

## Banks Worth More Than Their Weight in Coins

Catherine Allen, a second-generation banker, keeps a close eye on her late father's first bank.

It's called "Jonah and the Whale," and it's locked up with dozens more banks in a tall, illuminated glass case in the waiting area outside her Washington, D.C., office at BITS, the technology group of the Financial Services Roundtable.

Like her father before her, the BITS CEO collects mechanical banks. It's a hobby that has drawn bankers since it was coined in the late 19th century.

World-class mechanical bank collections have commanded as much as \$4 million in recent years. That makes bank collecting a full-fledged part of the collectibles craze exemplified and popularized by PBS's "Antiques Roadshow" series.

"Compared to other items, they're uniquely American, patented beginning in 1867 and made by just a few companies," said Bill Jones, historian for the Mechanical Bank Collectors of America. Smaller pennies came into circulation just as mechanical banks were developed, helping to fuel the banks' popularity, Jones added.

Since the advent of money, civilizations

have always needed ways to store their spare change, and archaeologists have found banks in the ruins of ancient China, Rome, and Greece. Early banks were often made from pottery; some experts even theorize that the term "piggy bank" came from the orange "pygg" clay used to make jars and pitchers in the Middle Ages.

Mechanical banks trace their roots to the years just after the Civil War. America's iron industry was booming, and combined with the expansion of the factory system, the country had moved well into the industrial revolution. For the first time, Americans had disposable income to spend on leisure and entertainment.

The toy industry was flourishing, too, and toy makers were quick to integrate the mass-produced iron into their products. Among the most popular of the new toys were those that incorporated entertainment along with the lesson of saving for children: mechanical banks.

Although mechanical banks were originally marketed toward children, adults also became interested in their intricacies. The MBCA was established in 1958 and currently has more than 450 members. The

organization has a strict definition for a mechanical bank, as follows: "To be considered collectible, a mechanical bank must have been produced and sold commercially. It must have been made available to the general public and intended for the use of children as a saving device. To qualify as a mechanical bank, there must be interaction of the coin and a moving part of the bank."

Most of the roughly 250 antique mechanical bank models were made between the 1890s and 1920s; the MBCA has set 1935 as the cut-off date. Although these banks were originally made for children, by today's standards some of the themes do not seem age appropriate. Mechanical banks frequently depicted societal attitudes of the time, including racial and ethnic bigotry. Other banks depicted Biblical, historical, or political events. Some featured movie stars of the day, characters from nursery rhymes, or sports figures. Many of the banks communicated morals, including the popular theme of saving money.

Mechanical banks were some of the first collectibles, Jones said. He added that the first collectors of the banks were mostly doctors and bankers.

would not reveal how many banks he had in his collection, nor their values. In fact, the MBCA does not publicly disclose the location of any of its annual conventions. Many bank collectors are nervous about the value of their collections, Jones said. Allen's collection is fully insured.

Generally, Allen said, the more intricate the mechanics of the bank, the more valuable it is. The bank's condition and rarity also adds to its worth.

The value of mechanical banks broke into the headlines in May 1998. Stan Sax, one of the first mechanical bank collectors, auctioned off his collection of 251 mechanical banks for more than \$4 million. "Old Woman in the Shoe" sold for a record \$426,000.

Even the Federal Deposit Insurance Corp. has gotten involved, albeit reluctantly. In 1991, the FDIC sold 973 toy banks at a

Christie's East auction. The collection of banks had belonged to 161-year-old Seamen's Bank for Savings in New York. The agency seized the banks when Seamen's collapsed earlier that year. The collection sold for \$720,000—\$500,000 of which made its way into the Bank Insurance Fund's reserves. [5]

### Piggy Banks That Don't Move Are Also Collectible

Although usually not as valuable, antique "still" banks are also collectibles. Still banks do not have any moving parts. Financial institutions often gave away still banks to their customers as some of the first premiums. Allen has 15 still banks in her collection. The Still Bank Collectors Club of America was formed in 1966, and has more than 500 members, according to its Web site.



(left to right) One of the scarcest and most collectible banks, "Mikado," has sold for \$123,000 at auction. "Confectionary Store," patented in 1881 by Rudolph M. Hunter, rewarded children for saving by giving them real candy or gum. "National Bank," patented in 1873, is also very rare and has sold for more than \$18,000 at auction. "Jonah and the Whale," made by Shephard Hardware in the 1890s, usually sells for about \$5,000. The first three images were provided by the Mechanical Bank Collectors of America. "Jonah and the Whale" is from the personal collection of Catherine Allen, CEO of BITS.

The late Robert Allen, who served as president of Perry State Bank in Perry, Mo., got the collecting bug when he received "Jonah and the Whale" as a young boy. This mechanical bank depicts the Biblical character Jonah tossing a penny into the whale's mouth when a lever is pulled. (Examples have fetched up to \$71,000 at auction, but usually garner between \$2,000 and \$7,000.)

Through the 1940s, 50s, and 60s, when Allen grew his collection, he spent between \$10 and \$250 per bank. Since Allen's death in 1970, his daughter has tended the collection, which now numbers about 75 mechanical banks. She still occasionally adds new items, and is currently looking to replace some banks that were stolen from a family home.

Security is a major concern among mechanical bank collectors, said Jones, who

## Consumers Embracing the Idea of Paying Bills Online

Bank customers are increasingly paying bills online at their financial institution's Web sites, where they can pay multiple bills at one place, according to a recent survey by

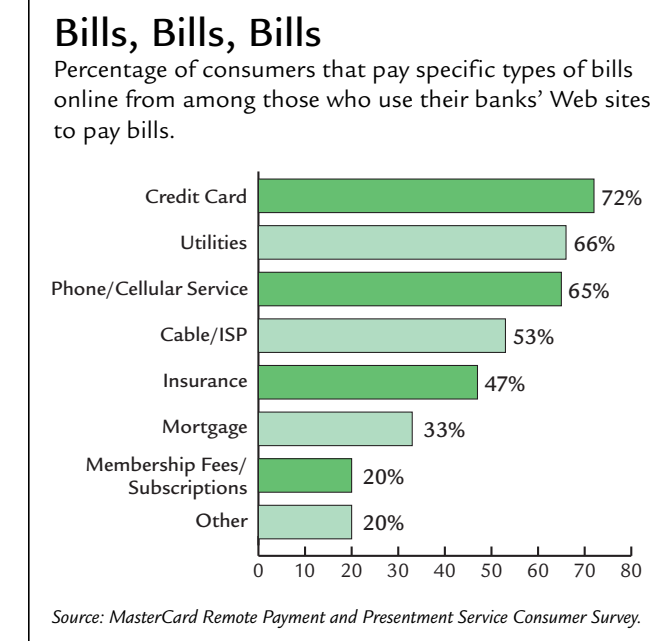
MasterCard and Harris Interactive.

The top reason cited by the 2,233 survey respondents for paying their bills through their banks' or financial services' Web site

percent do so because of the convenience of the method. Other reasons cited included 24-hour access, money saved on checks and stamps, and timesavings.

The study also found that online bill pay has become an integral part of the banking experience for many consumers. Of those that pay their bills at their banks' Web sites, 44 percent said they would change institutions if their current one stopped offering the service.

Security concerns are keeping many consumers from paying their bills online. Half of the survey respondents that don't use the service cited concern about the security of their personal financial information as the number-one reason they don't pay their bills online. [6]



was to take care of all of their banking needs in one place (73 percent), followed closely by "it's free" (70 percent). Sixty-four percent of respondents cited the fact that they can pay all their bills in one place as the reason they paid their bills at their financial institutions' Web site.

Currently, 64 percent of consumers pay their bills through the billers' Web site, according to the survey. Forty-one percent pay their bills at the banks'/financial institutions' Web site.

Of those who primarily pay their bills online, 90

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