United States House of Representatives
Committee on Financial Services
Oversight and Investigations Subcommittee

Hearing: "An Enduring Legacy: The Role of Financial Institutions in the Horrors of Slavery and the Need for Atonement"

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Testimony by
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Good afternoon, Chairman Green, Chairwoman Waters, Vice Chair Williams and members of the Committee. It is an honor to come before this body to share my testimony on the legacies of slavery and connections to financial institutions. I have been studying this history for thirty years and I appreciate the invitation.

Enslaved people were valuable financial investments. So valuable that financial institutions, municipalities, universities and private citizens bought, sold, gifted, deeded, traded, mortgaged, leased and transferred enslaved people as a form legal tender. Human chattel were foundational to western economies from the 15th-19th centuries. They were one of the most unique commodities and assets *because* they were human beings. Defined as chattel, a movable form of property, we have records confirming their value at every stage of their lives from preconception to postmortem.[1] We also have documents that clearly outline the connections between enslaved people and specific financial institutions such as insurance companies and banks. Those records can be traced from slavery to the present.[2] Such legacies reverberate throughout our society today and are reflected in all kinds of disparities. The wealth gap is so wide that most of us will not see it narrow in any appreciable way in our lifetimes.

Turning to insurance agencies, the Southern Mutual Life Insurance Company, founded in 1848 under the name Georgia/Southern Mutual, shows evidence of profits generated from insuring the bodies and lives of enslaved people. During its second year offering policies to enslavers, the company saw growth from 28 to 239 policies. It reported that most of those who purchased policies were modest enslavers who had " a small number of slaves, on who they are

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[1] Daina Ramey Berry, *The Price for Their Pound of Flesh: the Value of the Enslaved, from Womb to Grave, in the Building of a Nation* (Boston: Beacon, 2017).
[2] Daina Ramey Berry, "The Ubiquitous Nature of Slave Capital," in *After Piketty: The Agenda for Economics and Inequality,* edited by Heather Boushey, J. Bradford DeLong, and Marshall Steinbaum (Cambridge: Harvard University Press, 2017); Calvin Schermerhorn, *The Business of Slavery and the Rise of American Capitalism, 1815-1860* (New Haven: Yale University Press, 2015); and Sven Beckert and Seth Rockman, eds., *Slavery's Capitalism: A New History of American Economic Development* (Philadelphia: University of Pennsylvania Press, 2016).

dependent" thus they secured their income "by taking policies on the lives" of human property.[3] Looking at policies from 1856 to 1863, we learn that the company insured enslaved people from age one to sixty. Some policies were for a month or two, others for as long as five years. Regardless of the length, each enslaved person underwent a medical examination to determine their value and the company set premiums and rates based on their value. Although this company originated in Georgia, Southern Mutual Life Insurance Company had agents throughout the South.

In addition to individual policies, some states, including Maryland, passed legislation that encouraged people to purchase policies on the enslaved. Here the state supported policies that helped enslavers search for self-liberated individuals (runaways) in order to recover the cost of those who absconded and had been away for "a reasonable time." That enslavers could make money off of those who escaped is remarkable. They also made money off of "elderly" enslaved people like forty-two-year-old Ellick who was valued at $2,000 for a one-year premium at $80, with a 4 percent rate on the policy. What do these numbers reflect in contemporary times? Fifty-one-year-old Charlotte, valued at $800 in 1860, was equivalent to nearly $23,500 in 2014.[4] Insurance policies alone help explain why some enslavers keep elderly enslaved people –many would not command the insured value in the market. However, they could be replaced with someone younger at death.

The banking industry literally facilitated transactions related to enslaved people by extending loans, securing deeds, gifts, and trusts. Banks including Citizens Bank and Union Bank kept track of collateral payments and issued notes that involved the enslaved whose names can be found through the records.

According to an article that appeared on Bloomberg *Quint* in 2021, we know that "The racial wealth gap begins with slavery" and "was a huge wealth generator for White Americans." The author estimated that the "economic value of the 4 million slaves in 1860 was, on average, $1,000 per person, or about $4 billion total." To put that in perspective, "That was more than all the banks, railroads and factories in the U.S. were worth at the time. In today's dollars, that would come out to as much as $42 trillion, accounting for inflation."[5] This is indeed an underestimated value and we need to take the time to do more calculations based on the primary records of these institutions to confirm the values of enslaved people.

[3] Second Annual Report of the Southern Mutual Life Insurance Company for the year 1856 (Columbia, SC: Edward H. Britton, 1857), quoted material on pp 12.

[4] Berry, *The Price for Their Pound of Flesh*, footnote 36, p. 239. This value is the real price with CPI percentage increase from 1860-2014 based on the Eh-Net Measuring Worth website. As noted, Charlotte's labor value would be approximately $147,000.

[5] See Catarina Saraiva, "Four Numbers that Show the Cost of Slavery on Black Wealth Today," *Bloomberg Quint,* https://www.bloombergquint.com/business/pay-check-podcast-episode-2-how-much-did-slavery-in-u-s-cost-black-wealth and Mehrsa Baradaran *The Color of Money: Black Banks and the Racial Wealth Gap* (Cambridge: Harvard University Press, 2017).

I would like to close my remarks with the voices of the enslaved because most of my research focuses on enslaved people and how they responded to being treated as commodities and what they knew about the value of their bodies. One witness shared the following story of a young child and his father being auctioned: "I saw a beautiful boy of twelve years of age, put on the auction-block, and on one side of him stood an old gray-headed negro—it was plain he was his father—and he kept his eyes on the boy, and the boy kept his eyes upon the old gray-headed man, and the tears rolled in silence down the cheeks of each."[6]

After freedom, Henry Banner shared noted: "I was sold for $2,300 – more than I'm worth now." [7]

Tempe Herndon and other enslaved women understood that their monetary value was linked to their fertility. "I was worth a heap . . . kaze I had so many chillun," she explained. "De more chillun a slave had de more dey was worth."[8]

Hardy Miller remembered that enslavers paid "one hundred dollars for every year you was old," claiming, "I was 10 years old so they sold me for one thousand dollars." While Martha King remembered her sale at five years old. She went to the auction block with her grandmother, mother, aunts, and uncles. "I can remember it well," she told interviewers in the 1930s. "A white man 'cried' me off just like I was an animal or varmint or something." She also remembered her monetary value: "Old man Davis give him $300.00 for me." [9]

Today, I share these testimonies as part of mine so the enslaved voice is heard in the halls of Congress 157 years after the 13th amendment because the wealth generated from their labor still serves as the foundation of the American economy.

Thank you.

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[6] Berry, *The Price for their Pound of Flesh*, 63.
[7] Berry, *The Price for Their Pound of Flesh*, xii.
[8] Berry, *The Price for Their Pound of Flesh*, 45.
[9] Berry, *The Price for Their Pound of Flesh*, 46.