

# It's a Wonderful (Italian-American) Life

## *The American Tale of the Italian Banker*

"What'd you say a minute ago? They had to wait and save their money before they even ought to think of a decent home? Wait? Wait for what? Until their children grow up and leave them? Until they're so old and broken down that they... Do you know how long it takes a working man to save \$5,000? Just remember this, Mr. Potter, that this rabble you're talking about...they do most of the working and paying and living and dying in this community. Well, is it too much to have them work and pay and live and die in a couple of decent rooms and a bath? Anyway, my father didn't think so. People were human beings to him. But to you, a warped, frustrated old man, they're cattle. Well in my book, my father died a much richer man than you'll ever be!"

- George Bailey from  
*It's a Wonderful Life*



*The Bank of Italy's temporary office following the 1906 San Francisco earthquake. (Courtesy of the Bank of America Historical Collection)*

BY MILES RYAN FISHER

From the beginning, Amadeo P. Giannini was one of the little guys. He dropped out of school at 14 years old to work in his stepfather's produce company, saving every dollar he earned and working his way up until he took over the business. Bit by bit, he sold pieces of it to employees, again saving every dollar he made. By age 31, he'd saved up enough to retire.

Upon retiring, Giannini received an invitation from Columbus Savings & Loan Society, a small bank in North Beach, a neighborhood in the Little Italy section of San Francisco. The bank was interested in investing his assets. Giannini accepted the invitation, but it wasn't long until he discovered something that troubled him: his small bank wasn't helping the little guy. He found that this wasn't just the case for *his* bank—it was the case for *every* bank. No matter their size, banks loaned only to rich individuals or business owners.

He went to the directors of Columbus Savings & Loan and tried to persuade them to start offering loans to the working class so they could afford homes and automobiles and other property that would better their lives—things that would take them a lifetime to save for. They were honest, Giannini said. They would pay back

their loans, he said. But this reasoning wasn't good enough for the directors, and they outright rejected his idea.

So Giannini took his rejected idea and walked right across the street with it. Literally. After raising \$150,000, he bought a saloon that sat facing Columbus Savings & Loan Society, and in 1904, he opened the Bank of Italy. His assistant bank teller? The former bartender from the saloon.

The Bank of Italy began by educating the working class about bank loans, and Giannini started loaning based not on documented equity but on his judge of character. Two years after opening his first branch, however, disaster struck. The San Francisco earthquake of 1906 destroyed 80% of the city and killed 3,000 people. Bank buildings, including Giannini's, lay in rubble. San Franciscans were without homes, without money, and even without identification, the earthquake erasing everything they owned. And while every other bank was weeks away from being able to operate, Giannini and his building-less Bank of Italy were open for business.

Giannini arrived at the San Francisco docks days after the earthquake, pulling up in a horse-drawn cart filled with produce. Beneath the produce, however, lay the money he'd salvaged from his bank. He found two barrels



A.P. Giannini was listed as one of Time Magazine's 100 People of the 20th Century.

on the dock and rolled them until they sat a few feet apart. He picked up a loose wood board and plunked it across them. He lifted the bags of money from his cart and plopped them beside his makeshift bank.

With two barrels, one wooden board, and bags of rescued money, the Bank of Italy started loaning to businesses and the working class so that they could begin to rebuild. And because many of them didn't have identification, Giannini loaned based on nothing more than a signature and a handshake. It was from this trust

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that by the 1920s, the Bank of Italy became the third largest bank in the United States. In 1928, it changed its name from the Bank of Italy to a name now known worldwide—the Bank of America.

At the time of his death in 1949, the 79-year-old Giannini had seen his bank grow from a converted saloon into a multi-branch national worth billions of dollars. Yet when he died, Giannini owned an estate that was valued at \$500,000, just a slight fraction of what he was actually worth. He'd given away most of what he made, avoiding the urge to amass wealth because he felt it would put him out of touch with the working class. "Money itch is a bad thing," he once said. "I never had trouble with that."

The itch he did scratch, however, was an itch that came upon him whenever he ran into fellow bankers,

the ones who'd scoffed at lending to the working class. Giannini apparently never tired of telling them that each and every working class man he loaned money to had paid him back—in full.

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The working class wasn't the only "undesirable" population that Giannini reached out to. To most lenders, the motion picture industry posed a huge risk as well. While they avoided the industry, Giannini again traveled in the opposite direction, creating a motion picture loan division and financing films such as *Gone with the Wind* and *Snow White and the Seven Dwarfs* (and many later Disney classics). At a time when the film industry couldn't find lenders, he extended loans that were instrumental in making careers possible for the likes of Charlie Chaplin, Cecil B. DeMille, Douglas Fairbanks, and Frank Capra.

In 1932, Capra directed *American Madness*, a drama about a bank president who loans money based on character rather than equity, an act that causes the bank's board of directors to try to remove him. The bank president ends up being saved by his working class friends, the ones he'd helped in the past. Unfortunately for Capra, the movie didn't receive much acclaim.

If the plot sounds familiar, that's because Capra returned to it 14 years later. In 1946, Capra embarked on



*It's a Wonderful Life* is listed as 11th on the American Film Institute's list of the 100 greatest American films.

a movie based on Philip Van Doren Stern's short story "The Greatest Gift." The short story, however, didn't provide enough of a plot or a fully developed main character for the extent of a movie. So Capra expanded the story. He developed the main character in ways that reflected the man he admired. His job, his beliefs, his resolution—they all mirrored the man who founded the Bank of Italy, the one who'd supported Capra when nobody else would.

Inspiration traveled through Frank Capra's pen, and when Capra was finished, what lay in front of him was the script for *It's a Wonderful Life*—and its main character, America's beloved banker who always stuck up for the little guy, was born. And that is when the Italian life of Amadeo P. Giannini became the American tale of George Bailey.

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*Actor Jimmy Stewart plays the role of banker George Bailey in *It's a Wonderful Life*—what he stated as being his all-time favorite role.*