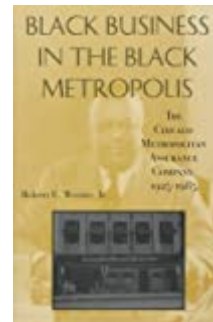


# H-Net Reviews

in the Humanities & Social Sciences



**Robert E. Weems.** *Black Business in the Black Metropolis: The Chicago Metropolitan Assurance Company, 1925-1985.* Bloomington: Indiana University Press, 1996. xvii + 158 pp. \$35.00 (cloth), ISBN 978-0-253-33025-3.



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For more than half a century, researchers have chronicled the ascendancy and decline of African-American insurance companies. Most studies focused on the racial, social, and economic climate which necessitated black enterprises of this nature, or examined the internal operations of the firms themselves. Robert E. Weems Jr.'s *Black Business in the Black Metropolis: The Chicago Metropolitan Assurance Company, 1925-1985* attempts to combine the conceptual framework of previous black insurance studies while chronicling changes occurring in Chicago's African-American community during the twentieth century. This volume is part of Indiana University Press's lauded "Blacks in the Diaspora" series which features more than forty titles examining race, gender, class, and broader issues in Atlantic history.

The core research and organizational synthesis for *Black Business* is gleaned from Weems's doctoral dissertation written at the University at Wisconsin. The numerous acknowledgments Weems (an Assistant Professor in the Department of History at the University of Missouri-Columbia) gives to mentors, fellow scholars, helpful archivists, and many others is indicative of how he approached his subject. Weems's inquiry is written from a personal analytical perspective. He conducted more than fifty oral interviews with people affiliated with the Chicago Metropolitan Assurance Company during its

long history, and was granted access to the firm's financial and meeting records. Not surprisingly, because of the wide preponderance of available resources, Weems's chronicle of Chicago Met's corporate history is his book's major strength. However, instead of closely integrating twentieth-century socio-political, economic, and cultural forces within his strong business narrative, Weems's compartmentalization of these events, and other structural problems prevent him from achieving his larger objectives.

Weaknesses aside, Weems's first three chapters serve as the benchmark of his work. Chapter One chronicles the embryonic history of the Metropolitan Funeral Home Association (MFSA). Begun in 1925 as the precursor to what eventually became Chicago Met, the firm dedicated its efforts to serving the burial needs of working-class black Chicagoans. Although providing a necessary societal function, MFSA struggled to survive during its early years. Similar to many early African-American business ventures, MFSA was unable to obtain capital from white lending institutions. However, the unusual external activities of the firm's first two patriarchs provided the financial catalyst for the fledgling enterprise to eventually become profitable.

Daniel Jackson and Robert A. Cole supervised MFSA and Chicago Met's operations for more than three

decades. Besides being a prominent black businessman, Jackson also had close ties to Chicago's Republican political machine. However, his major source of power stemmed from controlling gambling activities in the city's racially-segregated African-American community (nicknamed "Bronzeville" by its black residents). Evidence suggests that Jackson underwrote MFSA's initial capitalization and subsidized its operating losses until Cole, his gambling lieutenant and protege, purchased the firm from him in 1927. While MFSA was only a side activity for Jackson, it became an important part of Cole's professional identity for the rest of his life. Born in Kentucky, Cole migrated to Chicago in 1905 after finding his prospects limited in the South. Soon after arriving in the city, he obtained employment as a Pullman porter. It was during his fruitful twenty year tenure with Pullman, where Cole mastered the interpersonal skills he deftly used later in his business career.

Under Cole's vigorous leadership, MFSA professionalized its insurance sales force and reorganized company operations. The firm earned praise from policy holders because it paid claims promptly, and permitted burial within a 1,000 mile radius of Chicago. Since many black Chicagoans were recent southern migrants, the aforementioned option was an attractive sales tool. However, despite gaining the confidence of its working-class customers and African-American city leaders, the operation continued to lose money. Between 1927 and 1931 alone, Cole personally loaned MFSA more than \$18,000 to help stem the tide. Nevertheless, even with Cole's gambling subsidies, the firm survived the Great Depression largely because of its ambitious sales force. Throughout the 1930's, MFSA salesmen were paid strictly by commission, and the necessity of securing new clients prevented a full-scale erosion of its customer base. Having weathered a difficult storm, by the end of the World War Two, the firm's financial problems became a distant memory as MFSA gained new customers and significantly increased its revenue.

Chapters Two and Three examine the firm's most prosperous period. The early postwar era brought renewed hopes for African-American social and economic advancement, and MFSA's leaders were not immune. Implementing expansion plans conceived shortly after the war, MFSA management decided to enter the life insurance business, expand its sales territory outside of Bronzeville, and provide additional benefits and dividends for their burial customers. The firm also changed its name to the Metropolitan Mutual Assurance Company of Chicago (finally becoming the Chicago

Metropolitan Assurance Company in 1952). Not surprisingly, because of the prosperous temper of the times, Chicago Met increased its policy base, weekly premium income, and total admitted assets between 1947 and 1957.

However, Cole's death in 1956 served as a demarcation point for Chicago Met's postwar ascendancy and decline. Although he distanced himself from day-to-day management in his later years, the firm's long-time patriarch still influenced its operational philosophy. The real impact of his death became apparent as Cole's successors were unable to maintain friendly relations with its vaunted salesforce, culminating in a divisive agents strike during the summer of 1957. The origins of the labor dispute stemmed from an initiative to increase policy sales in downstate Illinois, Indiana, and Missouri. As a financial incentive, company officials paid salespeople in the target markets a higher commission rate than agents servicing Chicago-area customers (more than four-fifths of Chicago Met policies were sold in Bronzeville). Although the labor-management conflict was eventually settled, company morale never returned to its previous level, and exacerbated other looming problems.

Flaws in Weems's organizational focus become readily apparent in Chapters Four and Five. Moving out of chronological sequence, the scholar examines Chicago Met's impact as a community institution and the legacy of Cole's paternalistic management style. While offering some important insights, these chapters often repeat material interspersed throughout his narrative. A prime example is Weems's discussion of the socio-cultural impact of opening the firm's new corporate headquarters. Completed in 1940, the complex also boasted a formal ballroom, (an eating facility was added in 1948) and became an important Bronzeville social center. While the genesis and overall impact of the firm's headquarters is prescient earlier, the author's continued discussion of it undermines its significance.

Weems's work is further hampered by an unbalanced historical and chronological focus. Eighty percent of *Black Business* records the first half of Chicago Met's history. The final two chapters (examining a period from 1958 to the early 1990's) span only twenty-four pages, and don't have the same analytical depth as earlier material. Furthermore, while ably chronicling Chicago Met's losing battle to remain viable and independent, Weems misses a golden opportunity to tie the firm's postwar woes to changes in black consumer and socio-economic fortunes.

Noted labor scholar Lizabeth Cohen in *Making A New*

*Deal*, (New York, 1990), her prize-winning social history of post-World War One Chicago industrial workers, suggests that African-Americans were more likely than any other racial group to embrace brand-identified consumer products and services. Besides failing to refute or defend monolithic theories such as Cohen's, Weems only provides a cursory examination of Chicago Met's post-war marketing and advertising strategy in reaction to increased competition from white-owned insurance firms and aggressive black-controlled companies. The management style of the Atlanta Life Insurance Company (the African-American firm which purchased Chicago Met in 1991) represented a marked contrast to initiatives undertaken by the central figures in Weems's narrative. While Chicago Met foundered during the 1980's, Atlanta Life merged with, or purchased several struggling (but still valuable) black insurance companies in an effort to keep pace with overall industry consolidation.

The recent closing and liquidation of the once-hallowed Woolworth variety chain, underscores the

harsh realities of American consumer society. Throughout its history, Chicago Met's fortunes mirrored those of the community it valiantly served for more than six decades. While the forces of integration and post-industrialization wreaked havoc on the lives of their loyal working-class customers; Chicago Met ultimately lost its autonomy because unlike firms such as Atlanta Life, the organization could not effectively expand beyond its Bronzeville base. Unfortunately, Weems's reluctance to delve further into larger structural issues such as this, mars what could have been an important and path-breaking inquiry. Nevertheless, because of Chicago Met's unusual origins and history, *Black Business* is still a durable treatise for scholars and researchers of African-American entrepreneurship.

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