Let Us Put Our Money Together: 
A History of Economic Opportunity and African American Banks
Let Us Put Our Money Together

“(W)e need a savings bank. Let us put our moneys together; let us use our moneys; let us put our money out at usury among ourselves and reap the benefit ourselves. Let us have a bank that will take the nickels and turn them into dollars.”

- Maggie Lena Walker, 1901
Minority Depository Institutions

• 51% minority ownership
• 142 total MDI banks in U.S.
  – 72 Asian or Pacific Islander
  – 32 Hispanic American
  – 20 African American
  – 17 Native American
  – 1 Multi-Racial
Texas MDIs

• 22 total MDIs
  – 13 Hispanic American – the most of any state
  – 8 Asian or Pacific Islander
  – 1 Black or African American – Unity National Bank, Houston
MDIs

• Community banks
  – Basic business of turning a community’s financial resources into a source of local economic growth.
  – Community leadership in the face of challenge.
The First MDIs

• First African American: 1888
  – Capital Savings Bank, Washington, D.C.
• First Asian American: 1962
  – Cathay Bank, Los Angeles
• First Hispanic American: 1969
  – Centennial Bank of Taos, N.M.
• First Native American: 1987
  – Blackfeet National Bank, Browning, Mont.
MDIs by category

MDIs by category, 2001-2020

Source: FDIC data
Outside the banking system

Unbanked and Underbanked Households

<table>
<thead>
<tr>
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<th>Percent of Households</th>
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<tbody>
<tr>
<td>Black</td>
<td>45</td>
</tr>
<tr>
<td>Hispanic</td>
<td>30</td>
</tr>
<tr>
<td>White</td>
<td>15</td>
</tr>
<tr>
<td>Overall</td>
<td>20</td>
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Source: Federal Reserve Data 2020
Outside of the banking system

• Alternative Financial Services
  – Money orders, check cashing services, payday loans, rent-to-own, pawnshops, auto title loans
  – Exploitive charges for loans and services
  – Disproportionately located in minority neighborhoods

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• Capital Savings Bank – 1888, Washington, D.C.

• Alabama Penny Savings Bank – 1890, Birmingham, Ala.
Common characteristics

- These banks were exceptional when compared against their banking peers in three ways:
  - Vision – More than a “bank”
  - Innovation – Serving the community’s needs
  - Resilient – Withstand crisis
Black banking timeline

- Increasing number of banks through the 1920s
  - At least 57 created by 1928
- The Great Depression
  - Only 11 operational by 1960
- Civil Rights era resurgence
  - 40 banks established between 1963 and 1976
Black banking timeline

• Riverside National Bank of Houston – 1963
  • Today, known as Unity National Bank of Houston
    – First Black bank in Texas since World War I
    – “It was like threading a needle in a windstorm.”
Black banking timeline

- The 1980’s financial crisis decline
  - 35 black banks closed by 1988
- The 2000s decline and the 2008 crisis
Looking to the future

• Current interest
  – Long-term sustainable support?

• Proximity – Geographic
  – Access / Use

• Proximity – Cultural
  – Shared success
Book requests

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