

This Day in History... December 4, 1816

First Savings Bank in the U.S.

On December 4, 1816, the Philadelphia Savings Fund Society (PSFS) officially began operations. It's credited as the first savings bank to be organized and conduct business in the United States.

Savings banks had existed in Europe as far back as 1765, though the idea was suggested as early as 1697. By the 1810s, the number of savings banks in Great Britain was rapidly increasing, a fact that was discussed in several journals of the day.

In November 1816, Philadelphia businessman Condy Raguet came across one of the journals and grew inspired to form his own savings bank in the US. On November 25, he met with 11 other businessmen to discuss his idea. They all agreed to participate, and they met several more times planning out how the bank would be structured and what they would need for it to operate. They chose to call it the Philadelphia Saving Fund Society because they believed that would make securing a state charter easier, and because banks were unpopular.

The PSFS opened its doors on December 2, though its Articles of Association, officially establishing the business, were adopted on December 4. The bank was in the office of the fund's secretary and treasurer, George Billington. The first customer was Curtis Robers, an African American servant of one of the twelve founders, who deposited \$5. The first mortgage was issued in 1818. Pennsylvania's governor approved the bank's act of incorporation in 1819.



The Philadelphia Savings Fund Society offered several programs to encourage children to adopt good saving habits.

In the 1920s, PSFS expanded its services to encourage young people to learn about banks and open savings accounts. They started the first in-school banking program at William Penn School for Girls, which helped them learn to save by depositing money in the bank. The PSFS also invited students to work as tellers and provided a separate counter exclusively for students at their main branch. Through these programs, many Philadelphia residents opened accounts as children that they retained throughout their lives. To further reach out to children, PSFS put on pageants at playgrounds and in neighborhoods. These pageants incorporated songs about saving money set to well-known tunes, plus cheers, and speeches by famous people about being thrifty.

Throughout the first half of the 20th century, PSFS was one of the largest banks in the US. In 1932, its new headquarters was the first international style skyscraper built in the country. In the 1970s, PSFS merged with other banks and expanded its services to include leasing equipment, corporate finance, and real estate. The bank struggled for several years and was eventually bought by Mellon Financial in 1992.



Stamp issued for the 150th anniversary of the Savings and Loan Association.

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PSFS started small, but by August 1817, had begun discussing the establishment of additional branches in Northern Liberties and Southwark. Early on, the bank was only open for deposits on Mondays and payments on Thursdays. It began offering its services every day in 1865. The bank grew rapidly, moving several times over the years and requiring the construction of new buildings and multiple additions. By the beginning of the 20th century, PSFS had more depositors than any savings bank in the country. Only Emigrant Savings Bank had a higher amount of money deposited.

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