

# Working Papers

## School-based Savings Programs, 1930-2002

Ashley Cruce

Working Paper 02-7

February 2002



**Center for Social Development**



**Washington**

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George Warren Brown School of Social Work

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## **Introduction**

The purpose of this research is to identify historical precedents of school-based savings for contemporary asset-building policy and programs for children and youth. This is the second of two CSD Working Papers covering the history of school-based savings programs. The first paper covers the early history of school savings banking during the Progressive-era, 1870-1930. This paper focuses on school-based savings programs from the early 1930s to contemporary times. Ultimately, this research aims to discover how these historical and contemporary school-based savings programs were started and managed, who has participated in them, their underlying values, their results and impacts, and implications for future asset-based programs for children and youth.

Starting where the first paper ended, we examine School Savings Banks (SSBs) from the early 1930s to 1940. During the 1930s, School Savings Banks (SSBs) experienced a slowdown due to economic hardship and distrust of banks after the 1929 stock market crash. Starting in the early 1940s, the history of school-based banking dovetails with children's activities on the home front during the Defense period and later during World War II (1941-45). During the war, sponsoring banks converted many SSBs to programs for the sale of U.S. War Stamps and Bonds.

Speaking at the National Institute on Education and War in 1941, President Roosevelt asked "...that every school house become a service center for the home front" (quoted in Schmalzrid, 1942, pg. 129). Consequently, children and youth were a very important target population of the Treasury Department's War Savings Stamps and Bonds campaigns. President Roosevelt's call to action on the home front challenged "every single man, woman and child" to take part in wartime activities—conserving food and fuel, collecting scrap metal, purchasing and selling war stamps and bonds—to help win the war (quoted in Southworth & Southworth, 1942, pg. 216).

Started in 1942, the Schools at War Program played a critical role in directing and encouraging children's involvement in school-based savings. The Treasury Department and the Schools at War Program worked in conjunction with the existing School Savings Banks (SSBs) and the American Bankers Association (ABA) to promote sales and purchases among children. Children were constantly encouraged to sell and purchase stamps and bonds through advertising posters, radio shows, popular songs, and movies.

In the postwar period, the Treasury Department continued to promote Savings Bonds through activities and programs specifically targeted at children and youth. These programs were successful throughout the 1950s. However, the efforts of the U.S. Savings Bonds Division to promote bonds in schools slowed from 1960 to the early 1980s as the overall popularity of bonds waned. Postwar-era School Savings Banks continued into the 1950s in cooperation with the Treasury Department, but also started to decline in the 1960s and 1970s. School banking programs began costing more than banks were willing to spend (Samuel, 1996).

However, starting in the early 1980s, there has been a revival of government-sponsored school savings programs, as well as bank-sponsored programs. One notable national-level program is Save For America School Savings Program, a non-profit, which was started in 1982. In addition, Save For America works closely with the U.S. Treasury Department's Savings Bond Division to promote the sale of bonds to children. Just as in earlier periods, the Savings Bond Division continues to encourage savings and market bonds to children and youth today. In the last ten years, state governments have developed school savings programs as well, such as: Missouri's "Dollar\$ and \$ense" Program and the Illinois State Treasurer's "Bank At School" Program. Across the nation, there are many in-school savings programs directly sponsored by banks. There are also a great number of bank-sponsored savings programs for children and youth that take place outside of school. Lastly, children's banks and bank branches have sprouted up as well.

### **Background on American School Savings Banks, 1870s-1929**

Based on European models of school-based banking, American School Savings Banks started in the late 1870s. J.H. Thiry, of Long Island City and a native of Belgium, is recognized as the most influential man in the school savings bank movement in America. Under his guidance and advocacy, school savings banks gained tremendous popularity. He first instituted school savings banking in New York City public schools in 1885 (Tucker, 1991; Bowman, 1922; ABA, 1923). After 1885, school savings banks proliferated in public schools throughout the country. By February 1892, there were over 285 established programs in the U.S. (Oberholtzer, 1892).

In the Thiry method of school savings banks, teachers collected the children's savings every Monday morning. Each child was given a "Savings Bank card," copyrighted by J.H.Thiry, with the pupil's, teacher's, and school's name. On Monday morning, the teacher called the roll and each pupil who wished to deposit took his/her money and card to the teacher. When a pupil deposited fifty cents or one dollar (depending on the agreement between school and bank), he/she was given a bankbook and the money then credited to the account. When the account balance reached three dollars, the pupil started to earn three percent interest. Each Monday, the teacher placed the children's deposits in an envelope that was given to the school principal. All of the envelopes were then delivered to the bank where bank officials counted, verified, and credited the children's accounts. On the last Friday of the month, children were allowed to take their bankbooks home to show parents.

The emphasis on thrift education for children and youth went hand-in-hand with the growth of school savings banking. The prevailing values of thrift, frugality, diligence, and providence of the Progressive-era endured, and contributed to this increase. Although children responded enthusiastically by saving money in school savings banks, this was never the prime objective. Instead, teaching the principles of thrift, frugality, diligence, honesty, and self-responsibility were of paramount importance (Oberholtzer, 1892).

The American Bankers Association (ABA) was extremely pivotal in the development of school savings banks and thrift education beginning in the early 1900s. In 1913, the Savings Bank Division of the American Bankers Association (ABA) began to systematically promote SSBs. The ABA approved a curriculum for use in public schools, which was promoted as the standard system throughout most of the century. A number of key national agencies and international events also contributed to the spread of the thrift movement in the 1910s and 1920s, such as the Thrift and Efficiency Commission of the Young Women's Christian Association (YWCA) (Murphey, 1929). In addition, state and local-level organizations were instrumental in the proliferation of school savings banking, such as the Texas Thrift and Savings League, and the Los Angeles Banks School Savings Association (Shurter and Littman, 1917; Murphey, 1929).

With America's entrance into World War I in 1917, the U.S. Treasury Department placed a major emphasis on thrift and thrift education in their wartime savings campaigns. During the planning of the campaign, the Treasury Department studied examples of children's stamp savings books used in school savings banking systems (Tucker, 1991). The school banking infrastructure was advantageous for the U.S. Treasury Department's war savings campaigns. Schoolchildren and youth clubs played an active role in purchases and sales of War Savings Stamps, Thrift Stamps, and Liberty Bonds during the war (Tucker, 1991; Samuel, 1997). After the war, school savings banks continued to flourish, and began to spread outside of the Northeast and Mid-Atlantic states, where they first had their start in the 1880s. In 1929, there were 15,000 schools with savings bank programs, compared to 700 in 1900 (ABA, 1963). In addition, the number of young depositors skyrocketed from 63,000 in 1900 to 4,200,000 depositors in 1929. From 1900 to 1929, the volume of deposits increased from \$335,000 to over \$24,000,000 per school year (ABA, 1963; Murphey, 1929).

### **American School Savings Banks, 1930-40**

While the school savings bank movement gained unprecedented momentum from 1900 to 1929, the 1929 stock market crash and Great Depression curtailed the growth of School Savings Bank programs the following decade (ABA, 1963). Banks closed in large numbers during this period, and "people's incentives to save [and] their confidence in financial institutions had been shaken by the pain of the Great Depression" (U.S. Treasury Department, 1984, pg. 2). The ABA (1963) reported that many school savings programs were discontinued altogether or drastically curtailed during the Depression. In 1929, there were 900 banks and 15,000 school savings programs nationwide, compared to 300 banks and 3,500 school programs in 1947 (ABA, 1963). Although these statistics document the number of banks and programs in 1947--after World War II, they accurately reveal the overall, declining trend in the formal school savings bank movement in the 1930s. However, school savings did not necessarily drop with the decline of SSBs. As we shall see later, the defense and wartime savings campaigns of the Treasury Department merely replaced and/or complemented them.

Like the school savings systems of the Progressive-era, the purpose of SSBs was still to teach children the habits of thrift, not to accumulate large sums of money. As a result of the Treasury Department's World War I savings campaigns with schoolchildren and youth clubs (1917-19), the inculcation of thrift was strongly tied to good citizenship and the nation's welfare (Bowman, 1922; ABA, 1923; Murphey, 1929). During this period, the American Bankers Association (ABA), local bankers, the U.S. Treasury Department, and philanthropic organizations continued to play key roles in the development of school savings banks and thrift education.

### **U.S. Treasury Department's Savings Bonds, 1930-1941**

In the mid-1930s, amid the Great Depression, Treasury Secretary Henry Morgenthau, Jr. looked to European models of savings programs to entice Americans to start saving again, and "ultimately revive Americans' faith in the national economy" (Samuel, 1997, pg. 8). In particular, Morgenthau was impressed with British, French, and Scandinavian programs. Their programs were tailored to the needs of small savers and ordinary citizens, and offered a government security for continuous sale. From 1935-41, the Treasury Department established four series of Savings Bonds: Series "A," "B," "C," and "D." These first bonds, popularly called "baby bonds," were priced at 75 percent of face value and available in denominations ranging from \$25 (purchase price \$18.75) to \$1,000. They earned 2.9 percent interest, compounded semiannually, when held to a 10-year maturity. From March 1935 to April 1941, four billion dollars was raised through the sales of the four series savings bonds; however, 95 percent were purchased by big investors, not by the "small savers" as Morgenthau had hoped (Samuel, 1997).

### **U.S. Treasury Department's Defense and War Savings Campaigns, 1941-45**

#### **Background on Savings Bond Program**

In early 1941, a Defense Savings staff was established within the Office of the Secretary, and was responsible for promoting savings bond sales to the general public. In a radio announcement for the new Defense Savings Program on April 30, 1941, Secretary Morgenthau stressed that these bonds and stamps were created for "the people," not for economic elites:

They are for the great mass of the people--for the laboring man, the skilled mechanic, the office worker, the employer, the housewife, the retired businessman--even children can save their pennies to buy the stamps...Let this be clear: your government is frankly seeking the current, regular savings of the people--all the people. The Defense Savings Bond and Stamps are presented as an opportunity...for each citizen to buy a share in America (Samuel, 1997, pg. 19).

The following day, on May 1, 1941, the sale of World War II Defense Savings Bonds (Series "E") officially began with President Franklin D. Roosevelt purchasing a bond from Morgenthau. Curbing inflation and financing the nation's Defense effort were the express goals of the Defense Savings Bond Program. The Series "E" bond shared many features with the earlier Series A, B, C, and D bonds. The bonds were priced at 75 percent of face value, and at 2.9 percent interest

(compounded semiannually) if held to a 10-year maturity. They were primarily sold in eight denominations: \$10 (for armed forces only), \$25, \$50, \$100, \$500, \$1000, \$5000 and \$10,000.

First introduced in 1941, Defense Savings Stamps were offered in small monetary denominations--10, 25 and 50 cents, \$1, and \$5--for collecting and pasting in stamp albums. They were very popular among children and were accessible to those without much surplus income. Stamp albums could be redeemed and exchanged for "E" Savings bonds at Post Offices or at banks. "Savings stamps," asserts Samuel, "were primarily an educational and promotional device designed to teach the principles of thrift and sacrifice" (1997, pg. 18). The logic behind the savings stamps was elegant: "Now any citizen with as little as a dime for a Defense Stamp could participate in [FDR's] 'one great partnership' to help finance America's defense" (U.S. Treasury Department, 1984, pg. 8). Defense or war stamps should not be confused with World War II Ration Stamps used for food and clothing beginning in May 1942 (Dillman, 1996).

When the Japanese bombed Pearl Harbor on December 7, 1941, America entered the war. Consequently, everything labeled "Defense" became labeled "War." "Defense stamps and bonds" became "war stamps and bonds." This altered the titles of the national savings staff, state and local savings committees as well. Prior the bombing of Pearl Harbor, sales had been moderate, but once America entered the war sales increased nationwide. During World War II, 85 million Americans purchased bonds worth \$185.7 billion (Samuel, 1997).

### **Organizational Structure**

In order to fulfill its objective of promoting and selling bonds to the American public, the Savings Bond Program was comprised of: 1) a central organization in Washington D.C., 2) voluntary state and local savings committees, and 3) a large voluntary field sales force comprised of both adults and children. The central organization employed forty staff members--both salaried and volunteer (paid \$1 yearly). State committee chairs were often bankers, newspaper publishers, and college presidents (Samuel, 1997). There were local-level committees in 3000 counties, 16,000 incorporated cities and towns, and 20,000 unincorporated communities. Volunteers who served as field organizers carried out state and local sales campaigns. The Washington D.C. staff used the state-level committees as intermediaries between themselves and the grassroots volunteers.

The success of the Defense and War Savings Bond Programs relied heavily on the grassroots sales force made up of millions of citizens--young and old alike. Field organizers were recruited from a variety of sectors and organizations representing women, fraternal, civic, ethnic/, racial groups, labor, professional, business, farm, and education. In a 1942 issue of *Minuteman*, Gamble describes the nature of this vital sales force:

In every state, county, and town, volunteers preached the gospel of savings instead of spending. Here was a grassroots (sic) program, carried out by neighbor to neighbor, friend to friend and worker to worker...The big job, the selling job, is being done in the field. Thousands upon thousands of meetings have been held in all communities to train, prepare and enthuse the millions of volunteer workers

who must, in the last analysis, make the contacts, make the sales and deliver the war bonds if the drive is to achieve its purpose (1942, p. 8).

While the leaders of the program came from Ivy League backgrounds with government and/or business experience, the Washington D.C. staff was more diverse and eclectic. Two opposing camps disagreed on the philosophy and mission of the program. One camp stressed “a firm sales orientation” and the other believed that “the staff’s operative style should be moralistic or ideological, the group privileged to be leading a great educational crusade to teach thrift” (Samuel, 1997, pg. 22).

### **Demographic Make-up**

The Treasury Department aimed for democratic participation on the savings committees and encouraged “committees [to] reflect the demographic make-up of the particular community” (Samuel, 1997, pg. 24). To reach this goal, the Treasury devoted specific energy to reaching a number of traditionally marginalized groups, such as women, children, ethnic Americans, and African-Americans. According to Samuel, “Inviting these groups to participate in the bond program was perceived by the administration as a non-threatening means to achieve a more unified, harmonious nation” (1997, pg. 32). Despite these ideals, the committees were not free of the racism, sexism, and xenophobia of their day. As a result, a Deputy Administrator was added to work with particular groups, including farmers, women, schoolchildren, African-Americans, Native Americans, and ethnic Americans.

Eventually, new programs or sections of the Treasury’s Savings Bond Programs were created in order to tailor sales and organizing campaigns to specific populations. There was the Farm Bond Program for farmers and rural families; the Women at War Program for women; the Inter-Racial Section responsible for reaching 13 million African-Americans; and the Schools at War Program targeting children and youth.

### **Farm Bond Program**

The Treasury Department and the Department of Agriculture jointly developed the Farm Bond Program. The promotional materials were targeted specifically to the concerns of rural America, and volunteers carried out farm-to-farm canvassing. With farmers, bonds were promoted as “The Crop That Never Fails” (Treasury Department, 1984). Farm bond program materials used carefully targeted appeals, including: “Our Good Earth...Keep it Ours,” “The Minuteman was a Farmer Too,” and “Minutewomen in Tobaccoland” (Samuel, 1997, pg. 42). The Farm Bond Program also supported the war bond efforts of various rural youth organizations such as: 4-H Clubs, New Farmers of America (NFA), and Future Farmers of America (FFA).

African-Americans of all ages were an important part of rural America during this time period. Census data from 1940 reported that 38 percent of African-Americans lived on farms in 16 Southern states (Samuel, 1997). Therefore, the Treasury Department developed an offshoot program to give African-Americans in rural areas their own personal stake in the war. Namely, nine African American Treasury Deputies were recruited from agricultural faculties of “Negro



land grant colleges” in order to tailor bond and stamp sales campaigns to Black farmers and rural groups (Samuel, 1997). African-American youth in rural areas were particularly active in various farm bond promotions and groups, such as the Future Farmers of America.

### **Women at War Program**

The Women’s Section of the War Savings Staff was one of the most active. The Women’s Section enlisted the support of every national women’s organization as sponsors of the Women at War Program (Treasury Department, 1984). The Women’s Section developed promotional materials on women’s stake in the war on the home front. Women were encouraged to take measures in the household to deal with shortages, rationing, and inflation. Throughout the war, women’s contributions were significant in bond rallies, door-to-door pledge campaigns, in schools (i.e. PTA bond booths), ethnic bond booths, and retail locations (Samuel, 1997). For instance, costumed “Molly Pitchers,” named for the Revolutionary War heroine, sold stamps and bonds at sidewalk booths (Treasury Department, 1984).

### **Inter-Racial Section**

Under the direction of William Pickens, former field Director of the NAACP, the Treasury’s Inter-Racial Section aimed to increase African-American participation in bond sales and purchases. Pickens appealed specifically to the Black bourgeoisie to support bond campaigns, believing that: “working through the solid African-American infrastructure of schools, business leagues, churches, fraternal societies, civic organizations, and community councils offered the greatest chance to gain black support for the war...” (Samuel, 1997, pg. 138). Within the Treasury’s Bond program, 15 African-Americans sat on the D.C. War Finance Committee, which coordinated bond sales in 19 states and the District of Columbia. Jim Crow laws prevented African-Americans from participating on state and local savings committees, particularly in the south, where whites often refused to serve on mixed race committees. Consequently, African-American War Finance sub-committees and “Negro Savings Clubs” formed in states with large African-American populations. By September 1944, there were 47 savings clubs, with strong ties of support to the Inter-Racial Section and the National Negro Business League.

The Inter-Racial Section tailored their marketing efforts to African-Americans through bond advertisements in over 108 weekly Black newspapers and posters. Notable posters included the George Washington Carver Victory Bond poster and another poster featuring Tuskegee Airman Robert Deiz of the 99<sup>th</sup> Pursuit Squadron of Black aviators (Samuel, 1997; Bird & Rubinstein, 1998). The Section also sponsored special bond drives, such as the “America for Freedom” Bond Campaign, targeted at Black college students. This campaign was held February 12<sup>th</sup> (Lincoln’s Birthday) to April 6<sup>th</sup> (Booker T. Washington’s Birthday). Samuel notes that the “staff, faculty, and students across all levels of the African American educational strata represented an important dimension of the Inter-Racial Section’s activities, proportionately greater in fact than the Treasury’s mainstream Schools at War effort” (1997, pg. 140). The Section also had a Music Committee that supported the efforts of African American musicians and entertainers in bond campaigns.

Pickens quickly alienated himself from the NAACP and the Black protest movement by advocating that African-Americans ease their fight for full civil rights during the war (Samuel, 1997). While most mainstream Blacks supported the war, many “African-Americans believed that claims of the war being fought for true Democracy fell short of reality and that any fight for freedom was not on their behalf” (Samuel, 1997, pg. 131). In February 1942, the *Pittsburgh Courier* began running a column on the “Double V Campaign,” signifying “Double Victories over enemies abroad [i.e. fascism] and at home [i.e. racism and segregation]”(pg. 136). Samuel notes that the Double V Campaign gained support from both moderate Blacks and the Black elite; however, President Roosevelt and Attorney General Biddle criticized this campaign. Nevertheless, the NAACP signed several public endorsement letters for War Loan Drives, encouraging African-Americans to purchase bonds as “...part of the fight for civil rights from within the system,” (pg. 153). For many African-Americans, bonds were powerful and symbolic vehicles that simultaneously protested against Nazi fascism abroad, and expressed racial pride and the struggle for equality at home.

### **Native Americans and War Bonds**

While there were no specific programs or sections created by the Treasury Department for Native Americans, their involvement in bond campaigns was encouraged by state and local War Savings committees. And their contribution was indeed significant in terms of bond purchases. Samuel (1997) offers examples of participation by Native Americans from Juneau, Alaska, Seminoles in Oklahoma, and Klamath Indians of Oregon. Such groups held various types of bond rallies and ceremonies during the war. Moreover, Native American children were active in full community bond rallies on reservations, and in dances and ceremonies held at Indian School bond rallies (1997).

### **Ethnic Americans and War Bonds**

Ethnic American groups and organizations commonly set up special “Bond Booths” during the war. Women wearing native ethnic costumes generally staffed these booths. Opening dedication ceremonies for the booths were customary, and children often sang traditional songs. Across the country, bond booths and bond rallies were held by groups such as the China Society of America, B’nai Brith, Syrian Lebanese Society, Palmerian Society, Jewish Postal Workers of America, Eyes of the Philippines, Polish Alliance Society of Boston, and the Italian Club of Tampa to name only a few. Such bond drives, notes Samuel, “would prove to combine folk traditions of ethnic subcultures with concepts of private capital, creating a powerful fusion of personal, communal, and national interests” (1997, pg. 95). The Treasury Department also translated war bond posters, brochures, and radio advertisements into foreign languages. Some of the languages included: Italian, Spanish, Portuguese, Polish, Yiddish, French, Greek, German, Czech, Slovak, Hungarian, Danish, Finnish, Swedish, Lithuanian, Norwegian, Romanian, Russian, Serbo-Croatian, Slovene, and Ukrainian (Samuel, 1997).

The cultural pluralism of President Roosevelt's World War II programs contrasted sharply with President Wilson's assimilationist strategy employed during World War I. Wilson pushed for "100% Americanism" through bond slogans during World War I. In contrast, Samuel describes World War II bonds as "vehicles of authentic cultural pluralism...rarely matched in American history" (1997, pg. 119). Roosevelt aimed to win the loyalty of ethnic Americans through their "voluntary desire to belong to a national community," and not through coercive tactics (pg. 95). Wartime bond drives offered German-Americans and Italian-Americans opportunities to express their ethnic heritage *and* their national loyalty to America (Samuel, 1997). Despite Roosevelt's cultural pluralist strategy, discrimination towards these marginalized groups left the Treasury Department's goal for true representation largely unfulfilled.

### **War Propaganda, Marketing, and Bond Promotion**

War stamps and bonds played a critical role in selling "the idea of war" to a divided American people. Samuel notes that "In order to create the image if not the reality of a fully united nation, the Treasury used the selling and buying of bonds as a central part of a dedicated propaganda campaign" (1997, pg., 32). Obligations to one's family, children, parents, friends, and to the "American Way of Life" were strongly invoked in this campaign to mobilize Americans on the home front and abroad during World War II. Such messages and values formed the centerpiece of the war propaganda effort by the Office of War Information (OWI), the War Advertising Council, and Hollywood (Westbrook, 1993). Formed in June 1942, the OWI set guidelines, coordinated the flow of war-related media from the government to the public, and worked closely with the advertising industry (Roeder, 1996). The OWI would eventually take a back seat to the war propaganda and marketing efforts of the advertising industry, which organized later as the War Advertising Council (Fox, 1975; Kirk, 1991).

Hollywood, advertising firms, corporations, and small businesses were also key players in the marketing of stamps and bonds through popular and consumer culture. The Treasury's marketing campaigns were part of a larger war propaganda effort that was guided by the War Advertising Council. The Council was made up of volunteers from advertising agencies, the media, and sponsors' firms who offered their talents to numerous government agencies. By 1944, the Council was responsible for 62 promotional campaigns for 27 different government agencies (Kirk, 1991). The Council distributed war-related public service materials to the media, and coordinated the demands for radio air time and print space (U.S. Treasury Department, 1984). The Treasury Department's campaign relied on a tremendous donation of labor, print space, and radio air time by advertising firms, as well as large and small retail businesses. In fact, in the first three years of their campaign, advertising firms and corporations donated \$250 million worth of advertising at no cost to the Treasury Department (Samuel, 1997).

With the involvement of America's top advertising talent, the Treasury's campaign built upon the advertising advancements of the 1920s and 1930s. Such advancements included the idea of market segmentation (Gerstle, 1996). "When a product--such as toothpaste or war bonds--was to be sold to all Americans," Gerstle asserts, "advertisers began fashioning several campaigns, each directed at one market segment" (1996, pg. 111). At the time, the Treasury's War Savings Bond

Program was noted as “the greatest sales operation in history” (Samuel, 1997, pg. xiv). This vibrant bond and stamp sales operation utilized major marketing venues, including: print media, radio, movies, plays, music, and sports. In turn, bond advertisements were tailored to specific segments of the population.

In addition to targeting special market segments like women, immigrants, and African-Americans, the Treasury Department’s campaign targeted children as a vital part of the home front war bond market. Children were constantly urged to purchase stamps and bonds through advertisements in comic books, posters, radio shows, popular songs, and movies with war stamp and bond themes (Tuttle, 1993). While children and youth were one of the special market segments in the Treasury’s campaign, they were also exposed to an overwhelming amount of advertising and war propaganda targeted at the general public.

Kirk (1991) states that children enjoyed much of the same media entertainment as adults during the war, especially comic strips and comic books, as well as some of the same movies and radio shows.

### **Print Media**

In print media, war stamp and bond advertisements were placed in newspapers, magazines, comic books, posters, billboards, bus and trolley cars, menus, milk cartons, greeting cards, utility bill inserts, and even matchbook covers. Children and youth were targeted especially through posters, comic books, and advertisements in newspaper comic sections. Posters were by far the most important medium of bond promotion during the war (Samuel, 1997; Bird & Rubinstein, 1998). Posters were placed in banks, stores, schools, factories, on street posts, and billboards. Children were strategically placed in bond posters to encourage parents and children to do their part in purchasing war stamps and bonds.

Samuel (1997) has identified five broad themes of bond promotions found in posters: 1) equipment and materials needed to win the war; 2) sacrifice on the home front; 3) national unity; 4) America’s fundamental freedoms; and 5) investment in the individual’s and America’s future. Numerous posters urged citizens to buy bonds in order to supply materials for the war effort, such as: “A Half-filled Stamp Album is like a Half-equipped Soldier” and “Buy that Invasion Bond” (Bird & Rubinstein, 1998). Along the same lines, some posters used images of grim possibilities of war to encourage purchases of war bonds and stamps. For example, Kroger Grocery and Baking Company sponsored a poster that featured a boy and girl wearing gas masks with their school books and bags in hand, with the plea: “DEAR GOD, keep them safe! Buy War Bonds and Stamps” (Bird & Rubinstein, 1998; see Appendix A).

Other posters encouraged citizens to make personal sacrifices on the home front. Popular examples included slogans such as: “Do Your Part to Win the War,” “Doing All You Can Brother?” and “Even a little can help a lot—NOW” featuring a little girl pasting war stamps into a stamp book with her mother (Samuel, 1997; see Appendix B). Nationalistic tones were prevalent in posters that stressed a sense of community and common purpose, such as: “Let’s All Fight” and “Buy a Share in America” (Samuel, 1997). Illustrator Norman Rockwell portrayed President Roosevelt’s Four Freedoms, enumerated in a 1941 congressional address, in four

famous bond posters: Freedom of Speech and Worship, and Freedom from Want and Fear (Bird & Rubinstein, 1998; see Appendix C). Rockwell's posters first appeared in the *Saturday Evening Post* in 1943, and were later part of a traveling exhibition of bond posters put on by the Treasury Department (Bird & Rubinstein, 1998). Lastly, investment in one's own future and America's future was a common element in war bond posters. Examples included slogans like: "Nest Eggs Won't Hatch Unless You Set on Them! Hang on to Your War Bonds" and "Protect His Future—Buy and Keep War Bonds" featuring a young, blond-headed Euro-American boy (Bird & Rubinstein, 1998; see Appendix D).

## **Radio**

With over 60 million home and auto receivers in the U.S., radio was the major news and entertainment medium for the American public during the war (Samuel, 1997; Phillips, 1975). News programs, comedy shows, big bands and symphonies, quiz shows, sports broadcasts, and advertisements filled the radio airwaves with an expanded audience during the war (Kirk, 1991; Phillips, 1975). The War Advertising Council and the OWI played a significant role in war propaganda on the airwaves. They influenced propaganda through radio spot advertisements, war-related plots, and "curtain speeches" (Kirk, 1991). For instance, Phillips notes that:

War themes and slogans...found their way into nearly every major [radio] program, if not integrally as part of the script, then as a curtain speech, with the leading comic or singer stepping out of character to solemnly urge you to buy war bonds or to make a visit to your local Red Cross blood bank (1975, pg. 189).

In addition to the numerous curtain speeches promoting bonds, the Treasury Department sponsored its own weekly hour broadcasts. These included the "Treasury Salute" series, the "Treasury Star Parade," "Music for Millions," and the "Treasury Hour" (MacDonald, 1979). Each radio network produced one or more "Radio Bond Days" in which every program had a War Bond tie-in, and listeners were urged by top stars to phone in pledges to buy more bonds (U.S. Treasury Department, 1984).

Children listened to the radio an average of six hours daily, and were members of 31 million "radio families," which represented 90 percent of Americans (Kirk, 1991; MacDonald, 1975). Young listeners had numerous children's radio programs; some of their favorites included "Jack Armstrong," "Red Ryder," "The Green Hornet," "Captain Midnight" and "Tom Mix" (Kirk, 1991). The Buffalo, New York radio station, WGR, formed a "Commando Corps" of children and youth to sell war stamps and bonds. Children that participated received armbands for identification, and moved up the ranks from "Private" to "General" depending on their sales success and abilities (MacDonald, 1979). While radio stations featured shows specifically for children, children also listened to general audience programs in the evenings with family.

## **Movies, Plays, Popular Music, and Sports**

Movies, plays, popular music, and sports were other important venues for war bond promotion. Throughout the war, movie theaters sold war savings stamps at box offices, and offered bonds as the price of admission (U.S. Treasury Department, 1984). Once inside the movie theater, one encountered more bond promotion through newsreel trailers, cartoon shorts, and feature films about war bonds (U.S. Treasury Department, 1984, pg. 13). The Treasury Department cashed in on the popularity of Hollywood stars—both on and off the screen—for bond promotions. Betty Grable and her bondbardiens, Bob Hope, Harpo Marx, Frank Sinatra and Bing Crosby were featured in the movie “The Star Bond Rally” during the 7<sup>th</sup> War Loan Drive (Samuel, 1997). Off the screen, Abbott and Costello went on a 41-city tour to promote bond sales.

The Treasury’s cartoon shorts featuring Donald Duck and Bugs Bunny appealed to children (Samuel, 1997). For instance, in the Bugs Bunny cartoon, *Woodman, Spare That Tree*, a sign appeared deep in the woods reading “Buy Defense Stamps” (Kirk, 1991). Patriotic messages and war themes were prevalent in motion pictures of the time, which “not only drove home the immediacy of war but also bred an intense patriotism and allegiance to national policy” (Casdorff, 1989, pg. 28). In addition to movies, numerous war bond plays were written for promotional purposes for children and general audiences, including: *The Favor, To Ease Their Hurt*, and for children, *Citizens of Tomorrow* (Samuel, 1997).

Popular music played a tremendous role in bond promotions through radio and live performances. Irvin Berlin’s song “Any Bonds Today?” became the Treasury Department’s unofficial theme song (Samuel, 1997). Singer Kate Smith raised \$39 million in a radio bond drive on September 21, 1943 (Winkler, 1986). The Inter-Racial Section had a Music Committee that supported the efforts of African American musicians and entertainers in bond campaigns. Notable African-American musical contributors were Duke Ellington, Cab Calloway, and Graham Jackson. Duke Ellington wrote many war-themed songs such as “A Slip of the Lip can Sink a Ship” (Samuel, 1997). At the time, Duke Ellington was touted as the Treasury’s best spokesperson for bonds (Samuel, 1997).

Sports figures and events were also highly successful in promoting bond sales. Boxer Joe Louis played a major role in bond campaigns. As the leading sport of the day, baseball players contributed in many significant ways. Professional baseball players donated 10 percent of their salaries for bond purchases. Baseball players nationwide participated in a “Baseball Defense Bond Day” and in the Baseball War Bond League (Samuel, 1997). Bowlers formed the “Bowlers’ Victory Legion, and “bowled for bonds” (Samuel, 1997). Whether the messages came through radio, the movies, posters, cartoons, or sports, the war bond campaigns stressed one’s obligations to one’s children, family, friends, and to America.

## **Children and Youth on the Home Front, 1941-45**

As early as August 31, 1941, speaking at the National Institute on Education and War, President Roosevelt asked: "...that every school house become a service center for the home front" (quoted in Schmalzrid, 1942, pg. 129). The Treasury Department sought to mobilize schoolchildren in bond and stamp campaigns for several important reasons. First, although not the primary reason, their savings were needed to help finance the war. Secondly, children could effectively reach their parents and encourage thrift, conservation, and the purchase of bonds. "Every pupil," notes Kirk, "was a potential sales agent with guaranteed entry into at least one home" (1991, pg. 139). Also, the Treasury Department wanted to restrain spending by and for children in order to curtail inflation. Lastly, giving children an opportunity to contribute to the war through home front activities was a key reason. Roosevelt felt that collecting scrap metal, conserving, planting Victory Gardens, and buying stamps and bonds gave children--who could not join the armed forces or work in arms factories--a strong sense of involvement and a place in the war on the home front.

The children and youth involved in home front activities represented a wide spectrum of American society—ethnically, racially, socio-economically, and in terms of gender. Both rural and urban children participated; however, the nature and scale of their activities often differed. Schoolchildren, teachers, and administrators carried out a wide variety of home front activities during the war. Conservation, rationing, and thrift were encouraged and strongly reinforced by hands-on activities and lessons on the home front. Namely, children of all ages were mobilized for scrap and salvage drives (metal, paper, and rubber). Students were taught how to cultivate Victory gardens, in order to contribute to household food consumption needs. The virtues of thrift and frugality were stressed in schoolchildren's participation in war savings stamp and bond campaigns. Various promotional events were held to increase stamp and bond sales inside and outside of schools, including rallies, dances, parades, plays, essay and poster contests (Graves, 1942). As the role of schools in the war effort intensified, wide-ranging curricular changes took place in all school subjects. In addition, the virtues of democratic principles, patriotism, and citizenship-building were prevalent in all school-based activities and studies.

## **Schools-based Savings and the Schools at War Program, 1942-45**

### **Background and Organizational Structure**

The Schools at War Program, jointly sponsored by the Treasury Department and the Office of Education, sought to coordinate the efforts of schools and to provide "a wartime job for every child" (Stouffer, 1943, pg. 30). The Schools at War Program was launched on September 25, 1942, and was overseen by the Education Section of the War Finance Division of the U.S. Treasury Department (Tuttle, 1993). This program grew out of the proceedings of two important national-level commissions: 1) the Wartime Commission of the U.S. Office of Education and 2) the Educational Policies Commission. In January 1942, the Wartime Commission strongly recommended that war service come first in our nation's schools. Likewise, in February 1942, the Educational Policies Commission called for the nation's schools to dedicate themselves to

appropriate wartime duties such as conserving materials and raising funds--through war bonds and stamps--to finance the war. State-level wartime commissions were formed by the Educational Policies Commission in order to coordinate stamp and bond sales. They served as liaisons between school districts and federal agencies. School district boundaries became the Treasury department's sales territories, and local school boards put their staff and facilities at the service of the federal government. As a result, the nation's schools became "neighborhood sales offices" for war bond and stamp campaigns.

At the Schools at War inauguration ceremony on the steps of the Treasury Building, Eleanor Roosevelt and Treasury Secretary Morgenthau presided over the event. Morgenthau told the pupils: "I know that the U.S. can count on its 32,000,000 young Americans...to enlist 100 percent in our fight for freedom by buying War Savings Stamps and Bonds..." (Samuel, 1997, pg. 21). The sales of war savings stamps and bonds were one of the Schools at War Program's top priorities. Daniel Chester French's sculpture of the Minute Man of Concord was chosen as the symbol for the Treasury Department's Savings Bond Program and the Schools at War Program. Schools that flew the Schools at War flag--a blue Minute Man on a white background--signified that 90% of their students were saving regularly for war stamps and bonds (Owen, 1945). The motto "Learn, Share, Conserve, Save, and Serve" was displayed on the Program's emblem. The "Save" in the motto encouraged children to "Save money to buy war savings stamps and bonds regularly" (Tuttle, 1993, pg. 121).

Across the nation, school sales of stamps and bonds exceeded the goals set by the Treasury Department again and again. By January 1943, at least 90 percent of the country's 300,000 schools were selling stamps and bonds to pupils and teachers (Larrick, 1944). By the end of the 1941-42 school year, the Treasury Department reported \$81,000,000 in stamp and bond sales by schools (Field, 1996). According to H.M. Owen, "in the three years that followed Pearl Harbor, war stamps and bonds valued at more than one billion dollars were bought in school by American boys and girls" (1945, pg. 13). Tuttle informs us that the School at War Program's success was related to children feeling "intimately connected" and having "a sense of personal self-worth" through their participation in the war effort (1993, pg. 112, 123).

## **Purposes**

The purposes of the savings stamps and bonds campaigns were clearly outlined for teachers, administrators, and parent-teacher associations in *Education for Victory*, a Schools at War publication. Namely, buying a share in America was one's patriotic duty and privilege. Secondly, purchasing stamps and bonds helped to win the war and win the peace. Third, one gained personal security and investment for the future through bonds (U.S. Treasury Department, 1943). In addition, children's wartime activities were seen as "citizenship training" and "valuable experiences in democratic thinking and practice" by educators and war experts alike (Stouffer, 1943, pg. 30). Sones, a Professor of Education in 1942, believed that America's "army of 20 million school children" would gain "...attitudes of social sensitivity, loyalty to country, and personal sacrifice... the very roots of good citizenship" (1942, pg. 1). While most teachers and school administrators agreed that the role of schools was "to help win the war," Field asserts that



debate surrounded “the level and intensity of [war] activities” carried out with elementary children (1994, pg. 441).

Winning the war was made very tangible for children through the sales of stamps and bonds. Slogans like “Bonds Buy Bombers,” and math lessons using the price of war supplies and equipment gave children no illusions as to how their stamp money was being used (U.S. Treasury Department, 1943b). For instance, sixth graders at Pickney Elementary in Lawrence, Kansas knew that their \$331.15 worth of stamps could purchase one submachine gun, four field telephones, one tent, five steel helmets and nine entrenching tools (Tuttle, 1993). Children also helped win the war with stamps and bonds by keeping prices of food, clothing, rent, and weapons down, and thus being “Uncle Sam’s partner, and not his competitor” (U.S. Treasury Department, 1943, pg. 6). Lastly, appeals to children made clear that they were not *giving* money to the government when they bought stamps or bonds, but *lending* it: “For every three dollars invested, four dollars will be returned at maturity” (pg. 6). U.S. War Bonds were touted as the “safest investment in the world” in teacher’s manuals and in the Schools at War publications (pg. 5).

### **School-based Projects and Tactics**

Students, teachers, and school administrators responded enthusiastically to President Roosevelt’s call to action by taking part in home front efforts. Education journals published during the early 1940s document the centrality of the war effort for teachers and school administrators. Articles and editorials abound on war topics such as: “A Child’s Responsibilities in a Democracy” (Letton, 1942), “How-to guides” for selling war stamps (Hallenbeck, 1943), starting a Rubber Garment Exchange Program (Kitler, 1942), and setting wartime goals for schools (Russell, 1942). A study carried out by the Research Division of the National Education Association (NEA), stated that teachers and students devoted both school and non-school hours to the war effort. On average, a teacher devoted 41 hours of additional non-school time to home front activities during the 1941-42 school year (NEA, 1942).

The methods and activities used in the sale of war stamps and bonds in schools were quite diverse, and varied greatly by scale. In some schools, principles or teachers were the issuing agents for stamps and bonds. Other schools allowed children to set up bond booths or mock post offices to sell the stamps and bonds to their fellow pupils, teachers, and parents (see Appendix E). Many schools had a designated “Stamp Day,” usually a Monday or Friday, when children would bring their dimes and quarters to purchase war stamps for their stamp books. When filled with \$18.75 worth in stamps, the stamp book could be exchanged for a \$25 “E” Bond (Tuttle, 1993).

In an article from *The Grade Teacher*, Hallenbeck (1943) shares the story of her second graders’ post office project. The children converted their classroom into a post office using cardboard boxes and hand-made posters. The schoolchildren first learned how to operate a post office’s mailing services, and then afterwards began selling war savings stamps. The second graders sold war stamps of 10- and 25-cent values to classmates, parents, and members of the neighborhood. This was considered to be a needed community service for this rural area. Hallenbeck reported that the children sold \$8-10 worth of war stamps daily. Hallenbeck’s class visited their local

postmaster, who showed appreciation for the children's project because it saved him valuable time (1943).

The practice of children setting up mock post offices to sell war stamps was consistent with the times, given that mail services and savings systems were often combined. From 1911 to 1967, the U.S. Postal Service operated postal savings systems. Post office banks allowed working people more convenient hours than private banks, and sought to provide safe depositories for people who had lost confidence in private banks. The program aimed to get money out of hiding, and to specifically attract immigrants, who had often used post offices for savings in their home countries. The savings accounts earned 2 percent interest yearly, and were targeted at the small saver: \$1 minimum deposit and \$2,500 maximum deposit. The postal savings system experienced huge increases in savings deposits during World War II. Post offices also sold Postal Savings Stamps, which were converted to Defense and later War Savings Stamps for U.S. Treasury revenue (Samuel, 1997).

In addition to school Stamp Days, children of all ages participated in a wide variety of war savings activities. Stamp Weeks, war savings plays, radio programs, assemblies, parades, rallies, and pageants were commonly held to promote war stamps and bonds (Graves, 1942). Essay, poster, and speech contests--with bonds as prizes--were also popular promotional tactics. Many creative activities have been documented in the Schools at War pamphlets for teachers, and in education journals published in the 1940s. These were venues where teachers could exchange and learn new project ideas. Graves notes that some classrooms gave bonds as memorials to their schools, and school clubs often purchased bonds as scholarship prizes (1942). Popular children's slogans about stamps reflect the climate of the times: "Buy Defense Stamps to stamp out our enemies"; "A dime a day to keep the Japs away"; and "Onward we tramp to buy Defense stamps" (1942, pg. 18). In a Schools at War Bulletin for mathematics teachers, several "previously-tested" war savings project ideas were offered. Some examples were quizzes; "Adopt a Soldier" projects; letters to parents; and community bond drives. Other ideas for the classroom were setting stamp and bond sales goals, and keeping records, graphs, and charts of classroom sales (1943, pg. 28).

Class divisions became strikingly apparent through such wartime, school-based campaigns. Tuttle points out that: "To forget one's stamp money, or worse, to be unable to afford the stamps, could be profoundly embarrassing to a child" (1993, pg. 125). Judy Graves, a member of the Education Division Defense Savings Staff, encouraged teachers and administrators to pay special attention to how children's involvement was rewarded in school stamp and bond programs. She cautioned against stigmatizing low-income children in such programs: "If the honor roll [for participation]...lists names and individual amounts of stamps purchased, or withholds any mention at all until a child has bought a certain amount, it can be said to exert social pressure...for it singles out the poor child as a non-participant, and in extreme cases, as a slacker" (1942, pg. 27). The Education Division and the ABA encouraged that honor rolls reflect participation only, instead of details about amounts given and by whom (Graves, 1942; ABA, 1923).

## **War Loan Drives**

The Treasury Department sponsored seven War Loan Drives from 1942 to 1945 in order to increase sales of stamps and bonds. The “Victory Loan Drive” was the eighth and last Loan Drive, held in December 1945. War Loan Drives often featured special rallies, movie stars on parade, war heroes’ tours, bond poster exhibits, music performances, and bond film showings. The Treasury Department authorized certain businesses and employee sectors to sell bonds during the Loan Drives, such as large department stores, bartenders, and Teamster union members (Samuel, 1997). Together, the First, Second, and Third War Loan Drives (1942-43) successfully attracted bond purchases by children and small savers.

During the Third War Loan Drive (September 1943), the Schools at War Program sponsored two major campaigns to increase sales of stamps and bonds. The first was named “Back the Attack,” in which children wrote letters to their parents on the importance of family budgeting, regular savings, and the necessity of bond purchases (Tuttle, 1993). These letters were viewed as an important way to reach parents and to foster better parent and school relations. Such campaigns increased the pressure on children and their parents to buy stamps. A second campaign of the Third War Loan Drive was the “Triple Threat Jeep Campaign,” which took place between the opening of school in 1943 and Pearl Harbor Day, December 7<sup>th</sup> 1943 (Tuttle, 1993, pg. 126). The campaign encouraged schools to finance the purchase of jeeps: three types that together formed the “triple threat on land, on sea, and in the air” (U.S. Treasury Department, 1943, pg. 29). The three types of jeeps ranged in price from \$1,165 to \$3000.

In the Fourth War Loan Drive (January 1944), two more campaigns were begun to increase the sales of stamps and bonds at schools. The “Buy-a-Plane” campaign aimed to sell enough stamps and bonds to finance a war plane that would bear the name and address of the school on an inside panel. The planes ranged in price from \$15,000 for a training plane up to \$450,000 for a Flying Fortress (U.S. Treasury Department, 1943, pg. 29). The “Treasure Hunt” campaign urged children to hunt for unfilled war stamp albums in order to fill them and exchange them for Series “E” war savings bonds (Larrick, 1944). Overall, children rose to the occasion when called upon in the War Loan Drives.

## **Curriculum Changes**

Significant changes in school curricula accompanied and strengthened the home front activities carried out by schoolchildren. During this period, teachers were called upon to alter traditional curricula in standard subjects, as well as to create new lessons with war themes. The Schools at War Program produced bulletins for teachers of english, mathematics, social studies, art, music, drama, and home economics. For instance, English teachers encouraged children to use the theme of selling and purchasing war stamps for oral and written assignments (Rog, 1996). Mathematics teachers were highly encouraged to include “war savings problems” in their lessons, the basics about inflation, and basic budgeting. They taught that a “proper” budget plan for a family allotted 20 percent to war savings (U.S. Treasury Department, 1943, pg. 38).

Sherry Field (1994) highlights the significant role of elementary social studies curricula in the war effort. She notes that “elementary educators reshaped both the content and structure of their classrooms to foster patriotism, community service, interest in geography and history, and good citizenship traits” (1994, pg. 441). Art classes created war stamp and bond posters which were hung throughout the schools (Rog, 1996). Music teachers also used songs and music for war bond rallies, plays, and pageants. The Schools at War publications, such as *New Songs for Schools at War* and *Victory Concerts in the War Savings Program* offered a variety of musical material for teachers (U.S. Treasury Department, 1944). A remarkable number of play scripts were produced for the war effort as well. In particular, there were plays with war bond pitches and lessons. One Schools at War publication, *A Handbook of Dramatic Material*, included such plays as: *Message from Bataan*, *Letter to Private Smith*, *We Will Do Our Share*, and *Citizens of Tomorrow* (U.S. Treasury Department, 1944).

### **Extracurricular Savings Stamps and Bond Activities**

Several important children’s and youth organizations took up the sale of war stamps and bonds during the school year and in the summertime. The Boy Scouts and Girl Scouts of America, the Junior Scouts and Junior Brownies, Camp Fire Girls, the YWCA and YMCA, and the High School Victory Corps were all involved in war stamp and bond sales (Tuttle, 1993). The Boy Scouts of America were especially active in home front activities, just as they had been during the First World War (Samuel, 1997). The Boy Scouts participated heavily in defense efforts preceding America’s entry into the war: “Scouts had put up thousands of defense and USO posters, Army and Navy recruiting stickers, collected tons of aluminum scrap, and participated in the sale of Defense Bonds” (Brittain, 1976, pg. 68). Brittain (1976) asserts that Scouts in the St. Louis area participated in the Fourth, Fifth, and Sixth War Bond drives with outstanding success. Namely, the Scouts and Cubs of St. Louis secured 127,322 bond pledges worth \$22,480,000. However, the Boy Scouts were only one among many youth organizations that altered their programs to contribute directly to the war effort.

Several rural-based youth organizations were also heavily involved in stamp and bond sales. Notables included 4-H Clubs, New Farmers of America (NFA), and Future Farmers of America (FFA). Samuel states that 4-H members picked 7 million pounds of blackberries--called “bond berries”--which were sold to purchase war bonds (1997, pg. 68). In addition, a 4-H club of 13 African-American boys and girls from Marion, South Carolina sold hogs to raise \$243.74 worth of stamps and bonds (pg. 192). Youth also participated in Victory Pig Clubs and Campaigns by selling pigs at auction and putting the proceeds towards war bonds (pg. 42). The children of pig farmers were especially active in such campaigns. Samuel (1997) cites the contribution of 19,000 African-American student members of the New Farmers of America in the South. They had purchased \$150,000 in bonds and stamps by July 1943 (pg. 192). Future Farmers of America held a writing contest in 1943 for essays on the topic: “Why Farmers Should Buy War Bonds.” In a nationwide campaign, some 200,000 African-American boys and girls of the FFA had raised \$8,000,000 in bond sales by 1945 (pg. 192). The wartime contributions by children and youth in extracurricular clubs was immense and far outstripped expectations set by the Treasury Department.

## **U.S. Treasury Department's Savings Bonds & School Savings Program, 1946-80**

As the war came to a close in August of 1945, saving continued to be encouraged by the Treasury Department in peacetime. On January 1, 1946, just three weeks after the last loan drive (Victory Loan Drive), the War Finance Division became the U.S. Savings Bonds Division. Led by Vernon L. Clark, the National Director, the new peacetime program aimed to maintain bond sales through payroll savings, to continue selling stamps through schools and post offices, and to encourage the public to hold on to their Savings Bonds purchased during the war. The methods of sales, however, were altered from continuous loan drives to promotional peak sales. Special peak periods were designated for bond sales, such as: the period from the 2<sup>nd</sup> anniversary of D-Day to July 4<sup>th</sup> 1946, and another peak from Armistice Day to Pearl Harbor Day (U.S. Treasury Department, 1984). "Bond-a-Month" programs were begun in 1947, whereby a bank customer authorized his or her bank to purchase a bond monthly. Bond campaigns were revived as promotional tactics in 1948 with the "Security Loan Campaign" and the "Opportunity Savings Bond Campaign" (U.S. Treasury Department, 1984).

For children, the Treasury Department's School Savings Program was carried out in peacetime similarly as it had under the Schools at War program. A group of the nation's leading educators presented a resolution to the Treasury Secretary in order to maintain the program (U.S. Treasury Department, 1949b). In a 1949 publication entitled *How to Manage Your School Savings Program*, teachers and administrators were informed about the purposes, tactics, and benefits of the program. Patriotic and citizenship themes abound in the mission statement of the program: "Like the casting of a ballot, the purchase of a Bond is the exercise of a privilege, and the performance of a duty. It gives the individual a true citizen's share in maintaining a strong national economy, and in preserving the American way of life" (U.S. Treasury Department, 1949b, pg. 1).

Schools maintained "Stamp Days" in the postwar program, and maintained many of the same themes and objectives. The consistent themes and objectives included: teaching boys and girls to save; teaching responsibility, cooperation, leadership, and citizenship (pg. 1). A concern for "the common good" shared a similarity with wartime savings programs. Instead of financing the war, the program aimed to manage the national debt that grew tremendously as a result of World War II (U.S. Treasury Department, 1949a). As in the wartime programs, curricular changes were suggested in the various teachers' manuals for mathematics, home economics, art, vocational guidance, and citizenship (1949b).

Just as during the war, pop culture stars and characters were used to market bonds to the public in the post-war era. Promotions involving schools and savings stamps included films and activities with popular children's characters. Print, radio, and television advertisements featured "Lassie," "Superman," "Leave It to Beaver," Rocky and Bullwinkle, and Dennis the Menace as "The Junior Astronaut" (U.S. Treasury Department, 1984). One promotional event featured the Lone Ranger and Silver riding across the Washington Monument grounds to launch a Lone Ranger Savings Stamp Club (U.S. Treasury Department, 1984). On June 30, 1970 the U.S. Savings Stamp was discontinued after years of success with children and small savers (1984).

U.S. Savings Bond sales declined throughout the 1970s and early 1980s. According to the U.S. Treasury, "...neither the U.S. Savings Bond nor any other fixed-rate savings instrument could win out in competition with the many wide-ranging market-based investment opportunities elsewhere, especially while inflation continued unabated" (1984, pg. 30). Things turned around in 1982 when the Treasury Department was permitted to change the interest formula from a fixed-rate to a variable-rate. By 1984, bond sales had bounced back, revealing that the variable-rate interest formula had attracted sales. In 1984, one out of three American families owned Savings Bonds.

### **Post-war School Savings Banks, 1946-80**

School Savings Banks continued to thrive after the war and throughout the 1950s in cooperation with the Treasury Department. The ABA reported nationwide increases in school banking from 1951-1961. Namely, from 1951-55 the number of schools participating increased from 8,500 to 10,600, and the number of young depositors increased by 1.15 million (ABA, 1963, pg. 28). The ABA estimated an increase of \$65 million in deposits from 1951 to 1955 as well. Even greater increases occurred between 1955 and 1961. Namely, there were 6,300 more school programs, 2 million more depositors, and an increase of \$72 million in deposits (ABA, 1963, pg. 28).

However, school banking programs declined in the late 1960s and 1970s. School programs began costing more than banks were willing to spend (Samuel, 1996). For instance, in 1950, Dollar Dry Dock Bank of New York state had 150 schools enrolled in their banking programs, but had discontinued all of them by the late 1960s (Cutler, 1989). According to Lunt, banks stopped their school savings programs because "they could no longer afford the expenditure of time and money in a more competitive environment" (1992, pg. 73). In addition to costs, several authors point to time constraints as the downfall of these school savings programs (Cutler, 1989; Lunt, 1992). They cite the timely practice of handposting accounts, which was often the responsibility of bank clerks. Furthermore, Melinda Nagy, assistant vice president of Washington Mutual Savings Bank, adds that antibusiness attitudes in the 1960s and 1970s interrupted many school banking programs. Nagy asserts that during these years, "Young families felt it was bad to have business involved in education..." (quoted in Cutler, 1989, pg. 21).

### **School Savings and Banking Programs, 1980-Present**

#### **Children's Buying and Saving Power**

Today, children are viewed as "independent consumers," who have unprecedented buying power. In 2001, the buying power of children aged 4 to 12 years is worth \$29 billion, up from \$24.4 billion in 1997, \$14.4 billion in 1991, and \$9 billion in 1989 (McDonald, 2001; McNeal, 1998; 1992; 1990). As "autonomous consumers," children are actively knowledgeable about products, and make purchasing decisions on their own (Cook, 2000). Children greatly influence their parents' purchases through "indirect influence," which represented over half of the nearly \$500 billion in 1997 household spending (McNeal, 1998, pg. 39). In addition to unprecedented

buying power, children are also demonstrating their saving power. McNeal, a noted marketing scholar, claimed that children have been spending more *and* saving more than earlier generations (1992).

Children's and teens' money comes from a variety of sources: allowances (an unrestricted periodic distribution of money from parents); household chores, parental gifts, part-time jobs, and gifts from relatives and friends (McNeal, 1992). Today, children receive more money at a younger age than children did in the past. Jones (1994) notes that weekly spending allowances for children 6-8 years old averaged \$3.80 and \$4.80 for 9-11 year olds in 1991. In 1998, McNeal reported that children saved about one-third of their income on a weekly basis, with approximately half going into bank accounts. Children's annual savings rate is lower—at about 15 percent (McNeal, 1998). Nevertheless, this rate is still higher than most adults' savings rates. Children and youth generally save with a specific and immediate purchase in mind, rather than far-off college expenses. They often dip into their savings during summer and the winter holidays (McNeal, 1998).

According to Reese (1997), this unprecedented increase in children's buying power is a result of changes in family structure; working patterns of parents; children's socialization processes; and their exposure to advertising. In a 1997 article in the *Economist*, children's increased purchasing power was attributed to the growth in the number of dual income, one child, and single-parent households (n.a., 1997). Children's increased buying power has captured the attention of parents, educators, marketing firms, and financial institutions (Bodnar, 1999). Popular media and financial magazines frequently feature articles about savings, investment, and money management for children and youth (for examples see Bodnar, 1999; Lunt, 1992; Steinborn, 1994). With these recent trends in children's savings and spending, there has been an overall resurgence of youth-oriented savings programs and mechanisms.

### **Overview of Contemporary Programs**

In the last 20 years, there has been a significant revival in school-based savings programs across the country. Today, savings programs for children and youth are seen as a way to combat the overwhelming societal pressures to consume and spend money. Cynthia Lynch, deputy secretary in the Pennsylvania State Treasurer's office, noted that: "Our kids are getting bombarded on a day-to-day basis with the idea of bigger, better, and buy more, buy more...And a [school savings] program tells them about the importance of saving—that there is a mechanism to save" (quoted in Samuel, 1996, pg. G5). Starting in the early 1980s, we have seen the creation of government-sponsored school savings programs, as well as bank-sponsored programs. Many contemporary school savings programs are made possible by cooperation and partnerships between non-profits, governmental bodies, banks, and school systems.

Just as in the Progressive era, World War II, and the immediate post-war era, banks play a critical role in the various forms of contemporary children's savings programs. Banks' decisions to resurrect some form of the old school savings programs have been based on several factors. Despite the inherent expenses, school savings programs can 1) improve a bank's reputation in the community; 2) create better informed and hopefully, long-term customers; 3) motivate kids'

parents to open accounts at the bank; 4) help a bank comply with the Community Reinvestment Act (CRA); and 5) create family banking relationships in the community (family core deposits, loans, and mortgages) (Lunt, 1992; Save For America, 1999). Consistent with programs of the past, bankers strongly believe that teaching the importance of savings to young kids is essential. Roberta Edwards, director of Dollar Dry Dock Bank in New York, states that: “We start at kindergarten because younger kids have the best chance to develop a real savings habit... We feel that these are our future customers and in return we’re educating them” (quoted in Cutler, 1989, pg. 21). Many of the contemporary school savings programs focus on elementary school children specifically, but others offer programs for children in kindergarten up to high school and college level.

Save For America is a well-known non-profit that sets-up school savings programs nationwide. Just as in earlier periods, the U.S. Treasury’s Savings Bond Division continues to encourage savings and market bonds to children and youth today. In addition, state governments have developed school savings programs, such as Missouri’s “Dollar\$ and \$ense” Program and the Illinois State Treasurer’s “Bank At School” Program. Across the nation, there are many school savings programs (i.e. “in-school” programs) sponsored directly by banks, such as the “Banking Is...” Program in Columbus, Ohio; Wesbanco’s school program in Wheeling, West Virginia; and the Dollar Dry Dock Bank’s School Banking Programs in New York State. There are also a great number of bank-sponsored savings programs for children and youth that take place outside of school, often called “at-bank” programs. Examples include the “Thumbuddy Club” Savings Program in Iowa; “Kids Bank” Program in Chicago, Illinois; and “Moola-Moola” Savings Club in Pulaski, Tennessee. Banks and bank branches for children and youth have also been developed, including: Twiglet Bank in South Miami; the Young Americans Bank based in Denver, Colorado; and the First Children’s Bank in New York City.

### **Save For America (SFA)**

Save For America (SFA) School Savings Program, is a non-profit that started in 1982. Save For America (SFA) created a “Bank-at-School” program for young children that is sponsored by banks, State Treasurers’ Offices, Governors, and State Bankers’ Associations. Save For America’s stated purpose is to rekindle the savings habit in America’s youth. The SFA program and curriculum were approved by the U.S. Department of Education in 1985 as a national education model. In 1999, over 1000 schools and some 300 banks were participating in the SFA program (SFA, 1999). As an incentive to banks, the program meets new Community Reinvestment Act (CRA) requirements.

In the SFA program, students open a savings account at school with the bank of their choice for one dollar. They can make deposits of five cents and up, which are posted via the internet. A “Bank Day” is designated during the school week, and children bring their money and savings register to make deposits. On “Bank Day,” collections may take place before school or during lunch. Adult volunteers, often PTA members, assist the children to make deposits by entering the amount using School Savings software on the internet. Students earn 2% interest on their savings. Students receive a SFA sticker as a reminder to save again. Savings incentives include contests and prize drawings by banks or schools for children who make deposits frequently.



Save For America (SFA) works closely with the U.S. Treasury Department's Savings Bond Division to promote the sale of bonds to children as well.. SFA sponsors the U.S. Savings Bonds For Kids Project, and encourages its participants to purchase bonds online. The U.S. Savings Bonds Division, in partnership with SFA, has taken steps to reach out to children in participating schools. The Savings Bond Division's Bureau of the Public Debt offers kids "Fun Facts," games, and a glossary on its website ([www.savingsbonds.gov/sav/savkfun.htm](http://www.savingsbonds.gov/sav/savkfun.htm)). The Treasury Department also launched another website for kids that focuses on broader monetary topics and agency duties ([www.ustreas.gov/kids](http://www.ustreas.gov/kids)). This website features a "Treasury Kids' Page," which describes department functions, including dispersing savings bonds, and the printing and minting money. One tab links to a site that will compute the redemption value of a savings bond based on its years of maturity.

In April 1999 and especially on April 20<sup>th</sup>, National Teach Children to Save Day, children were involved in "Bond Days" as participants of SFA. SFA also encourages children in the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> grades to participate in the National Student Poster Contests sponsored by the U.S. Savings Bonds Division. The 1999 National First Place Winner of the National Student Poster Contest was sixth grader Laura E. Rodriquez Ortiz of Rio Piedras, Puerto Rico. She used a savings-bonds-as-nest-egg theme with a baby eagle breaking out of an egg, with the caption "U.S. Savings Bonds 2000: Creating A New Century of Savings" (SFA, 1999; see Appendix F). Other examples of poster winners can be seen in color on both the Bureau of the Public Debt (2001) and the SFA websites (SFA, 1999).

In 1996, the average savings for SFA's 400,000 participants was \$483, with a total of \$201 million in deposits. The total deposits were up 1700% from \$11 million in 1991. There was a significant difference in savings amounts on a weekly basis between children in high-income neighborhoods versus "poor inner-city school neighborhoods": \$9/week/child and \$2/week/child respectively (Samuel, 1996). Sherry Avena of SFA asserted that kindergartners and 1st graders are the "best savers" of all age groups participating in SFA programs (Samuel, 1996). Based in over 23 states, Save For America is touted as the primary motivator of children's savings programs today.

### **Missouri's Dollar\$ & \$ense Program**

Missouri's Dollar\$ & \$ense Program was started in 1994 under former State Treasurer Bob Holden, Missouri's current Governor. The Dollar\$ & \$ense Program targets children in grades 3-5, and aims to teach children to make informed decisions about saving, spending, borrowing, and managing money. A curriculum accompanies the program, which may be integrated into existing elementary curriculum in language arts, math, science, social studies, and art. The curriculum offers hands-on activities for lessons on income, decision-making, opportunity cost, saving, spending, interest, budgeting, and money management.

The program is a partnership between State Treasurer Nancy Farmer, the Missouri Council on Economic Education, the Missouri Bankers' Association, Consumer Credit Counseling Service of the Mississippi River Valley, local banks, and educators. The program began in 1995-96

school year as a pilot program in six Kansas City schools, and was called “Classroom Cents” (Missouri State Treasurer’s Office, 2001). In 1996, the program was offered statewide under the current name.

Today, State Treasurer Nancy Farmer oversees the program, which has more than 5,500 young participants. As of 1999, over 200 bank branches and 400 schools were participating statewide. The State Treasurer’s Office recruits banks to participate, and the Missouri Council on Economic Education recruits the schools and teachers. Each participating school is then partnered with a local bank, which opens savings accounts for the students. The bank arranges school banking hours to accept deposits, but withdrawals can only take place at the participating bank. The bank agrees to pay a one-time sponsorship fee of \$125 which provides a teacher-banker training session and curriculum materials. Each additional teacher can receive training for \$75. Banks benefit from participating in the Dollar\$ & \$ense Program because it meets the criteria of the Community Reinvestment Act (CRA). Unlike the SFA program, this program requires bankers to make classroom visits and presentations at least eight times yearly. In addition, one bank is chosen to represent the school, as opposed to multiple banks utilized through internet banking in Save For America’s program.

### **Illinois State Treasurer’s “Bank At School” Program**

The Illinois “Bank At School” Program was started in 1992, and is overseen by Illinois State Treasurer Judy Baar Topinka. The Treasurer’s Office administers the program and provides the schools with materials. This program was designed primarily for children in the fifth and sixth grades. The program aims to develop the habit of saving for the future, and to teach children basic financial skills through hands-on lessons and activities. A series of 12 lesson plans taught by teachers is a fundamental part of the Bank At School Program. The curriculum consists of lessons on the history of money, why saving is important, budgeting, financial institutions, credit, and products offered by banks, among other topics. Principal Robert Byrkit of Muffley Elementary School in Decatur, Illinois fully supports the program, noting that: “Students are not used to setting and achieving long term goals. The Bank At School Program is a great vehicle to set a long term goal and accomplish that goal in small steps, a month at a time” (Illinois State Treasurer’s Office, 2001). In 1994, students’ total deposits were nearly \$300,000, with the largest balance being \$6,400 and the smallest one cent (Steinborn, 1994). To date, 155,000 students are participating in the program throughout the state (Illinois State Treasurer’s Office, 2001).

Like the Missouri program, Illinois schools are partnered with one local financial institution (bank, savings and loan, or credit union), which conducts a monthly “bank day” at the school. Students opens savings accounts with the bank and receive monthly statements. Bank representatives are encouraged to participate in the lessons, and to host field trips to the bank. In some schools, students help as tellers, collecting their peers’ deposits. The program has been adapted for use in high schools, community colleges, and other settings. It has also been translated in five languages, and has even been adopted by schools in Greece and Poland.

### **Bank-sponsored, “In-school” Programs**

Across the nation, there are a great number of “in-school” savings programs sponsored by banks. These are unique from the state government programs or SFA programs in that the bank alone has established the relationship with the schools. One example is Huntington National Bank, which sponsors the “Banking Is...” Program in Columbus, Ohio. In 1992, this savings and education program operated in 70 Ohio High Schools (Lunt, 1992). “We got involved in this,” notes bank vice president Marsha McCormick, “because we had high school students coming in who didn’t know how to write a check, how interest was calculated, or the difference between different kinds of loans” (1992, pg. 73). Another example is Wesbanco’s elementary school program in Wheeling, West Virginia. Wesbanco, an asset holding company, utilizes the Save For America software kit in their program, and depends on Parent Teacher Association (PTA) volunteers to collect students’ deposits once weekly (Lunt, 1992). In 1950,

Dollar Dry Dock Bank had School Banking Programs in 150 schools in New York State in 1950; however, their number of programs declined drastically in the following decades. Starting a new thrust of in-school banking programs in 1988, the bank had 13 participating schools as of 1989 (Cutler, 1989). Bodnar (1992) notes that more than 8,000 kids from kindergarten through eighth grade saved nearly \$1 million the first four years (1988-1992) of Dollar Dry Dock Bank’s revived savings program. The bank rewards children’s deposits through small prizes such as: hats, pencils, lollipops, or stickers (Bodnar, 1992). Banks, students, parents, teachers, and school principals give positive feedback about these programs and the savings habits they encourage. Today, hundreds of banks nationwide are operating some form of in-school savings programs. Despite costs and time constraints for banks in the original school savings programs, today’s banks recognize the many short- and long-term benefits of supporting in-school savings programs.

### **Bank-sponsored, “At-bank” Programs**

In addition to in-school programs, banks frequently sponsor savings programs for children and youth that take place “at-bank” and outside of school. The Citizens National Bank in Charles City, Iowa operates the “Thumbuddy Club” Savings Program for children up to 12 years old. Children open a savings account with the bank, and every Friday afternoon the bank serves cookies and shows a videotape while they make their deposits. Like other banks, this program gives coupons that can be applied to awards, such as t-shirts, Frisbees, rulers, water bottles, and buttons (Lunt, 1992). In 1992, the Thumbuddy Club had 830 members with total deposits of \$100,000, and an average balance of \$119 (Lunt, 1992). Banks like Citizens National are aware of the associated short-term costs of such programs, but recognize the potential long-term benefits: “We have not analyzed when this program might pay for itself, but we look at the total family relationship...[the program] provides a way to identify the young parents in the community and offer them products” (Bank Marketing Director David Hoke quoted in Lunt, 1992, pg. 73).

The “Kids Bank” Program in Chicago, Illinois is operated at four banks of Mid-Citco, Inc. In 1992, the program had more than 4000 participants and over \$2 million in deposits (Lunt, 1992). Children receive a piggy bank and passbook when they open an account. Accounts can be started with as little as 25 cents, and pay 6 percent interest. This program has thrown parties for its participants, and has even rented out a theater for a movie showing. Another at-bank program is the “Moola-Moola” Savings Club of First National Bank of Pulaski in Tennessee. Like the “Thumbuddy Club,” it is open to children up to 12 years old. However, a \$25 minimum is required for children to open an account. When children deposit \$5 or more, they get their “Moola Card” stamped, which qualifies them for a prize (McNeal, 1992). The at-bank programs rely more heavily on bank personnel to oversee and organize the children’s activities, as well as prizes to reward saving. Nevertheless, the programs have similar aims as the in-school savings programs: teaching the saving habit at an early age.

### **Children’s Banks**

Several banks have gone beyond in-school or at-bank savings programs by forming banks specifically for children and youth. The Young Americans Bank, based in Denver, Colorado, has only customers 22 years old and under. For kids under 18 years, the bank sets up joint accounts with the name of the child and the parent. To withdraw funds, children under 18, must have their parent or guardian’s signature. Located in a renovated caboose, Twiglet Bank is a children’s bank created by the First National Bank of South Miami in the late 1980s (Lunt, 1992). The bank cooperated with the staff, parents, and students of David Fairchild Elementary School to form Twiglet Bank. Twiglet Bank has its own student board, staff, stationary, and bank machinery. Twiglet Bank identified 23 student participants from the school’s Career Lab for fourth, fifth, and sixth graders. These students went through a full employment process to secure positions within Twiglet Bank as chairman, president, customer service reps, clerks, and auditor. The bank is open for one hour during two days of the week to accept deposits and make withdrawals. The bank hopes to eventually move into offering small secured loans to students in the future.

As president of the First New York Bank for Business, Neale Godfrey created the First Children’s Bank in 1988 (Arias, 1989). The Bank was launched in the Manhattan branch of F.A.O. Schwarz toy store, featuring bank tellers at kids’ eye level, oversize checks, and windows at kids’ height. Godfrey also established the Children’s Financial Network to encourage banks to set up children-oriented banking services: from savings and checking accounts, to credit cards, insurance, and stock market services. Godfrey insists that savings must begin at an early age: “It’s a basic life skill our children have to learn” (quoted in Arias, 1989, pg. 127). While the number of in-school and at-bank savings programs far outstrips the number of children’s banks, the momentum behind youth-oriented savings institutions is well underway.

### **Policy Lessons and Implications**

The purpose of this literature review has been to examine historical precedents of school-based savings programs. What can policymakers learn from the early School Savings Banks, the wartime savings campaigns, and the Treasury Department’s savings bond programs that is relevant for contemporary school savings and asset-based policy for children and youth? First, we

compare the contemporary programs with the school savings programs of the past. Secondly, we must examine what factors are absent today that supported the school-based savings movements of the past. Next, we look at factors that are present and consistent today, as well as factors that may hinder a re-emphasis on thrift and school-based savings. Lastly, we offer some preliminary recommendations for contemporary asset-based programs and policy for children and youth.

### **Comparison of Past and Present School Savings Programs**

Present-day models of school-based savings programs incorporate many elements of the original School Savings Banks, the World War II Stamps and Bond Program, and the immediate postwar School Savings Programs. Notable similarities include the involvement of private banks, Federal and State Treasury Departments, and the reliance on teachers and parent volunteers. Additionally, in-school programs of the past and present utilize designated “Bank Days,” some form of financial education, and promotional activities. While the content of the curriculum may have changed to reflect current trends and banking products, the lessons on savings and budgeting are consistent for the most part. Promotional activities continue to be integral to contemporary savings programs, including poster and essay contests. Student involvement in the operations of savings programs are also consistent with some of the past program examples.

Major differences consist of technological changes in banking, the level of thrift education, target ages & groups, and the rewarding of savings through prizes. Today, internet banking and software kits such as Save For America’s are used in place of handposting. This has increased the efficiency of the programs and lowered associated costs found in the older programs. Namely, the programs of the past relied on teachers or student assistants to accept funds and record deposits. The deposited funds then had to be taken to the Principal, and then collected by a bank official. School programs that employ internet banking systems allow today’s students to use the bank of their choice, as opposed to the school’s sponsoring bank. The integration of thrift education into school curricula appears to have been more significant in past savings programs, especially those functioning during World War II. The themes were broader and focused on issues of patriotism and good citizenship. There is also less emphasis on thrift and other moral reform values in today’s programs compared with those of the past. More emphasis is placed on the actual amount of money saved and for what material item, rather than the values of savings and thrift per se.

Many of the contemporary programs focus on elementary grade children primarily; whereas savings programs of the past focused on all grade levels more equally. In addition, the war years prompted savings bond and stamp promotion that was tailored to specific population groups. Today’s programs do not seem to take into account cultural and economic diversity issues among students in programming decisions. There appears to be a tendency in today’s programs to offer prizes for opening accounts, saving, and meeting certain deposit levels. Hats, stickers, coupons, water bottles, and piggy banks are just a few examples. This contrasts sharply with past programs, which did not rely on such supplemental incentives for thrift and savings. This feature is consistent with present-day advertising gimmicks and prizes to entice purchase and consumption by children commonly found in fast food meals, cereals, and candy.

## **Assessment of Factors in Past and Present Programs**

There are several important factors absent today which supported the school-based savings programs of the past. During the Depression and shortly thereafter in World War II, thrift education was actively supported by bankers, educators, agencies, churches, professional associations, and government officials. The widespread institutional supports for thrift and savings were significant in the development of thrift education and the school savings banking movement, but are lacking today in a systematic fashion. Although the U.S. embarked on *Operation Enduring Freedom* as a response to the September 11<sup>th</sup> terrorist attacks in New York City and Washington, D.C., there is not any kind of systematic government wartime savings campaign. However, soon after the tragedy, several bills were proposed in Congress to create War and Freedom Bonds to offer Americans an outlet for expressing support and patriotism. In total, there were four bills proposed that authorized the Secretary of the Treasury to issue 1) War Bonds in support of recovery and response efforts relating to September 11<sup>th</sup>--H.R.2899 & S.1431, and 2) Defense of Freedom Bonds in support of the war against terrorism—H.R.3021 & S.1432 (U.S. Congress, 2002). All of these bills have been read and referred to Committees in the 107<sup>th</sup> Congress.

Contrary to World War II messages focusing on thrift, savings, and conservation, Americans have been encouraged to spend money to show their patriotism while assisting the economy; a September 27<sup>th</sup> newspaper headline reads “War effort calls for us to spend, spend, spend...” (Levins, 2001). Nevertheless, the rich context of war bond promotion and war propaganda through the media, schools, entertainment, and government programs is glaringly absent today. While we do not romanticize or wish for such circumstances, these factors contributed tremendously to the thrift and savings momentum.

On the other hand, there are existing factors and values today that supported the past school savings programs. The public’s desire to save for short-term and long-term purchases has remained constant. Also, a permanent U.S. Savings Bond program developed out of the wartime programs, which has been targeted at the ordinary saver; bond promotion persists today, and actively targets children for savings bonds education, purchase, and activities (i.e. Savings Bond Poster Contests) (U.S. Treasury Department, 2000). Involvement in school savings by banks and national banking associations has consistently been an important institutional support. Just as in wartime and postwar school savings, the existence of public-private partnerships is strong today and widely supported. Commercial banks and the private sector in general work closely with public schools today. Public-public partnerships were prevalent in school savings banking and the war savings campaign, and continue to play a role today (i.e. Missouri’s Dollar\$ and \$ense Program in Public Schools).

In terms of ideological supports, there is a revival of moral reform ideology according to contemporary scholars (Schwartz, 2000; Katz, 1993). The Personal Responsibility and Work Opportunity Reconciliation Act (1996) instituting welfare reform exemplifies moral reform ideology and its attendant solutions to poverty. The underlying values evoke those of the progressive-era: individualism, frugality, savings, self-sufficiency, independence, diligence, and

providence. Furthermore, in contrast to Johnson's War on Poverty, the 1996 welfare reform holds that the solution to poverty lies in altering individuals' behavior versus radical societal reform. Because of this ideological revival and supporting climate, these values may resonate with parents, educators, and bank officials today as well, and thus facilitate school savings initiatives.

In addition to circumstances and values that persist, there are factors present today that may hinder a re-emphasis on thrift and school-based savings. Many public schools are under-funded, understaffed, and are under threat of losing accreditation. For these reasons, many public schools may be too overburdened to operate additional activities such as savings programs, or to integrate savings curriculum. Additionally, American society today boasts of the principles of free-market capitalism, and reflects a highly consumerist culture. Everywhere there is advertising encouraging one to buy this or that--reflecting a spend-versus-save-mentality. Today, children have access to more expendable cash than in any other time period. They are a primary target group of marketing and advertising firms for a vast array of products and services. In addition, the reliance on credit is extremely prevalent today and seen as normative. There is a vast market dedicated to quick credit and cash advances: interest-free for one year and low-interest balance transfers on the one hand; and high-interest payday loans, car title loans, cash-advances, refinancing mortgages, and predatory lending on the other. In this climate, thrift, frugality, and saving money are not promoted with the same vigor.

Factors that may support school savings today, but were absent in the past are important to consider. One major factor is children's unprecedented buying power and access to discretionary funds. The pressures compelling children and youth to consume material goods by advertising are at all time highs. Because children and youth are exposed to such advertising, and have access to greater amounts of money than youth of the past, parents, educators, and banks want them to learn saving habits at an early age. Another important addition that attracts bank involvement is access to Community Reinvestment Act (CRA) credits. Lastly, the use of internet banking in school savings programs has revolutionized the processing of student accounts. It reduces the overall time and costs of operating school savings programs.

### **Policy and Program Recommendations**

Finally, we offer some preliminary recommendations for school savings programs and asset-based policies for children and youth.

- Ensure opportunities for children and youth of all socio-economic backgrounds to participate in school savings programs or other asset-based programs like the proposed Children's Savings Accounts (CSAs)
- Reward or off-set teachers' work load and increased curricular responsibilities related to school savings programs (i.e. assistance from volunteers or incentives)
- Seek out contemporary agencies and associations promoting thrift and savings, and build collaborations

- Encourage thrift education in school curriculum and in extracurricular activities
- Sensitize children and youth to the notion of “community assets,” and collective/cooperative lessons (in addition to individual assets and rugged individualism)
- Demonstrate cultural sensitivity to minority, indigenous, immigrant, and refugee communities’ cultural understandings and socially constructed values associated with money, savings, and wealth accumulation
- Encourage and facilitate private-public and public-public partnerships for school-based savings initiatives and school-community projects (such as school-based community centers, community gardens, and mentoring programs)
- Program suggestions: offer school credit for involvement in school-based savings programs; follow regulations and ideas of ABA school savings plan (i.e. “Bank Day)
- Promote creative tactics such as those used in World War II programs (bonds prizes for school or classroom contests; poster contests such as the SFA and Treasury Department’s Annual Saving Bond Contest)



## Appendix A

### U.S. War Bonds and Stamp Poster



Source: Originally published by Kroger Grocery & Baking Company; reprinted in Bird & Rubinstein, 1998, pg. 89.

Appendix B

U.S. War Stamp and Bond Poster



Source: Originally printed by U.S. Government Printing Office, 1942; reprinted in Bird & Rubinstein, 1998, pg. 6.

**Appendix C**

**Four Freedoms War Bond Posters by Norman Rockwell**

**SAVE FREEDOM OF WORSHIP**



Ours....to fight for



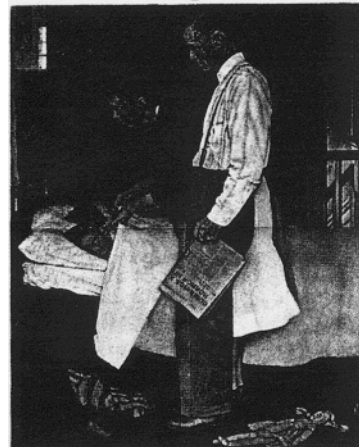
**FREEDOM WE WANT**

**SAVE FREEDOM OF SPEECH**



**BUY WAR BONDS**

**OURS...to fight for**



**FREEDOM FROM FEAR**

Source: Originally printed by U.S. Office of War Information, 1943; reprinted in Bird & Rubinstein, 1998, pg. 37.

## Appendix D

### U.S. War Stamp and Bond Poster



Source: Originally printed by U.S. Treasury Department, 1944; reprinted in Bird & Rubinstein, 1998, pg. 48.

## Appendix E

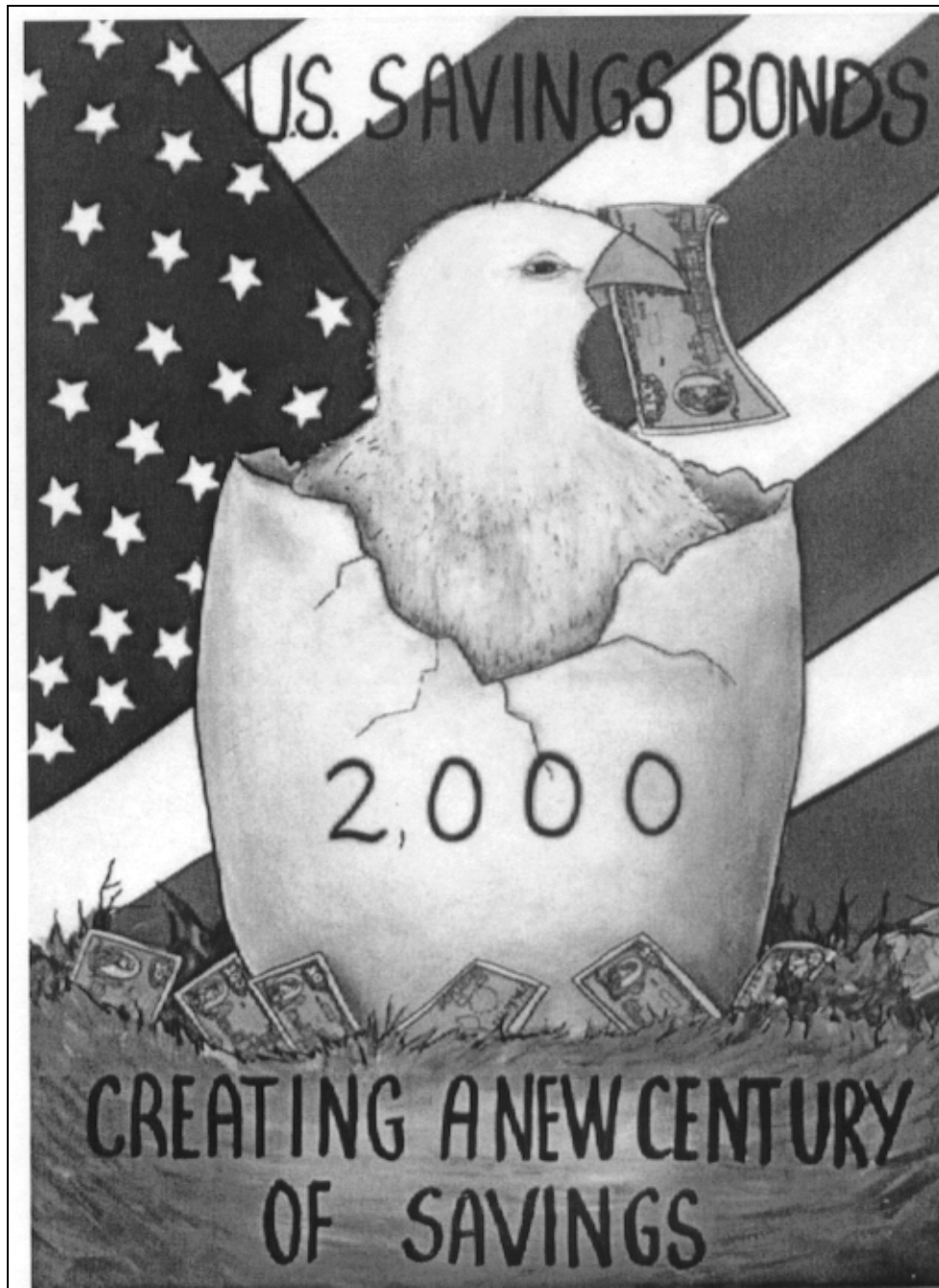
### School Bond Booth



Source: Larrick, 1944, pg. 41.

## Appendix F

U.S. Treasury Department's National Bond Poster Contest Winner, 1999



Source: Save For America, 1999. [Online]. Available at <http://www.saveforamerica.org/images/mar99pr.jpg>, accessed 3/14/00.

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