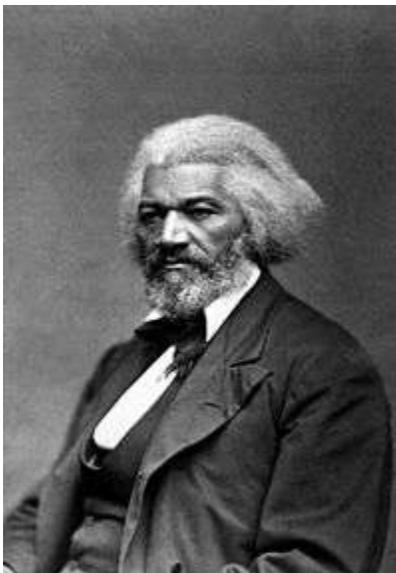


The **Freedman's Saving and Trust Company**, popularly known as the **Freedman's Savings Bank**, was a private corporation chartered by the [U.S. government](#) to encourage and guide the economic development of the newly-emancipated [African-American](#) communities in the post-[Civil War](#) period. Although functioning only between 1865 and 1874, the company achieved notable successes as a leading financial institution of African-Americans. Its failure was devastating to the newly emancipated black community. Its archives are valued as an exhaustive collection of information regarding the African American community and its socio-economic life in the immediate aftermath of [emancipation](#).

## Establishment

Following the end of the American Civil War, the poor economic condition of the newly-emancipated negroes (often called *Freedmen* at the time) was aggravated by the economic devastation of the [Southern states](#). The emancipated peoples had few economic resources or capital and little experience or exposure to private enterprise. Many soon fell into [sharecropping](#) and forced labor in the South. To help alleviate the socio-economic condition of the community, the [Republican](#)-controlled [U. S. Congress](#) established the [Freedman's Bureau](#) and passed an act of [incorporation](#) and a charter for the Freedman's Saving and Trust Company, which was signed into law by President [Abraham Lincoln](#) on March 3, 1865.<sup>[1]</sup> Originally headquartered in [New York City](#), the first branch of the company opened in [Baltimore, Maryland](#). By 1866, the bank had established 19 branches in 12 states, mainly in the South. The national headquarters was shifted to [Washington, D.C.](#) in 1867.<sup>[1]</sup>

## Function



African American leader [Frederick Douglass](#) served as the last president of the bank.

The company was created specifically as a [repository](#) for African-American veterans, ex-slaves and their families to build their savings, but it also enabled numerous community organizations to increase their financial strength and thus, expand their activities. The company attracted a large number of societies, churches, charities and other private organizations that opened accounts and established trusts with the company.<sup>[2]</sup> With the assistance of the company, numerous hospitals, schools and institutions such as the St. Elizabeth Home for Colored Children and the St. Francis Xavier Church's Orphan Aid Society were established. Noted community leaders and civil rights activists formed the management of several trusts and held other important positions in the bank. A large number of African American soldiers and veterans of the Civil War held savings accounts in the banks; the management of their funds was organized through an allotment system supervised by the officers of the respective army regiments.

## Failure

A series of increasingly speculative investments brought the bank into debt, and the decision to create a new building in Washington D.C. added to its financial troubles. The bank could not survive the [Panic of 1873](#) and it closed its doors in 1874. Over the next decade Congress established a program to reimburse depositors up to 62% of their savings, but many depositors were never compensated. Scholars have argued that the failure of this bank and the attendant loss of savings led to a fear of savings institutions among segments of the black community.<sup>[3]</sup>

## Archives

The surviving documentation and papers of the bank archives illuminate the names, whereabouts and other relevant information about the veterans of the 7th Regiment United States Colored Troops and their transactions with the bank; the data is considered historically important in the study of [African-American history](#).<sup>[2]</sup> The bank's records of 480,000 names, estimated to be the largest single repository of lineage-linked African-American records, has been indexed by the Church of Jesus Christ of Latter-day Saints. The searchable database is available to amateur as well as professional genealogists.<sup>[4]</sup> At the height of its success, the Freedman's Savings Bank held assets worth more than \$3.7 million.<sup>[1]</sup>