

## "The Daughter of a Slave, She Built a Bank"

*How Maggie Lena Walker became the first Black woman to run a US bank, facing fierce opposition*

By Jason Zweig



Citigroup Inc. recently announced that Jane Fraser would become its chief executive next year, making her the first woman CEO of a major Wall Street bank. If Ms. Fraser has finally cracked the glass ceiling, it was Maggie Lena Walker who first battered down the walls.

The daughter of a former slave, Walker became the first Black woman ever to head a U.S. bank when she founded the St. Luke Penny Savings Bank in Richmond, Va., in 1903. Her success came from doing what great entrepreneurs do: Walker zeroed in on an underserved market and focused her prodigious energy on meeting its needs. But her story is all the more remarkable because it played out on a stage of such intense bigotry.

Her mother, Elizabeth Draper, was an illiterate teenager when Walker was born. Her father was a white Confederate soldier who, historians believe, raped Elizabeth. When Walker finished high school, her father, who still lived nearby, sent her a dress as a graduation gift. Her mother burned it.

As a girl, Walker helped her mother work as a washerwoman and soon joined her as a member of the Independent Order of St. Luke. This was a mutual benefit society originally set up by a free woman in Baltimore that provided insurance, educational funding and other financial services to Black people after the Civil War.

After graduating high school and working three years as a teacher, Walker quickly advanced at St. Luke. She became the organization's head in 1899, when it was on the brink of failure. Under her leadership, it blossomed to 100,000 members across 24 states.

Having grown up in a network of mothers who had to manage family finances to the penny, Walker saw the economic independence of Black women as an ethical imperative.

"Who is so helpless as the Negro woman?" she asked in a speech in 1901. "Who is so circumscribed and hemmed in, in the race of life, in the struggle for bread, meat and clothing, as the Negro woman?"

She called for St. Luke to create a department store and a newspaper-but, above all, a bank. That, she believed, was the way to uplift Black women. "Let us put our moneys together; let us use our moneys; let us put our money out...and reap the benefit ourselves," she proclaimed. "Let us have a bank that will take the nickels and turn them into dollars."

Walker had worked as an insurance agent and had taken correspondence courses in business and accounting, where the color of her skin wouldn't disqualify her from participating. The manager of one white bank in Richmond allowed Walker to spend several hours a week there for months, studying how banking worked down to the finest details.

Few companies have ever launched into more hostile seas. At

the time, many white banks refused to lend to Black borrowers. Those that did often charged higher rates, creating resentment and further hardship that drove borrowers to pawnbrokers, payday lenders and loan sharks.

In 1865, Congress created the Freedman's Savings & Trust Co. to serve formerly enslaved people. In 1874, the bank's corrupt and incompetent white managers ran it into the ground. Most depositors reclaimed no more than 60% of their money; many lost everything. For decades, many Freedman's depositors and their descendants pleaded with the U.S. government to recoup their deposits, usually in vain.

Even today, Black residents in areas that once had a Freedman's branch are significantly more likely than whites to distrust financial institutions. In Walker's time, the Freedman's failure made many Black people profoundly suspicious of banks.

So Walker traveled as far as New Jersey to urge Black depositors to trust her new bank. In Richmond, she had schoolgirls go door to door, handing out invitations to its grand opening.

The bank took in more than \$9,400 on its first day. Assets grew to \$79,000 by 1907, nearly doubled in the next four years and surpassed \$300,000 by 1918. Assets hit \$530,000 in 1920—about \$7 million in today's money, an enormous sum raised from people who often could afford to put up only a few pennies at a time.

White opposition—what Walker called "the lion of prejudice"—was fierce. After she moved the bank into St. Luke's department store in Richmond's business district in 1905, white merchants threatened to boycott any vendor that supplied the store. A landlord said he would convert the adjacent building to a saloon, which would attract an unsavory clientele. The threat eventu-

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ally drove the store out of business and the bank out of the neighborhood.

Later, the state banking commissioner, who bragged about shutting down Black banks, forced Walker to cease lending to the St. Luke's store and newspaper.

Nothing stopped her.

Although the bank was open to all, Black women remained Walker's preferred customers. They generally could work only as servants, laundresses or factory hands, often subsisting on \$5 a week. To be a Black woman was "an existential risk," says Shennette Garrett-Scott, a historian at the University of Mississippi and author of "Banking on Freedom: Black Women in U.S. Finance Before the New Deal."

So Walker made loans as small as \$5. The bank kept evening hours six days a week to accommodate workers who labored past 5 p.m.

Walker knew impoverished borrowers could be honest and diligent. So she turned local communities into ad hoc credit committees, enabling St. Luke to lend to borrowers with trustworthy references.

Most mortgages then required at least a 40% down payment and matured in about five years—with much tighter terms for Black borrowers. St. Luke, however, accepted down payments as low as 10% and let home buyers refinance as needed.

By the 1920s, St. Luke customers had fully paid off nearly 650 mortgages, and almost 40% of Black homes in Richmond were owned by their occupants, among the highest rates in the U.S.

Walker gave each of the bank's stockholders, even those who owned only a fraction of a share, voting rights and input on operations.

In the bank's elegant interior, holding a brass pen in their hands, even the poorest customers could feel respected.

By the 1920s, at least 100 Black women worked at St. Luke's enterprises, probably more than at any other organization in the U.S. financial industry, according to Prof. Garrett-Scott.

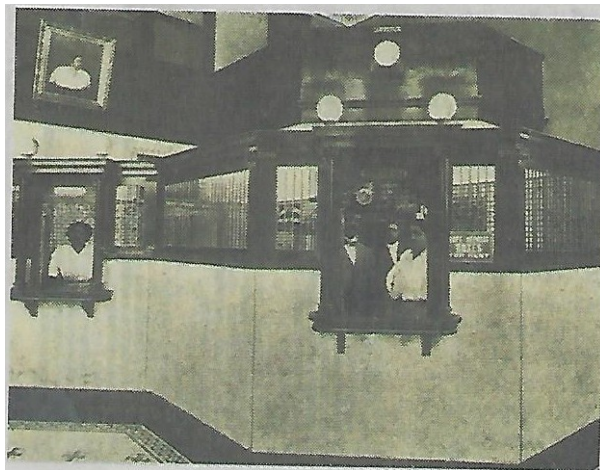
In 1930, St. Luke absorbed two smaller Black banks in Richmond to become Consolidated Bank and Trust Co., which Walker shrewdly steered through the hardest years of the Great Depression. In 2009, its holding company was acquired by what is now Huntington, W.Va.-based Premier Financial Bancorp. Inc.

Yet today's financial industry, like most businesses, remains overwhelmingly white and male. Was Walker's work in vain?

"Often with pioneers, we shouldn't think of their legacy as requiring the fulfillment of the path they blazed," says Ethan Bullard, curator of the Maggie L. Walker National Historic Site in Richmond, operated by the National Park Service. "Their legacy was blazing that path. The fulfillment may be up to us."

Walker knew that. On her deathbed in 1934, her last words were: "Have faith, have hope, have courage, and carry on."

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'L et us have a bank t hat will take the nickels and turn them into dollars,' said Maggie Lena Walker, above, founder of the St. Luke Penny Savings Bank, left.



## "A New CEO Faces a Clorox Wipes Challenge"

*Linda Rendle is Racing to Meet Coronavirus-fueled Demand*

By Sharon Terlep

Linda Rendle was 29 years old and the junior-most manager in a meeting of Clorox Co. executives when she spoke up to say their approach to launching a line of earth-friendly cleaners wasn't ambitious enough.

Her bosses ultimately agreed and the company substantially broadened the Clorox Green Works product line, moving more aggressively into major categories such as home care and laundry rather than sticking to niche offerings. Within months of the brand's 2008 launch, sales surpassed those of established green players such as Seventh Generation and Method.

"Normally in the room, I'm the person trying to make things bigger," said Ms. Rendle, who started this month as chief executive of the Oakland, Calif.-based maker of household staples. "You have to be absolutely unafraid of having an opinion and to advocate for that opinion."

She as ended to Clorox's top job this month, during an unparalleled moment for the company: After a stretch of combating flagging sales, Clorox is now facing an explosion of demand for its products. A year ago, Ms. Rendle was entirely focused on getting more customers to buy Clorox products. Now, she has an almost singular mission: ramp up production of cleaning products as the company struggles to meet pandemic-fueled demand for items such as disinfecting wipes and sprays.

Cleaning supplies remain in severely short supply as American consumers and businesses adopt rigorous disinfecting regimens to stop the spread of the new coronavirus. Ms. Rendle, who previously oversaw the company's cleaning division, drove efforts this year to increase production of cleaners and to lay out plans to expand capacity in coming months.

Ms. Rendle, 42 years old, is among the youngest executives to lead a Fortune 500 company and one of only a few women. She is the first woman to run Clorox, even though the company has been selling mostly to women for decades.

A graduate of Harvard, where she majored in economics and played varsity volleyball, she joined the company in 2003 after a three-year stint in sales at Procter & Gamble Co. She rose from a sales analyst for the company's charcoal and bug-killer businesses to spearheading a companywide effort to boost flagging sales across all categories. She was central to the company's decision in June to pull advertising from Facebook in what Clorox said was an attempt to distance itself from

that speech on the platform.

Now focused on meeting surging demand, Clorox had a different problem heading into the public health crisis. The company was dealing with slow sales of key products including Glad trash bags and Kingsford charcoal after price increases backfired; because rivals didn't follow suit and consumers switched to cheaper alternatives.

Sales were flat in 2019's final quarter, well below sales gains of Procter & Gamble and Colgate-Palmolive Co. Clorox shares were up less than 6% in the year leading up to Feb. 10, when the pandemic sent markets tumbling. The S&P 500 was up 25% in that same period, while P&G shares rose 30%.

Last fall, Ms. Rendle was tasked with creating a plan to bolster sales. At the time, she was three months into her job as an executive vice president in charge of global operations and strategy and Clorox's cleaning and international businesses. She was named president in May of this year.

Then-CEO Benno Dorer, who had led the company since 2014 and remains executive chairman, said he had been impressed by her confi-

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**'Normally in the room, I'm the person trying to make things bigger; said Ms. Rendle.'**

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dence and results and had identified her as a potential successor. He wanted to test her ability to develop and execute a major corporate strategy.

She launched an initiative to create new products and innovative marketing strategies and to cut costs through technology and sustainability.

Five months after the program started, the pandemic led to an explosion in sales. By early March, as the first U.S. Covid-19 cases were being reported on the West Coast and in New York state, consumers began stocking up on cleaners. In late February, company executives said they were prepared for the surge. By mid-March, shelves were bare.

Now Clorox faces a barrage of demand from retailers and consumers clamoring for items in short supply, from disinfecting wipes to surface sprays.

Ramping up demand has required a new spate of safety procedures as factories continued to operate throughout the spring when much of the country shut down and only essential businesses were al-

# "A New CEO Faces a Clorox Wipes Challenge"

lowed to continue operating.

She said Clorox increased production of cleaners by 50% and is racing to add capacity while staying off competition from industry rivals hoping to capitalize on product shortages. At points during the spring and summer, demand for cleaners was five times regular levels. "There's an important role we can play for people, and Clorox has an enormous opportunity to do that now," she said.

Clorox sales in the latest quarter were up 22%, outpacing growth for household-staples rivals including P&G.

Among the stellers Ms. Rendle has taken to bolster supply of cleaners: halting production of some specialty offerings, including the Green Works line she championed years earlier, in order to simplify manufacturing. Green Works, with its natural ingredients, is not among the products recommended by the U.S. government as a protection against the new coronavirus.

While the pandemic keeps employees and their children home for the foreseeable future, Ms. Rendle said Clorox is working on ways to help workers with child care. Her husband, a part-time middle-school administrator, handles remote learning for their boys, 8 and 13 years old. Still, she said she makes a point of interacting with her sons during video calls to put other employees at ease.

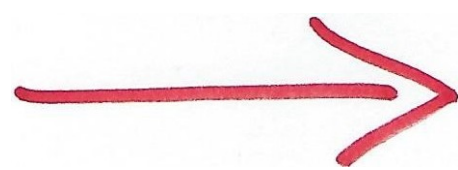
Clorox marketing and strategy chief Stacey Grier, 15 years Ms. Rendle's senior, said Ms. Rendle has been a valuable mentor. Ms. Grier took over the top marketing job in 2019. Ms. Grier joined Clorox in 2016 after spending 25 years at ad agencies, often working with Ms. Rendle.

Ms. Grier said Ms. Rendle cautioned her against trying to replicate her predecessor's style. "She said, 'I'm going to call you on it if you try to be someone else,'" Ms. Grier said. Ms. Rendle followed through. "After a meeting one time, she pulled me aside and said, 'What did you really want to say in there?'"

"And she was right."

Ms. Rendle said she recalls feeling nervous ahead of the 2007 Green Works meeting, having mentally laid out an argument for why the company should implement a widespread rollout of the brand instead of the limited, niche launch executives were planning. At the time, so-called green cleaning products were a minute part of the mainstream market.

"Before I do anything that's hard, I say: 'What's the worst thing that will happen if you do this?'" she said. "And: 'What's the worst that will happen if you don't?'"



# "A New CEO Faces a Clorox Wipes Challenge"

Page 1



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At 42, Linda Rendle is among the youngest executives to lead a Fortune 500 company.

