
Shennette Garrett-Scott. *Banking on Freedom: Black Women in U.S. Finance before the New Deal*. New York: Columbia University Press, 2019. xi + 273 pp. ISBN 0-231-18390-9, \$105.00 (cloth); ISBN 0-231-18391-8, \$35.00 (paper).

Shennette Garrett-Scott's innovative and path-breaking book, *Banking on Freedom*, traces the histories of black women who created and managed financial organizations—such as burial and mutual aid societies, savings banks, and insurance companies—as well as the women who invested in these institutions. Garrett-Scott convincingly demonstrates that “black women used finance to carve out possibilities in society and the economy” (195), even as the American capitalist system as a whole marginalized them. From the 1880s to the 1920s, black Americans founded more than one hundred banks and thousands of insurance companies, many of them growing out of fraternal organizations. *Banking on Freedom* illuminates this era of African American financial empowerment by focusing on the career of Maggie Lena Walker (1867–1934), head of the Independent Order of St. Luke insurance business and the St. Luke Bank, in Richmond, Virginia.

There is a scant historiography concerning African Americans and finance, from Abram Harris's pioneering *The Negro as Capitalist* (1936) to Angel Kwolek-Folland's more recent “The African American Financial Industries” (1994),¹ and very little of this work concerns the role of black women as investors or financiers. Although a key financial player, Maggie Lena Walker has also been woefully neglected by historians. Apart from a few articles and a rather idiosyncratic biography by Gertrude Woodruff Marlowe, *A Right Worthy Grand Mission*,² Walker has only now received the attention she deserves with Garrett-Scott's fine work.

Banking on Freedom situates Walker's story within the larger framework of African Americans' often fraught interactions with American finance. The book's first chapter examines the failure of the Freedman's Bank in 1874 (due to the incompetence of white managers) and the determined efforts of black women depositors to gain restitution. The final chapter details ambitious attempts by “New Negro” leaders like

1. Abram Harris, *The Negro as Capitalist: A Study of Banking and Business Among American Negroes* (Philadelphia: American Academy of Political and Social Science, 1936); Angel Kwolek-Folland, “The African American Financial Industries,” *Business and Economic History* 23, no. 2 (1994): 85–107.

2. Gertrude Woodruff Marlowe, *A Right Worthy Grand Mission: Maggie Lena Walker and the Quest for Black Economic Empowerment* (Washington, DC: Howard University Press, 2003).

Marcus Garvey and Emmet J. Scott to raise capital for black businesses through new companies such as the United Negro Improvement Association and the Allied Industrial Finance Corporation. The central chapters are devoted to Maggie Lena Walker's remarkable achievements.

In 1899 a thirty-two-year-old Walker assumed leadership of the Richmond-based Independent Order of St. Luke (IOSL), an African American fraternal order that sold insurance benefits. The IOSL had been founded in Baltimore in 1856 by Mary Ann Prout, a free black woman, to provide sickness and death benefits for black women and children. The IOSL spread by establishing councils in Maryland and Virginia, but, over the decades, divisions and poor management nearly bankrupted the society. Walker, who had risen rapidly through the ranks of the order as an efficient organizer, reinvigorated the organization by focusing on black economic self-help and the needs of women. She concentrated on building up the insurance business of the order and expanding membership by creating new councils outside Virginia, especially north with the Great Migration to Pennsylvania, New Jersey, and New York. In 1903 she created the St. Luke Penny Savings Bank to manage the order's money, to raise new funds, and to loan money to African Americans ill-served by white-owned banks. Walker was the first African American woman to head an American bank, and, at the time, was the only female bank president in the United States.

In all her endeavors, Walker relied primarily on other black women. Most of the officers of the IOSL as well as a majority of the bank's employees were women. The bank's primary customers and shareholders were also women. Walker's determination to "take nickels and turn them into dollars" (73) demonstrated her commitment to serve poor and working-class women such as laundresses, domestics, dress-makers, and factory workers. Tailoring its services for its customer base, the St. Luke Bank allowed small loans and made quick loan decisions, sometimes as fast as twenty-four hours. Walker and her coworkers sought to increase financial literacy among black women while offering them new insurance and banking services as alternatives to risky and expensive forms of credit—including pawn shops, loan sharks, and salary lenders—on which African Americans typically depended.

Garrett-Scott also demonstrates how the St. Luke insurance and banking businesses built on black women's church networks and lodge organizations. By pooling many small contributions, these women raised necessary capital for businesses as well as for charities. Bank officers could also utilize intimate knowledge of fellow lodge members, who comprised the bulk of the bank's customers, to determine credit worthiness. Failure to repay a loan was not merely a business fault but also a betrayal of one's fellow initiates in the Order of St. Luke. As

Garrett-Scott concludes: “The bank embedded racial and gendered practices onto standard banking practice to assert a distinct ‘black women’s way’ of banking and managing risk” (123).

A beautifully written and deeply researched book, *Banking on Freedom* puts African American women in the center of financial history. My only criticism of the book is that it is too short. I long to know more about many issues only briefly addressed, such as Walker’s personal life, the esoteric rituals of the IOSL, and the biographies of the many intrepid women who established hundreds of local St. Luke councils around the country. That the book inspires such curiosity is of course one of its strengths. Another is its expansive vision in identifying many topics for future research.

George Robb
William Paterson University
E-mail: robbg@wpunj.edu

doi:[10.1017/eso.2019.44](https://doi.org/10.1017/eso.2019.44)

Published online February 4, 2020

Rowena Olegario. *The Engine of Enterprise: Credit in America*. Cambridge, MA: Harvard University Press, 2016. 312 pp. ISBN 978-0-674-05114-0, \$42 (cloth).

The problem of credit is deeply woven into the history of the United States. Easy money fueled the nation’s early growth and became a distinctive feature of American culture, a peculiarity often noted by nineteenth-century visitors. It also fed speculative bubbles and busts that struck with devastating, though unpredictable, regularity. In *The Engine of Enterprise*, Olegario surveys the development of American credit relationships and the ideological, political, and moral debates that continuously swirled around banking, lending, and financial innovation from the eighteenth century to the 2008 crisis. In an account that is both sweeping and incisive, Olegario draws attention to American efforts to harness the productive forces of credit and to tame its spasms of destruction.

Olegario’s narrative is neatly framed in four historical phases. The first, 1790 to 1850, is characterized by personal credit relationships, local lending networks, and battles over banking and currency as Americans struggled to finance their independence and a growing market economy. The second, 1865 to the 1910s, centers on heated currency debates, the professionalization of credit management, and efforts to mend fragmented banking and lending systems in the wake of