INTRODUCTION

The tendency to join fraternal organizations for the purpose of obtaining care and relief in the event of sickness and insurance for the family in case of death is well-nigh universal. To the laboring classes and those of moderate means they offer many advantages not to be had elsewhere.

—New Hampshire Bureau of Labor, Report (1864)

Nineteen thirty-four was one of the worst years of the Great Depression in the United States. Unrelenting hard times had devastated the incomes of millions and exhausted their savings. Many others teetered on the edge. For these men and women, an unanticipated family emergency, such as a hospital stay, could have dire economic consequences. Unlike many Americans, Ruth Papon of Olathe, Kansas, was prepared. She was a member of the Security Benefit Association (SBA), a fraternal society. The SBA’s hospital in Topeka provided care to members at reduced cost. In February 1934 Papon checked in for a “4-in-1 major operation.” Although the surgery was successful, she contracted a severe case of lobar pneumonia a week after her release. She returned to the hospital in March and was released again after a short stay. Four months later Papon reflected on her experiences: “I know I owe my life to the care the doctors and nurses gave me... They seem to take a personal interest and there is such a homey air. No other hospital seems like ours.”

Ruth Papon was not alone. During the late nineteenth and early twentieth centuries, millions of Americans received social welfare benefits from their fraternal societies. The defining characteristics of these organizations usually included the following: an autonomous system of lodges, a democratic form of internal government, a ritual, and the provision of mutual aid for members and their families. An organization of females that also met these criteria generally embraced the label of “fraternal” rather than “sororal.”

By the late nineteenth century three fraternal types dominated: secret societies, sick and funeral benefit societies, and life insurance societies. The first emphasized ritualism and eschewed uniform payment schedules. The second and
third types devoted somewhat less attention to rituals but openly solicited recruits with the lure of health and life insurance protection. These distinctions were not hard and fast, however, and all three varieties shared a common emphasis on mutual aid and reciprocity. As a spokesman for the Modern Woodmen of America (MWA) (which called its members “neighbors” and its lodges “campos”) wrote in 1934, a “few dollars given here, a small sum there to help a stricken member back on his feet or keep his protection in force during a crisis in his financial affairs; a sick Neighbor’s wheat harvested, his grain hauled to market, his winter’s fuel cut or a home built to replace one destroyed by a midnight fire—thus has fraternity been at work among a million members in 14,000 camps.”

The provision of insurance was the most visible manifestation of fraternal mutual aid. By 1920 members of societies carried over $9 billion worth of life insurance. During the same period lodges dominated the field of health insurance. They offered two basic varieties of protection: cash payments to compensate for income from working days lost and the care of a doctor. Some societies, such as the SIA and the MWA, founded tuberculosis sanitariums, specialist clinics, and hospitals. Many others established orphanages and homes for the elderly.

More Americans belonged to fraternal societies than any other kind of voluntary association, with the possible exception of churches. A conservative estimate would be that one of three adult males was a member in 1920, including a large segment of the working class. Lodges achieved a formidable presence among blacks and immigrant groups from Eastern and Southern Europe. Lilian U. Cohen points out that in the 1920s, ethnic social welfare organizations, most notably fraternal societies, “provided more assistance than other institutions, public or private, which were only viewed as a last resort.” Along the same lines, August Meier observes that lodges among blacks during this period reflected “the thinking of the inarticulate majority better than any other organizations or the statements of editors and other publicists.”

The perspective of this book differs from the two best-known general studies on the subject, Mark C. Carnes, Secret Ritual and Manhood in Victorian America, and Mary Ann Clasen, Constructing Brotherhood: Class, Gender, and Fraternalism. Carnes identifies changing conceptions of gender and masculinity as the keys to explaining the rise and fall of lodges. He asserts that ritualistic societies appealed to the psychological needs of white, male Victorians who sought masculine substitutes for their emotionally distant fathers. Clasen approaches these issues from a different angle. She also highlights the influence of gender but puts greater stress on the role of class: “Fraternalism is a valuable subject precisely because it is so difficult to understand it except in terms of class, gender, and the complex interaction between them.”

Analytical frameworks based on race, class, and gender, at least as currently conceived, have shown limited value as explanatory tools. Often, advocates of these perspectives seem to forget that fraternalism was considerably more than a white male phenomenon. Its influence extended to such disparate groups as blacks, immigrants, and women. Just as importantly, the preoccupation of historians with race, class, and gender has done little to answer the overriding question of why these widespread societies invested so much money in social welfare.

The fraternal society was far more than another device to address deep-seated cultural, psychological, and gender needs. It allowed Americans to provide social welfare services that could be had in no other way. The aid dispersed through governments and organized charities during the late nineteenth and early twentieth centuries was not only minimal but carried great a stigma. In contrast to the hierarchical methods of public and private charity, fraternal aid rested on an ethical principle of reciprocity. Donors and recipients often came from the same, or nearly the same, walks of life; today’s recipient could be tomorrow’s donor, and vice versa.

This book examines only a small portion of fraternal social welfare services. The sheer diversity of fraternalism and the vastness of the sources involved make it hard to do otherwise. Because of constraints such as time, money, and language skills, for example, the discussion of immigrant-based societies will not include much original research. Instead it relies primarily on secondary works about these organizations. Hopefully, a future historian will undertake the arduous task of writing a general study of immigrant fraternalism.

At the beginning of the twenty-first century, fraternal societies may seem far removed from the concerns of most Americans. They have declined in influence since the depression, especially as providers of mutual aid and philanthropy. Many are now almost wholly convivial organizations. Even so, an examination of the past fraternal record has much to offer modern Americans. Societies accomplished important goals that still elude politicians, specialists in public policy, social reformers, and philanthropists. They successfully created vast social and mutual aid networks among the poor that are now almost entirely absent in many atomistic inner cities. Americans can also learn from studying the contrast between voluntary fraternal medical care and third-party payment systems such as private insurance and Medicaid.
It would be foolish, and probably impossible, to try to recreate the fraternal social welfare world of Ruth Papon and those who came before her. Ritualistic societies thrived in specific historical contexts that have long since disappeared. Nevertheless, it would be equally foolish to dismiss societies as the quaint curiosities of a bygone era. Despite continuing efforts, Americans have yet to find a successful modern analogue to the lodge, either as a provider of services, such as low-cost medical care, or as a means to impart such survival values as thrift, mutualism, and individual responsibility.

CHAPTER ONE

This Enormous Army

Any study of the origins of American fraternal societies cannot ignore the work of Alexis de Tocqueville. His discussion of voluntary associations from the 1830s has become a classic: "Americans of all ages, all conditions, and all dispositions constantly form associations. . . . The Americans make associations to give entertainment, to found seminaries, to build inns, to construct churches, to diffuse books. . . . Wherever at the end of some new undertaking you see the government in France, or a man of rank in England, in the United States, you will be sure to find an association." 1

Fraternal societies had appeared in the American colonies long before Tocqueville wrote. The most prestigious was Freemasonry. Despite many fanciful legends about great antiquity, scholars generally trace Masonic origins to either England or Scotland in the late seventeenth century. A common theory holds that it arose in some way from stone (or operative) masonry. At some point the operatives began to admit nonoperatives (or "accepted masons") as members. In any case, by the first decade of the eighteenth century, nonoperatives controlled a network of lodges in both England and Scotland. 2

The first official lodge of Freemasonry in the thirteen colonies opened in Boston in 1733, only seventeen years after the founding of the British Masonic grand lodge. Early growth was slow and largely confined to coastal cities such as Boston and Philadelphia. As in Great Britain, lodges drew membership primarily from the higher social, political, and economic ranks of society. 3

The Revolution marked a turning point in American Freemasonry. The presence of prominent members, such as George Washington, John Hancock, and Paul Revere, greatly widened the fraternity's popular appeal in the new nation. Initiates flocked to special traveling lodges chartered for the troops. The war served to "Americanize" Freemasonry. The colonial "brethren" reacted to changing events by staging their own war of separation. They organized grand
lodges for each state that were independent of the British structure. American Freemasonry expanded in size and numbers as well as in membership diversity. The Revolution speeded a trend, already under way by the 1750s, to broaden the ranks beyond a narrow upper crust. By the end of the eighteenth century, artisans and skilled workers formed important components of the membership, even a majority in some lodges. Although American Freemasonry still catered to an elite after the Revolution, it had become a less exclusive one.4

The Revolutionary Era also brought changes in the methods of Masonic social welfare assistance. In the colonial period barely a pretense of centralization had existed. Each lodge had enjoyed full authority to raise and disperse money and establish requirements for recipients. By the 1780s modifications began to be introduced. The state grand lodges established charity committees to supplement (although never supplant) the local lodges. In 1789 the Pennsylvania Grand Lodge created a fund financed through annual assessments of 65 cents per member. That same year the Connecticut Grand Lodge began to deposit a portion of each initiation fee into a state charity fund.5

Although the full extent of Masonic charity will probably never be known, fairly detailed figures exist for selected periods and locations. The Pennsylvania Grand Lodge assisted 29 individuals between 1792 and 1809. It allocated between $57 and $155 annually for this purpose. Such amounts were still negligible compared with the combined totals raised through local lodges. Between 1798 and 1800 (the years for which complete figures exist for both the state and local lodges), Masons in Pennsylvania disbursed more than $6,000. This amount was higher than the median annual spending of other private charities in Philadelphia.6

It is risky, however, to draw grand conclusions from these account book tallies. A sizable portion of Masonic mutual aid entailed intangibles such as employment information, temporary lodging, and character references. The famous evangelist Charles Finney recalled that when he first left home, his uncle recommended that he join because as “a Freemason I should find friends everywhere.” The underlying premise was that brethren should favor their own in any social or economic situation. “You are not charged to do beyond your Ability,” summarized an early Masonic document, “only to prefer a poor Brother that is a good Man and true, before any other poor people in the same Circumstances.”7

American Freemasonry was not exclusively a white phenomenon. In 1775 a British army lodge in Boston initiated fifteen blacks. One of them was Prince Hall, a free black man from Barbados. The members of the new African Lodge

No. 1 petitioned the white Grand Lodge of Massachusetts for authorization, but the whites spurned them. They obtained a warrant from the Grand Lodge of England in 1787, but the American whites doggedly refused to grant them recognition as “legitimate.” In response, the separate African Grand Lodge of Massachusetts (later renamed the Prince Hall Grand Lodge) officially came into existence in 1791. Growth was slow but steady. By the 1820s black Freemasonry had spread along much of the eastern seaboard, including New York, Pennsylvania, Maryland, and the District of Columbia. As would be true in the twentieth century, it represented the cream of black intellectual, social, political, and economic leadership, including Absalom Jones, Richard Allen, and James Forten.8

American sick and funeral benefit societies, much like American Masonic lodges, first developed from British sources. Many were influenced by precedents such as the friendly society or “box club.” The first friendly societies appeared in Great Britain as early as the 1630s and 1640s. Freemasonry and friendly societies differed greatly in function and membership composition. The average Mason was either a merchant or a professional, but members of friendly societies were more likely to be wage earners or artisans. In addition, Masonic mutual aid tended to be informal, secretive, and geared to special cases, while friendly societies focused unabashedly on insurance.9

The early friendly societies were almost wholly local in character. “Affiliated societies” with multiple lodges did not emerge until the early 1820s. One of the largest was the Manchester Unity of Oddfellows. It arose in 1814 as a federation of previously independent lodges. The first of these Oddfellows lodges probably appeared in the 1790s or 1800. The origins of this name elude historians. Like the Masons, the Oddfellows liked to claim an ancient pedigree and hoped to inspire awe through exotic symbols such as a terrestrial globe, the all-seeing-eye, the beehive, and the hourglass.10

Friendly societies enjoyed almost uninterrupted growth in the nineteenth century. Membership in Great Britain surged from at least 600,000 in 1793 to as many as 4 million by 1874. A rising demand for funeral insurance by the working and lower middle classes fueled much of this expansion. “A pauper funeral,” notes E. P. Thompson, “was the ultimate social disgrace. And ceremony bulked large in folk-lore, and preoccupied dying men.”11

A close parallel between the United States and Great Britain was the early primacy of localism. During the colonial and early national periods, an American “society” rarely encompassed more than a single lodge. Not until the 1820s did national sick and funeral benefit orders of any consequence appear.
cans also lagged behind the British in numbers of organizations. Forty-one mutual insurance societies (including Masonic lodges) existed in Massachusetts at the beginning of the nineteenth century, compared with just nineteen three decades earlier. This growth, while impressive, still left Americans behind the British total of 9,000 friendly societies.12

One possible explanation for this contrast is the different impact of industrialization and urbanization in each country. Fraternal orders developed first, and most successfully, in towns and cities. The migration to cities, combined with increases in disposable income, created a niche for the formation of these and other formal associations. In Massachusetts during the early national period, for example, voluntary associations generally arose after communities reached population thresholds of between 1,000 and 2,000. Another precondition for the emergence of associations was that one-fourth or more of adult males be employed in nonagricultural pursuits. More recent research for New England as a whole bolsters the importance of an urban threshold for voluntarism.13

For many who joined, a lodge affiliation was a means to enhance older and more stable forms of mutual aid based on blood ties, geography, and religion. Hence, according to Don Harrison Doyle, fraternal orders "acted to reinforce, rather than to supplant, the family as a social institution. They also supplemented the extended kinship networks that supported the nuclear family." Similarly, Mary Ann Clawson stresses that "fraternal association provided the ritualized means by which their members could define one another as brothers; biologically unrelated individuals thus used kinship to construct the solidarity necessary to accomplish a variety of tasks." Much like the older kin and geographical networks, the earliest mutual aid organizations were loose and informal in their methods. A survey of the bylaws and constitutions of six leading societies in Boston during the eighteenth century shows a reluctance to guarantee specific cash benefits for working days lost or funerals. Only one, the Massachusetts Charitable Mechanic Association, named an exact sum ($40.00) for burial.14

The usual practice of these societies was to consider applications for aid on a case-by-case basis. The Scots’ Charitable Society, for instance, allocated funds for such diverse purposes as ship passage, prison bail, and an old-age pension. All of these organizations showed little regard for consistency in the spending levels for each situation. Extant records invariably classified any cash dispersals as "charity" and "relief" rather than "benefits."15

Americans may have been informal in matters of money, but they were models of clarity in formulating sanctions for misconduct. The Boston Marine Soci-

ety imposed fines and other punishments for a multitude of offenses, including failure to attend members' funerals, blaspheming "the Name of Almighty God," and promoting at monthly meetings "the playing of any Cards, Dice, or other Gaming whatsoever." It provided the ultimate punishment of expulsion for the "common Drunkard."16

The exactitude of the American societies in the punishment of infractions and their ambiguity on guarantees of benefits made economic sense. Actuarial science was in an embryonic stage. Promises to pay uniform sick and death benefits entailed greater risk than levying fines. The emphasis on behavioral restrictions also helped to weed out the poorer risks and heighten feelings of solidarity. Many American societies, after all, had not advanced beyond the formative stage of groping for an identity. It was not a time for reckless departures.

Some historians contend that American fraternal societies were more likely than their British counterparts to recruit members from all economic classes. Clawson notes that "the American multi-class fraternal order, with its large membership and popularity among male wage-earners, represents a phenomenon for which there is no exact equivalent in European societies." This view may be only half right. It was true that fraternal orders in the United States rarely discriminated, at least as official policy, on the basis of economic class. Even in the colonial period the most prominent groups in Boston, such as the Massachusetts Charitable Society, the Boston Marine Society, and the Hartford Charitable Society, attracted both skilled workers and merchants. As historian Conrad Edick Wright has concluded, lodges in New England "tended to reflect the communities they served." Wage earners, primarily from skilled occupations, often represented one-third or more of all members.17

The problem with Clawson's characterization is that it understates the multi-class basis of British friendly societies. Business owners constituted a majority of more than 100 principal leaders of the Manchester Unity of Oddfellows and the Ancient Order of Foresters (AOF), the two leading affiliated orders in Great Britain during the nineteenth century. It may be that British wage earners were more prevalent in the rank and file than their American counterparts, but even this remains unproven.18

The Odd Fellows: The First Affiliated Order

In 1819 an immigrant opened a Baltimore lodge of the Manchester Unity of Oddfellows. It was the first affiliated order in the United States. Eleven years later, lodges of the Oddfellows had appeared in four states and increased to more
than 6,000 members. The Americans seceded in 1842 and formed a separate organization called the Independent Order of Odd Fellows (1001). Although other British friendly societies, such as the Foresters, Rechabites, and Druids, had entered the fray by this time, they had a limited impact by comparison.29

The commonalities in the characteristics of American affiliated orders and the older localized sick and funeral benefit societies are obvious. Historical studies of Albany, Providence, and Kingston, New York, confirm that American Odd Fellowship, much like its colonial predecessors, drew liberally from all economic classes. Moreover, a substantial segment of skilled workers in Albany and perhaps elsewhere obtained leadership positions. According to Stuart Blumin, Odd Fellowship in the United States during these years was “a distinctively working-class movement” that only later began to appeal to the middle and professional ranks.20

The 1820s was an American fraternal trendsetter. It initiated the first major departure from the often haphazard granting of previous societies by using a clear schedule of guaranteed benefits. Each member when taken sick could claim a regular stipend per week (usually $3.00 to $6.00) to compensate for working days lost. In addition, the Odd Fellows helped to revise the language of American fraternalism. Most earlier societies had favored the words “charity” and “relief” to describe their aid, but the Odd Fellows preferred “benefit” and “right.” Hence, as one member declared, money was “not paid or received as charity: it is every Brother’s right, and paid to every one when sick, whether he be high or low, rich or poor.” This was not a philosophy of unconditional entitlement, however. The Odd Fellows followed in the footsteps of colonial fraternal societies in vowing to withhold aid for habitual drunkenness, profligacy, adultery, or disruptive behavior.21

The decades before and just after the Civil War were a time of sustained expansion for the Order. From 1830 to 1877 the membership rose from about 3,000 to 455,000. Total aid dispensed during these years topped $69 million. Sick and funeral benefits accounted for a majority of this spending, but lodges devoted substantial sums to other purposes. In 1855, for example, the Grand Lodge of Maryland provided aid to 900 orphans of deceased members.22

The geographically extended structure of the Odd Fellows allowed mobile members to retain benefits. It also facilitated a kind of coinsurance to mitigate local crises such as natural disasters or epidemics. In 1855 members in Massachusetts contributed more than $800 to relieve lodges in Pittsburgh that had exhausted their funds because of a fire. Ten years later they provided $400 to lodges in Virginia during an outbreak of yellow fever.23

The greater reliance on national systems, however, opened the door to abuse and fraud. By the antebellum period, publications of American Odd Fellowship began to warn of traveling impostors who filed false claims. This problem had been less prevalent among sick and funeral benefit orders during the eighteenth century, which could more readily rely on local knowledge to expose suspicious characters. To cope with these new risks the national organization required that members who moved first obtain transfer or “clearance” cards. At the state levels, grand lodges established boards of relief to investigate itinerants who petitioned for aid. According to the Emblem, a leading voice of American Odd Fellowship, each state board was a “sort of detective police force” and “scarecrow” to frighten off impostors.24

Another device used by the Odd Fellows to short-circuit fraud was the ritual itself. “Pass-words and signs,” asserted G. W. Clinton, a past grand president, “the later common to the whole Order, and the former ever-changing and ever-circulating, guard us against the impositions of the unworthy, assure us our rights, and open the hearts of our brethren to us.” The increasingly elaborate amalgam of grips, regalia, uniforms, and pageantry was a world apart from the comparatively Spartan rituals of eighteenth-century societies. It became all the rage to lengthen and embellish rituals and add to the number of degrees. A goal of each degree was to teach valuable moral and practical lessons. The ceremony in the eighth and final degree of Odd Fellowship, for example, warned the member against “lust, intemperance and sensuality” as well as falling prey to “a sad display of worldly glory.”25

In certain respects the successful climb up the degree ladder was the antebellum equivalent of building a good credit rating. With each new degree a member achieved greater influence in the organization and expanded his network of trust. As a corollary, of course, the attention to degrees served to reinforce those fraternal bonds of trust and solidarity that cut across community, class, or ethnic ties.

Blacks also founded a separate version of the Odd Fellows during the antebellum period. The origins of this organization were similar to those of Prince Hall Freemasonry. The founder was Peter Ogden, an American free black man who had been admitted to a Liverpool lodge. When he returned to New York City, Ogden joined forces with two local black literary societies and petitioned the 1000 for an official warrant. After receiving an almost inevitable rebuff, he traveled to Great Britain in 1842 and applied for a charter from the Grand United Order of Odd Fellows (guoor). The British, who were more tolerant than their American lodge brothers, granted the request. Like its white counter-
part, the black grocer specialized in the payment of sick and funeral benefits. In 1867 there were 3,385 members in over fifty lodges. The amount of benefits ($7,760 disbursed in 1867) was high for the small membership.26

The National Life Insurance Order

The formation of the Ancient Order of United Workmen (AOUW) in 1868 signaled the onset of a new phase in American fraternal development. The AOUW was the first major national life insurance order. The founder, John Jordan Upchurch, a master mechanic on a railroad in Pennsylvania and an ardent Mason, had not planned it that way. Originally he had envisioned the AOUW as a forum that would unite "through the medium of lodge affiliation employer and employee, and under solemn bond of helpful cooperation, adjust differences that might arise between them and thus avoid strikes." Had Upchurch achieved his original goal, the AOUW would have become a kind of conservative Knights of Labor.27

The AOUW’s life insurance plan, which had started as an incidental feature to attract members, quickly moved to center stage. It guaranteed a death benefit of $1,000 (later, $2,000), which was funded through a $1.00 per capita assessment. It would have been beyond the capacity of antebellum societies to pay out this kind of money because no individual lodge had the necessary resource base. The AOUW dealt with the problem by spreading the burden. It centralized the dispersal of funds into state (and later national) organizations. As a result the membership expanded rapidly and crested at 450,000 in 1902.28

Before the Civil War, fraternal societies had focused on the payment of sick benefits. Individual lodges had paid funeral benefits, but the amount had rarely exceeded $150. The AOUW reversed these priorities. Although many lodges provided sick benefits, this feature was never more than a secondary concern.29

The next three decades brought a full flowering of national life insurance orders. Hundreds of organizations, such as the Royal Arcanum, the Knights of Honor, the Order of the Iron Hall, and the MWA, sprang up. Many older societies, which had specialized in sick and funeral benefits, such as the Knights of Pythias and the Improved Order of Redmen, followed suit with their own national life insurance plans. By 1908 the 200 leading societies had paid well over $1 billion in death benefits. Membership grew rapidly; according to Everybody’s Magazine the ranks of fraternalism had become an "enormous army." The foot soldiers were "the middle-class workman, the salaried clerk, the farmer, the artisan, the country merchant, and the laborer," all attempting to "insure their

John Jordan Upchurch, ca. 1887, founder of the AOUW, the first fraternal life insurance society. (Walter Basye, History and Operation of Fraternal Insurance [Rochester, N.Y.: Fraternal Monitor, 1919])
helpless broods against abject poverty. Rich men insure in the big companies to create an estate; poor men insure in fraternal orders to create bread and meat. It is an insurance against want, the poorhouse, charity, and degradation."30

The precise extent of fraternal organizations in the United States during this period will never be known. The fraternal life insurance societies had at least 1.3 million members by 1890, and by 1910 they had grown to 8.5 million. That year the combined membership of all types of fraternal societies was at least 13 million. The proportion of Americans who were lodge members is more difficult to gauge. Many individuals belonged to more than one society, and large segments of the fraternal population, such as blacks and immigrants, were often undercounted. A conservative estimate would be that one-third of all adult males over age nineteen were members in 1910.31

American fraternal life insurance societies had the good fortune to arrive on the scene at a time when commercial companies faced especially bad publicity. A spate of bankruptcies associated with financial panics in the 1870s had shaken consumer confidence. By one estimate the unrecovered losses suffered by policyholders in commercial companies totaled $35 million. In addition the assessment approach of fraternal organizations allowed rates low enough to undercut commercial insurance companies—at least initially. Most members paid a flat premium that did not vary on the basis of age or health. Many societies scrimped on the common commercial practice of accumulating a large reserve. Most fraternal orders eventually abandoned the crude assessment method as untenable, but it gave them a leg up in the market at first. By 1895 half the value of all life insurance policies in force was on the fraternal plan. The United States had entered an unprecedented "Golden Age of Fraternity."32

The interest shown by fraternal orders in life insurance, while certainly considerable, never became all encompassing. At the local level especially, sick and funeral benefit societies still predominated. In 1893 a detailed study conducted by the Connecticut Bureau of Labor Statistics found 126,613 members of fraternal insurance societies in the state. More than 60 percent belonged to sick and funeral benefit orders, compared with 28 percent in life insurance societies. Almost all the life insurance orders were affiliates of centralized national organizations, such as the Royal Arcanum and the Legion of Honor. About 70 percent of these societies entrusted the payment of death or funeral benefits to an office outside the state. By contrast, an amazing 99 percent of sick and funeral benefit societies assigned this responsibility to local or state lodges. Even the national sick and funeral orders, such as the AOF, the Ancient Order of Hibernians, the IOOF, the Grand United Order of Galilean Fishermen, and the Deutscher Orden

Harugari, relied almost wholly on local and state affiliates to raise and disperse benefit money.33

This study by the Connecticut Bureau of Labor Statistics found that the membership of fraternal insurance orders relative to the general population (men, women, and children) was 15 percent. It calculated that if "to the membership reported should be added the number in the Masonic societies, the Elks, the Patron of Husbandry, and other societies, not co-operative benefit, and therefore not included herein, the total would be in excess of the total male adult population of the state." This figure, of course, included individuals who belonged to more than one society.34

The period of greatest success for fraternal societies coincided with an intense American fascination with ritualism. No class or ethnic group was immune. Ritualistic trappings, including grips, degrees, and passwords, appeared in groups as diverse as the Knights of Labor, the Ku Klux Klan, the Farmers Alliance, the Union League, the American Protective Association, Tammany Hall, the Church of Jesus Christ of Latter-day Saints, and the Patrons of Husbandry.
Most were variants on the Masonic model. The linkage was especially close in
the Knights of Labor, the Patrons of Husbandry, and the modern Ku Klux Klan,
all founded by Masons.33

At the beginning of the twentieth century, fraternal societies seemed destined
for a bright future. They had achieved a striking level of development. In 1800
the fraternal scene (with the possible exception of Freemasonry) was charac-
terized by small and localized societies with meager budgets and haphazard
schedules of benefits. By 1900 Americans had flocked to far-flung national or-
ganizations with multiple lodges and hefty death and sick benefits. Observers
were optimistic about the prospects for fraternalism in the coming century. As
Charles Moreau Harger commented in the Atlantic Monthly, so "rapidly does
[the fraternal order] increase in popularity that it shows little indication of ever
wielding less power over men's destinies than it does today."34
The End of the Golden Age

Even after the readjustment of the 1910s, fraternalism was a powerful force. As had been true for well over a century, more Americans belonged to lodges than any other kind of organization aside from churches. The President’s Research Committee on Social Trends counted 20 million members in 1930. It estimated that the actual total, however, was as high as 35 million. But despite these high numbers, the age of rapid expansion had ended.¹

A slowing trend in membership growth appeared across a wide spectrum of societies. The ranks of the life insurance orders rose from 9.9 million to 10.8 million between 1920 and 1929; the number of lodges remained stable at roughly 124,000. This performance, while respectable in absolute terms, compared poorly with that of the commercial companies. Between 1920 and 1929 the number of commercial ordinary policies increased from 16.7 million to 31.3 million. Growth for orders and secret societies providing funeral and sick-funeral benefits, such as the Moose, the Eagles, and the Masons, slowed too. Between 1920 and 1929 the membership of the eleven leading societies climbed from 9.2 million to 10.8 million. The Masons, who added a million initiates, were responsible for most of the gain and by 1930 represented a record-breaking 12 percent of white adults.²

For the black societies as well, the growth rate tapered off. The Negro Year Book, published periodically by the Tuskegee Institute, lists 21 national insurance and noninsurance fraternal societies in 1916, 30 in 1925, and 32 in 1931. The membership statistics in the Year Book, while limited to just a few societies, suggest a leveling off: 888,557 (1916), 1.4 million (1925), and 1.4 million (1931).³

The limited growth resulted from various factors. Lingering doubts about stability and reliability hampered recruiting efforts. Societies, particularly among blacks and immigrants, had to contend with accusations of mismanagement and corruption. Another stumbling block was the emergence of rival entertainment sources such as the movies and radio. A third factor was specific to the immigrant organizations: the drying up of "new blood" from Europe. Fourth, the core values of fraternalism, including character building, thrift, and mutual aid, came under increasing assault. Finally, societies suffered from laws that hindered their operation and subsidized competitors.

Questions about fraternal stability still arose during the 1920s. Though societies had generally completed the transition to higher rates, bitterness lingered among the rank and file and the public. A related issue, especially plaguing black organizations, was bad publicity from corruption and mismanagement. Memories were fresh of the fate of the once prestigious UOVT. During the 1910s it had fallen prey to a cycle of bad management, nepotism, and embezzlement that culminated in the collapse of its bank and other enterprises.⁴

At the same time, too much emphasis can be placed on negative practices. Financial scandals, such as those which befell the UOVT, were the exceptions. Only rarely did societies disappear because of insolvency or corruption. Moreover, commercial companies were not immune to such problems. Well-publicized financial scandals had rocked the old-line companies in the 1870s and, in fact, had helped usher in the rise of fraternal insurance. After societies confronted similar difficulties in the early twentieth century, they too showed an ability to learn and recoup. For example, black organizations such as the American Woodmen, the Knights and Daughters of Tabor, and the IOST showed financial stability and continued growth after the 1920s.⁵

A more general threat to fraternalism during the 1920s was competition from new varieties of entertainment and recreation. Thomas M. Howell, the superintendent of degrees for the Moose, lamented that "the radio, the automobile, the jazz band, the outdoor entertainment, the fast means of travel" had placed "the old-style lodge meeting, in which the same ceremonies, week after week, and month after month, are carried on, somewhat in discard." People in search of spectacle and drama could find them in the latest film of Cecil B. DeMille. Yet the importance of the recreational and ritualistic components of fraternalism can be overemphasized. While attractive to many members, they were never the primary inducements to join. If this had been the case, societies would not have invested so much time and emotional capital in social welfare and mutual aid.

The Grand Aerie Commission of the POE (an organization well known for conviviality) had warned that "no fraternity can depend entirely on its recreational features to attract members."⁶

Some sources of fraternal decline were specific to particular categories of societies. Immigrant organizations lost recruits as a consequence of World War I
and restrictive federal quotas limiting immigrants from Europe. J. Weinberg, the chairman of the National Executive Committee of the WC, lamented that his society "once had a ready made source from which to take new members. The members looked for us. Conditions in Russia and Galicia and conditions here gave us the ready material. But now, it is different. Now we must look for the material and we must adopt other methods." 

Immigrant-based societies also fell victim to economic successes. As the first and second generations scaled the economic ladder, they had less need for fraternal financial and cultural benefits. In his study of Italians in Chicago, for example, Humbert S. Nelli states that "numerous prewar members and subscribers turned away from institutions that reminded them of the colony from which they had recently departed and which seemed alien to the middle-class life in which they aspired." 

Assimilation as an explanation for the decline of mutual aid can only carry so far, however. Millions of immigrants in the nineteenth century experienced the same process. They, too, had dropped their ethnic societies after assimilation but had lined up to join organizations such as the IOOF and the AOW. Studies by historians have failed to explain why later immigrants were not nearly as likely as their earlier counterparts to remain joiners. Another flaw in positing immigration as a necessary precondition for mutual aid is the inability to explain the vibrancy of voluntarism in countries lacking large foreign populations. The native-born of Great Britain, for example, established a ubiquitous network of mutual aid through thousands of friendly societies.

Endowments

Adverse legislation also contributed to fraternal decline. Laws regulating societies became increasingly restrictive. Nearly every state had adopted versions of either the Mobile Law of 1910 or the New York Conference Law of 1912. Not all these laws were inimical to societies. Some codified certain special advantages previously recognized by the courts, such as the nonprofit and tax-exempt status. Others protected fraternal certificates from attachment or garnishment for debt and authorized the open contract. The open contract enabled societies to raise premiums on existing policies by a simple vote, a power not enjoyed by commercial companies. During critical periods it was a useful tool to address unanticipated financial exigencies and to speed readjustment.

But legislation cut both ways. For every benefit incurred, there was a price. Black societies in the South especially suffered. Early in the twentieth century the legislatures of Georgia, Kentucky, Mississippi, Virginia, and other states required societies to pay deposits ranging from $5,000 to $10,000. Smaller organizations found it almost impossible to meet this demand. In 1905 the imposition of a $5,000 deposit in Georgia devastated the black societies and forced many to disband. Mississippi followed suit with higher financial requirements.

In 1915 the insurance commissioner of the state proudly recounted that he had personally denied or revoked licenses to 50 percent of the applicants during the previous two years. While some of these laws stemmed from a sincere desire to yield blacks from fly-by-night organizations, others arose from decidedly less altruistic considerations. Although the attempt failed, Georgia tried to raise its deposit requirements as high as $20,000 in 1909. The proposed law carefully exempted "those individual lodges which have among their members any legal descendants of Revolutionary, Mexican or Civil War sires."

Other laws hampered societies both large and small by limiting the varieties of insurance that they could offer. The initial restrictive legislation during the 1860s centered on endowment insurance. An endowment could take a multitude of forms, but typically it entailed a contract that ran for a specified number of years and promised the insured, if he or she were still alive at the end of the time period, a stipulated sum. A leading motivation to purchase endowments was to save for old age. This goal contradicted the "die to win" philosophy of traditional life insurance. The tontine was probably the most controversial species of endowment. The basic concept was simple although the methods of application varied greatly. Under a pure tontine, a group of individuals paid annual sums into a common fund, and after a term of years, the survivors divided the proceeds.

Several societies specialized in endowments during the 1880s and 1890s. These organizations never constituted a majority of fraternal orders, but they were influential for a time. A few endowment societies relied on the tontine principle. These fell into two categories: short term (paying out in five years or less) and long term (paying out in five to twenty years). One of the largest and better run of the long-term endowment societies was the Order of the Iron Hall. In addition, some mainstream life insurance societies experimented with endowments on the side. The best known among these were the MWA, the IOF, and the endowment division of the Knights of Pythias.

Most life insurance orders, however, stoutly rejected endowments as contrary to fraternalism. The NCW went on public record against them and barred from its ranks all societies offering these policies. The critics charged that endowments were improper because they advanced the "selfish" interests of living
members. In a speech to the NCF in 1891, James E. Shepherd expressed the new consensus when he asserted that endowments were "irreconcilable" with fraternicism because they were speculative and "purely banking and not insurance of any kind." Similarly, fraternal actuary William Francis Barnard defined endowments as the "exact converse of insurance. Its function is investment and its benefits are always for self." 13

Scholars have attributed the demise of endowment societies to their reliance on assessment methods and low rates, but this is not a convincing explanation. Low assessments and cheap rates, after all, had not destroyed the life insurance societies. They survived by readjustment, not by eliminating the basic form of the benefit. As Edward J. Dunn pointed out, as "a matter of principle no one can successfully deny that a fraternal society can make adequate provision for endowment benefits as well as for death and disability benefits. The matter of adequacy is merely a question of rates." 14

But any process of readjustment and higher rates took time, and the endowment societies did not have time. Restrictive laws, often enacted at the behest of life insurance societies, precluded this option. A major goal of state legislation was to deprive endowment societies of the legal protections extended to the life insurance societies, such as exemption from taxes and debt garnishment and the right to make assessments to cover deficiencies. Some laws banned outright any sale of fraternal endowment policies. Furthermore, the courts generally ruled that endowments to living, healthy members were inconsistent with an organization's nonprofit status. 15

Sale of endowments by commercial companies, however, continued to be permissible under state law. The life insurance companies first monopolized the field by relying on the semi-tontine policy. It combined features of the pure tontine with conventional life insurance. The purchaser paid a portion of the premium for a standard life insurance policy, but unlike regular life insurance, the dividends (or surplus over the reserve) flowed into a common fund, which usually expired after twenty years. If the insured died before the end of the term, the beneficiaries collected the face of the policy. If the insured survived, he or she, along with other members of the fund, divided the accumulated proceeds plus interest. The beneficiaries of the insured had no claim on the fund. 16

Semi-tontines earned higher rates of return than savings accounts in banks. "In addition to securing conventional life insurance," wrote Roger L. Ranson and Richard Sutch, "the purchaser ... was creating a retirement fund for old age. Moreover, the rate of return earned by survivors on the investment of the deferred dividends could be expected to be unusually generous since they would

In the accumulated dividends contributed by deceased policyholders and all forfeitures of those who allowed policies to lapse." Nine million semi-tontine policies were in force just after the turn of the century. 17

In 1903 semi-tontine insurance came under heavy fire from the Armstrong Committee of the New York state legislature. In its final report the committee recommended prohibition of further sales, contending that these policies appealed to the "gambling instinct," produced disappointing returns, and invited corruption. As a result of the investigation the State of New York halted further sales of semi-tontine policies by requiring that dividends be returned annually rather than deferred into a common fund. Other states quickly followed suit. By the 1910s semi-tontine insurance was largely forgotten. 18

Many fraternalists cheered the Armstrong Committee. To the Fraternal Monitor the results of the investigation proved the superiority of the fraternal philosophy of "the granting of benefits for dependents and avoiding investment and speculative insurance." Bina West regarded the attack on semi-tontine insurance as a welcome sign that the masses were beginning to understand that "insurance and investment can not properly be combined. The principles involved are fundamentally antagonistic." More than a decade later, Basye praised the New York Conference Law for prohibiting societies from engaging in business that violated their "mutual and non-profit taking character." For Basye, it was beyond dispute that the "investment business should be left to savings banks and bond brokers, and the issuing of tontines or other features of chance should be done, when permitted by law, by the various semi-lottery companies in the business for profit." In a more direct sense the New York Conference Law and the Mobile Law precluded societies from operating banks and other profit-making businesses on the side. 19

Despite the assertions of West and Basye, a few examples indicate that fraternal societies could offer endowment insurance on a sound financial basis. During the 1920s the SBA successfully sold endowment (although not tontine) policies. It evaded legislative restrictions by incorporating and indirectly controlling a trust company to sell the policies. For monthly premiums of $3.50, a twenty-year plan gave the insured a monthly endowment of $50 for four years and nine months. The length of the endowment payout period could be extended for as long as thirty-one years for higher monthly premiums. This plan was actually sound and popular with members. 20

The record of the friendly societies in Great Britain shows that fraternal endowments could flourish under the right legal regime. Prior to the twentieth century, British law did not enforce a rigid dichotomy between nonprofit and
profit organizations. As a result the friendly societies were freer to speculate in endowments, tontines, investments, and savings plans. The chief examples of these specialist organizations were the dividing, Holloway, and deposit societies. These specialist organizations shared features with the mainstream friendly societies, including sick benefits, but put greater emphasis on savings. In the dividing societies the members divided the surplus each year. Members of the deposit and Holloway societies paid annually into a sick benefit fund, and any surpluses were deposited into interest-earning personal accounts that could be used for old age and other purposes, such as home loans.

Although these arrangements were usually illegal in the United States, state laws often permitted societies to offer limited benefits to the aged. The New York Conference Law authorized benefits "for disability on account of old age" but required that the recipient be seventy years old and disabled. A considerable number of societies took advantage of this option although not all followed the rule that the member be physically disabled at seventy. In 1923 the U.S. Department of Labor sent an inquiry to seventy-one fraternal orders and found that twenty-one granted cash benefits for elderly members. Some distributed the cash value of death benefit certificates in regular installments, while others extended "paid up" coverage under which premiums ceased at seventy but the policy stayed in force.

Child Insurance

Child insurance was another potential opportunity for societies that was precluded by state laws. As early as the 1890s, legislation and court rulings restricted fraternal coverage to adult members. Fraternalists did not necessarily object to the restrictions and, indeed, often supported them, charging that insurance on children encouraged "selfish" behavior and thus detracted from the goal of protecting dependents.

Fraternalists were not alone in holding these views. Many Americans condemned child insurance as exploitative and, more ominously, as an inducement for parents to murder their children. The New York Times described it as a "temptation to inhuman crimes" and regarded agents who sold these policies as "pests of society." For fraternal orders, however, opposition to child insurance proved a costly mistake. It paved the way for commercial companies seeking small industrial policies to dominate the field. Industrial insurance of this type became a standard feature of the budgets of wage earners. From 1900 to 1920 the number of industrial policies rose from 1.4 to 7.1 million and by 1925 surpassed the number of fraternal policies.24

A few societies tried to offer child insurance despite legal obstacles. The 1901 law launched a pioneering foray in 1909 by announcing a plan to insure the children of members at low rates. The experiment did not last long. Almost immediately the commissioner of insurance for Virginia denied permission, citing the law restricting fraternal insurance to adults. In 1915 several large societies launched a public campaign to repeal legislative prohibitions on fraternal insurance of children. Without immediate action, they warned, the flow of "new blood" to the industrial companies would reach critical proportions. George A. Scott of the New York State Fraternal Congress chastised societies for "allowing the old-line, industrial insurance companies to teach our youths the need of protection. Unwittingly, the fraternalists of this country have been raising children as prey for their opponents."25

This belated effort to change laws proved to be an uphill struggle. In 1917 nine states permitted fraternal societies to admit children under sixteen as beneficial members. Predictably, the old-line companies stoutly opposed repeal of the restrictions. Joining them were many insurance commissioners who pointed to the actuarial troubles of societies as evidence that they were not ready for new responsibilities. Despite these obstacles the fraternal supporters of child insurance gradually made headway in repealing restrictions and in extending coverage. By 1930 societies had 912,700 juvenile members, and forty states allowed fraternal child insurance. Legal liberalization, while certainly helpful, came too late. The societies never recovered more than a small fraction of the business that they had lost to the industrial insurance companies.26

Group Insurance

The response of fraternal societies to group insurance progressed through a similar cycle of rejection, competition, and belated accommodation. The Equitable Life Assurance Society sold the first large group policy in 1912, the same year the New York Conference Law was passed. The company contracted with Montgomery Ward to insure 2,912 of its employees. Group insurance represented a major departure from commercial and fraternal precedents because employers paid the premiums and the insured individuals did not have to take a medical examination.27

The explosive growth of group insurance caught fraternal societies com-
plectly off guard. Restrictive legislation left them helpless to respond. By requiring medical examinations, the law effectively ruled out fraternal group insurance. Instead of seeking permission to enter the field, however, the societies demanded legislative prohibition. The joint meeting of the NFC and the AFA condemned group insurance as “imprudent” and “unsafe” because it dispensed with the medical examination.38

More importantly, fraternal critics argued that group insurance would subject employees to “American Serfdom.” The report of the Committee on Statutory Legislation of the NFC and AFA in 1913 asked, “Is it not true to human nature that the employee [sic] in a group plan will drop whatever other family protection he may have? Losing his employment a few years afterward . . . he thus loses the only form of family protection he has and the family is left a charge upon the state.” Fears ran wild when the Metropolitan Life Insurance Company offered group coverage to the entire membership of a fraternal order in Michigan.39

The well-orchestrated legislative campaign by fraternalists to stem the group insurance tide ended in failure. By the end of the 1910s, commercial policies of this type were legal in nearly every state. The only fraternal “victories” were of a highly dubious character. In certain states, societies secured laws prohibiting companies from insuring lodges as groups. In the meantime, the sale of group insurance, almost all through commercial insurers, spread like wildfire. The number of persons covered rose from 99,000 in 1915 to 1.6 million in 1920. A decade earlier many of these workers would have been prime prospects for fraternal deputys. Now societies had to write them off to the competition.36

As group insurance made steady inroads, a rising chorus of fraternal leaders proposed fighting fire with fire. As early as 1915 Abb Landis urged societies to experiment with insuring in groups by using the lodge, rather than the individual, as the insurance unit. According to Landis the largest of the British friendly societies had “successfully carried on an insurance business with the individual lodge as an insurance unit.” But Landis’s recommendation was not the only possible avenue to pursue. Another was for the societies to use the workplace as the insurance unit by, perhaps, insuring all the workers of an employer and offering them fraternal memberships. But either method entailed potential pitfalls, not the least of which was adverse selection. In a speech before the Casualty Actuarial Society, James D. Craig underlined the dangers of using the lodge as the insurance unit. He stressed that without a medical examination, fraternal group plans would become prey to poor risks.31

A handful of fraternal experiments in group insurance occurred during the

1920s. Probably the largest was a plan sponsored by the Arkansas Grand Lodge of the AOFV. It entered into contracts with several employers, including the Green Chevrolet Group and the First National Bank in North Little Rock. To get around a state law requiring members to pass a medical examination, the grand lodge gave the insured the option of enrolling as fraternal members at higher rates.32

The Arkansas Grand Lodge underscored the portability of fraternal coverage as a selling point. As one observer noted, the new fraternal members in Arkansas “possess legal reserve certificates which are their own property, and if they leave the employ of the company they may carry on payments and keep the insurance in force.” Under a commercial group policy, by contrast, a lost job meant loss of benefits. Based on this experience, John Frazer, the grand master workman in the state, recommended fraternal group insurance as best suited for workers in small businesses. The costs of monitoring were low, and the less impersonal atmosphere made it easier to convince the insured of the benefits of lodge membership. To accommodate heterogeneity, Frazer suggested that societies engage in cooperative efforts to establish a framework for workers in the same plant to choose from several fraternal affiliations. Unfortunately there is a lack of sufficient information on either the effectiveness of the plan or its subsequent history.33

Fringe Benefits

The rise of group insurance had more long-term consequences. As one of the first fringe benefits, it marked the increasing centralization of benefits, such as life insurance, in the workplace. Because of the third-party payment method, thousands of workers for the first time no longer obtained insurance on an individual basis. This change had vast consequences for the future of fraternal orders.

The 1910s and 1920s also brought the full flowering of another fringe benefit, the company pension. As late as 1900 only about 8 companies (mostly railroads) offered pensions; by 1925, 248 did so. These plans covered 2.8 million workers and continued to flourish until the depression. Despite the existence of models such as group life insurance, however, few employers chose to insure their pensions through commercial companies. Instead most paid the entire cost and did not require contributions from workers.34

Another factor that fostered the centralization of benefits under the control of employers was workmen’s compensation. State laws enabled employers to
contract with commercial insurers to underwrite accident coverage. These arrangements sowed the seeds that later flowered into the modern third-party payment system in health care. After Massachusetts required employers to contract with commercial accident insurers during the 1910s, Morris J. Vogelpohl, wrote: "Many workers who had hitherto received free treatment now paid for it in hospital care, indirectly at least, through third-party payment." Workmen's compensation spurred centralization of benefits in a subtler way by motivating firms to create an infrastructure for the disbursement of financial benefits. Once established, this infrastructure was available for other purposes, including health insurance. Simply put, workmen's compensation lowered the transaction costs for centralized employer-based benefits and third-party payment systems.35

The federal government was instrumental in speeding this centralization through amendments to the tax code. The Department of the Treasury exempted from the income tax all "reasonable" contributions made by employers to pension funds but did not extend this exemption to employees. It didn't take long for group insurance to receive favorable tax treatment as a fringe benefit. In 1920 the Treasury ruled that the premiums of group policies paid by employers and employees were tax exempt. Again this exemption did not apply to premiums on individually purchased policies.36

Are We Burdened with Too Many Laws?

Rising discontent with legislation provoked a general debate among fraternalists about the desirability of governmental regulation. Essentially, three schools of thought emerged: defenders of existing fraternal regulation, advocates of a laissez-faire policy, and those who favored a middle ground. These debates played out at the annual conventions of the NFPCA and in the pages of the Fraternal Monitor.37

A zealous defender of the laissez-faire approach was George A. Scott. In a speech to the NFPCA in 1920, he chastised fraternalists for their eagerness to stifle their hopes on government. According to Scott, the effect of legislation, "which we ourselves have secured after years of hard struggle," was to ossify the fraternal system and undermine its former appeal:

No Fraternal Society can today go into this field [health insurance for the entire family] and supply what the Commercial Companies are supplying. The law which we made will not permit it. No Fraternal Society can today write group insurance, not even on so small a group as a member's family. The law which we made will not permit it. No Fraternal Society can today write insurance contracts in combination with savings bank deposits which are being written by Commercial Companies in every town and city that has savings banks. The law which we made will not permit it.38

Scott and other critics disputed the contention that legislation insulated societies from the corrosive effects of "commercialism." Instead they argued that it confined fraternity to an ever shrinking domain and fostered a form of commercialism that was narrow, bureaucratic, and unimaginative. Scott concluded that the "Fraternal Beneficiary System came into being without the aid of statutes and ran until 1892 without statutory guide. During that time...the system made greater growth than it has since. We may now well exclaim, give us less law and more fraternity." In 1915 William Lloyd Harding, the chairman of the Mystic Toilers, expressed this attitude in a speech, "Are We Burdened with Too Many Laws?" According to Harding the life insurance societies had become "almost wholly commercial. The fraternal has been legislated out of the plan. In other words, we have too many laws that go into the minutest details."39

From Mutual Aid to Service

These debates on the proper role of governmental regulation coincided with the emergence of an equally important cultural challenge to the underlying premises of fraternalism. The result was an acute identity crisis. The traditional fraternal worldview was under attack. Age-old virtues such as mutual aid, character building, self-restraint, thrift, and self-help, once taken for granted, came under fire either as outmoded or as drastically in need of modification. The transformation was not universal, of course. None other than Calvin Coolidge repeatedly emphasized the benefits of saving. At the local level, some public schools and a few settlement houses established savings clubs. Trends in the opposite direction were equally pronounced, however.40

Challenges, both explicit and subtle, to the old ideas came from a wide range of opinion leaders. Some reformers, such as Isaac Rubinow, increasingly questioned the efficacy of mutual aid, family networks, and neighborhood cooperation as solutions to poverty and dependence. Similar concerns had appeared in the comments of the proponents of mothers' pensions who worried that stressing self-help, character building, and mutual aid detracted from the united action needed to address the broader problems of the community and...
the nation. In the *Survey*, for example, M. L. Hale asked whether in "the present vast and intricate plan of society is not the real responsibility with the star rather than with the neighborhood?" Rubinow left little doubt about his belief in the inadequacy of voluntarism. He warned that any movement for compulsory insurance "must meet its strongest opponent in the fetishism of self-help." He regarded thrift as a "positive vice" when it reduced "the standard of life, not only below the desirable social standard, but even below the physiological standard." Similarly, John A. Lapp, who later served as the president of the National Conference of Social Work, warned that if "a worker sap[s] his physical power for the sake of a money savings, he will soon exhaust his physical bank account."

These attitudes represented a culmination of environmentalist ideas as reflected in Abraham Epstein's contention that poverty was "beyond the control of the individual." The old emphasis on character and distinctions between the worthy and the unworthy were deemed moralistic and unfair.\(^41\)

This orientation found champions among some, although not all, social reformers and appeared in the writings of bankers and home economists, long regarded as guardians of thrift and self-restraint. In 1918 Clarence W. Taber used his textbook, *Business of the Household*, to warn that if savings "means stunted lives, that is, physical derelicts or mental incompetents ... through enforced self-denial and the absence of bodily comforts, or the starving of mental cravings and the sacrifice of spiritual development — then the price of increased bank deposits is too high." An earlier generation would have dismissed these statements; now they were in the mainstream. Bruce Barton, the public relations pioneer and author of the best-selling life of Christ, *The Man Nobody Knows*, espoused the ideal of self-realization rather than self-reliance, declaring that "life is meant to live and enjoy as you go along. ... If self-denial is necessary I'll practice some of it when I'm old and not try to do all of it now. For who knows? I may never be old."\(^42\)

For Barton the best substitute for the old folk wisdom was "service." He was only one of many to join this crusade. Throughout the 1920s, paens to service laced the speeches of businessmen and professionals. In 1924 Edward W. Bok described service as the "greatest word in the English Language." All this talk of service was not new, of course. At the turn of the century a key belief of the Social Gospelites was the necessity that service be enlisted in a crusade to advance the Kingdom of God on Earth. As promoted in the 1920s, however, the concept had become secularized and was not tied to a specific political agenda.\(^43\)

The agenda of service clashed with the most valued traditions of fraternal-
terms—but as a pure impulse to serve—then you are engaged in charity." By 1931 the Supreme Council offered a symbolic endorsement of the new lexicon by renaming the Extension Service (to aid members in need) the Charity Fund.46

A driving force behind these changes was James J. Davis. Davis, who had once subscribed to the philosophy of mutual aid, now portrayed his organization as an exemplar of the twin virtues of charity and service. He described both ideals as resting on the same premise of an "open hand and the open heart." In 1938 Davis carried the emphasis on service to its logical extreme. In his annual address he urged that official publications "hereafter refer to our Fraternity as a service organization, rather than a fraternal organization." 48

Davis even pondered the unthinkable: elimination of cash sick and funeral benefits. He asked whether this insurance unduly pandered to self-interest at the expense of fostering "that heart-warming glow which comes from the knowledge of good deeds well done without thought of personal reward." Pointing to a stagnant membership, he speculated that the benefits were no longer attracting new blood. They had become increasingly redundant in an age when "workmen's compensation, group insurance, and other similar features are rapidly coming into vogue." In particular such benefits had little meaning to businessmen and professionals who joined because of their desire to serve humanity. Davis's hopes were somewhat premature, and his revolution did not succeed. Either because he pulled back himself or because the members resisted, the Loyal Order of Moose retained sick and funeral benefits and even increased them during the depression. At the end of the 1930s it was still a fraternal organization in its methods of operation.49

Despite the inroads of service clubs, mutual aid for social welfare remained a powerful force in the 1920s. Ethnic communities in Chicago, according to Elizabeth Cohen, "provided more assistance than other institutions, public or private, which were only viewed as a last resort." In fact, statistics show that a broad spectrum of societies increased their social welfare commitments to members. Projects such as the sanitarium of the MWA, the hospital of the SBA, and the health program of the WBA would have withered on the vine without the fraternal enthusiasm of lodges and auxiliaries. The Consolidated Chart of Insurance Organizations, an annual survey of 174 life insurance orders, shows substantial expansion in benefits for disability, sickness, accidents, and disability because of old age.50

The Consolidated Chart also indicates that the concentration on life insurance continued in the 1920s but became somewhat less important. If allocations are measured in both dollar amounts and percentage of budgets, societies designated more money for benefits for disability, sickness, accident, and old age (Tables 11.1, 11.2, and 11.3). The percentage of the 174 societies carrying each type of benefit also increased throughout the period (Table 11.4).

On the other hand, the Consolidated Chart is an imperfect guide to the state of fraternalism. Its chief flaw is its failure to include information about orders offering sickness and funeral benefits, such as the Loyal Order of Moose, the IOOF, and the AOF. These are not small matters. In 1910, for example, the life ins-

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| TABLE 11.1. Death, Permanent Disability, Sickness and Accident, Old-Age, and Other Benefits for 174 Fraternal Societies: Annual Amount Paid (in millions of dollars), 1910, 1920, and 1930 |
|---|---|---|
|   | 1910 | 1920 | 1930 |
| Death | 76.3 | 129.3 | 122.3 |
| Permanent disability | 2.2 | 2.4 | 3.6 |
| Sickness and accident | 1.6 | 3.0 | 7.2 |
| Old age | .5 | 3.6 | 3.6 |
| Other | 3.6 | 5.4 | 16.6 |
| Total benefits | 84.3 | 143.9 | 153.6 |


| TABLE 11.2. Death, Permanent Disability, Sickness and Accident, Old-Age, and Other Benefits for 174 Fraternal Societies: Spending per Member (in dollars), 1910, 1920, and 1930 |
|---|---|---|
|   | 1910 | 1920 | 1930 |
| Death | 11.00 | 14.03 | 12.84 |
| Permanent disability | .31 | .26 | .38 |
| Sickness and accident | .23 | .32 | .75 |
| Old age | .07 | .39 | .38 |
| Other benefits | .52 | .59 | 1.74 |

TABLE 11.3. Death, Permanent Disability, Sickness and Accident, Old-Age, and Other Benefits for 574 Fraternal Societies as Percentage of All Losses Paid, 1910, 1920, and 1930

<table>
<thead>
<tr>
<th></th>
<th>1910</th>
<th>1920</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death</td>
<td>90.3</td>
<td>89.8</td>
<td>79.6</td>
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<td>Permanent disability</td>
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<td>1.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Sickness and accident</td>
<td>1.8</td>
<td>2.0</td>
<td>4.7</td>
</tr>
<tr>
<td>Old age</td>
<td>0.6</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Other benefits</td>
<td>4.3</td>
<td>3.7</td>
<td>10.8</td>
</tr>
</tbody>
</table>


TABLE 11.4. Payment of Benefits for Permanent Disability, Sickness, Accident, and Old Age in 174 Fraternal Societies: Percentage of Societies Offering, 1910, 1920, and 1930

<table>
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<tr>
<th></th>
<th>1910</th>
<th>1920</th>
<th>1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent disability</td>
<td>30.4</td>
<td>46.5</td>
<td>57.4</td>
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<tr>
<td>Sickness</td>
<td>21.8</td>
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<td>33.9</td>
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<td>Sickness (lodges free to decide)</td>
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<td>11.4</td>
<td>15.5</td>
</tr>
<tr>
<td>Accident</td>
<td>28.7</td>
<td>34.4</td>
<td>50.0</td>
</tr>
<tr>
<td>Accident (lodges free to decide)</td>
<td>0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Old age</td>
<td>28.7</td>
<td>34.4</td>
<td>45.9</td>
</tr>
</tbody>
</table>


Conclusion

Most revolutions do not achieve complete success, and the service revolution, if it qualifies as such, was not an exception. Despite the mournful statements of Scott and Harding about the death of fraternity and the calls by Davis to substitute a mission of service, the old ideas of mutual aid retained power.

Still, change was in the air. The public statements of fraternal leaders during the 1920s showed waning zeal for traditional conceptions of mutual aid and a willingness to consider alternative approaches. As a strategy to attract members, this was probably a mistake. By de-emphasizing their commitment to thrift, mutual aid, and self-help, societies abandoned the qualities that had made them distinctive. A rededication to service, no matter how zealous and heartfelt, was unlikely to result in the creation of organizations that were anything more than imitations of genuine service clubs. Yet even if the new strategy was futile, it was an entirely understandable response to a perplexing state of affairs.52

insurance orders paid more than $76 million for death benefits, compared with $5.1 million for sickness, disability, and old age. By contrast, the spending of the fourteen leading orders providing sick and funeral benefits was far greater than the outlays of all the life insurance societies combined. During seven months in 1910 and 1911, according to the Fraternal Monitor, the fraternal societies devoted $25 million to sick and funeral benefits. Unfortunately, statistics of this exactitude do not exist for subsequent years. Moreover, too much should not be made of the distinction between kinds of fraternal insurance. Several of the life insurance societies listed in the Consolidated Chart, including the WC, the Polish National Alliance, and the Ancient Order of Hibernians, also disbursed substantial sick benefits.51