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Forgotten by history, Hetty Green knew how to invest and save money

By Diether Haenicke
June 17, 2009

In today's parlance, we seldom call a powerful businessperson a tycoon. Yet several years ago in London I had a conversation with Sotheby's head of the silver department and mentioned Alfred Taubman of Detroit. I served on one of his boards and knew him as a developer of shopping malls. The British gentleman knew Mr. Taubman as the owner of Sotheby's and as "the big American property tycoon."

I thought of that anecdote as I read Charles Slack's book, "Hetty: The Genius and Madness of America's First Female Tycoon." I had known little of tycoon Hetty Green other than she was known as "the witch of Wall Street" in her time and that she was a contemporary of the great tycoons of real estate, railroads, steel, coal and oil where the first large American fortunes were made. But Hetty is never mentioned alongside the Vanderbilts, the Rockefellers, the Goulds, Andrew Carnegie or J.P. Morgan and the many others who built their palaces in New York and their castle-like summer cottages in Newport, R.I.

Hetty Green, born Hetty Robinson in 1834, grew up as the daughter and granddaughter of two businessmen who profited mightily from the whaling industry, which greased the nation's machines and lit the homes at night. Cursed with bad eyesight, the two gentlemen recruited little Hetty to read to them, every day, the trade news from New York, the shipping statistics, the latest on securities and investments, and the tariffs affecting their business. By the age of 15, Hetty later recounted, she knew more about finance than most men in the business world.

Her love for money was apparent early on. She received a weekly allowance but saved all of it. At the age of 8, she opened her first bank account. Later, as a young girl, when she

was sent to New York to enter society, her father gave her \$1,200 for a proper wardrobe. Hetty spent \$200 and deposited the rest in her bank account. Throughout her life, she disdained expensive clothes and preferred simple and unbecoming garments, and is rumored to never have owned more than two dresses at a time and just one overcoat. This reflected perhaps her Quaker background, but the main reason was certainly Hetty's extreme parsimony. Money, she held, was to be invested, not spent.

When other millionaires of smaller wealth than her own built their enormous houses in New York, Hetty chose to live in cheap, rented apartments in Hoboken and Brooklyn. When others were driven around by chauffeurs, Hetty used public transportation and walked wherever she needed to go. Even when she had become fabulously wealthy, she never rented an office but persuaded her bank to give her a simple desk in a back room where she could clip her coupons. The Chemical National Bank gladly complied. Hetty held a \$31 million deposit there.

Upon the death of her father in 1865, Hetty, then 31 years old, inherited \$900,000 forthright with several more millions held in a trust. The expectation was that men would now take over her financial affairs, since women, according to The New York Times of 1909, were ill-suited for making investments. "It is difficult to reason about money and business with an angry or weeping woman. Women are good winners and bad losers."

Hetty, however, began to invest, and she made many a man weep. She had a knack for perfect timing, always buying low and selling high and never panicking when others did. She owned mines; real estate in many American cities, whole city blocks in Chicago and New York; she owned railroads. She held mortgages on churches, factories and office buildings. At her death in 1916, her fortune was estimated between \$100 million and \$200 million, making her by far the richest woman in the country.

The Rockefellers, the Carnegies, and the Stanfords beatified themselves in the national memory by leaving enormous charitable legacies that help us forget the dubious methods with which many of them made their fortunes. Hetty Green in her entire life never gave a penny to charity. We have forgotten her. Her name survives only in the Guinness Book of World Records which lists her as "the world's greatest miser."

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mlive.com/kalamazoo*