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Terms of Endearment: Informal Borrowing Networks among Northern California Businesswomen, 1870-1920

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In 1898, Martha Herriman, proprietor of a millinery business in San Jose, California, declared bankruptcy in federal district court, listing five people from whom she had borrowed a total of $976. While all of the lenders held promissory notes for their loans, only two secured endorsements and only two charged her interest. Such lenient terms were typical of the loans northern California businesswomen contracted between 1870 and 1920. The vast majority turned to personal acquaintances for their loans rather than institutions or professional moneylenders, borrowing money free of charge, often with no set rules for repayment. A diverse array of colleagues, customers, and suppliers offered female proprietors the "terms of endearment" they sought, sometimes extending the loans even when they themselves owed money to the borrowers. Such convoluted relationships equally involved male and female lenders. However, women found female lenders were more likely than males to revert to practical financial terms rather than endearing ones, charging interest and pursuing defaulters in court. A sample of federal bankruptcy court records is the basis for this evaluation of the informal borrowing networks of northern California businesswomen between 1870 and 1920.

In 1898, Martha Herriman, proprietor of a millinery business in San Jose, California, declared bankruptcy in federal district court, listing five people from whom she had borrowed a total of $976. While all of the lenders held promissory notes for their loans, only two secured endorsements and only two charged her interest.[1]

[1] Martha Herriman, vol. 6, case #2776, San Jose, 1898, Bankruptcy Court Records, Northern District of California, National Records Archive (NRA), San Bruno, Calif. LIF.

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Such lenient terms were typical of the loans northern California businesswomen contracted between 1870 and 1920.[2] The vast majority borrowed money free of charge, often with no set rules for repayment, turning to personal acquaintances to do so. It was friends, colleagues, and customers who offered female proprietors the "terms of endearment" they sought, not institutional or professional lenders.

Loan relationships such as these, because they were informal in nature, were probably unrecorded by many parties on both sides of the financial arrangement. Lenders often had no documentation to substantiate a loan and its terms while borrowers understood the loans as casual and friendly transactions and had little incentive to report them. Consequently, the loan activities of late nineteenth- and early twentieth-century businesswomen are difficult to uncover.

Does this mean that businesswomen simply didn't borrow money? Elsewhere, I argue that because businesswomen had so much at stake, they were much more conservative then men in the risks they gook to start their businesses. A low borrowing rate is consistent with this business pattern.[3] However, given the familiar and informal nature of women's loan relationships and the fact that most money was borrowed for free, women's loans fit their conservative financial profile as well. In addition, it is well-documented that nineteenth-century American women were accustomed to taking out loans, borrowing from charitable institutions for personal reasons.[4] There is no reason to assume that female proprietors behaved any differently.

Thus, extant historical records likely underestimate the degree to which such informal borrowing occurred by female proprietors. The R. G. Dun and Company credit reports, for example, indicate that only one (or less than one percent) of San Francisco's 89 businesswomen in the 1870s records (the only decade for which the records exist for that city) borrowed

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[2] For the purposes of this paper, "businesswoman" and "female proprietor" will be used interchangeably to mean any woman engaged in small-scale commercial enterprise as an owner/manager: what Susan Ingalls Lewis calls "micro-entrepreneurs." "Beyond 'Enterprising Women': The Importance of Networks for Female Microentrepreneurs In Mid-Nineteenth-Century Albany, New York," paper presented at the 2004 Business History Conference. Most women in Northern California between 1850 and 1920 operated businesses in five main industries: apparel, accommodations, retail, laundry, and beauty.

[3] In my book, tentatively titled *Capital Instincts: Female Proprietors in San Francisco, 1850-1920*, under contract with University of North Carolina Press, I devote an entire chapter to businesswomen's start-up strategies including borrowing money.

[4] See, for example, Shelly Tennenbaum, "Borrowers or Lenders Be: Jewish Immigrant Women's Credit Networks," in *American Jewish Women's History: A Reader*, ed. Pamela S. Nadell (New York, 2003), 79-90.

money to set up her business.[5] Similarly, federal bankruptcy court records indicate that only a small proportion of northern California businesswomen contracted loans. Out of 96 female businesswomen who filed bankruptcy claims in the District Court of Northern California during the course of 10 sample years from 1873 to 1921, only 22 women (23 percent) listed outstanding loans.[6] The overwhelming majority of these women (roughly 77 percent) listed credit debt rather than loans as the reason for their insolvency.

Yet, even if figures such as these from the R. G. Dun and Company credit reports and the bankruptcy court records underestimate the numbers of female business owners who borrowed money, they convincingly illustrate the nature of such loans. More than any other source documenting the behavior of female proprietors, bankruptcy court records provide a glimpse into the kinds of borrowing northern California's female business owners engaged in at the end of the nineteenth and beginning of the twentieth centuries.

The first trend that the bankruptcy records illustrate is that when women small business owners borrowed money, they relied on personal rather than commercial loans. Among the 50 loans contracted by 22 female bankrupts, only 6 (12 percent) were contracted with lending institutions or "capitalists" who were professional moneylenders. The rest were personal loans negotiated between the borrower and someone she knew.

In this respect, northern California businesswomen conform to the national trend. Historians agree that small business owners, whether male or female, typically rejected commercial loans, relying instead on savings

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[5] R. G. Dun & Co. Collection, Baker Library, Harvard University Graduate School of Business Administration, Boston, Mass. By comparison, a sample of 155 San Francisco men in the reports who were proprietors of typically small enterprises such as saloons, groceries, and retail stores—the kinds of businesses comparable to those operated by the city's female business owners—demonstrates a higher rate of borrowing than found among women. Nine, or 6 percent, of the men in the sample were reported to have borrowed money to start their businesses.

6 Bankruptcy court cases from the Northern California District for 1873-1875, 1878, 1898-1900, 1903, 1906, 1909, 1915, 1918, and 1921 were examined (no national bankruptcy law was in effect between 1878 and 1898 and thus no bankruptcy cases were filed during those years), yielding a total of 96 bankrupt businesswomen in the northern California area. Of this total, 22 (or 23 percent) listed loans among their outstanding debts at the time they declared insolvency. Together these women listed a total of 50 loans they had contracted individually or as partners. This is a small but extremely valuable sample, in part because conducting research with the bankruptcy records is extremely laborious and time consuming. Creating the sample discussed here involved culling through well over 2,000 cases; none are indexed. Even more important, though, the sample is valuable because I know of no other source that provides such extensive information about women's borrowing habits.

and personal loans to capitalize their businesses. Mansel Blackford, for example, argues that "personal savings—supplemented by family funds, funds from local business acquaintances, and, to a much lesser extent, bank borrowing—provided most of the initial capital" for small businesses.[7] Thus the bankruptcy records confirm for independent female business owners in late nineteenth- and early twentieth-century Northern California what we already know to be true of small business owners generally.

Yet the bankruptcy records allow us to go a step further in understanding the borrowing patterns of businesswomen for they often tell us who women borrowed from and on what terms. When these names are examined in conjunction with the manuscript census and the appropriate city directories, they become demographic data that permit a glimpse of the informal borrowing networks that crisscrossed the region, connecting businesswomen and their economic fortunes to the pocketbooks of residents throughout San Francisco and neighboring cities.

Ultimately the records illustrate five main points. First, female proprietors borrowed money from a "motley crew" of men and women collected among the customers, suppliers, laborers, colleagues, and competitors they associated with during the course of daily business. Second, lenders and borrowers did not come from distinct class, social, or relational categories; lenders might simultaneously be debtors to the women to whom they loaned money, highlighting the fluidity of these informal financial relationships. Third, loan relationships occurred between acquaintances and across categorical boundaries because such informal borrowing typically provided female proprietors with free capital and the most lenient repayment terms. Fourth, businesswomen borrowed money equally from men and women, underscoring that milliners and dressmakers notwithstanding, most female small business owners operated in a hetero-social commercial world.[8] Fifth, 25 percent of lenders obligated businesswomen to pay interest and were more likely to be women than men, underscoring that women's informal borrowing networks were not, in fact, always as "endearing" as they probably hoped and that "sisterhood" did not necessarily extend to the realm of finance.

Explaining Relationships between Lenders and Borrowers

One of the largest categories of lenders from whom women borrowed money was lodgers for whom they provided room and board. Four of the 50 loans (8 percent) came from male lodgers. Two additional loans, borrowed by a female hotel operator, came from men who may also have been lodgers, bringing the total number of lodgers to 6 (12 percent of all

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[7] Mansel Blackford, *A History of Small Business in America*, 2d ed. (Chapel Hill, N.C., 2003), 105.

[8] Wendy Gamber, *The Female Economy: The Millinery and Dressmaking Trades, 1860-1930* (Urbana, Ill., 1997).

lenders, 25 percent of male lenders). These lodgers included: an attorney who rented his own office space several blocks away from the room he rented in Ellen Crocker's lodging house; a miner who probably only resided in Nancy Noyes' San Francisco lodging house seasonally; and four men (E. Pedrotti, Robert Glenn, Mike Gorich, and Valenti Deicas), occupations unlisted, of varying ethnic backgrounds, who resided in female-operated establishments in the working-class Northern California towns of Ferndale, Ukiah, and Camp Secco.[9]

Why did lodgers lend money to proprietors? The answer may lie in Gamber's recent work on the confusing position of the boardinghouse in nineteenth-century America. As she asks: "Was boarding a purely economic relationship? A semi-familial one?" Proprietors provided more than just cooking and cleaning for their boarders. They also had the "intangible—if unachievable—charge of providing lodgers with surrogate homes, a task that required emotional labor as well as physical effort."[10] This helps explain why lodgers/boarders would have agreed to lend money to their "landladies" and why proprietors would have been comfortable asking. They viewed the relationship as familiar, friendly, even family-like. Certainly, such relationships were the kind where the most forgiving loan terms ("terms of endearment") could be found. It was perhaps even the kind of relationship where proprietors might take advantage of a lodger's emotional dependence on her.

An equal number of loans came from lenders we can collectively characterize as suppliers. Six male and female lenders (8 percent of the total) were retailers, merchandisers, or farmers. Two of the six, both women, were specifically listed as suppliers from whom the borrower had purchased goods. While there is not a similar established link between the remaining four suppliers and the women to whom they lent money, it seems possible that the nature of the relationship was the same. Because in all but one instance, the female borrower was either a hotelkeeper or a merchant herself, the kind of businesswoman who interacted monthly or even weekly with suppliers and who, therefore, would have known well the men and women from whom she bought supplies.[11]

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[9] Ellen Crocker, vol. 5, 1878, case #2464, San Francisco; Nancy Noyes, vol. 5, 1878, case #2457, San Francisco; Emma Roller, 1906, case #5048, Ukiah; J. B. and Mrs. Palmer, 1909, case #6033, Camp Secco, NRA. Occupational information gathered from the *Langley Directory* for San Francisco, 1877-78 and 1878-79.

[10] Wendy Gamber, "Tarnished Labor: The Home, The Market, and The Boardinghouse in Antebellum America," *Journal of the Early Republic* 22 (Summer 2002): 192, 199.

[11] See Olive E. Wells, case #6344, San Francisco, 1909; Martha Ballinger, case #6400, San Jose, 1909; Ellen Parker, case #11133, Oakland, 1918; Margaret Stein, case #11187, San Francisco, 1918, Florence Reynolds, case #12076, San Francisco, 1921, NRA. Occupational information from San Francisco Directory, 1908-09,

One of the most surprising loan relationships in the court records involved Martha Ballinger, a widowed drug company operator, and her live-in servant, Clara Evarts. Evarts had money to lend because she had inherited 80 acres of land in Illinois from her grandfather. As the court records attest, she accumulated $3,300 from “the proceeds of the sale of said land, with its accrued interest and her wages for work for various persons.”[12] Thus when Ballinger wrote a note asking, “Can you let me have $25?” to pay the rent, Evarts complied.

While this inversion of the mistress-maid relationship was surely unusual, there is reason to believe that even menial domestic laborers like Evarts may have been commonplace lenders in the borrowing networks connecting female small business proprietors with much-needed capital. As Evarts story indicates, it was possible to accumulate savings from one’s wages even in low-paid, low-status jobs. Black washerwomen, for example, were among the “earliest and strongest supporters” of the Saint Luke Penny Savings Bank that Maggie Lena Walker established in Richmond, Virginia in 1903.[13] While the amount such women were able to save was clearly pecuniary, as the bank’s name suggests, it may have been enough to lend out. Although the majority of loans contracted by northern California businesswomen at the end of the nineteenth and beginning of the twentieth centuries were for more than $200, they sometimes borrowed much smaller amounts. Ellen Parker, for example, an Oakland hotel owner in 1918, borrowed just $5 from “E. E. Cooper” who was listed among her outstanding creditors when she declared bankruptcy. Because loans between acquaintances occurred informally, and according to no particular rules, an individual needed no minimum amount to participate as a lender.[14]

The fact that Martha Ballinger asked her live-in servant for a loan to pay the rent indicates that money crossed social and economic boundaries not always in the direction one would expect. Other examples from the bankruptcy records confirm that the borrowers and lenders in informal loan relationships defy easy categorization by socioeconomic status. Berkeley resident Isabella Hyatt’s loan to San Francisco dressmaker Margaret Stein in 1918 provides evidence of this. When Stein declared bankruptcy, she owed Hyatt $270.80 for materials furnished, labor ($33), and money loaned.[15] Thus, Hyatt was simultaneously a service provider

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1909-10, 1918, 1921 and Oakland/Alameda/Berkeley Directory for 1917 and the 1910 Manuscript Census accessed through www.heritagequest.com.

[12] Martha Ballinger case #6400, San Jose, 1909, NRA.

[13] Elsa Barkley Brown, “Womanist Consciousness: Maggie Lena Walker and the Independent Order of Saint Luke,” *Signs: Journal of Women in Culture and Society* 14:3 (1989), reprinted in Mary Yeager, ed. *Women in Business* (London, UK, 1997): 199-222.

[14] Ellen Parker, case #11133, Oakland, 1918, NRA.

[15] Margaret Stein, case #11187, San Francisco, 1918, NRA.

contracted by Stein and a lender from whom Stein borrowed money. This complicated set of relationships blurred power distinctions between parallel categories such as suppliers and customers, employers and employees, and lenders and borrowers because Hyatt fit all of these. Furthermore, there is evidence that even the presumably distinct categories of debtor and creditor could be convoluted by informal loan relationships. Mrs. Palmer, for example, who owned a boardinghouse and grocery with her husband in 1909, borrowed money from two customers, both of whom owed her money for outstanding room and board charges.[16] Thus, her lenders were simultaneously her debtors. Such inverted relationships underscore that female small business owners negotiated loans whenever they had to and with whoever they could, sometimes subverting preconceived notions about the kinds of people who were lenders and the kinds of people who were borrowers.[17]

Personal relationships surely also influenced who businesswomen turned to when they needed capital. Bertha Root, for example, turned to a fellow dressmaker, Ella Fisher, when she needed money in 1915, this in spite of the fact that Fisher lived across the country in New York city.[18] Because the historical record provides no further information, we can only surmise the nature of their relationship. But it seems possible that it was born out of a shared apprenticeship, an experience that provided ample opportunity for female "bonding" as it could last for as long as 3 years and might involve considerable exploitation, according to historian Wendy Gamber.[19] Alternatively, women in the dressmaking and millinery trades sometimes shared work and retail space in order to reduce their costs, and could have become acquaintances or even friends this way.

Dressmaker, Margaret Stein relied on shared ethnic ties when she borrowed $525 from Mrs. Matilda Zimmerman, also a German.[20] Like other San Francisco immigrant groups, the Germans stuck together, often providing financial assistance to each other when needed. This was especially true of German Jews who established the San Francisco Hebrew Free Loan Association to lend small amounts of money to Jewish men and

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[16] J. B. and Mrs. Palmer, case #6033, Camp Secco, 1909, NRA.

[17] Literature on women's credit networks tends to emphasize two distinct classes of people: contributors or lenders and borrowers. See Tennenbaum, "Borrowers or Lenders Be," and Aidan Hollis, "Women and Microcredit in History: Gender in the Irish Loan Funds," unpublished paper accessed electronically at econ.ucalgary.ca/fac-files/ah/womenandloanfunds.pdf.

[18] Bertha Root, vol. 19, case #9364, San Francisco, 1915, NRA. Occupational information from 1920 manuscript census accessed through *HeritageQuest.*

[19] Gamber, *The Female Economy*, 12-13.

[20] Margaret Stein, case #11187, San Francisco, 1918, NRA. Information on the Zimmerman family from 1920 Manuscript Census, accessed through *AncestryPlus* (www.gale.ancestry.com).

women.[21] By turning to other German immigrants for a loan, Stein was building on a long-established tradition in the region.

As in these two examples, personal ties may have particularly characterized the relationships between female lenders and borrowers. Though bankruptcy records indicate that women were just as likely to borrow money from men as women, some women in the records clearly displayed a preference for female lenders.[22] This may have been because they could expect female friends and family members to lend them money on especially charitable terms. San Jose milliner Martha Herriman, for example, whose story began this investigation, took out six loans of $100 or more, five of which were contracted with women. The fact that in four out of five cases, Herriman was not charged interest on the loans may provide insight about the nature of her relationship with these female lenders.[23]

Loan Terms

As my paper title indicates, such forgiving terms suggest that endearment rather than practical financial gain characterized the majority of businesswomen's loans. The few cases when lenders insisted on charging interest attests to this point. Only 13 (26 percent) of the 50 lenders in the bankruptcy case sample charged any interest.[24] This evidence underscores that one of the motivations for relying on personal acquaintances to borrow money was that they offered the most lenient terms, loaning money for free that could be repaid as the borrower was able, sometimes not for several years.

However, this was not a phenomenon exclusive to loans contracted between women borrowers and women lenders. Female proprietors borrowed money equally from men (44 percent) and women (44 percent) and did not find women to be any more forgiving than men. In fact, the Martha Herriman case is more an exception than the rule, because overall the bankruptcy court records indicate that "terms of endearment" more often characterized loans by men. Of the 13 loans in the sample listed with interest, female lenders had contracted 8 (62 percent), male lenders only five (38 percent).

These data raise the question: why did women more often than men charge interest when they loaned money to other women? Part of the answer must be that charging interest, even to other women, conformed to women's financial behavior throughout the 1800s. In fact, women who invested their money in order to increase the value of their assets were

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[21] Tennenbaum, "Borrowers or Lenders Be."

[22] Forty-four percent of the loans in the sample came from women and 44 percent came from men. The remaining 12 percent came from "capitalists" and institutions.

[23] Martha Herriman, vol. 6, case #2776, San Jose, 1898, NRA.

[24] When listed, the interest rates ranged from 4 to 7.5 percent.

commonplace in the nineteenth-century United States starting in the Early National period. Recent scholarship by Robert E. Wright, for example, shows that businesswomen during this era "held loan and deposit accounts ...[and] owned significant amounts of corporate stock and other financial securities."[25] Businesswomen's "use of the financial markets" continued throughout the century.[26] Angel Kwolek-Folland also emphasizes this point in her survey of the history of women in business, pointing out several examples of women who "grew their assets" through investment of one kind or another throughout the nineteenth century.[27]

California women exhibited the same trend. Businesswomen invested in stock starting with the Comstock Lode madness that seized San Franciscans in the 1870s and continuing into the early 1900s with corporate stock.[28] In addition, women worked with private capitalists who lent money for interest. Roley E. Wilhoit, for example, who managed money for individuals throughout northern California and eventually became president of the Stockton Savings and Loan Association, worked with a significant number of female customers. In ledgers of his transactions between 1891 and 1910, women constituted approximately 25 percent of his customers.[29] These female depositors, whose money he loaned for interest, included dressmakers, teachers, nurses, retail storeowners, and farmers as well as a large number of single women, married women, and widows listed with no occupation.[30] Like the women in the bankruptcy court records, these women operated not according to "terms of endearment" but according to the impersonal rules of engagement that governed the financial world. In only a small number of

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[25] Robert E. Wright, "Women and Finance in the Early National U. S.," in *Essays in History* 42 (2000), published electronically by the Corcoran Department of History, University of Virginia. The paper can be accessed electronically at http://etext.lib.virginia.edu/journals/EH/EH42/Wright42.html.

[26] This is Wright's term.

[27] Angel Kwolek-Folland, *Incorporating Women: A History of Women and Business in the United States* (New York, 1998).

[28] Examples include Teresa Holden, vol.1, case #1283, 1873; Ellen Crocker, vol. 5, case #2464, 1878; Clara Moody, case #7577, 1912; and Louis Spiro and Estella Spiro, vol. 10, case #9475, 1915, NRA.

[29] Roley E. Wilhoit Business Records, 1891-1910, MS 113, Holt Atherton Special Collections Library, University of the Pacific, Stockton, Calif. These figures pertain to ledger books 1-3, covering the years 1891-1902.

[30] I attempted to locate most of the women in the ledger books in the Stockton City Directory and found only a small percentage of them. While city directories are well known by historians to be inaccurate records of a city's total population, one additional explanation for the low number of women in the directory is that Wilhoit's clients included women in Oakland, Alameda, Santa Cruz and even Portland, Maine, Linneus, Missouri, and Corbin, Kansas. Some portion of those women not found in the Stockton Directory, therefore, may have resided in other cities.

cases, Wilhoit recorded an individual's name as the recipient of a woman's money suggesting that his client had requested he disperse a loan to someone she knew. Most often, however, the ledger books simply stated "Talmadge Loan" or "Hubbard Loan" with several entries thereafter listing interest income. In such cases, the female client likely had no knowledge of or interest in who her money was loaned to other than her rate of return.[31]

Thus, when businesswomen approached other women for financial assistance, they must not have been surprised to be offered loans with interest and specific repayment schedules. On the other hand, because such loans represent only a small fraction of the total number of loans women contracted, it is also possible that businesswomen turned to interest loans only as a last resort. Perhaps such loans were contracted on a quasi-professional basis and involved two women who did not, in fact, know each other well. This could help explain why women lenders charged interest on loans to other women: because they did not know them well personally and thus treated the transaction as a business transaction rather than an informal arrangement with a friend. Merchant Florence Reynolds' loan with six percent interest from Mrs. Frank B. Anderson, wife of the president of Bank of California, may be an example of this pattern.[32] Similarly, Johanna Pufter, co-owner of a retail tire company, agreed to pay interest on a loan she borrowed from Mrs. Adeline Metzer, wife of a painter.[33] Both loans were secured with promissory notes underscoring that the lenders wanted to be sure they could enforce the loan repayment terms if the borrowers failed to comply with the terms of the loan.

Women lenders in late nineteenth- and early twentieth-century northern California did more than reject "terms of endearment," however. They could be formidable adversaries when borrowers did not repay their loans. The bankruptcy court records indicate that when lawsuits were filed against female defendants, women were more likely to file them than

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[31] Even when capitalists loaned women's money to other women, as was the case with Mr. Gallagher, who was called to testify in the Martha Ballinger bankruptcy case about the money he loaned out for Mrs. Vioget to Mrs. Ballinger, it was done in an impersonal way. Neither of the women appeared to have known each other. Thus when Mrs. Vioget cashed out to start her own business, Mr. Gallagher simply sold the chattel mortgage that was the security for the money Mrs. Ballinger had borrowed to another woman, Mrs. Garman. Martha Herriman, vol. 6, case #2776, San Jose, 1898, NRA.

[32] As the wife of a bank president, Mrs. Frank B. Anderson may have had several additional reasons to charge interest: because her husband expected her to, because she was acting on her husband's behalf, because she had learned from her husband's financial transactions about the profitability of charging interest, etc.

[33] Florence Reynolds, case #12076, San Francisco, 1921 and Johanna Pulfer, case #12256, San Francisco, 1921, NRA.

men. Of the seven lawsuits evidenced in the bankruptcy case sample, women filed five (70 percent).

One explanation for this may be that in contrast to nineteenth-century men, women did not feel compelled to treat other women with decorum. Prescriptive literature from the 1800s cast men as the economic warriors who could withstand buffeting by the competitive forces of the commercial marketplace and women as more delicate nurturers whose job it was to restore their equilibrium. While such literature is generally understood these days as an inaccurate description of the actual roles that American men and women played during the 1800s, it nonetheless influenced how they came to think about each other. Thus, men may have been reticent to aggressively pursue female borrowers who defaulted on their loans because they did not want to be perceived as abusive toward women's supposed delicacy. Women, on the other hand, risked no such label when they used the court system to recoup their assets, and that may be precisely why they could be so successful at prosecuting debtors.

Perhaps this is what San Francisco attorney William Hickman meant when he described women's natural abilities as debt collectors. In an 1879 letter to J. D. Bicknell, he wrote:

> If you have not succeeded in collecting the Harley Note on the account against Rice and Mrs. Sumnium (sic), please give them (sic) to Mrs. Ferguson, she has done <u>so well</u> with the Backman Note that I feel inclined to give her a <u>chance</u> at the above named parties—the <u>Ladies</u> you know have "<u>God Given</u> Gifts" for collecting bad debts.[34]

Mrs. Ferguson may have been so good at "collecting bad debts" because she brooked no criticism for pursuing men and women who defaulted on their loans. On the other hand, she may simply have been good at "collecting bad debts" because she was tough, savvy, and intricately involved in challenging financial transactions such as debt negotiations.

Women who demanded interest and specific terms when they lent money to other women were most likely precisely the kinds of women who knew how to utilize the tools at their disposal, including lawsuits and the powers of persuasion, to recoup their investments. The businesswomen who borrowed from them may have turned to them, like private male capitalists and financial institutions, as a last resort, knowing that "terms of endearment" would not characterize the transaction. Because interest-loans comprised only a small percentage of the personal loans documented in the bankruptcy cases, this conclusion conforms with my larger overall thesis, that business women in northern California, 1870-1920, typically

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[34] Wm Hickman to J. D. Bicknell, Esq, 31 Dec. 1879. Bicknell Collection, Correspondence 1879-1881, Box 3. Huntington Library, San Marino, Calif.

turned to acquaintances because they offered the best terms for borrowing money.

On the other hand, the higher number of female lenders who charged interest might also be interpreted another way. Perhaps when female borrowers were forced to pay to borrow money, they preferred to borrow such money from female lenders who may still have seemed more familiar and "endearing" than male moneylenders, in spite of their decidedly business-like approach to loans.

Conclusion

Northern California businesswomen in the late nineteenth and early twentieth centuries relied overwhelmingly on no-interest loans from people they knew rather than institutional loans or loans from capitalists. When they contracted loans they drew on relationships with a diverse array of people with whom they interacted on a daily basis in business (customers, suppliers, laborers, colleagues, and competitors) because these people they knew seemed most likely to offer the best terms. Women's borrowing networks crossed class, social, and relational categories underscoring that "terms of endearment," wherever they found them, were the motivation for women's loan relationships. This fluidity also suggests that money flowed in many directions in the late-nineteenth early-twentieth century world of small business. Lending and borrowing money, it seems, was a commonplace transaction. A wide range of people, in a variety of roles, were willing to entertain a request for money when asked by an acquaintance.

The fact that women borrowed money equally from men and women underscores the point that most businesswomen operated in a hetero-social commercial world. Not only did women interact with men in business, they sometimes found such interactions more favorable because female lenders were more likely than males to charge female borrowers' interest. This may have been because women especially sought out other women when they were forced to pay interest to borrow money, suggesting that women lenders were viewed as "friendlier" than their male counterparts.

Ultimately northern California women's borrowing networks were a safety net spun out of webs of trust, friendship, familiarity, and good will. Even though sometimes businesswomen could get caught in the web by a savvy lender's aggressive tactics, overall they found such networks enabled them to borrow money on their own terms, "terms of endearment," to get them through difficult times. These informal loan transactions, so difficult to uncover in the historical record, played a key role in the economic survival of women's small businesses between 1870 and 1920.