

THE MONEY BOX SYSTEM FOR SAVINGS IN AMSTERDAM, 1907-1935

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This is basically a non-numismatic paper. In my day job, I'm a research worker in The Dutch National Museum of Money, located in the town of Utrecht. We do have numismatists in our midst, but numismatics is not the only subject we focus on there. Our Museum of Money is partly about financial culture. And that's the field of study *I* am in. Before going on, I think it behoves one to ask what financial culture is. A short definition will suffice:¹

Financial culture refers to the ways of financial acting, the ways of financial thinking, and the financial objects that together form a people's financial way of life.

Like all forms of culture, financial culture is composed of both the immaterial and the material:

- immaterial: people's attitudes or feelings towards money; values, beliefs, norms, traditions, customs, rituals concerning money;
- material: coins, banknotes, credit cards, housekeeping books, fire / burglar resistant safes, savings bank money boxes.

I'd like to repeat the last four words of the enumeration under 'material': savings bank money boxes. In our Museum, we've come to think of these boxes as financial objects worth collecting. Within the space of a year several specimens reached our museum, and one of them will be in our Collection Highlights Book, that is forthcoming from Waanders Press in the Netherlands.²

Money Box System

Besides collecting them for the Museum, I get a lot of joy out of talking about savings bank money boxes. Let me be more specific about the subject of my paper. I'd like to entertain you with a short digression on the popularity of the so-called Money Box System for Savings in pre-World War II Amsterdam. Some time ago, I went through the archives of the Amsterdam Savings Bank, which are preserved in the Amsterdam Municipal Archive.³ From them we learn that the Amsterdam Savings Bank introduced this home deposit system on the 9 September, 1907 (see below).⁴ It is appropriate to begin with a few words on the history of this peculiar home savings system, which wasn't a new thing in 1907.

Its origin was American. In 1890 New York had witnessed the coming of the C.O. Burns Company, the original, patented manufacturer of the system. At the time that the Amsterdam Savings Bank was considering the introduction of the system. In April 1907 the Bank's Financial Committee reported on the matter,⁵ which was already in use in countries as diverse as the United States, Canada, Chile, Cuba, Norway, Sweden, Finland, Denmark, Great Britain, Switzerland, Austria, Hungary, Turkey, Germany and France.

¹ Beek 2009, p. 127.

² Beek 2009.

³ Amsterdam Municipal Archive (AMA), 1431.

⁴ Amsterdam Savings Bank Annual Report 1907, AMA, 143: 251.

⁵ AMA, 143: 742.

The system was already in use in the Netherlands too: Groningen and Rotterdam preceded Amsterdam in this respect.⁶ Soon the example was followed in Amsterdam - but not only in Amsterdam. In the years to come the system would prove its worth throughout the Netherlands.

The system's official name was 'Home Deposit Banks System', and the following are a few synonyms:

- Bank at Home practising
- C.O. Burns Co. System
- Pocket Savings Bank System
- Heimsparkassen-System
- Système d'épargne de la Compagnie C.O. Burns

I myself designate the system as 'Money Box System for Savings', a phrase borrowed from an old issue of *The New York Times* (4 February 1917).

Key features of the system

The system was 'tailor-made' for regular savers of small amounts of money. Savers got boxes on loan from the savings-bank. The boxes were taken home, where they could not be opened, as the keys were held by the bank. So, at home a saver couldn't be tempted to take hold of the contents of his box. He had to go to the bank, which he did a few times per year. At each visit the saver's box was opened by a bank clerk, who added the saved amount to a savings-book, standing in the box-holder's name.

It was all about the 'smallest of savers'. The student of the archives of the Amsterdam Savings Bank encounters this phrase more than once. In discussions held at the Bank managers' meetings, it must have been used time and again.

Amsterdam Savings Bank

The Amsterdam Savings Bank was established in 1848. At the beginning of the twentieth century it was one of the two really noteworthy institutions facilitating saving in the national capital of Holland, the other one being the 'Rijkspostspaarbank' (RPS). The RPS was the National Savings Bank. Established in 1881 after the British example, it was attached to the post office.

During the years under study in this paper the Amsterdam Savings Bank went through a process of growth. At the beginning of the period the Bank consisted of a head office and six area offices. At the end of the period fifteen area offices were operating.⁷

As stated above, the Amsterdam Savings Bank introduced the Money Box System for Savings on 9 September 1907. On that very day the Bank placed 500 steel boxes (length: 4.3 inches, breadth: 2.0 inches, height: 3.1 inches) at the savers' disposal.⁸ They had come from J. Lips Bzn, a manufacturer of fire / burglar resistant safes and safety locks. Very soon after introducing the system, the Bank had to place a new order with Lips. In the years following 1907 the Amsterdam Savings Bank would become a good customer of this famous firm from Dordrecht.

In Utrecht we have a rich collection of financial objects, but unfortunately an old type money box from Amsterdam is missing. However, our collection does contain another box of the old type

⁶ AMA, 143: 742.

⁷ Verrijn Stuart 1948, Appendix 9.

⁸ AMA, 1431 742; Amsterdam Savings Bank Annual Report 1907, AMA, 1431 251.

(Fig. 1): a money box of the Utility Savings Bank The Hague. It is the one that will be in our Collection Highlights Book.⁹ On the bottom of the box a serial number is stamped: 4877. I take this to mean that the box came in circulation in 1928.



Fig. 1.

A form of working-class saving

What was the social position of the Amsterdam inhabitants who engaged in the Money Box System for Savings? Available data strongly suggest that they were working-class people. It's a fact that about 1910 working-class people were already savers at the Amsterdam Savings Bank. At that time the Bank itself was eager to get a clear picture of the people who had started depositing money. In the Annual Reports for 1910 and 1911 tables were published, based on the Bank's administration and a recent occupational census.¹⁰ From them we learn that in both years about 60% of new depositors belonged to the working class. It simply cannot be imagined that when the Bank managers spoke of 'the smallest of the bank's savers', they were referring to persons other than these belonging to the working class.

This sounds plausible enough, but some of you may find the empirical evidence weak. Maybe I'll have to come back to this at some future time. However, the situation being as it is now, I'd like to mark the Money Box System for Savings as a form of working-class saving. It was certainly popular, and its popularity tended to grow over time, as we can see in Fig. 2.¹¹

⁹ Beek 2009, p. 132.

¹⁰ Amsterdam Savings Bank Annual Reports 1910-1911, AMA, 1431-252.

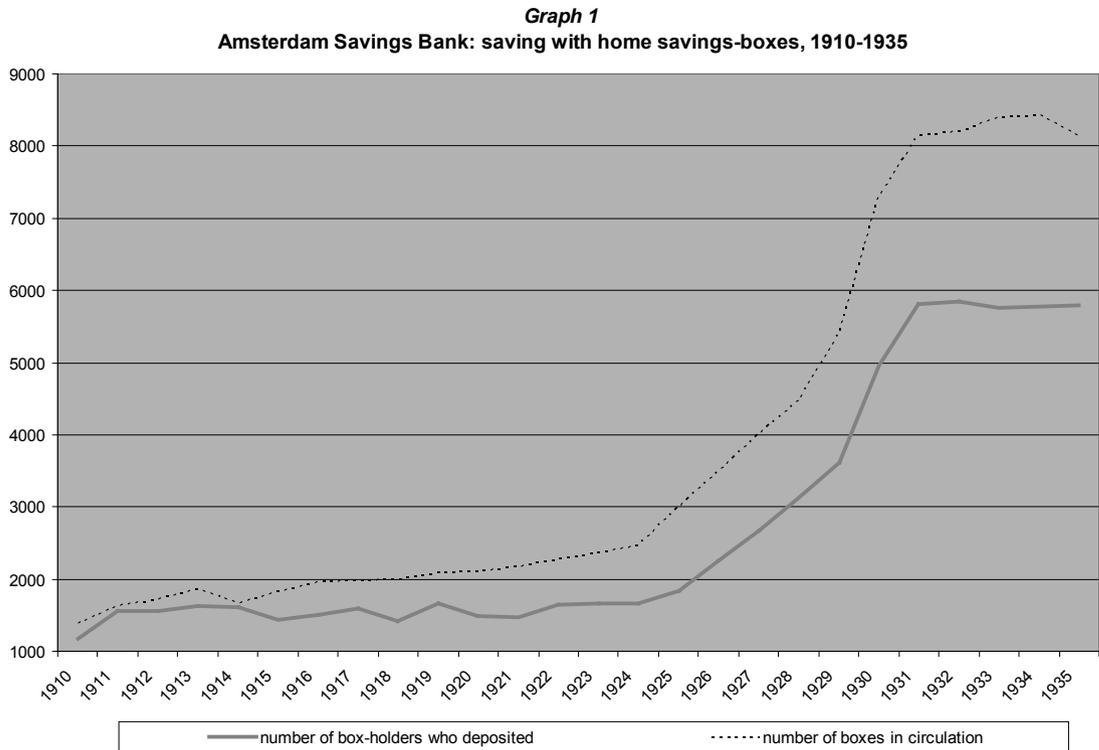


Fig. 2.

The solid line represents the number of box-holders who in the years 1910 to 1935 actually deposited money in the Amsterdam Savings Bank. If one thing catches the eye, it is the line steeply sloping upwards during the second part of the 1920s. Up to 1926 the number of box-holders who actually deposited was never above 2000, but in the next five years their number almost tripled.

The conclusion is permitted that in Amsterdam the Money Box System for Savings became particularly popular in the late 1920s. For the student of the Money Box System for Savings the second part of the 1920s is a fascinating period, particularly if we realise that in the years 1925/26 to 1929/30 Dutch real wages reached an unprecedented peak. I think we can safely assume a positive correlation between ‘popularity of the Money Box System’ and ‘increase in real wages’. The evidence in Fig. 4 gives strong support for this assumption. (Fig. 3 = Fig. 2 with the real wages line included.)¹²

¹¹ Amsterdam Savings Bank Annual Reports 1910-1935, AMA, 1431 252-254.

¹² The real wages line is borrowed from: Veen / Zanden (1989), pp. 212, 228.

Graph 2
Amsterdam Savings Bank: saving with home savings-boxes, 1910-1935

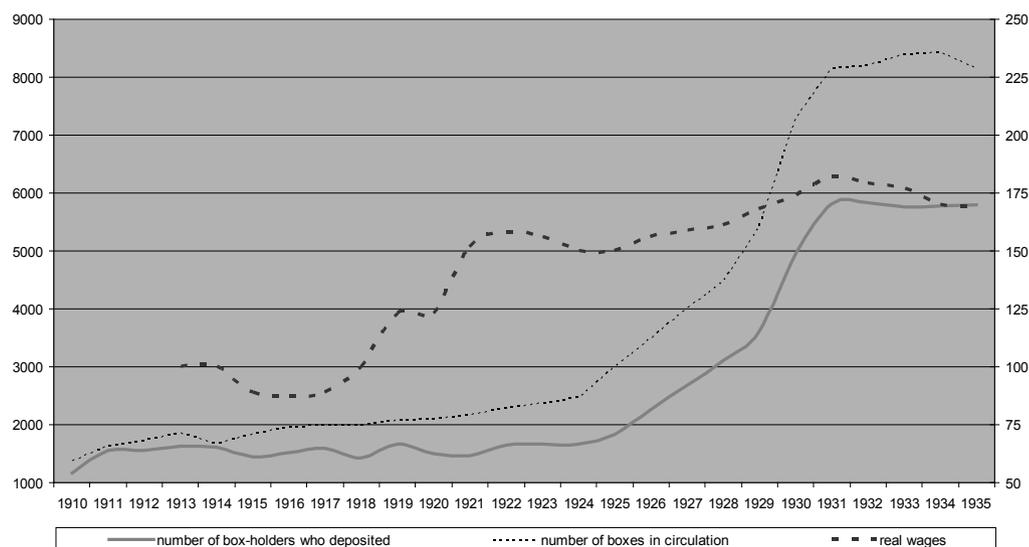


Fig. 3.

Volume of savings

How big or how small were the savings the box-holders made? In other words: what about the volume of savings? Let's look at Table 1.¹³ There is a lot to say with regard to this table, but I'll keep it short. Although the savings-boxes had a hole in it for banknotes and the slit was big enough to let the bigger coins in, saving with these boxes in most of the cases could not have been more than a 'nickles-and-dimes affair'.

TABLE 1. Amsterdam Savings Bank: saving with home savings-boxes
Volume of savings

	<i>Savings per week</i>	<i>Average income per week</i>	<i>Savings as a percentage of weekly income</i>
1911	f 0.63	f 11.00	5.73
1914	0.62	12.00	5.17
1920	1.02	29.00	3.52
1923	0.90	26.75	3.36
1926	1.06	26.00	4.08
1930	0.99	27.50	3.60
(Great Depression)			
1936	0.65	21.50	3.02

¹³ Amsterdam Savings Bank Annual Reports 1911-1936, AMA, 143: 252-254; Spek (1972), p. 87.

Conclusions

The Money Box System for Savings, introduced in 1907, became a success in Amsterdam. It has been designated here as a form of working-class saving. In the years 1907 to 1935, and especially in the late 1920s, real wages went up higher than they had ever been before. This implied an increase in working-class people's capacity to save. The Money Box System was tailor-made for ordinary working men and women, people who had already learned to see the advantages in saving money through a bank - however small the amounts were they could spare - but who were not yet so disciplined as to do it completely on their own. The idea of letting the savings bank take care of the keys of the money boxes had been a brilliant one.

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