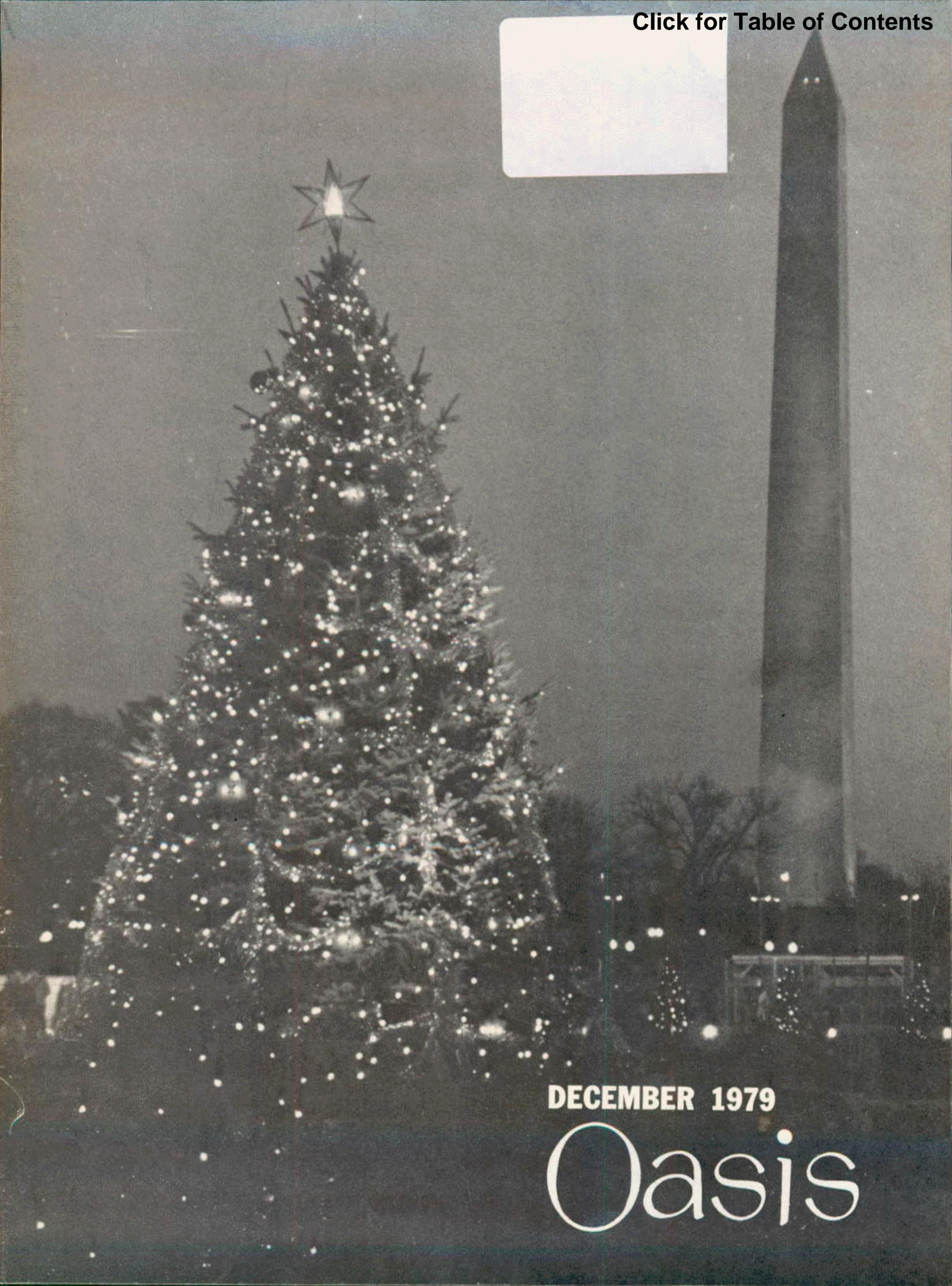
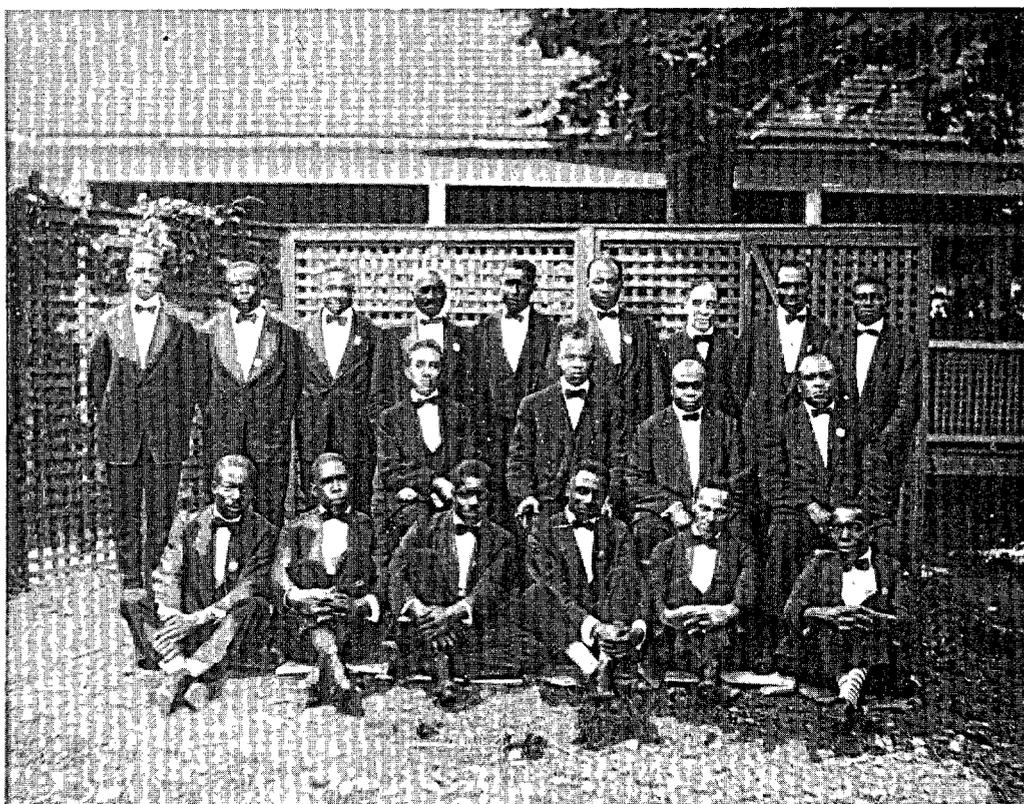


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Oasis



Precursors of social security.

## Mutual Aid Societies Served Black Communities

***The September OASIS article, "Were The Feds First In The Social Insurance Field? No," described the efforts of fraternal orders to provide for "some form of social security" in the United States after the Civil War. The article that follows, written by Margaret Pagan, Claims Authorizer, Office of Disability Operations, focuses on the activities of similar organizations serving the black community as far back as 1787.***

WHEN TEARING OUT THE WALL between two rooms in a building in Omaha, Nebr., in 1962, a demolition contractor found an old photograph of several black employees standing in front of a grocery store. He was able to determine that the photograph had been taken in Richmond, Va., so sent it to the Valentine Museum there.

The store was identified as the Reformer Mercantile and Industrial Association Grocery and Feed Store. It was

owned by the Grand United Order of True Reformers, a benevolent organization founded in 1881 to offer insurance to the black citizens of Richmond against sickness and death, to aid widows and orphans of deceased members and to create self-sufficiency among former bondsmen.

Major efforts to provide for some form of social security began in the United States after the Civil War. However, such efforts had begun in the free black community as early as 1787, when the Masons were founded in Philadelphia. The African Insurance Company existed there in 1810. The Female Benevolent Society existed in Troy, N.Y., in 183X. There were 35-40 mutual aid societies in Baltimore in 1821 and many others in eastern cities with substantial populations of free black people.

Because the free black population was perceived as a threat to the established

social order, benevolent organizations and fraternal orders functioned as secret societies before the Civil War, many with quasi-religious rituals. They became more open after the Emancipation Proclamation, and, by the first decade of the 20th century, there were at least 20 national black fraternal orders or mutual benefit organizations and scores of local and regional associations with a membership of over a million.

Some, such as the Masons, Elks and Colored Knights of Pythias, patterned themselves after their white counterpart organizations. Others were the product of their founders' creation.

In the black community, the church is the well from which all things flow, and many benevolent organizations were founded by ministers to protect their flocks. The Grand United Order of True Reformers was founded by Reverend William Washington Browne.

Monthly dues for members were 25-80 cents. Sick benefits were from \$1.50 to \$6 weekly and covered such illnesses as heart disease, tuberculosis, nephritis, pneumonia and influenza. The death payment ranged from \$10 to \$60.

Social Security employees who are in contact with claimants are strictly warned not to make judgments about claimants' moral and ethical standards or their personal lives. Not so with the black fraternal orders and benevolent societies. Many leaders ruled by standards of morality and suspended or expelled members who were considered unworthy of the lodge. Members were suspended for violating the laws of the organization, nonpayment of dues, immorality, unlawful cohabitation, disturbing the harmony of the Order, and fighting.

Though many of these organizations were not notable successes in terms of permanency and profit, some were. In 1889 the Independent Order of St. Luke had 3,408 members, but no reserve fund and no home property. By 1924, under the leadership of Maggie Walker, it had grown to 100,000 members, owned a building worth \$100,000, had an emergency fund of \$70,000, and owned a newspaper, the *St. Luke Herald*.

Maggie Walker also founded the St. Luke Penny Savings Bank in Virginia as a depository for the funds of the benevolent society, and she is credited with being the first woman bank president.

John Merrick, an extension worker for the Grand United Order of True Reformers, founded the North Carolina Mutual Insurance Company, which currently has assets in excess of \$167,000,000.

Atlanta Life Insurance Company, which operates in the entire southeastern section of the United States, had its humble beginnings as the Atlanta Mutual Aid Association. And Southern Life Insurance Company began business in Baltimore in 1906 as the People's Benefit and Fraternal Society.

Just as religious cults spring up in imitation of Christianity, the business of caring for people in sickness and providing burial insurance had its imitators, too. When asked the name of his society and the position he held in it, one man with an apparently bound-

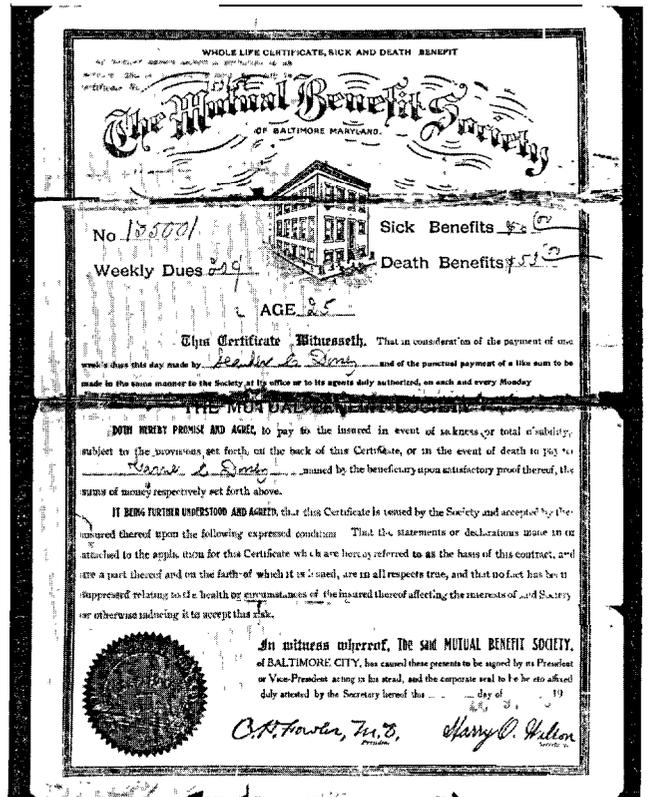
less ego and fruitful imagination said that he was the "Past Crown Most Supreme Venerable President of the Universal Order of the Holy Knights of Canaan and the Brothers and Sisters of Consolation!" Evidence that anyone paid dues to this delightful man and his organization could not be found.

The Grand United Order of True Reformers, in addition to their grocery and feed store, owned a bank and an old folks' home. Unfortunately, after the death of Reverend Browne, many unwise changes were made in the policy of the Order which contributed to its decline. In addition, States had begun to pass strict laws governing insurance operations to which the True Reformers and other organizations could not conform due to lack of capital and inexperienced personnel.

The Social Security Act, Railroad Retirement Act and other pension plans also covered blacks and reduced the need for benevolent organizations, many of which were too small to compete with large private insurance companies, once they, too, began accepting blacks as policyholders.

In the heat of such changes, the black community melted in with the larger community, and the byproduct was a demise of its small, financial institutions.

Prior to the Civil War, and afterward when black people were struggling to earn self-sufficiency and independence, fraternal orders and benevolent societies were the bulwark of financial stability in a hostile world. □



The Mutual Benefit Society was founded in Baltimore in 1903 to provide sick and death benefits to blacks. This policy was issued on October 9, 1916.