In the Money: Finance, Freedom, and American Capitalism

Caitlin Rosenthal

***Freaks of Fortune: The Emerging World of Capitalism and Risk in America.* By Jonathan Levy. Cambridge, MA: Harvard University Press, 2012. 414 pages. $37.00 (cloth).**

***How Our Days Became Numbered: Risk and the Rise of the Statistical Individual.* By Dan Bouk. Chicago: University of Chicago Press, 2015. 294 pages. $40.00 (cloth).**

***Scandals and Abstraction: Financial Fiction of the Long 1980s.* By Leigh Claire La Berge. New York: Oxford University Press, 2015. 230 pages. $78.00 (cloth).**

***Show Me the Money: The Image of Finance, 1700 to the Present.* Edited by Paul Crosthwaite, Peter Knight, and Nicky Marsh. Oxford: Oxford University Press, 2014. 160 pages. $35.00 (cloth).**

Wall Street invents again: since the mortgage meltdown, both banks and investors have been experimenting with securitizing "life settlements." A life settlement involves the transfer of a life insurance policy from one holder to another. The buyer continues to pay the premiums on a policy for individuals who no longer want (or can no longer afford) their insurance. In return, the seller receives an up-front lump sum and the buyer receives the benefit after the seller's death. The elderly and the terminally ill are ideal sellers: they often need cash, and buyers usually do not have to wait long for a payout. In 2009 investment banks looking for new places to park their money saw an opportunity to slice, dice, and repackage these settlements into bonds for sale to investors. With the right financial maneuvers, betting on subprime lives could be just as easy as betting on subprime mortgages.

Though the movement to securitize life settlements is relatively new, the practice of reselling life insurance has a long history. As Jonathan Levy writes in *Freaks of Fortune*, in the 1840s the American abolitionist and mathematician Elizur Wright traveled to England, where he watched financial history unfold in a London alley. Men no longer able to pay their insurance premiums stepped onto an auction block to sell their policies, inviting other men to bet on their lives—or more precisely, on their deaths. Wright had witnessed strikingly similar scenes at home in America, where men stood on the far crueler auction blocks of Southern slave markets. There, slave traders and capitalist planters bid to own not just the insurance risks on men but the men themselves. Though the consequences of the two practices were worlds apart, to Wright they appeared to be founded on the same principle: that one person's life could be bought and sold by another. He later reflected that he could "hardly see more justice in this British practice than in American slavery" (60). When he returned home, he launched a crusade to shape the way life insurance operated in America. He saw the architecture of insurance in moral terms and sought to help men redeem the value of their policies without the need to sell themselves.

Levy's history is only one of several new works that use humanistic methods to understand economics. This essay considers four diverse texts to explore a larger question: what can (and should) scholars in the humanities have to say about finance? *Freaks of Fortune* offers a history of risk management, though not as Wall Street defines it today. Rather than focus on the growth of banking, mortgages, and insurance (though he touches on these topics), Levy explores how finance reshaped American culture. Next, *Show Me the Money*—an online, brick-and-mortar, and print exhibition curated by a team of British scholars and artists—analyzes images ranging from paintings to price currents to understand the role of culture in economic change. Third, Leigh Claire La Berge's *Scandals and Abstraction* looks to literature and journalism for theories and critiques of finance absent from more traditional strains of political economy. And finally, Dan Bouk's excellent *How Our Days Became Numbered* takes us back to the terrain of insurance, where he explores the technologies and calculations that actuaries, executives, and doctors used to transform individuals into "risks."

These diverse texts are more than distantly related. All in some way probe two interlocking themes. First, they explore the ways the growth of finance reconfigures the relationship between individuals and economic systems. Second, they all illuminate the troubled connection between finance and freedom. For one of finance's indirect promises—be it through insurance policies or home ownership—has always been self-ownership. But, by its very nature, finance has also limited independence. New opportunities accompany new risks, and new debts bind individuals to forces far beyond their control.

"Freaks of Fortune" was a turn of phrase that nineteenth-century Americans used to describe moments of economic volatility: as Levy puts it, the "sudden economic twists and turns, booms and busts, and ups and down that were newly and inexplicably in their midst" (2). Even at this early stage, Americans regarded financial change as cause for both enthusiasm and apprehension. Levy quotes an 1886 poem that captures their ambivalence:

> A millionaire awoke one day, to find
> His millions turned to thousands overnight—
> He died of grief. His heir from sheer delight
> At unexpected riches, —lost his mind!

Americans responded to financial change in a variety of ways. In boom times they gleefully rode the market up, but when it fell they longed for stability. Levy describes efforts to tame the market through any means possible, exploring strategies for restraint and their unintended consequences. Elizur Wright and his contemporaries regarded the growth of finance with suspicion. But like us, they looked to markets for solutions to the very problems they were creating—often producing new kinds of risk even as they ameliorated old ones.

One of Levy's central themes is the relationship between freedom and finance. He tells his story in a series of interlocking vignettes, where finance appears both as a tool for achieving independence and as a prime cause of its undoing. Many of his examples feel eerily contemporary, nowhere more so than in the connected ascent of mortgage-backed securities and life insurance. In the mid-nineteenth century, men and women moved West, partly because they hoped that homesteads on the Plains might shield them from the volatility of markets while still promising them a share in its spoils. By growing what they could consume, farmers would be protected from wild swings in commodity prices, and since the grain they ate could also be sold, they could ride the upswing when prices rose. But the independence was often illusory: families took out mortgages to buy larger farms, not to mention plows. Illness or death could leave a farm without labor and a family without its breadwinner—and no way to pay the mortgage. As a safeguard, farmers began buying life insurance en masse for the first time in American history, using one financial instrument to protect against the vagaries of another.

This was just one strand in a growing financial web. The insurance companies from which farmers bought their policies then used the monthly premiums to invest in yet another new financial instrument: mortgage-backed securities. Farmers bought insurance to make sure that they could pay their mortgages, and insurance companies invested in mortgages so they could pay insurance benefits. Nineteenth-century homesteaders—so often depicted as the quintessence of American economic individualism—thus found themselves in an ever-more-complicated financial tangle. Claims to landed independence, of course, had never been truly secure. The earth, wind, and sky could be as cruel as any mortgage collector. But if these forces were beyond farmers' control, there were at least no financial puppet masters pulling the strings.

One of Levy's most poignant examples is his account of the failure of the Freedman's Bank. After emancipation, former slaves saved diligently to purchase their own land. The rapidly growing Freedman's Bank—incorporated by Congress and signed into law by President Abraham Lincoln—sought to help them pursue this goal. By Levy's estimate, around one hundred thousand ex-slaves eventually deposited money in the bank. The small but growing accounts were touted as a bulwark of independence. Savings accounts for freedpeople were to play the role of land for western farmers—and hopefully, over time, to be converted into actual acreage.

The freedmen's money would have been safer under their mattresses. Without rules, regulations, or deposit insurance, the security of the deposits rested in the hands of a small number of financiers. Even as the bank lectured former slaves against the evils of gambling, the investor Henry Cooke risked their hard-earned savings on railroad bonds. In effect, Cooke moved the freedmen's savings into the nineteenth-century equivalent of dot.com startups, transforming a conservative savings institution into what Levy dubs "a freewheeling commercial investment bank." Cooke eventually resigned and was replaced by Frederick Douglass, but not before those reckless investments put the bank on the road to ruin. In the end, only 1.7 of the 3 million dollars owed to depositors was ever repaid—and only after decades of delay.

Levy paints a society where efforts at risk management created new risks. Financial innovations seemed to feed on themselves, reflecting what he calls "the generative insecurity and radical uncertainty of capitalism" (18). Americans feared instability, but market volatility also paraded as chance—even opportunity. The mythology of capitalism, the "freaks of fortune," implied that anyone could win and anyone could lose, but the deck was stacked. The emancipated slaves, newly masters of their own fates, found themselves bound to a new set of financial masters. Savings accounts had promised independence—financial freedom to accompany emancipation. But the ever-larger financial sector also created a new tangle of dependencies where the wealthy and the well connected almost always won.

Visualizing the relationship between individuals and the “tangles” and “webs” of finance that bind them is a central theme of *Show Me the Money.* This volume, edited by the literary scholars Paul Crosthwaite, Peter Knight, and Nicky Marsh, accompanies an exhibition they cocurated with Alistair Robinson, director of the Northern Gallery for Contemporary Art, and artist and scholar Isabella Streffen. The exhibit was on display at the People’s History Museum in Manchester until January 2016 and at several other sites in the UK during 2014. Funded by the Arts & Humanities Research Council, the show is accompanied by a website at www.imageoffinance.com, a series of commissioned videos, and even a smartphone app.

Show Me the Money contains five essays by the curators as well as a series of provocative, shorter “think pieces” by public figures and financial commentators. Lavishly illustrated and ambitious in scope, the volume seeks to make finance visible with everything from art to charts—images of processes that are “often difficult to see not in spite of, but precisely *because*, of their vast size.” Together these visualizations “tell a story that has always been known to anyone exposed to the world of finance, but is easily missed: a story that shows that finance has a history of ever-repeating and ever-expanding crises, which are abstract and global, yet also visceral and local” (1).

The curators of *Show Me the Money* call themselves cultural economists, and they argue that the images they analyze “do not merely reflect, or even simply interrogate, the realities of financial exchange.” Rather, these works “play an active role in constituting those realities.” They see a need for scholars to identify those “representational strategies via which dominant power structures have been entrenched,” and more boldly, “those which offer opportunities for contestation and transformation.”

Crosthwaite’s essay, “Framing Finance,” a highlight of a strong volume, focuses on the ways we construct boundaries around the category of finance. He argues that as the market has grown more complex over the last three centuries, the image of finance has been captured “from a progressively more remote, panoramic vantage point.” Artists and illustrators have moved from the “direct or literal representation of people or things” to “mounting abstraction.” But he also complicates this simple narrative: abstraction was, of course, part of finance “from the start” (36).

Two images at the heart of Crosthwaite’s analysis are a diagram from the 1913 report of the Pujo Committee and Mark Lombardi’s 1998 pencil-on-paper *Banca Nazionale del Lavoro, Reagan, Bush, Thatcher, and the Arming of Iraq, c. 1979–1990.* In 1912–13 Arsène Pujo, a congressional representative

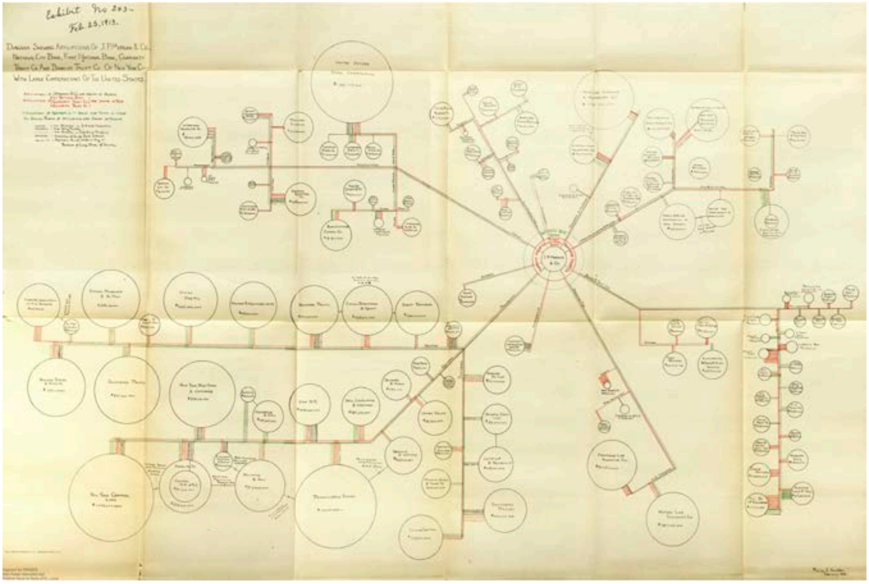

Figure 1.
Exhibit 243 from the Pujo Committee Report. "Diagram Showing Affiliations of J.P. Morgan & Co., National City Bank, First National Bank, Guaranty Trust Co. and Bankers Trust Co. of New York City with Large Corporations of the United States." February 25, 1913. Courtesy FRASER (Federal Reserve Archival System for Economic Research, Federal Reserve Bank of St. Louis).

from Louisiana, chaired a subcommittee to investigate the "money trust." They concluded that "substantial portions of American industry, transport, telecommunications and finance were under the sway of a cabal of Wall Street bankers" (45). Crosthwaite reproduces a diagram that the committee used to make the cabal visible. Up close, it shows the precise linkages between a series of bubbles: the interlocked directorships of prominent companies. From a distance, individual connections become a coherent whole: an abstract system of influence radiating out from J. P. Morgan. The grand and the particular, the national and the local, are reconciled in the committee's schema.

Lombardi's work performs a similar task on an even larger scale. In meticulous diagrams, he maps out some twelve thousand connections collected from news clippings about scandals like Whitewater, Iran-Contra, and the Vatican Bank affairs. Crosthwaite analyzes one large (4' × 10') chart that traces the ties of the Atlanta, Georgia, branch of an Italian bank. From up close, like the Pujo diagram, the chart offers a clear view of the identities of the parties involved in the network. But, stepping back, this specificity is lost. Spectators can see the individuals implicated or the interweaving of their relationships, but not both. As Crosthwaite writes, "What looks from one perspective like an obsessive catalogue of facts appears from another as an exercise in pure formalism. And this conflicted effect is the great achievement of Lombardi's work, staging, as it does, the difficulty . . . of holding whole and part in focus as we contemplate the vast financial and economic networks in which we are enmeshed" (49–50).

This tension between system and individual also surfaces in Knight's rich piece, "Animal Spirits." Knight asks "who" the market is, and he finds three kinds of answers in a rich trove of visual material. In the first set of images, the market is embodied in the figure of the speculator. In an 1886 *Judge* cartoon, Jay Gould perches above the stock market floor, literally writing the ticker tape. The famed investor proclaims, "I never speculate," for it is not speculation if you control where the market is going (75–79). In the second, market participants are imagined as frenzied beasts. Knight offers William Holbrook Beard's 1879 *The Bears and Bulls in the Market*, in which a stampede of animals surrounds the New York Stock Exchange (91–93). Finally, the market itself is embodied in "an omniscient but irascible deity who must be placated at all costs." In one example, a terrifying 1909 illustration from *Puck* shows *Dame Rumor* "as a withered crone, sitting upon a stock ticker amid the noxious fumes of 'Inside Information'" (95, 97).

Many of the works analyzed in *Show Me the Money* contest dominant ideologies and reimagine financial instruments. Among the films commissioned for the exhibit is Jane Lawson's witty and eerie "The Detoxification of Capitalism and Freedom," in which a copy of Milton Friedman's *Capitalism and Freedom* is used as a medium for growing oyster mushrooms. Oyster mushrooms, whose detoxifying properties have made them a candidate for use in environmental cleanup, here perform a sort of ideological cleansing. Another example is Thomas Gokey's *$49,983, Total Amount of Money Rendered in Exchange for a Masters of Fine Arts Degree to the School of the Art Institute of Chicago, Pulped into Four Sheets of Paper* (2012), one of the works analyzed in Marsh's chapter "Debt and Credit." The installation is, "as the title implies, a literal re-representation of the cost of Gokey's education." Gokey is selling *$49,983* for $5 per square, calculated so that when the work is sold, his debt will be repaid. This is art as a financial instrument, but one enlivened by "a language of sociality, imagination, pleasure and loyalty" (20–21, 29).

Scholars are still struggling to narrate the 2008 financial collapse, and dominant accounts disagree about underlying causes. One version implicates financial innovation spun out of control. Mortgage traders sliced and diced loans, repackaging them in ways that supposedly reduced risk but sometimes actually obscured it. The underlying problem, in this view, was the growth of a particular kind of complex finance that fed on itself. An alternative genre of explanation focuses less on "what" than on "who." Lenders, after all, knew the dangers of their "toxic" investments long before anyone else, and many committed outright fraud to ensure that others experienced the worst of the crash. In this version of events, power and inequality played a larger role than the orchestra of obscure financial instruments. Laid-off mortgage traders found new jobs at the banks next door while thousands of home owners lost everything.

Like *Freaks of Fortune*, part of the value of *Show Me the Money* is to illustrate how the stories we tell about finance reconfigure its operation. In Levy's account, Henry Cooke's downfall was incompetence. In Knight's imagery, Jay Gould is dangerous because he controls too much. In the Pujo report, many Jay Goulds became a conspiracy on Wall Street, and in Lombardi's diagrams individuals melt into the complexity of the system. The genres of explanation we embrace and the ways we allocate blame have massive implications for both the practice of finance and the making of policy.[1]

La Berge's *Scandals and Abstraction* shares *Show Me the Money*'s activist impulse, examining financial fiction from the 1970s and 1980s. It is, in La Berge's words, "a literary history of what happens to narrative form when too much money circulates at once." As a work of literary criticism, the book is somewhat less accessible to a broader audience, but studying finance as an aesthetic mode and literature as a financial structure opens up new ways of understanding both. More precisely, La Berge sees an opportunity to use literature to better theorize finance. As she writes, "When there is too much or too little money . . . finance assumes the difference, as it allocates credits and debts, intentions and expectations, from the present into the future." The representation of the "tension . . . between present and future . . . is a crucial part of a financial process that political economy does not theorize but that contemporary American literature does."

The book is organized into four theoretically dense chapters. The first uses Don DeLillo's *White Noise* to examine personal banking, which La Berge defines as "the nagging, prosaic tasks of bill paying, checking-account balancing, and credit-card charging" (39). The second examines Tom Wolfe's *Bonfire of the Vanities* and Oliver Stone's *Wall Street*—the first released just before and the second just after the 1987 market crash—to explore a genre La Berge calls "capitalist realism." The third takes up questions about the individual in the market through the genre of financial autobiography. Here La Berge reads *American Psycho* (both the novel and the film) alongside texts like Donald Trump's *Art of the Deal* and T. Boone Pickens's *Boone*.

The fourth and final chapter, "Realism and Unreal Estate," looks not at works of fiction but at financial journalism about the savings and loan (S&L) scandals. Between 1983 and 1992, over fifteen hundred S&L institutions failed (149–52). The exact nature of the frauds that led to the S&L failures remains somewhat obscure in La Berge's analysis—as it does in the accounts she analyzes. As La Berge writes, even twenty years later, "it remains difficult to articulate what constituted these events other than a series of bank failures unrelated in time and space" (150). But the general trajectory of these deals involved banks temporarily depositing funds in accounts, thus enabling the account-holders to qualify for loans. A shocking classified advertisement in the Wall Street Journal offered: "MONEY FOR RENT. Borrowing obstacles neutralized by having us deposit funds with your bank. New turnstyle approach to financing" (156). As industry jargon put it: "A rolling loan gathers no loss" (160).

Funds were supposed to be used to acquire land and develop it, but they could also be withdrawn and reused to facilitate new loans. S&L bankers "sold land back and forth to each other, repeatedly raised the price, and took out loans for real estate developments they never intended to build" (159). Property values shot up, but without real development, the high prices were, of course, temporary. Coverage of the failures featured bleak landscapes of empty holes and half-completed condos reminiscent of the flimsy, vacant subdivisions built before the subprime collapse. But by the time the market fell, the originators had sold (and resold) their stakes. With the added trick that S&L loans were federally insured, many escaped with full pockets.

After the collapse, journalists encountered a unique set of representational challenges: When did the many transactions become fraud? And what is the relationship between fraud and fiction? Lack of representation had itself been "a strategy for profit," and journalists struggled to explain the crisis. La Berge describes two predominant strategies of explanation. In one set of narratives, the intricate workings of the system caused the crisis: the deals were just too complicated to be understood. As the bank failures mounted, so too did the use of phrases like "complex financial deal," though journalists usually neglected to explain what precisely made these deals complex. A second set of explanations focused on bad men, asking when and why particular individuals became criminals (168). Fraud was alternately a result of complexity and of deceit, these two sets of explanations standing in for more precise investigation.

These explanations are eerily similar to the two dominant narratives of the 2008 crisis described above: bad men and tangled financial instruments. La Berge's interrogation of these genres reminds us how many questions they do not ask. They did not (and do not) consider the role of underlying inequalities that spurred people to take out loans, nor do they examine the neoliberal assumptions that created the legal conditions for the crisis.

Among all the texts considered here, Bouk's *How Our Days Became Numbered* does the most to get inside the complexities of finance. Bouk's new book is a history of calculation and risk making from the panic of 1873 to the Great Depression. The book unfolds in two halves: the first focuses on the quantifying practices of insurers, and the second on the expansion of risk making into new settings. These halves are split by Bouk's account of the Armstrong investigation, a New York state inquiry that left insurers embarrassed but intact. The investigation found political scheming, conspiracy, and interlocking directorates (results that parallel the findings of the Pujo Committee only a few years later). The traditional interpretation of the event has been that "life insurers emerged chastened, more heavily regulated, and more fundamentally conservative" (xxvii). Bouk adds the interesting argument that the challenge to the industry paved the way for both corporations and the government to use statistical knowledge to intervene in peoples' lives on an unprecedented scale.

The early chapters of Bouk's text deal directly with the mechanics of commoditizing human life. Here he chronicles late nineteenth-century efforts by life insurers to make Americans into "risks": to predict the probability of their deaths and then to use these probabilities to decide whether (and eventually at what price) to issue a policy. These chapters describe the use of increasingly precise analysis based on ever-larger quantities of data. A central tension is the relationship between "classing" and "smoothing": insurers danced between the individualization of risk and the use of averages. They alternately focused on identifying biometric and behavioral traits that made applicants more or less insurable and on determining the averages that enabled them to predict outcomes in the aggregate. Both of these impulses, and the data collection technologies that undergirded them, produced new anxieties and new (often erroneous) conclusions.

One of Bouk's best examples of resistance and its unintended consequences comes in chapter 2, "Fatalizing." In the decades after the Civil War, African

Americans caught insurers by surprise. They applied for industrial life insurance in large numbers, and corporations at first evaluated them using the same practices applied to white applicants. But insurers were terrified by the fact that they did not understand the "relationship of race to risk." Armed with very thin data on higher mortality rates, they adjusted their practices. At the time, everyone was charged the same nickel premium, so insurers began to pay out lower benefits to black customers. Their policyholders eventually brought suit, protesting that data about the history of the African American race under slavery should not be used to predict the future. Massachusetts ruled for the policyholders, forbidding discrimination.

Insurers halted their discriminatory pricing, but they forbade agents from soliciting black applicants. They also required those who did apply to pay their weekly nickels at the office. As one manager bragged, "This has all resulted in my Company absolutely not writing any colored risks" (44–45). Ironically, like the policyholders suing for equal rates, they saw rupture in the Civil War. But instead of a path to equality, they used a few scraps of data to predict "extinction" (49). As Bouk writes, where the "voices of hope had seen equality born out of war and reconstruction, life insurers saw a dying race unable to survive outside of slavery" (53).

As the book unfolds, insurers move from attempting to predict mortality rates to trying to influence them. What Bouk calls "a modern conception of death" incorporated the idea that insurers could change death. Why limit their efforts to forecasting the future when "methods and tools—built for statistical prediction—could also *change* the future, could *control* the future?" (115). This realization translated into advice dispensed to policyholders: "breathe deeply," "eat slowly," and even "be cheerful and learn not to worry" (138). It also encouraged insurers to invest in health care programs like visiting nurses.

These efforts, like so many of those Bouk describes, had unintended consequences that reinforced inequality and difference. In a biting example (that likely affected some of the same men and women whom Levy describes losing their savings in the Freedman's bank), life insurers who calculated that African Americans were bad risks reinforced their financial insecurity through lower payouts, higher premiums, and denied coverage. Worse, when insurers started issuing group policies, they charged extra for each "Negro" employed, giving companies a disincentive from employing them. Even seemingly salutary interventions like visiting nurses were less likely to reach African American communities.

Among all the scholars included here, Bouk writes least about the tumult of 2008. Where he gestures toward the present, it is to "big data," not high finance. But his account has at least as much to offer as we cycle through possible explanations and narrative structures. If one set of stories emphasizes the complexity of financial technologies, Bouk unpacks this complexity and finds inequality. He shows most concretely how underlying differences in power and wealth became embedded in financial techniques and assumptions. Not all Americans were (are) riding the same financial roller coaster. Time and again, those at the top benefit from instability while the least enfranchised are left with nothing. Inequality looms in all these works, but in Bouk's it constitutes and reconstitutes the architecture of finance itself.

Ambitious in both scope and depth, these texts reflect a promising shift in the interests of scholars in American studies and across the humanities. This transition has been dramatic in history. Since the 1980s, most professional historians have focused on questions of culture and identity, leaving economic history largely to economic historians working in economics departments. Books like Bouk's and Levy's, along with a surge of other new studies, attempt to reclaim this territory. Dubbed the "New History of Capitalism," this emerging field invigorates older traditions in labor and business history.[2] In literature, too, works like *Scandals and Abstraction* and *Show Me the Money* join the growing field of literary studies of finance. Following works like Mary Poovey's *Genres of the Credit Economy* and Randy Martin's *Financialization of Daily Life*, scholars in these fields have begun to recognize and examine the role that representation and narrative play in economic change.[3]

Tellingly, slavery looms in the background of new work in both history and literature. Among the most influential new books often classed as "histories of capitalism" are Sven Beckert's *Empire of Cotton*, Edward Baptist's *Half Has Never Been Told*, and Walter Johnson's *River of Dark Dreams.* All of these revisit slavery as an economic and financial apparatus where commoditized men and women were exploited to make more conventional commodities. In literature, Ian Baucom's influential *Specters of the Atlantic* sees the slave trade as the beginning of the "long twentieth century" during which the language of finance became a dominant aesthetic mode.[4]

Jumping forward from slavery to mortgage-backed securities feels hazardous. A journalist looking for a punch line once asked me what the business of slavery could teach men and women sitting in cubicles, slogging through the nine-to-five, and feeling like "slaves." I answered: "nothing." But there is a reason scholars of capitalism and finance have gravitated to the topic. Our interest reflects a question at the heart of these scholarly movements: how do systems of capital change what it means to be human? To study slavery is to explore the commoditization of life at its most extreme. In plantation ledgers, lives, bales, and acres all appeared as abstract units of value, neatly tabulated into salable, fungible units of exchange.[5] This is the "numbering of days" in a setting far darker than (but not altogether dissimilar from) Bouk's insurance offices.

If slavery has been one focal point of the new research, neoliberalism has been another. This slippery term is usually defined as a constellation of practices and beliefs including free market ideology, deregulation, globalization, and the rise of the service sector—with Friedrich Hayek, Ronald Reagan, and Margaret Thatcher playing leading roles. Recent books exploring these topics include Kim Phillips-Fein's *Invisible Hands*, Bethany Moreton's *To Serve God and Wal-Mart*, Jennifer Burns's *Goddess of the Market*, and Elizabeth Tandy Shermer's *Sunbelt Capitalism*.[6] If the general story told by new work on slavery is about the violent origins of the modern economy, work on neoliberalism offers a declension narrative focused on misguided deregulation and the decline of the welfare state. This research describes how a specific set of ideas came to be seen as timeless and natural—as a return to an earlier, purer variety of capitalism.

From a distance, these narratives appear dissimilar—even at odds: one set is about uncovering the violent origins of modern capitalism, the other about demonstrating that neoliberal ideology did not spring naturally from an older variety of economic liberalism. But these are really two facets of the same project: two settings for the exploration of the relationship between capitalism and freedom. The first shows that markets, entrepreneurship, and innovation were highly compatible with slavery. The second reveals how little the radical expansion of "free" markets had to do with other kinds of freedom. Like the works examined here, it explores the politically contingent and sometimes illusory freedoms promised by modern capitalism.

All of these works are united by their aspirations for the ways humanistic methods can help us understand economic systems. Very simply, scholars in American studies and allied fields are far better equipped to study narrative structure than our colleagues in economics. More ambitiously, the activist impulse embedded in much of this work reconfigures a central observation about the performativity of economics that comes out of research in social studies of finance. Donald MacKenzie's immediate classic, *An Engine, Not a Camera* (cited by all but Levy), argues that the emergence of modern economic theories themselves shaped the operation of markets. The discipline of economics has been, as his title so eloquently puts it, "an engine, not a camera," not just depicting but also making and remaking the economy.[7] These new works aspire to turn cultural economics into an engine as well, unlocking the potential of new modes of representation to unlock new modes of finance, or as Bouk puts it, to help us "to dream not only of better ways to make risks, but also of alternatives to risk making" (244).

The questions about finance, freedom, and independence that Elizur Wright pondered are as fundamental today as they were in the nineteenth century. And nowhere are they more relevant than in the recent rise of "life settlements." Insurance companies have always had a stake in the lives of policyholders, but with conventional policies they are betting on life. The longer you live, the more premiums they collect. By contrast, the new owners of resold policies track their investments by following the lives and illnesses of the sellers. They are waiting (and if they care mainly about profits, are wishing) for the insured to die. Taking a step beyond most other financial instruments, life settlements tie not only homes but human lives into financial networks far beyond the control of local communities.

Of course, the eerie business of life settlements has an upside. Many sales are by cash-strapped retirees or terminally ill patients no longer able to work. Selling their insurance policies lets them convert an asset they may no longer need into cash they can live on. From the perspective of those who sell, the spread of the practice is a grand success story: an example of how the flexibility of financial markets has offered a new opportunity for economic independence. In a final irony, however, many elderly clients are only selling their insurance to make up for savings lost in the recent economic crisis. Like nineteenth-century American farmers buying life insurance to protect their mortgages, they are relying on one set of financial innovations to mitigate the insecurities generated by another.

Notes

I would like to thank Stephen Vider, Charles Peterson and the members of the UCB-Q writers group.

1. On narratives, numbers, and economic crisis, see Caitlin Rosenthal, "Storybook-Keepers," *Common-Place* 12.3 (2012), www.common-place-archives.org/vol-12/no-03/rosenthal/.
2. On the field generally, see Sven Beckert, "History of American Capitalism," in *American History Now*, ed. Eric Foner and Lisa McGirr (Philadelphia: Temple University Press, 2011); Jeffrey Sklansky, "Labor, Money, and the Financial Turn in the History of Capitalism," *Labor* 11, no. 1 (2014): 23–46, doi:10.1215/15476715-2385381.
3. Mary Poovey, *Genres of the Credit Economy: Mediating Value in Eighteenth- and Nineteenth-Century Britain* (Chicago: University of Chicago Press, 2008); Randy Martin, *Financialization of Daily Life, Labor in Crisis* (Philadelphia: Temple University Press, 2002).

4. Sven Beckert, *Empire of Cotton: A Global History* (New York: Knopf, 2014); Edward E. Baptist, *The Half Has Never Been Told: Slavery and the Making of American Capitalism* (New York: Basic Books, 2014); Walter Johnson, *River of Dark Dreams: Slavery and Empire in the Cotton Kingdom* (Cambridge, MA: Belknap Press of Harvard University Press, 2013); Ian Baucom, *Specters of the Atlantic: Finance Capital, Slavery, and the Philosophy of History* (Durham, NC: Duke University Press, 2005). On the field more generally, see Seth Rockman, "The Future of Civil War Era Studies: Slavery and Capitalism," 2.1 (2012) and the essays collected in Sven Beckert, Seth Rothman, and David Wadstreicher, eds., *Slavery's Capitalism* (Philadelphia: University of Pennsylvania Press, forthcoming).
5. On plantation accounting, see Caitlin C. Rosenthal, "From Memory to Mastery: Accounting for Control in America, 1750–1880," *Enterprise & Society* 14.4 (2013): 732–48.
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Eithne Quinn

Eithne Quinn teaches American studies at the University of Manchester, UK. Her scholarship focuses on race politics in the US cultural industries. She is the author of *Nuthin' but a "G" Thang: The Culture and Commerce of Gangsta Rap* (Columbia University Press, 2005) and is completing a book on race and American cinema since the 1960s. She has published articles in *Journal of American History*, *Black Music Research Journal*, *Cinema Journal*, *Popular Communication*, *Journal of American Studies*, and *Screen*.

Mary Rizzo

Mary Rizzo is assistant professor of Professional Practice in History and associate director of Digital and Public Humanities Initiatives for the Program in American Studies at Rutgers University–Newark. She is the author of *Class Acts: Young Men and the Rise of Lifestyle* (University of Nevada Press, 2015), which examines the relationship between lifestyle marketing and young middle-class men's adoption of working-class style in the United States since World War II. Her current project is a historical analysis of cultural representations of Baltimore from John Waters to *The Wire.*

Gabriel N. Rosenberg

Gabriel N. Rosenberg is assistant professor of women's studies at Duke University. His first book, *The 4-H Harvest: Sexuality and the State in Rural America* (University of Pennsylvania Press, 2015), is a gendered and sexual history of the US Department of Agriculture's iconic 4-H youth clubs. His research also appears in *Boundaries of the State in US History* (University of Chicago Press, 2015) and *Queering the Countryside: New Directions in Queer Rural Studies* (New York University Press, 2016).

Caitlin Rosenthal

Caitlin Rosenthal is assistant professor of history at the University of California, Berkeley, where her teaching and research explore the overlapping histories of business, labor, and economy in the context of American capitalism. Her current book project examines the relationship between slavery and quantitative management in the American South and the British West Indies.