

## Media and the Economic Crisis

### Community As A Financial Network: Mortgages, Citizenship, And Connectivity

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*This essay argues that the contemporary foreclosure crisis should be understood through the articulation of citizenship and community with financial networks in American culture. Much of the populist outrage over the contemporary financial crisis is related to the massive amount of money bailing out financial service corporations and banks on “Wall Street” while little goes towards helping Americans on “Main Street.” However, the dominant discourse surrounding community, homeownership, and banking in the United States defines this opposition as an illusion. This essay traces the history of this articulation, first through how debt and citizenship have been understood historically, then through representations of community and banking that equate the two. I examine, first, the popular film *It’s a Wonderful Life* (1946), which defines community as an effect of banking policy and the liquidity of credit, and, second, the contemporary representation of banking as the locus of community. This discourse ideologically defines the role of citizenship as one in which community relations are defined as nothing other than networked flows of capital. The social network of a community is equated to the financial network of global capitalism. A good citizen is, consequently, defined as one who keeps capital flowing through their connectivity to banking and financial networks.*

In the campaign leading up to the 2008 election for Minnesota’s 3<sup>rd</sup> District House seat, Republican candidate Erik Paulsen repeatedly referred to his Democratic-Farmer-Labor opponent Ashwin Madia as a “renter.” In an interview with Minnesota Public Radio, Minnesota State Senator Geoff Michel, speaking for Paulsen, stated, “As far as our records can tell, Ashwin Madia has never, never even owned a home. I would like my next member of Congress to have owned a home and to know what it’s like to pay a mortgage” (Steller 2008). More recently, after the 2010 midterm election, Tea Party Nation President Judson Phillips also suggested that property owners have more of an investment in a community than those who do not own their own houses. For Phillips, restricting voting rights to those who own property “makes a lot of sense” because those who do not own property do not have a “vested interest” in the larger community. Very clearly, these political figures are outlining a version of citizenship in which having a mortgage is central to the experience of American life. Not owning a home and not paying a mortgage are enough to call one’s citizenship into question, for elected officials and voters alike. Leftist blogs and

news sources reporting on these statements articulate them to policies of “voter disenfranchisement that [have] roots in the 18<sup>th</sup> century,” the advocating of which is common among some conservatives and constitutional originalists today (Jilani 2010). While this interpretation is certainly true, it is incomplete, as it should also be placed in the larger context of citizenship, homeownership, and, as is central for the practice of owning a house today, the role of mortgages in contemporary American culture.

Paulsen, Michel, and Phillips’ comments are only the most recent incarnation of a discourse that has existed for as long as the United States. The association of citizenship with homeownership has been commonly held by political and economic elites throughout American history, though it was only by 1945, after a sustained period of governmental programs and propaganda campaigns beginning in 1910, that this articulation had become a dominant ideology held by the majority of Americans (Lands 2009, 107; Mettler 2005, 100-103). Many of these early campaigns explicitly defined homeownership as an essential duty for patriots in the fight against communism. “No man was ever an anarchist or participated in the destruction of property which he owned or in which he had an interest,” claimed a writer in the *National Real Estate Journal*. “It is safe to predict that [the homeowner] will never be found in the Socialist ranks,” claimed another (Lands 2009, 117). The government-sponsored campaigns that associated homeownership and citizenship usually did so in language that emphasized self-responsibility and the personal management of self and private property. The example of homeownership contrasted a fundamentally autonomous, self-determined individual of liberal capitalism with hypothetical socialist, anarchist, or communist practices of collective ownership (or destruction) of property.

However, understanding homeownership only as an exemplar of liberal citizenship would be misleading because of the fact that this ideology was advanced through the governmental promotion of financial technologies such as mortgages. And when it comes to property ownership, the role of a mortgage does not stop at the boundaries of an individual or their residence. Managing a mortgage does not imply a version of proper neo-liberal self-management carried over from the discourse of homeownership in the early 20<sup>th</sup> century. Instead, as articulated in discourse about banking, community, and mortgages after these first decades of the 1900s, managing a mortgage suggests a commitment to a community as a whole, mediated through finance. Mortgages and homeownership signify an intrinsic connection to banking through which individuals are integrated into a network of debt and capital. Or, in other words, citizenship as defined in terms of homeownership should also be understood as defined in terms of connection to the networks of financial circulation. When articulated to homeownership and mortgages, good citizenship is equated to the management and perpetuation of flows of capital that, supposedly, sustain the life of a community through their circulation. The subject produced by homeownership is not defined by the management of an autonomous self, but by management of flows and connections that link people to each other through capital and debt.

In this essay, I argue that the contemporary foreclosure crisis should be understood through this articulation of citizenship and community with financial networks in American popular culture. Much of the populist outrage over the contemporary financial crisis is re-

lated to the massive amount of money bailing out financial service corporations and banks on “Wall Street” while little goes towards helping Americans on “Main Street.” However, the dominant discourse surrounding community, homeownership, and banking in the United States defines this opposition as an illusion. Wall Street and Main Street, when understood through homeownership and mortgages, are directly connected through the networking of finance at the level of the everyday. The maintenance of Main Street requires the maintenance of Wall Street. Thus, economic policy is directed at sustaining what is defined as the underlying infrastructure of both: banking. While most historical discourse focuses on the management of an autonomous liberal subject through homeownership, the film I primarily examine in this essay, Frank Capra’s *It’s a Wonderful Life*, from 1946, explicitly equates social and financial networks at precisely the time that homeownership emerges as a dominant assumption of American citizenship. I’m first going to briefly outline how debt and social connection have been understood historically, moving to discuss how *It’s a Wonderful Life* represents a community in which social connections are equated with flows of capital managed through mortgages. Finally, I discuss how this understanding of community is currently perpetuated by the banking industry, which in equating community bonds and financial bonds attempts to obscure any possible distinction between the two.

### **Monetary Debt and Social Connectivity**

The notion that human beings are “in debt” to each other is exceptionally old. Yet equating social debts and economic debts did not happen until the formation of what could be considered to be European modernity. While accounts differ on specific dates, between 1700 and 1900 the idea that monetary debt is a moral failure, to be punished through debtors’ prisons, was replaced by the idea that debt is an economic (and social) necessity of a society dominated by capitalist markets (Lepore 2009, 38). According to John Frow, this transformation from moral to market economy is assumed to change how we imagine our debts to each other. A moral economy defines exchange as a form of social bond. Failure to manage social bonds through, ultimately, the elimination of monetary debt results in imprisonment or punishment for the one who cannot (or will not) pay. Economic bonds impinge on social bonds unless monetary debts are taken care of. On the other hand, the “market system...puts in place some very specific negative freedoms: freedom from obligation to or for unnamed strangers, and freedom from a sense of inclusion in the social” (Frow, quoted in Waldby and Mitchell 2006, 17).<sup>1</sup> Market economies actually negate the social indebtedness seen to underpin the moral economy, in part because people are made anonymous in favor of the circulation of capital. The social vanishes, replaced by money rather than person-to-person relations of exchange. Meanwhile, economic debts are encouraged, understood as a necessity for the optimal operation of capitalist circulation. The process of what Marx referred to as “fetishization” replaces social relations with relations between commodities and money (Holloway 2010, 43-105). Economic debt is naturalized as a form of relation in which the social, at least in terms of issues of community, is negated in favor of the circulation of capi-

tal between people who may be strangers.

As I'll demonstrate below, the discourse surrounding mortgages and homeownership is an attempt to negotiate between moral and market economies. Community and the social are explicitly reframed in terms of banking. When it comes to mortgages, the market economy doesn't simply eliminate the social, but actively remakes it in terms of connection to banking institutions. While the market economy may mean freedom from inclusion in the social, it only can do so by remaking the social in its image.

The way that the market economy remakes the social is, in part, through the concept of the network.<sup>2</sup> In the early decades of the 20<sup>th</sup> century, the language of technological networks was articulated with banking in publications such as *The Wall Street Journal* and *The Economist*. The result of this articulation was the creation of a model of social relations in which connections and flows define the fundamental base of community relations. While it may seem strange today given the prominence of technologically influenced ideologies about connectivity and freedom, in historical discourse the term network has almost uniformly been used to describe restrictive structures. In particular, when used in social or political contexts a network was understood as that which would be against the ideals of classical liberalism. In essays from magazines such as *Harper's* (Dreher 1934, 485; "Little Sticks" 1857, 758) and in books such as *The Socialist Network* (Webster 1926), and *The Red Network* (Dilling 1934), the very idea of social connection was understood to have communistic underpinnings.<sup>3</sup> A true Christian capitalist, as understood in these writings, would be fundamentally self-determined and socially disconnected from others. The interconnection of banking institutions, in particular, was feared by many of these writers, who often would write using anti-Semitic tropes associated with banking, global interconnection, and conspiracy. In 1907, it was far more common for someone speaking in the name of progressive populism to claim that the increasing movement of capital, fostered by the interconnection of banks, would create "a vast network of pipe lines leading to Wall Street," vampirically sucking away the wealth of American farmers (Hayward 1907, 6). The very concept of connectivity was understood in terms of communist indoctrination or capitalist exploitation, if not a combination of both.

Yet, at the same time as these publications, the articulation of networks and connection with banking transformed its meaning, at least for the sector of the world population made up of bankers and capitalists. Networks, the discourse claimed, led to greater financial and economic stability, maintaining personal freedom and autonomy. Technological connection improved the circulation of capital and stabilized exchange. Branch-banking networks, both nationally and internationally, enabled a greater flow of capital within and beyond national boundaries, stabilizing both national and global economies through increased liquidity.<sup>4</sup> The Progressive senator A. J. Beveridge wrote in the *Saturday Evening Post* that the interconnection of banks founded an economy that stressed human relations and human trust; a system of debt not based on actual gold or silver reserves, but agreements between individuals and banks in which money was just another symbol of human interdependence. Banking networks, for Beveridge, were the realization of a moral economy in an age of market economies. The strength of the network was one in which quasi-dematerialized capital

moved between people not in the name of the market, but in the name of national community (Beveridge 1911, 6). Understanding banking as network of financial relations brought the moral back into to the market.

In the pages of the *Economist* and the *Journal* in the first decades of the 20<sup>th</sup> century can be found an ideology that implies how banking can span the globe, eliminating the spatial and temporal boundaries that would prohibit the circulation of capital and, consequentially, produce crises in capitalism due to barriers to flow.<sup>5</sup> While Beveridge saw the return of a moral economy, authors in these financially minded publications saw in financial networks a way of stabilizing capitalism through increasing scale and increasing interconnection. While banks today are bailed out because of their “too big to fail” status, bankers in the 1920s, conversely, saw increasing the size of banking institutions as a way of preventing banking failures. At the level of the everyday, however, this ideology defines proper citizens as ones who not only manage themselves, but their connections and flows as well. Not only are banks thought of in terms of global flows, but everyday individuals are also imagined in terms of their connectivity to these same flows of capital. Ultimately, this has resulted in the following definition of citizenship: a citizen is a node through which capital circulates in an interconnected global network of finance.

This discourse of citizenship has occurred at the level of, first, the transformations in material infrastructure of banking and mortgages, and second, popular and institutional discourses that define community in terms of banking and flows of capital. For the rest of this essay, I am going to focus on the latter, first through the film *It's a Wonderful Life*, and second through the methods by which banks represent themselves as that which holds community together. While much has been made of the technological and institutional securitization of mortgages at a global level, there has been little discussion of how these transformations have been legitimized at the level of the everyday.<sup>6</sup> *It's a Wonderful Life* explicitly locates the bank and financial circulation as that which holds a community together at a time when most discourse surrounding homeownership stressed individual responsibility rather than community. Moving from this film to the present, we can see how the articulation of financial networks and community, while emergent in 1946, has become a dominant way through which banks frame their own significance.

### **Community is Debt, or, It's a Wonderful Life**

A reading of Frank Capra's 1946 film *It's a Wonderful Life* may appear an odd way of beginning this argument. Yet, it is precisely *It's a Wonderful Life* that articulates the network model of banking to an idealized version of small-town community defined by homeownership. The 1940s was the decade with the largest increase in the American home ownership rate in history, increasing from 43.6% to 55.0% (U.S. Census Bureau 2004). *It's a Wonderful Life* is an excellent encapsulation of a society rapidly changing through increased lending and homeownership. In this section, I'm going to first outline the plot of the film, then discuss its canonization as an ideal representation of American community, finally moving to

how the film defines community entirely in term of banking.

At its most basic, the film is the story of George Bailey, portrayed by Jimmy Stewart, who runs a Building and Loan (or “Thrift” in the language of banking) in the archetypal small town of Bedford Falls. The film opens with angels about to intervene in George’s life. George is prepared to commit suicide, as he considers himself worth more dead than alive, measured in terms of the money from a life insurance policy. The film moves through a lengthy history of George’s past in flashback, outlining the part he’s played in the community of Bedford Falls and how he’s remained there despite strong ambitions to leave and see the world. Through this flashback, we’re introduced to some of the other denizens of the town, from George’s father Peter, the original owner of the Building and Loan, and the sinister miser Henry (Mr.) Potter, a member of the Building and Loan’s Board of Directors who also operates a larger commercial bank. As we reach the present, we learn that George’s Uncle Billy, who works for George at the Building and Loan, has misplaced \$8,000 of the bank’s money just as a bank examiner has shown up. Potter, who had taken the money from Billy when he wasn’t looking, calls the police to arrest George because of the missing cash. The missing money, combined with George’s own belief that he’s wasted his life through constant deferrals of his own dreams and desires of a cosmopolitan existence, throws him into a spiral of regret and depression. He wishes that he’d never been born. In response to George’s desire for his own self-erasure, the angel Clarence appears and shows George what he apparently wants: the town as if he had never existed. Without George, the city is transformed from Bedford Falls to Mr. Potter’s eponymous Pottersville. The city’s streets are now filled with vice: strip clubs, casinos, and bars. Instead of a community built on home ownership from George’s loans, the town is filled with renters, living in squalid tenements owned and operated by Potter. George then seems to understand his position in forming the community in which he belongs and is taken back to “reality” where he finds the rest of the city prepared to help him with the missing money.

*It’s a Wonderful Life* has its own myths. The film is understood to have been a “critical and box-office failure when it opened in 1946” (Gerard 1989, 40). It was only in the 1980s, the story goes, that the film was recognized for what it was, the great American classic, revealed in part through television syndication that led to the film’s holiday ubiquity after its copyright expired in 1983. This myth, however, is false. While the original reviews of the film were certainly not glowing, they were not bad. *The New York Times*’ film critic Bosley Crowther considered it one of the best films of 1946. He didn’t include it in his top ten, though it “would have got into the charmed circle if its philosophy had been less candified” (Crowther 1946, 39). British reviewers considered the film harshly, but American reviewers generally liked it. It was nominated for several Academy Awards, although it didn’t win. Within the year it was released, the film made back the \$3 million it cost to make (Maslin 1986). While not a huge hit in its own time, it was certainly not a failure, with both Stewart and Capra claiming that the film was their favorite of all the ones they had ever made (Flint 1991; Klemesrud 1970).

In the 1980s, the film had become so ubiquitous as to become a sort of ambient signifier of “Christmas” and “Winter Holidays,” though a signifier explicitly used to invoke longing

for a lost past. The film usually was mentioned in contrast with the perceived horrors of contemporary life. An article about the homicide rate in New York contained the following bit of description:

Incoming reports of shootings and stabbings around the city intermittently broke the calm yesterday at the Police Department's public information office at One Police Plaza, where *It's a Wonderful Life* flickered on a television set and an officer's dog dozed by a Christmas tree (Blumenthal 1988, 33).

By the late 1980s, the film so informed an American imaginary of a kind of vanishing utopian community that daily news stories regularly invoked the film to describe the archetype of idyllic small town life in which members of a community looked out for each other (i.e., Quindlen 1990; Winerp 1989). In its evocation of a tightly bound community, *It's a Wonderful Life* has been taken to mean something very personal for many individuals and families, a film that, in and of itself, performs the family and community bonds that were perceived lost by the 1980s. The viewing of the film has been an annual holiday ritual. Watching it is an attempt to capture the magic of the past, all while perpetuating images of how family life and community should be. The inability to attain this image in reality, however, has caused some editorialists to wonder if there's something wrong with either their own mental stability or that of their relatives (Kaufman 1981; Runk 1989).

*It's a Wonderful Life* says something specific about the mythos of "America," although in historical discourse the statement the film makes is nonetheless left vague. There seems to be little acknowledgement in the interpretation of the film of what makes it so "American" other than the mythologization of small town life and a vague affective resonance of the film as "uplifting." *It's a Wonderful Life* seems to speak to a perceived loss of community, even though what that community is or how community is articulated seems to be absent from discourse discussing the film itself. "Community" is a key signifier in what Lawrence Grossberg would call an "affective epidemic." According to Grossberg, "such epidemics produce everyday life as a series of trajectories or mobilities which, while apparently leading to specific concerns, actually constantly redistribute and disperse investments" (1992, 284). *It's a Wonderful Life* appears to identify a lost community as a site of affective investment, but it actually only does so far as it defines community exclusively in terms of something else—that of banks, mortgages, and homeownership.

It is rarely acknowledged that the role of banking and the circulation of capital is central to *It's a Wonderful Life's* representation of community. Throughout the film, George Bailey's life is continuously shown not only in context of his relation to those around him, but in the context of his relation to money. Whenever George returns to the drug store where he worked in his youth, he wishes for "a million dollars" while using a device in the store. His desires to leave town are accompanied by pretense of being a "rich tourist." The famous line Clarence the angel delivers about how "Every time a bell rings, an angel gets his wings," is first delivered in response to a bell ringing up a sale on a bar cash register.

But more than simply the constant references back to money, *It's a Wonderful Life* locates banking and mortgages as the central agent in determining the character of a community. In the central opposition between the Baileys and Mr. Potter, the film presents a simplistic moral dichotomy through the representation of bankers. There is a good banker and a bad banker. The good banker extends credit to whoever needs it, upon character reference alone. Debts are to be paid off eventually, and the maintenance of connection through the bank itself is more important than the hoarding of money. Peter tells George, when attempting to convince George to stay in Bedford Falls and work for the Building and Loan rather than leave for college, that, through the Building and Loan, they are “satisfying a fundamental urge,” helping people to own their own houses. The good banker extends credit to those who may not be the most financially viable, but to those that are morally secure in their character. The bad banker, in contrast, has little concern with the maintenance of a community, or of extending credit to anyone. Easy credit is a mistake for the bad banker, creating, in the words of Potter, “lazy rabble instead of a thrifty working class.” George and Potter represent images of moral and market economies through different versions of the bank. George understands the bonds of community and maintains them through lending. Potter, on the other hand, feels no bonds other than those of capital. While, for Potter, the market means a kind of freedom from social bonds, George actively reasserts the primacy of the social, if only through the constant perpetuation of monetary debt, unlike the moral economies of the past.

George continually resists staying in Bedford Falls until his marriage. He yells at his future wife, Mary, that he doesn't want to get married because “I wanna do what I wanna do!” Yet, immediately after delivering this line, we then see George and Mary wed. George finally gives up his dreams of an autonomous liberal cosmopolitanism, able to freely travel the globe, and settles in to Bedford Falls as the manager of the Building and Loan, caught in the moral financial network of the community, never to escape. Being located at the center of the moral economy of the community is a repudiation of liberal self-management. George, embracing the role of the good banker sustaining a moral economy through flows of capital, must give up his ideals of liberal subjectivity.

Immediately after the wedding we begin to see how George is positioned as the one who maintains the community of Bedford Falls, explicitly through mortgages. He starts a subdivision called Bailey Park, 90% of which, the film states, is occupied by those formerly renting from Potter. In the film's famous bank run scene, George gives a brief lesson on how banks and mortgages work to his depositors while standing in front of a large sign that states “Own Your Own Home,” referring to one of the many governmental programs designed to popularize homeownership in the decades leading up to the 1940s. States George:

No, but... you're thinking of this place all wrong. As if I had the money back in a safe. The, the money's not here. Well, your money's in Joe's house... that's right next to yours. And in the Kennedy House, and Mrs. Macklin's house, and, and a hundred others. Why, you're lending them the money to build, and then, they're going to pay it back to you as best they



can. Now what are you going to do? Foreclose on them?

But this speech is actually the inverse of the “Own Your Own Home” type discourse about community and homeownership. According to George, having a mortgage is not about autonomous self-management, but about the intrinsic embeddedness of an individual in the financial network of a community. George defers his authority to the rest of the community, the real “bankers” of Bedford Falls. Community is made up of the collective extension of credit. This speech can be directly contrasted to earlier comments from Potter to George’s father. In the scene where Potter is introduced, we see him pressuring Peter to repay a loan of \$5,000. Potter sees the reason for Peter’s inability to repay his own loan as a result of his lax policies on having community members repay their own mortgages. “Do you put any real pressure on these people of yours to pay those mortgages?” Potter screams at Peter. Peter refuses to call the loans because people are out of work, to which Potter replies, “Well then foreclose!” The bad market banker forecloses, the good moral banker keeps credit liquid even in hard times. And keeping credit liquid necessarily means that the community is united through a constantly shifting flow of capital and credit. For George to foreclose on any one individual would mean that the community is foreclosing on him or her, cutting the one who can’t pay out of the social network of the community.

The film ends after George realizes how important he is to maintaining the community of Bedford Falls, with his brother toasting him, “To my big brother George, the richest man in town!” There’s a close-up on the book Clarence has been carrying around with him, left behind with George. On it we see the inscription, “Remember no man is a failure who has friends.” While George may not be the most financially successful, at least in comparison to Potter, that he serves as the central hub in the social network of the community makes him wealthy. But the universalization of Clarence’s message is disingenuous. In the film’s alternate reality sequence, Pottersville comes into being because of George’s absence. Potter, formerly prevented from dominating the town because of George, literally owns everything there is in the alternate reality. Those who live in Bailey Park in George’s reality now live in Potter’s Field, a run down group of tenements rented out to the citizens of what could have been Bedford Falls. This alternate reality doesn’t tell us anything about the interrelations of the entire community—it tells us that the future of the community is entirely dependent on George’s existence. George and Potter—the good banker and the bad banker—entirely determine the fate of the community. While George may be an exemplification of the moral economy, the community engendered by his economic practices can only exist with the banker at the center. The community as a whole is not indebted to each other unless George can maintain the connections. While there are some smaller relations that are highlighted here, the fate of the town itself is completely in the hands of the management of flows of capital. The greater community, its social network, is the networking of finance through mortgages and homeownership.

Recently, there have been a few cynical readings of the film that suggest its idealism may be wearing thin. An article from the online magazine *Salon* amusingly catalogues how boring and dreadful Bedford Falls appears to be, calling the city “Bentham’s Panopticon

with picket fences” because of the apparent interconnectedness of all who live there. Community stifles individual freedom. The integration of the individual into a community is, in fact, the opposite of an ideal of liberal autonomy. Community is intrinsically defined by interconnection. The author for Salon concludes his essay with what may seem to some to be a depressing thought:

[I]n the real world, Potter won... We all live in Pottersville now. Bedford Falls is gone. The plucky little Savings and Loan closed down years ago, just like in George's nightmare. Cleaned up, his evil eyebrows removed, armed with a good PR firm, Mr. Potter goes merrily about his business, "consolidating" the George Baileys of the world. To cling to dreams of a bucolic America where the little guy defeats the forces of Big Business and the policeman and the taxi driver and the druggist and the banker all sing Auld Lang Syne together is just to ask for heartbreak and confusion when you turn off the TV and open your front door (Kamiya 2011).

This is half correct. The Potters of the world did swallow up the Georges. But this could only be accomplished through a discourse that identifies community citizenship with homeownership, as exemplified by George. This discourse still exists, very prominently, in how banks present themselves today. And Potter didn't actually win in the end—it's just that the dream of universal homeownership and liquid credit exemplified by George was made profitable. The market economy and the moral economy just had to be articulated together—as it was, in part thanks to films such as *It's a Wonderful Life*.

### **Your Local, Friendly, Community Global Financial Network**

A letter to the editor of the *New York Times*, upon *It's a Wonderful Life's* release, asked, “Mr. Capra, how come, sir, that you forgot all about (or did you?) the place of the church in George Bailey's life and in Bedford Falls itself?” (Allan 1947). Churches have historically been centers not only for the organization of religious community, but for politics and the social more broadly. Today, Joel Osteen and other advocates of the “prosperity gospel” tell Christians that God wants them to be rich. Going to church, and believing in the Christian God equals a flow of capital directed to one's doorstep. Thus, the answer to this letter writer would have been simple—Mr. Capra didn't forget about the church. It had just been replaced by the bank and financial networks. We can see how various forms of community bonds, be they familial, religious, or otherwise, have been articulated to banking in the very discourse used by banking institutions today. The moral and the market economies have become indistinguishable in much contemporary discourse. Appeals to banking have little to do with the management of an individual, autonomous subject of neo-liberalism, but the management of connections and flows of capital. While *It's a Wonderful Life* was an early example of this discourse in the popular imaginary of banking, we can now look at the discourse of banks themselves and see how they define the purpose of the bank as that which

holds a community together through the networking of flows of capital.

In their 2009 shareholder statement, Wells Fargo, then the 4<sup>th</sup> largest bank in the United States and, after their merger with Wachovia in 2008, the largest mortgage lender in the U.S. (2009, 3), repeatedly define themselves as “community-based and relationship-oriented” (2010, i). Wells Fargo, throughout their statement, brag about their liquidity and their ability to keep capital in circulation through communities, while other banks would freeze or cut lines of credit to small businesses and homeowners. About homeownership, the bank states the following:

Much work lies ahead, but we’ve made significant progress helping struggling mortgage customers stay in their homes. We changed terms, lowered rates, or lowered principal (or some combination) for a half-million customers on a trial or permanent basis, including 119,000 using federal programs. We have 15,000 U.S.-based team members focused exclusively on helping mortgage customers stay in their homes, more than double a year ago, including 8,000 hired and trained this year alone. We make every reasonable effort to avoid foreclosure—that’s what’s best for our customers, our communities, and our shareholders. In fact, we modified three mortgages for every foreclosure sale on an owner-occupied property in the fourth quarter of this year (2010, 5).

Like George Bailey, Wells Fargo places itself in the role of the good, moral banker, stating that they maintain community by keeping community members in their homes.<sup>7</sup> Wells Fargo claims that one of their strengths is the personal investment its shareholders and employees place in maintaining and manufacturing the bonds that make up communities. “Where does the bank stop and the community begin?” they ask to their shareholders,

What we are at our heart is community-based, and relationship-oriented. We serve our customers online, on the phone or at our ATMs, and we welcome them into our stores. We greet them on neighborhood sidewalks. We have breakfast with them at the neighborhood diner. We serve alongside them on local chambers, Rotary, nonprofit boards, at community events. We worship with them in churches, synagogues, mosques and temples. Many of our customers know our tellers by their first names, and we know them by theirs. We want our banking stores to be more than just storefronts, but like community centers where neighbors meet. Call this old-fashioned if you like, but our customers can’t get enough of it. They wouldn’t trade it for all the hedge funds in the world (7).

The financial network, extended through computers, telephones, and ATMs, connects community members to the bank and the bank to the community, a community where people know each other’s names and share the same places of worship. “Our team members suf-

ferred right along with [other Americans] because many of those struggling are our own customers, our neighbors, and our family members. Our customers need us now more than ever for sound financial advice. We welcome them into our banking stores for kitchen table conversations about their finances so we can work together to help them succeed financially” (9). The bonds that make up family and community are indistinguishable from the bonds that connect individuals to the bank. The banking branch is a community center, a place for intimate private conversations like that of the family kitchen. In their 2008 statement, Wells Fargo even positions the sale of foreclosures, after the previous owner has been vacated, in the terms of community maintenance. “To help sustain neighborhoods, we’re selling vacant and foreclosed properties at significant discounts to new owners, including first-time homebuyers, by working closely with real estate agents, housing nonprofits and city officials. We’ve made \$33 million in grants to nonprofit housing organizations the last two years” (2009, 8).

Wells Fargo devotes a massive section of their shareholder statement telling the personal stories of its employees and customers. One, captioned “Behind the numbers: a family,” tells the story of a family of potential homeowners who found themselves without a lender right before they were to close on a housing purchase. Turning to Wells Fargo, after a “72-hour marathon” of paperwork, the family secured a mortgage and was able to purchase the house. “I brought my family to you and you accepted me with all of my issues,” stated the lendee, “You helped me and advised me—just like a family” (2010, 13). The brief story is accompanied by photos of the family, of one of their children playing in the snow outside of the house, and of a bank employee talking with one of the family members. Wells Fargo inserts itself into the bonds that anchor a family to a community as well as to each other. They present themselves as family members, willing to “accept” the potential homeowner in spite of their “issues.” Like Wells Fargo, Bank of America’s 2009 shareholder statement includes images of family and relationships, brought together and maintained by the bank (Bank of America 2010). While the language of their statement never approaches that of Wells Fargo, their reports on mortgages and homeownership are accompanied by images of familial bonds. One features an in-focus image of a male and female holding hands, while a banker handing over paperwork smiles, just out of focus, in the background. The banking contract brings together human relationships. In another, a family photo is displayed divorced entirely from any other context. There is no caption and no other connection to banking in the image itself. The page prior to the image outlines, in broad strokes, how Bank of America is modifying mortgages, but there is no reference to the image, direct or indirect. Apparently the connection between banking, homeownership, and familial stability is so obvious that Bank of America need not bother explaining why a generic family photo is placed in the middle of their shareholder report aside from the assumed common sense that the bank, through mortgage modification, is keeping people in their houses, maintaining families and social bonds.<sup>8</sup>

The discourse coming from banks, at least, cheerily positions the bank as the locus of the community, demonstrating the full acceptance of the ideology initially presented in *It’s a Wonderful Life*. In the case of Bank of America, these articulations do not even need to be

explained to be accepted as common sense. The acclaimed comic artist Chris Ware, in his October 11, 2010 cover and accompanying comic strip for the *New Yorker*, “Discovering America,” gives us a different story. A husband and wife, sitting at their kitchen counter, both cover their eyes, palm to face, as they look at their bills, checkbooks, and calculators. Meanwhile, their daughter, dressed in pink, sits on the floor with a pink toy cash register, writing out her own checks in excess, spread all across the floor. Where the kitchen table of the bank may be the one seen as uniting families by Wells Fargo, Ware shows us another kitchen table of a family torn apart by debt. We can see their stainless steel range in the upper right hand corner; a flat screen television mounted below the cabinets is slightly obscured by a lamp. The financial network is central to the existence of the lives Ware is representing. These are not “poor” people. They at least perform a version of “upper middle class” through their possessions. And while the daughter is learning how to live as a good citizen of the financial network, her parents are encountering how they become liabilities when they cease to connect as a flow of capital. In the comic itself, the mother tells a story of the family’s monetary problems, of how the family’s “house is worth \$100,000 less than what we paid for it five years ago...” A homeless man comes to the door, and the mother’s reaction is to yell and threaten to call the police. Both the man and the mother are in desperate need of money. One has already been disconnected and has become a threat to the rest of society, and the other is on the edge, struggling just to manage the connections she thought she had. She searches her pockets and only finds a single dollar, commenting “Well, he wouldn’t have gotten much...” The relation (or non-relation) between the mother and the man is defined entirely in terms of homeownership, money, and money’s movement from one to another. Ironically, on the inside cover of the magazine, on the opposite side of the comic, is a massive ad for HSBC, “The world’s local bank,” with a series of statistics about the global use of money. “The Halal industry is worth \$3 trillion worldwide,” and “The amount of gold beneath the ocean could give everyone on earth €100,000.” “Discover the world’s potential with a bank that knows how to find it,” states the ad. The juxtaposition of the comic and the ad is striking. The financial network unifies the globe, being both global and local, but the individual relations between people, the bonds that supposedly connect community to each other, are reduced to little more than who has money and where that money goes.

### **Conclusion: Is Jimmy Stewart Dead?**

“Bailey Savings & Loan is not your local bank. Your local bank is Bank of America, Citigroup, JPMorgan Chase, or one of the other ten largest banking conglomerates, whose headquarters are hundreds, if not thousands, of miles away and who have taken over most of the banking business,” argues Laurence J. Kotlikoff. Those small banking and loans helmed by community members looking out for their neighbors, friends, and relatives are no more. Again we hear laments of how the Potters won out over decades of financial conglomeration and concentration. Kotlikoff continues:

And Jimmy Stewart, the honest, warm, kind, and trusting soul, is not your local banker. Jimmy Stewart is dead. Your local banker is some underpaid clerk who's been in place for six months and knows nothing about you, your family, or your business, and frankly could care less. His job is not to apply personal knowledge in deciding to lend you money or call your loan. His task is to plug your credit rating, income, loan request, appraisals, and other data into a computer and tell you what the computer tells him, namely how much you can borrow and at what rate (2010, 2-3).

Kotlikoff is not wrong, but he ignores how today's "local" banks present themselves as versions of George Bailey. They are presented as the embodied reincarnation of Jimmy Stewart, providing the links that hold the community together through financial means. Wells Fargo is populated by good, moral bankers, extending flows of capital with their mission of "community-based and relationship-oriented" banking. While the reality of banking today may be closer to what Kotlikoff describes, this should still make us wonder what really differentiates George Bailey and Wells Fargo, since both understand human and community relationships in terms of flows of capital. While a computer may seem more impersonal than a "friend" making the same calculations, the processes Marx described as "alienation" and "fetishization" haven't really changed. The networks of the social, both in *It's a Wonderful Life* and in today's technologized world banking, are also networks of capital circulation. How much you can borrow and at what rate, in fact, defined community in *It's a Wonderful Life*, as it does when you go down to your local Wells Fargo branch and talk to one of their "community-minded" bankers.

The implication of this conjunction takes the form of Wells Fargo's question, "Where does the bank stop and the community begin?" This question is, of course, a rhetorical one. As produced in this discourse, there is no distinction between bank and community, and there cannot be a distinction between the two. In the words of personal financial advisor Jacqueline M. Timmons:

Though this comparison [between "Main Street" and "Wall Street"] makes for great water cooler chat and sound bites for media, political, and even some Wall Street pundits, it is hogwash. There's just one street, Our Street. We are all in this together, whether we realize it or not and whether we like it or not, sharing the upside and the downside, and we do each other a disservice when we pit one group against the other (2010, 177).

The way we have of thinking of community, when it comes to foregrounding issues such as homeownership and personal finance, explicitly locates banking at the center of the community. Being "all in this together" requires that each and every citizen manage his or her own finances as flows through which one is inherently connected to everyone else, specifically because the logic of the network defines each and every node as being one through which money must properly circulate for the network as a whole to be maintained. The market

economy is defined in terms of the moral economy.

To return to the language of the right-wing politicians and Tea Party activists with which I began, we can now understand that someone who owns their own home has more of an “investment” in a community than a “renter” because they are literally financially invested. The moral and social bonds of a community are understood entirely in terms of market relations and flows of money. To be a citizen of a community means to be economically invested, keeping capital flowing throughout. Any other form of relation or investment, be it moral, affective, or other, is not enough to prove one’s citizenship. Renting implies that the flow can be cut off and changed at any moment by the individual. Mortgages imply that the flow must be maintained or else the individual is excluded from the social. And thus, banking becomes the glue that holds us all together.

## Notes

1. It should be noted that Frow is actually critiquing the view that moral and market economies can be diametrically opposed, even though, as Waldby and Mitchell demonstrate, this opposition still holds a great amount of discursive power in moralizing (or demoralizing) certain markets and forms of exchange.
2. For an elaboration of the history of “networks,” see Bollmer (2011).
3. Even though *The Red Network* was self-published, it was claimed to have sold over 100,000 copies in its own time and is still in print today through at least four presses.
4. For instance, see the *Wall Street Journal* articles “Bank Concentrations Going on Outside the United States: Tendency Abroad is to Create Great Banking Institutions to Finance After War Trade” (1918, 10) and “Evolution of Credit and Banking Methods in France” (1910, 7). Many articles written in the *Journal* on the supposed superiority of French, German, or British banks would often attribute their dominance to the networking and interconnection of banks.
5. A notion later recapitulated and reimagined in the work of Marxist political economy. See Harvey (1999), among others.
6. On the transformation of banking infrastructure, finance, and contemporary political economy, see, among many, many others, Foster and Magdoff (2009), Fumagalli and Mezzadra (2010), Harvey (2010), and LiPuma and Lee (2004). In terms of the everyday significance of these transformations, Randy Martin’s work, especially *Financialization of Daily Life* (2002), provides some of the most important analyses of how financial interconnection is legitimized at level outside of banking and financial policy. Hanan (2010), while focused on similar transformations to what I’m discussing, primarily addresses institutional and governmental changes, understanding these changes explicitly in terms of the move from a “disciplinary” to “control” societies. This is perhaps true, but it ignores how these transformations had to occur at the level of an everyday imagination of community itself.
7. This is despite the fact that Wells Fargo is notorious for not negotiating the terms of

- mortgages for those close to or in foreclosure. See Ali (2009).
8. I intended to include these images in this essay but was denied permission by the Bank of America. According to the bank's Senior Vice President of Corporate Communications Jackie Fine, this was because these images were of "real Bank of America" customers and clients who "are not Bank of America Home Loans customers—they are customers of other areas of the bank—so it would be misleading to include them in a report specific to mortgages." Of course, one wonders why Bank of America is not being "misleading" by including these images in the section of their Annual Report on credit and mortgage modifications. Bank of America's Annual Report, and the images I'm discussing, can be found online at <http://thomson.mobular.net/thomson/7/3054/4156/>. Wells Fargo's Annual Report can be located at <http://www.annualreports.com/partners/Report/21889>
  9. Ware's cover can be found online at <http://www.designrelated.com/inspiration/view/Karen/entry/4172/none>.

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