and 1858—but the overall average opening deposit in the ESB in 1850-58 was \$143, \$155 for males and \$126 for females (naturally, the median opening deposits were lower: \$65, \$100, and \$55, respectively). At this time the mean wage of a fully employed unskilled labourer in New York was about \$1 a day or \$300 per annum. Clearly many working-class families would have been very hard pressed to accumulate savings of \$150 or \$200 in a savings bank. Yet the ratio of the average sum deposited to the average unskilled wage— say, 0.7 to 0.8—was a good deal lower than the ratio in Ireland (nearly 2) or England and Wales (over 1) in mid-century. Note too that given the skewed distribution of opening deposits, the median (opening) deposit may be a more meaningful measure. The respective median opening deposits at the ESB were more modest: \$70, \$80, and \$57. The median opening deposits of the bottom and top deciles were \$10 and \$500, respectively; for the bottom and top halves, the medians were \$39 and \$150.

Some of those who opened accounts in the ESB had already made it. Others joined with modest opening deposits but in due course held very large balances in the bank. Neither of these categories would have qualified as the industrious ‘poor’ targeted by the founders of the movement. How significant were such account holders in the ESB? Who were they?¹³ In what follows we focus first on those with big opening deposits between 1850 and 1858. Then we analyse those whose balances at some point exceeded the sum of \$1,000, or about four times the annual wage of an unskilled labourer in New York in the 1850s.

A significant percentage of ESB account holders accumulated little, using the bank instead as a safe place for previously accumulated savings, or for the high interest rate it paid on deposits. Moreover, the average duration of accounts – less than five years – hardly points towards the steady accumulation of nest eggs. Of all who opened accounts during the ESB’s first eight years, 52 per cent of females and 56 per cent of males had added less than ten dollars to their original deposits when the account was closed. Among Irish depositors, who constituted seven-tenths of the total, the percentages were 52 and 46, respectively. Depositors who started off with deposits of \$200 or more were even less likely to accumulate: 63 per cent had accumulated more than \$10 when they closed their accounts. And only one in four of those who started off with \$500 or more had an added \$10 or more in their account when they closed it than when they opened it.

By this definition of saving the two biggest female savers in our database, Ellen Dwyer who arrived in New York from Kildorrery in County Cork in 1851 and her New York-born daughter, Julia, who had added \$6,030 each to their accounts in sixty-five transactions when they closed them on the same day in 1867, having started off with \$60 each in 1856 and 1852.¹⁴ Soon after their arrival on the same ship Ellen Dwyer

¹³ The following three footnotes provide a flavour of what information can be gleaned from contemporary sources about account holders.

¹⁴ Test book and deposit ledger entries for accounts 2534, 12767, 40838, and 57297, Emigrant Savings Bank Records; entries for Ellen Dwyre, Michael Carroll, and James Keefe, manifest of the *City of Washington*, March 31, 1851, New York Passenger Lists; entry for Dennis and Ellen Keefe, family 208, dwelling 49, district 3, Ward One, New York County, 1855 New York State census; death notice for Ellen C. O’Keefe, *Brooklyn Standard Union*, May 21, 1919, 15 (for their move to Brooklyn).

married Dennis Keefe, and it may be assumed that Ellen's and Julia's accounts were mainly a haven for his earnings. Dennis first worked as a labourer and later as a porter, and the modest balances in the Keefe accounts in the early years were perhaps a reflection of this. But they rose dramatically during the war years, by \$1,600 in 1863, and a further \$4,800 in 1864, before peaking at \$12,061 in 1867. While the precise source of the Keefe savings is unclear, it seems to have been linked to tobacco, perhaps shipped illicitly from the Confederacy. According to Keefe's nephew in 1872 Denis owned a "tobacco factory" in Brooklyn; he was "pretty well off and owns two houses".¹⁵ However, Keefe apparently lost most of his wealth in the Panic of 1873, and by 1880 he was again making a living as a porter. He died of a brain haemorrhage aged about sixty in 1884.¹⁶

Next in line as female savers were Ellen Gallagher and Sarah McGeehan, born in 1812 and 1817, respectively, who also acted in concert. They had accumulated \$5,195 each by 1869, after starting with \$200 each in 1855. Both had been to the bank forty-eight times in the interim. We know that Gallagher was born in Lifford, County Donegal, in 1812 and that she had arrived in the U.S. as a child; McGeehan, born in 1817, was her sister. By the 1850s both seem to have been widows; the source of their wealth is unknown. Neither they nor the Keefes quite fit the image of struggling immigrant account-holders trying to survive in the New World.

¹⁵ Entry for Dennis O'Keiff, family 1914, dwelling 983, Ward Twelve, Brooklyn, Kings County, 1870 U.S. census; entry for Dennis O'Keefe, *Brooklyn City and Business Directory for the Year Ending May 1st, 1875*, George T. Lain, comp. (Brooklyn, 1874), 642; entry for Dennis O'Keefe, family 228, dwelling 169, district 9, Ward Ten, Brooklyn, Kings County, 1875 New York State census; "Colonel Roberts' Cadetship," *New York Herald*, June 28, 1872, 8 (quotations).

¹⁶ Entries for Dennis O'Keefe, *Brooklyn City and Business Directory for the Year Ending May 1st, 1878*, George T. Lain, comp. (Brooklyn, 1877), 701, *Brooklyn City and Business Directory for the Year Ending May 1st, 1880*, George T. Lain, comp. (Brooklyn, 1879), 772, *Brooklyn City and Business Directory for the Year Ending May 1st, 1883*, George T. Lain, comp. (Brooklyn, 1882), 872, *Brooklyn City and Business Directory for the Year Ending May 1st, 1884*, George T. Lain, comp. (Brooklyn, 1883), 937, and *Brooklyn City and Business Directory for the Year Ending May 1st, 1885*, George T. Lain, comp. (Brooklyn, 1884), 994; entry for Dennis O'Keefe, *Brooklyn City and Business Directory for the Year Ending May 1st, 1879*, George T. Lain, comp. (Brooklyn, 1878), 746; entry for Dennis O'Keefe, family 417, dwelling 208, enumeration district 86, Brooklyn, Kings County, 1880 U.S. census; entry for Dennis O'Keefe, September 11, 1884, Index to New York City Death Certificates, 1862-1948, accessed via Ancestry.com; death notice for Denis O'Keefe, *Brooklyn Eagle*, September 12, 1884, 3; death notice for Ellen O'Keefe, *Brooklyn Eagle*, April 6, 1893, 5.

Among males Derry-born drugstore owner Hugh Doherty, who arrived in 1848 and opened his account a decade later, was the biggest accumulator, having added over \$13,000 to his original \$200 in fifty-three transactions by February 1870, when he closed his account. Next was New Yorker Daniel Morse, described as a 'fisherman' in the test book, who added \$10,666 to his opening \$200 between 1850 and 1868 in eleven transactions. The third highest male accumulator was John C. Drumgoole, who had arrived from County Longford as a child in 1829. Employed as a sexton or janitor in St. Mary's Catholic church in the lower east side, he opened his account with \$200 in 1852. Forty-eight transactions later in 1869 he had accumulated \$9,140. In that year, at age 53, Drumgoole was ordained a priest; he passed away in 1888. In his will he left all his possessions to the boys' mission he had founded (Burton 1954: 206).

Starting with \$500+:

Our focus in this section will be on the 911 account holders, 305 females and 606 males, who opened their accounts in the ESB with \$500 or more. The opening deposits of these top 5.8 per cent of account holders made up 33.7 per cent of all opening deposits. The opening deposits of the top 1.3 per cent who began with \$1,000 or more totalled 15.3 per cent of all opening deposits. \$50 seems like an appropriate cut-off because of the relatively high number, over 2 per cent, who opened with exactly that sum. Although such account holders soon became a feature of savings banks as an institution, they hardly fitted the prototype intended by its founding fathers.

The Irish were underrepresented among account holders who were well-off to begin with. Of the 305 females who began with \$500 or more, only 143 identified as Irish. Of the rest, 64 identified as American, 15 as British, 23 as other European (mainly German), and there were 60 or so other or with no given nationality. Of the 606 males, 349 were Irish, 84 American, 42 British, 50 German, 17 from elsewhere in Europe, and 64 with other or no given nationality. The Irish, then, were significantly underrepresented in this subset of savers, and the US-born overrepresented. These top depositors were also older than the typical depositor, and the immigrants among

them were more likely to have arrived earlier. Nearly half (46.9 per cent of the total, and 48.5 per cent of the Irish) of the immigrant account holders had arrived in the U.S. before the end of 1845 (the year before the onset of the Great Irish Famine), compared to 21.2 per cent of all depositors (and 21.3 per cent of the Irish).¹⁷

The 305 females include four minors. In terms of occupations only 48 of them were in paid employment.¹⁸ There were 46 housekeepers, 79 declaring no occupation, 3 with private means, and 129 on whom the record is blank. It may be assumed that most of the latter were housekeepers or without a paid occupation. Predictably, the top men tended to be traders or skilled workers; the topmost group (depositing \$1,000 or more) included several miners who had been in California and about ten unskilled labourers. The high share (23 per cent) of unskilled among the 'top' Irishmen who deposited \$500 or more is striking. The 81 classified as unskilled in our database included 41 labourers, 3 'drivers', 3 foundry workers, 3 police officers, 2 porters, 2 sextons, 2 waiters, and 5 carmen or carters. The most enigmatic of these is Edward Fitzsimmons, who arrived in New York from Drogheda in 1839. Described in the test book as 'a travelling mendicant' and 'a cripple, walks with crutches', his opening account in the bank on May 2, 1852 was \$609.39.

Some characteristics of depositors starting off with \$500 or more are described in Tables 1-3. The lower status of the Irish in this group is hinted at by the higher shares of unskilled workers among the males (Table 1) and of gainfully occupied workers among the females (Table 2). Tables 3 and 4 compare some features of accounts starting at \$500 and peaking at \$1,000 or more, respectively. The former tended to be of shorter duration, and to involve, on average, negative accumulation (Table 3); the latter started from a lower base and were kept open for longer (Table 4). In both cases, joint accounts, typically involving married couples, were held for longer and involved more transactions.

The big depositors were a motley crew. The biggest opening deposit was by

¹⁷ Of the Irish 214 out of 443 had arrived by the end of 1846. Of the English 28 out of 51 had done so; and out of other Europeans, 28 out of 75.

¹⁸ These included 14 domestics, 3 boarding house keepers/hoteliers, 6 bar/restaurant owners, 15 storekeepers, grocers, traders, etc., 4 dressmakers/seamstresses/tailors, 1 nurse, 1 teacher, and 4 labourers.

one Denis W. Buckley from Cork, a mason at the time, but later a very wealthy building contractor in New York. Then living on West 41st Street, he, his wife, and three daughters deposited \$2,500 each on the same day in 1855. Another Corkman, William Cashman from Mallow¹⁹, who made his money as a retailer supplying prospectors on the California gold fields, deposited \$8,807.50 in May 1853 but withdrew it two months later. Most likely, Cashman who had made a fortune in a very short state of time, deposited the money for safe keeping while on business in the city. Brothers John and James Redding from Fermoy deposited \$8,000 each in 1856. When they opened their accounts James was described as a plasterer living on Harrison Street in the 5th ward and John as a liquor dealer on Grand Street in the 14th ward. Westmeath-born Thomas Wheelan, who lived on Prince Street, arrived in New York in 1833. When he joined the bank with five deposits of \$1,700, four of them in his children's names, on January 2, 1851, he was a publican; prominent in Democratic Party politics in Tammany Hall, in 1852-53 he served as an assistant alderman for the 14th ward.²⁰ Another Tammany stalwart, Cavan native Michael B. Connolly, similarly opened five accounts of \$1,000 for himself and family members; Connolly graduated from being a grocer's assistant to prosperous cigar manufacturer, and "was very popular among the Irish people, at whose processions he was always a prominent participator"; he was widely known in New York as 'Big Judge' Connolly.²¹ Hugh Campbell, Tyrone-born but living in Philadelphia, deposited \$1,800 in 1852 and had \$4,100 in the bank six years later. Campbell is described as a porter in the ESB test book but given that he lived in the shadow of a major prison in Moyamensing in present-day south Philadelphia, he almost certainly was the prisons inspector of that name mentioned in a local source in 1853.²²

Non-Irish account holders who opened with \$1,000 or more include the Italians Valentino Melah who arrived as an orphan from Messina in 1834 and would serve as

¹⁹ See: <https://oac.cdlib.org/findaid/ark:/13030/kto489r7go/>.

²⁰ *New York Times [NYT]*, 'Old Tammany astir again...', April 18, 1862.

²¹ *NYT*, 'Death of ex-judge Connolly', July 16, 1867.

²² 'Hugh Campbell' is described as a state penitentiary inspector in *The Pennsylvania Journal of Prison Discipline and Philanthropy*, April 1853.

steward in the White House under Ulysses Grant in the 1870s²³ and the well-known opera singer Mariano Tiberini, who spent two years touring the U.S. in the mid-1850s. Melah started with \$1,000 while Tiberini started with \$2,000 on 22 December 1856 and closed his account containing \$2,060 on 5 January 1858, shortly before returning to Europe²⁴. Cuban Ignacio Franchi Alfaro, described as a student in the test book but coming from an influential and aristocratic background,²⁵ and three compatriots deposited \$1,000 each on October 5, 1855 and closed their accounts just two years later after a busy history of transactions, at one point holding identical sums of more than \$7,000 each in the bank.

Mainz-born Catherine Doyen, a 'private lady' living in upstate New York, and her four daughters deposited \$2,300 each [\$11,500] in 1851. Or, what seems more likely, the ESB accepted the \$11,500 from Catherine on the pretence that it represented five separate deposits. The Doyen accounts were closed within months, but involved twenty-eight visits to the ESB in the interim. Frederick Bues, a German-born merchant with an address on the Bowery, and Charles Schmitthemmer, a tinsmith from Lower Saxony with an address on 6th Street, were other major but fleeting account-holders. Another German, Henry Martin from the state of Hanover, deposited \$4,600 in March 15, 1852 and removed the same sum a week later, making no further transactions in-between. Martin is described as a miner; his co-resident and fellow miner, Christopher Nelson from Abbenrode near Hanover, joined the bank on the same day with \$6,700, which he withdrew on the same day as Martin. Given their origins in very different parts of Germany, perhaps they met and made their fortunes as Forty-Niners during the California Gold Rush. The 'rich' depositors contained several who had returned from California.²⁶

²³ 'Orphan becomes White House steward': <https://www.whitehousehistory.org/orphan-becomes-white-house-steward>

²⁴ Tiberini had arrived in New York from Havana in mid-1856 and remained in the U.S. until early 1858. See Giancarlo Landini, *Dizionario Biografico degli Italiani*, vol. 95 (2019), 'Tiberini, Mariano, in arte Mario',

²⁵ Raul E. Chao, *Baraguá: Insurgents and Exiles in Cuba and New York during the Cuban War of Independence* (Washington D.C.: Dupont Circle Editions, 2008), p. 266 (referring to the family of Mr Ignacio Franchi Alfaro offering \$1 million in gold for the release of all prisoners).

²⁶ George Dawkins an English-born carpenter, who held \$1,600 in the bank for a few weeks in mid-1851, had 'recently returned from California per steamer Prometheus'. James Egan from

US nationals include Peter B. Sweeney, a key member of the Boss Tweed ring of corrupt politicians. He deposited \$1,172.41 on March 16, 1858 and removed it three weeks later²⁷, on April 5, 1858. Property developer and politician Orlando Brunson Potter started with \$1,000 in 1854 and withdrew the same sum a decade later without visiting the bank at all in the interim; he was believed to be the wealthiest man in New York when he died there many years later.²⁸ N. Dane Ellingwood, Democratic state assemblyman for Richmond County (Staten Island) and a successful attorney with offices on Nassau Street²⁹, began his account with \$6,542.76.

Mary E. Snowden, originally from Armagh, was living on Ludlow Street in the Lower East Side when she opened her account with \$5,850 in 1856, shortly after the murder of her husband, Howard F. Snowden, owner of Snowden's Mammoth Job Printing Establishment on Pearl Street. There was \$136 left in the account when she closed it fifty-four transactions and nine years later. Ann Kelly, who ran a dry goods store in the 19th ward, deposited \$4,000 in 1852 and withdrew the \$522 that remained in 1866; she had arrived from Dublin in her teens in 1818.

These 'rich' savers, by and large, did not use the bank as a vehicle of accumulation. Sixty-two per cent of the 'rich' accounts [561] contained less on deposit when closed than when opened. One hundred and eleven contained just the original sum, while 238 registered an increase. The median difference was about \$140. Women's accounts were more likely to leak over time (65 per cent versus 60 per cent), and less likely to be completely inactive (9 versus 14 per cent).

Offaly was also a California gold miner who arrived in New York for the second time in at the end of 1852, also on the Prometheus from San Juan Del Norte (now San Jan de Nicaragua); he deposited his savings of \$3,500 early in 1853, but closed his account a few months later. Patrick McQuade, another 'California miner', deposited \$2,000 in 1858. Thomas Stevenson, also 'recently returned from California', deposited \$2,000, but only for a few weeks, in 1852.

²⁷ NYT, 'Peter B. Sweeny dead at 86', 1 September 1911.

²⁸ NYT, 'Orlando B. Potter left no will; his many millions to go to Mrs. Potter, his son, and three daughters', January 10, 1894.

²⁹ And author of *A reply to a pamphlet, written by George Wotherspoon, relative to a resolution passed by the Standing Committee, denying the application of Christ Church, New Brighton, to be admitted into union* (NY, 1850).

During the Financial Panic of 1857, between 9 September and 13 October over five hundred depositors closed their accounts at the ESB.³⁰ That would have represented 5.9 per cent of the 7,050 with accounts open at the beginning of the panic. Among the top 'rich' 400 or so who had accounts at the beginning of the crisis, seventeen, or 4.3 per cent of the total, closed their accounts. So it could be argued that the rich added some stability to the bank (compare Ó Gráda and White 2003). Rich solo account holders were more likely to live near the bank (i.e. in wards 1 to 6) than those who saved together, but difference was not huge (25 and 20 per cent).

High Balances:

Setting aside the \$87,111 each held by dry goods merchant John Manning and his wife Margaret, trustees of the ESB, and their two children, Kate and James, 1,324 (or 8.4 per cent) of the accounts held in the ESB reached a balance of \$1,000 or more at some point. The aggregate maximum balances held in those accounts represented just over two fifths of the aggregate peak deposits. Four-fifths of the accounts reaching balances of \$1,000 or more started off with less than \$1,000 and 69 per cent of them started off with less than \$500. For some reason 78 of these began with precisely \$500, one with \$499.99, and five jointly with \$499 each. Again, the Irish were underrepresented in this subset, but their median balance differed little from the non-Irish (\$1,457 versus \$1,515).

The biggest balance reached by Irish account holders in this subset is the enormous \$29,364 divided among five identical accounts held in the names of one James Cunningham and his family on July 1, 1855. James Cunningham, whom the ESB test book described in 1851 as a porter, had arrived in New York from Killybegs in Donegal in 1824. Those five accounts had begun with \$150 each; two other related accounts peaked at \$4,672.54. All seven accounts had \$420 left in them when they were closed in 1869. Cunningham was the leader of a group of successful immigrants from southwest Donegal living on Mulberry Street, who made at least some of his

³⁰ On impact of this panic on the ESB see Kelly and Ó Gráda 2000; Ó Gráda and White 2003.

money building tenements.³¹ The highest balance held by an individual in an Irish account was the \$13,479 held by one Peter McLoughlin—except that it was not held by McLoughlin, only in his name. That account was opened on September 11, 1855, but McLoughlin, a governor of the city’s alms house, had passed away on February 4, 1854. McLoughlin, who had arrived from Louth in 1826, was a very wealthy man. He had started out as a Five Points saloonkeeper and owned houses “in Chatham-square, Pearl, Madison, Worth and Monroe streets ... located in quarters where business men ‘most do congregate’”³², and the sums deposited in his account may well have been rents emanating from those properties. Alice Muldoon, who with her sons Peter and Thomas deposited \$800 each in 1852 and had balances of \$5,931 each in the bank at one point, was Peter McLoughlin’s sister. Next came the \$13,245 reached by Hugh Doherty, a druggist from Derry, who began with \$200 (see above). New York native and fishmonger Daniel Morse, who lived in the Lower East Side, deposited \$200 on the day the bank opened and his balance had reached \$10,886 eighteen years later.³³ John Drumgoole, the erstwhile janitor and, later, priest whom we encountered above, reached \$10,140. John Barry from Thurles in Tipperary, a mason/builder/architect and New York resident since 1826, and his wife Bridget opened accounts with \$5 each in 1851 and had balances of \$10,074 each three years later. John and James Boyle began with \$1,500 each and reached a maximum of \$7,068 each. Patrick Draddy, a former junk dealer from Cork, and his wife, and Denis Condon of New Brunswick, New Jersey, a labourer who left Wexford in 1833, peaked at nearly \$7,000 each. Ignacio Franchi de Alfaro, a native of Cuba, (see above) and his three companions achieved \$7,312.50 each. Among Irishwoman saving on their own account Mary Snowden (see above) attained the highest balance (\$5,850), presumably money bequeathed to her; next, with \$4,050, was Dubliner Anne Kelly (see above), a long-time resident who lived on 3rd Avenue in the 19th ward and ran a business of her own. Insofar as can be inferred from such often

³¹ Resurrecting the Ethnic Village, ‘From Killybegs to Mulberry Street’ [http://www.nyuirish.net/ethnicvillage/mulberry-street/donegal_in_new_york/from-killybegs-to-mulberry-street/].

³² *NY Daily Tribune*, Monday, 6 February 1854; *NYT*, ‘Sale of the estate of Peter McLoughlin’, 28 February 1864.

³³ *Doggett’s New York City Directory for 1845-46*, vol. 4, 261.

rather sparse biographical details, those who had very high deposits in the bank, came from a variety of backgrounds and callings. Accounts with very high opening deposits tended to be long duration, and therefore involving more transactions, and also ones involving some accumulation. Women and Irish-born account-holders were less likely to be among those with very high opening deposits.

In order to overcome the restrictions imposed by some of the savings banks on wealthy account holders, some individuals resorted to ruses such as holding accounts in more than one savings bank simultaneously³⁴, or having several family members holding separate but identical accounts. A feature of our top group of account holders is how many of them acted in concert. Thus, the Redding brothers from Fermoy, County Cork, James a plasterer and John a bar owner, who had arrived together in 1848, deposited \$8,000 each on 13 May 1856 and removed the \$3,215 still remaining in each account little over a year later, on 20 July 1857. How the Reddings accumulated such sums and what eventually became of them is not known. Five members of the Thompson clan from Killyleagh in County Down deposited \$1,040 each in February 1857 and withdrew the \$42 and 34 cents remaining in each account a decade later, after 135 synchronised transactions in-between. This group, with an address on 8th Street, all reported unskilled occupations on joining; some can be traced in later censuses, still working in menial jobs in New York. Denis and Anne Buckley, living in the 19th ward, deposited \$2,500 each in July 1855 and withdrew \$2,455 each six months later. Denis had left Bandon, County Cork, for New York in 1830; he was a mason and would become a wealthy and well-known builder. The Boyle brothers, post-famine immigrants from Armagh living in the 7th ward, who made a living as, are another example; they deposited \$1,500 each in 1856 and at one point held identical sums of \$7,068.16 on deposit, and withdrew \$2,684 each a decade later.

Conclusion:

According to James *et al.* (2006), despite nearly a century of savings banks, “a

³⁴ *The New York Herald* (14 October 1857) described ‘Bustling blowing with apprehension, a square-built Dutch woman, huffing and blowing with apprehension, and holding in her hand ten account books, each for \$499’ (as cited in Ó Gráda and White 2003: 217).

majority of working-class families [in the US] in any given year at the end of the [nineteenth] century saved none of their incomes at all”³⁵. In that sense savings failed in their original mission of making the poor more provident. The persistence of widespread destitution in old age in industrialised economies led to the introduction of social security welfare nets from the late nineteenth century on (Boyer 2019). But the savings banks made an impression all the same: in the United States, for example, on the eve of the First World War 8.3 million savers held deposits totalling \$3.9 billion in savings banks, averaging nearly \$500 per account holder (Sherman 1934: 86). This paper has focused on the upper right-hand tail of account holders: well-off people who were, for the most part, taking advantage of the system. Why did the savings banks not try harder to stick to founding principles? One reason may be that they required the support and the goodwill of the wealthy in order to enhance their day-to-day management (Maltby 2012). Another may be that the involvement of wealthy depositors provided them with more capital to invest and, by enhancing their reputation, and shielded them against panics in times of financial uncertainty. As noted above, there is some evidence from how the Emigrant Savings Bank coped with two runs by depositors in the 1850s that this was the case. Finally, the cost of paying generous returns to a kind of depositor not envisaged by the founders of the savings bank movement was not borne by poorer and more deserving account holders, but by the commercial banking sector.

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³⁵ A finding based on thirty cross-section surveys including information from over 32,000 working-class families interviewed between 1884 and 1909.

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Table 1. Top Male Opening Deposits by Occupational Category and Nationality [%]				
<i>Occupational Category</i>	<i>GB</i>	<i>Other Europe</i>	<i>USA</i>	<i>Ireland</i>
Agricultural Worker	2.4	6.0	4.9	5.3
Business Owner	14.3	35.8	15.9	20.2
Petty Entrepreneur	0.0	3.0	3.7	7.3
Lower Status White Collar	11.9	0.0	9.8	6.5
Professional	2.4	1.5	12.2	0.8
Skilled	52.4	38.8	19.5	23.0
Unskilled	7.1	3.9	6.1	24.2
Difficult to Classify	4.8	7.5	6.1	3.6
None	4.8	3.0	20.7	8.7
Total	100	100	100	100
N	42	67	82	356

Table 2. Top Female Opening Deposits by Occupational Category and Nationality [%]			
<i>Occupational Category</i>	<i>Ireland</i>	<i>USA</i>	<i>Other Europe</i>
Business Owner	9.3	7.8	5.3
Needle trades	6.0	7.8	
Petty entrepreneur	2.0		
Servant/labourer	11.2		7.9
Lower Status White Collar	0.7	1.6	
Difficult to classify	2.0	3.1	5.3
Housekeeper/None	68.9	79.7	81.6
Total	100	100	100
N	151	64	38

Table 3. Characteristics of Accounts with Opening Deposits of \$500 and above (median values)		
Category	Single	Joint
Duration (years)	1.7	5.5
Transactions (number)	6	17
Opening deposit (\$)	600	700
Highest balance (\$)	700	1,030
Closing balance (\$)	500	450
Accumulated (\$)	-20	-370
Female [%]	25	46
Irish [%]	301/525 [57]	206/403 [51]

Table 4. Characteristics of Accounts with Peak Deposits of \$1,000 and above (median values)		
Category	Single	Joint
Duration (years)	8.4	11.6
Transactions (number)	24	40
Opening deposit (\$)	300	270
Highest balance (\$)	1,400	1,670
Closing balance (\$)	604	515
Accumulated (\$)	175	330
Nearby [%]	177/572 [31]	181/761 [24]
Female [%]	141/574 [25]	351/761 [46]
Irish [%]	390/838[47]	182/495 [37]

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