

"Solomon Huebner and the Development of Life Insurance Sales Professionalism, 1905-1927"

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Professionals in Progressive-Era America often considered themselves to be agents of modernity bringing science, technology, and administrative efficiency to American society and politics. In this period many self-described experts found that their technical skills provided them with considerable political capital and new autonomy and authority. Herbert Croly, as well as the engineer Frederick Winslow Taylor and the economist Thorstein Veblen, each developed influential arguments for engineers and scientific professionals pushing aside parochial elites in favor of a rational, national regime. Many political historians have largely embraced these experts' self image in their discussions of this period's political developments. One group of scholars developed what they came to call an "organizational synthesis" emphasizing the rise of large organizations, including big business, the administrative state, and the professions, in American society and politics. A number of these historians devoted significant analysis to how the period's engineers, social scientists, and other "experts" labored in new sorts of political forums to bring rationality to public life as well as industry. In recent years a succeeding generation of scholars has reconsidered political history in light of the work of social and cultural historians. While these authors have emphasized the political activities of individuals working outside of the Progressive Era's electoral and technocratic elites, their accounts of largely undemocratic, administrative politics within a "paternalist state" have often embraced experts' carefully cultivated public image as well. In both cases, scholars have reduced a group of this period's most significant political actors to one dimension.¹

¹ Herbert Croly *The Promise of American Life* (New York, 1909); Frederick Winslow Taylor *The Principles of Scientific Management* (New York, 1911); Thorstein Veblen *Engineers and the Price System* (New York, 1933); for a discussion of Taylor's political impact, see Samuel Haber *Efficiency and Uplift: Scientific Management in the Progressive Era, 1890-1920* (Chicago, 1964). Robert Wiebe's *The Search for Order, 1877-1920* (New York, 1967) has long been the leading work associated with the "Organizational Synthesis." For discussions of this school of thought see Louis Galambos "The Emerging Organizational Synthesis in Modern American History" *Business*

Solomon Huebner's work with the American life insurance industry illuminates a more complex state of affairs and opens up new avenues for historical analysis of this period's new technical elites and political economy. Huebner took a Ph.D. in Economics at the University of Pennsylvania's Wharton School, studying under the well-known scholar and social critic Simon Patten. Like his mentor, Huebner perceived economic expertise as a crucial ingredient in the construction of modern political order in the United States. Although Patten himself was very shy and largely avoided the pull and haul of politics, he sent several generations of his students into public life in hopes that they might persuade Americans to take up the new "habits, customs, and modes of thought" necessary for life in a future "social commonwealth." Patten encouraged Americans to look beyond their immediate desires, practice thrift, and plan for the future. He also envisioned the rise of private and voluntary responses to an industrial society's social problems. The citizens of the social commonwealth "would not understand what a state is if the word were used in its present sense," Patten argued. Instead, he looked forward to the rise of new economic "institutions" allowing individuals to face life's challenges in a collective manner: "Each of the evils to which the members of such a society would be exposed - such as sickness, injury, premature death, the loss of property by fire, the risks of business - would case a new institution to arise by which its evils could be

History Review 44 (1970): 279-290; "Technology, Political Economy, and Professionalization: Central Themes of the Organizational Synthesis" *Business History Review* 57 (1983): 471-493; Brian Balogh "Reorganizing the Organizational Synthesis: Federal-Professional Relations in Modern America" *Studies in American Political Development* 5 (1991): 119-172. In *Building a New American State: The Expansion of National Administrative Capacities, 1877-1920*, (New York, 1982) Stephen Skowronek uses experts, and particularly economists, as largely idealized engines of national modernization and bureaucratic rationality. See Theda Skocpol's analysis of a "paternalist state" in *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge, 1992); Paula Baker "The Domestication of Politics: Women and American Political Society, 1780-1920" *American Historical Review* 89 (June 1984); Kathryn Kish Sklar "Two Political Cultures in the Progressive Era: The National Consumers' League and the American Association for Labor Legislation" in *U.S. History as Women's History: New Feminist Essays* ed. Linda Kerber, Alice Kessler-Harris and Kathryn Kish Sklar, (Chapel Hill, 1995); William Chafe "Women's History and Political History" in *Visible Women: New Essays on American Activism*, ed. Nancy Hewitt and Suzanne Lebsock Urbana, 1993); Maureen Flanagan "Gender and Urban Political Reform: The City Club and the Woman's City Club of Chicago in the Progressive Era" *American Historical Review* (October, 1990).

obviated or its burden better distributed." By 1912 he called his vision of the future a "voluntary socialism," stretching from manufacturers' welfare capitalism to the insurance industry's system of individual policies, providing social welfare to all Americans.²

Huebner began providing instruction at the Wharton School in the field of Life Insurance shortly after earning his doctorate, and quickly became a major force in the institution's development into the nation's first social-science research institute, even as it also provided training in a growing number of business skills. He soon found work outside the classroom as well. By 1912 he took the lead in work with the National Association of Life Underwriters (NALU) on a project that sought to establish professional standards for life insurance salesmen in the United States. In 1927 his efforts with NALU produced the American College of Life Underwriters, which administered a curriculum and examinations at participating business schools and colleges across the country. Those completing the course and passing the examination earned the Chartered Life Underwriter (CLU) designation, which is still available to interested solicitors today. Huebner's accomplishments with the National Association of Life Underwriters represent the sort of work that organizationally-minded political historians have studied for several decades. As a university expert working with a forward-looking trade association, he imposed new bureaucratic forms upon a disorganized industry. His professionalization program provided life insurance salesmen with the skills needed to help a growing American middle class to manage increasingly complex financial plans. It also brought national standards to the vital marketing apparatus of an industry that had long sought, and been denied, federal regulation. But Huebner's contributions extended beyond the imposition of rational organization upon a vital component of a sprawling and often chaotic industry. Like many other Progressive professionalization projects, the American College's educational requirements (namely an admission

² Simon Patten "The Theory of Dynamic Economics" (Philadelphia: 1892), pp. 77-83; "The Theory of Social Forces" (Philadelphia: 1896), 97; "The Reconstruction of Economic Theory" *Supplement to the Annals of the American Academy of Political and Social Science*, (November, 1912), 26.

requirement of a high school diploma) drove uneducated and/or marginal salesmen from the field. The Wharton professor showed solicitors how the new and improved public image that professionalism furnished often provided leverage with credulous consumers during the crucial sales interview. In doing so, he embraced the life insurance industry as a private and voluntary means for providing Americans with basic social welfare benefits, and devoted himself to helping salesmen meet the challenge of selling policies.

Since the life insurance industry's earliest development in America, many of its employees had clung to the tenuous belief that their work and success contributed to the protection of American families through the provision of death benefits. Life insurance salesmen also argued that they encouraged Americans to adopt modern values by setting aside immediate gratification and planning for the future through voluntary actions, namely the purchase of a policy. Such beliefs enabled solicitors to go out and sell every day, enduring the skepticism and repeated rejections that characterized their work. Progressive investigators' and muckrakers' exposes of their industry's seamy underside left life insurance men disillusioned. But the professor sensed the underlying self-doubt that seemed to afflict so many salesmen, and, even as he helped them to sell insurance, Huebner crafted his professionalization program to address their psychic needs. His project used the new political capital that Americans invested in professional expertise to convince solicitors that they could again make themselves, and their companies, into public servants even as they sought the Main Chance. In an era in which Frederick Winslow Taylor capped the vogue of expert professionalism with his paeon to engineers, Solomon Huebner cast life insurance salesmen as respected professionals, imbued with public spirit, as well. In the end, their revived spirits enabled solicitors to sell another day.

Huebner's accomplishments in the life insurance industry shed new light upon two major aspects of experts' work in Progressive America. Instead of functioning as an exponent of Taylor's "one best way," demanding that insurance men conform to rational practices or be left behind, Huebner labored as a persuader and, ultimately, a salesman himself. At every turn the professor

exhorted, cajoled, and bargained with life insurance solicitors, their employers, and customers in an effort to realize his visions of life insurance sales professionalism and a thriving financial services industry. Second, Huebner drew his informing vision not so much from his training's new emphasis upon science and administration as from older American political traditions. In the antebellum era the life insurance industry built a vision of itself as a modernizing force, able to reconcile entrepreneurial behavior with public service and quite in keeping with the concept of a "self-interest rightly understood" upon which Alexis de Tocqueville remarked so famously. The industry's Gilded Age leaders cast their companies as a private and voluntary system for the provision of basic social welfare benefits, in sharp contrast to state-centered developments in Europe. By the Progressive Era, the industry represented a potentially vital cog in Simon Patten's search for a "voluntary socialism." Thus Huebner's modernization of life insurance selling did not represent an outsider's overhaul of a dysfunctional industry, replacing corruption and parochialism with rational, national standards. Instead, he worked within the industry's ranks, embraced its vision of modernity, and persuaded its salesmen and their managers that professionalism could help them to reconcile public service and the profit motive once again. In doing so, he helped the life insurance industry to survive the crisis of the early twentieth century and become a bulwark of the immensely lucrative financial services industry.³

When Solomon Huebner began teaching classes insurance as an economic institution at the University of Pennsylvania's Wharton School of Business, he realized that he knew little about the subject. He had written his dissertation on Marine Insurance, but focused largely upon its role in the foreign trade. He knew nothing about other forms of insurance save the little he recalled

³ Alexis de Tocqueville *Democracy in America* v. II (Henry Reeve translation, as revised by Francis Bowen) (New York, 1997), 125-7. For examples of scholarship discussing Taylorism in this light, see Edwin Layton *The Revolt of the Engineers: Social Responsibility and the American Engineering Profession* (Cleveland, 1971); David B. Tyack *The One Best System: A History of American Urban Education* (Cambridge, 1974); Martin Schiesl *The Politics of Efficiency: Municipal Administration and Reform in America, 1800-1920* (Berkeley, 1977).

from a basic class in the subject in his undergraduate years at the University of Wisconsin. He had had no graduate training in the field at the Wharton School. Huebner found a paucity of academic materials on insurance and exchanges, and searched for a means to develop his own curriculum. There he encountered the Philadelphia insurance industry and its particular concerns. Although he did not know it at the time, the young economist was entering one of the American economy's most troubled sectors.⁴

Beginning in the early nineteenth century Philadelphia had served as one of America's principal insurance centers, and its insurance officials played large roles in the formation of the National Association of Life Underwriters. For his first insurance course in the fall of 1904 Huebner invited NALU leaders from Philadelphia's insurance community to deliver lectures. These men emphasized life insurance in their remarks, and set the young professor off on a career in the industry. Their talks covered a range of technical skills, from life insurance administration to policy contracts, as well as overviews of the major types of insurance. But the lectures also contained heavy doses of the life insurance industry's own particular worldview. F.C. Oviatt argued that life insurance helped to "lessen the army of unfortunate dependents upon the state." The life insurance agent selling policies, he insisted, "is helping that person to become a more perfect factor in the development of human society." Oviatt closed with an impassioned appeal to "take life insurance as soon as possible... for it is by sacrifice that the world makes progress."⁵

L.G. Fouse, President of the Fidelity Mutual Life Insurance Company of Philadelphia, outlined some of the industry's marketing problems. He celebrated

⁴ Huebner's dissertation appeared the next year as "The Development and Present Status of marine Insurance in the United States" and "Policy Contracts in Marine Insurance," consecutive articles in the *Annals of the American Academy of Political and Social Science* 26 (1905).

⁵ George A. Norris, *Voices From the Field: A History of the National Association of Life Underwriters* (Washington, 1989): chapter 1; Newspaper article "Lectures on Insurance at Penn" subhead "Well-known Underwriters Will Give Lectures in the Wharton School" publication unknown. Clipping in the Solomon Huebner file, folder 5; University of Pennsylvania archives; F.C. Oviatt "Life Insurance and Its Relation to Society" *Annals of the American Academy of Political and Social Science*, v. 26, (September, 1905): 11.

the industry's growth, which he attributed to the decentralized agency system, but grimly noted the continued presence of "agents who do not devote their entire time to the business, many of whom possibly do not write a single application in a year." Fouse also decried the "high pressure methods which are a menace to the life insurance business," and argued the NALU line in insisting that the "ideal" solicitor was not one who "engages in the business as a makeshift while looking for something else, but one who chooses the work as his profession because it appeals to him." The soliciting agent, Fouse insisted, was more than a salesman, he had become "an expert in the business of life insurance." Life underwriting would shortly receive full recognition as a profession with university degrees similar to medicine or law, he averred. As a life insurance administrator and NALU official, Fouse realized the problems his industry faced, especially agency turnover, a sinking public reputation due to unpalatable sales tactics, and the never-ending task of dedicating agents to their demanding work.

Professionalism, his address implied, provided the solution for all of these dilemmas.⁶

The Philadelphia life insurance men's addresses provided Huebner an initiation into what Morton Keller has called the life insurance industry's "ideology of power," a "commitment to public service and private power." Life insurance companies were among the United States' first business concerns to enjoy a national scope, and led the way in developing bureaucratic organizations. In the Gilded Age the industry's leaders produced a rhetoric emphasizing their roles in a stabilizing and beneficent private institution. Most importantly, insurance leaders argued that their business offered a uniquely American solution to the search for social welfare. Edward A. Woods of the Equitable, a leader in the National Association of Life Underwriters, argued that life insurance was "raising the entire average of social efficiency" by encouraging Americans "to do voluntarily what

⁶L.G. Fouse "The Organization and Management of the Agency System" *Annals of the American Academy of Political and Social Science*, v. 26 (September, 1905): 247-8, 255.

Germany is compelling them by law and a government appropriation of \$12,000,000." ⁷

Insurance leaders led double lives however. While they painted themselves as directors of benevolent social institutions concerned with every American's health and well being they also pummeled one another, and waylaid their customers, in some of the period's most unrestrained business competition. Life insurance contained few of the technological triumphs and barriers to entry found in so many of the big businesses of the age, and no Standard Oil ever emerged to administer the marketplace. Federal regulators, citing the Supreme Court's 1868 *Paul v. Virginia* ruling, ignored the industry. The business promised access to huge pools of cash from a growing middle class and remained an open plain to hundreds of smaller companies. With most concerns' policies offering very similar terms and rates, the fate of every life insurance company largely rested upon salesmanship. As one contemporary put it, "Men do not insure of their own free will. They must be clubbed into it. The company that employs no agents does no business." Another concluded that agents were "as necessary to the business of life insurance as fuel is to the locomotive." Although the companies sought to isolate the home office from the agents' field practices, the companies had reached a crisis by the time Solomon Huebner came on the scene. Operating in a largely unregulated market, insurance salesmen were systematically destroying the American public's faith in their product. The National Association of Life Underwriters had organized partially out of concern for the "loss of public confidence" in the industry and its representatives. ⁸

Progressives addressed the insurance industry in a series of reforms. Beginning with New York State's 1905 Armstrong Investigation, in which Charles

⁷ Morton Keller, *The American Life Insurance Enterprise, 1885-1910: A Study in the Limits of Corporate Power* (Cambridge, 1963), 26; Edward A. Woods "Life Insurance and Social Progress" *The World To-Day* 17 (November, 1909), 1199.

⁸ Burton Hendrick *The Story of Life Insurance* (London, 1906), 65; John Dryden "Addresses and Papers on Life Insurance," 106; both cited from Viviana A. Rotman Zelizer *Morals and Markets: The Development of Life Insurance in the United States* (New York: 1979), 121; Norris, 21. In the *Paul v. Virginia* ruling, the Court declared that a life insurance policy did not represent interstate commerce.

Evans Hughes probed the dubious activities of the state's many large insurance companies, state governments enacted a set of new regulations governing the industry's affairs. These laws mandated that insurance companies overhaul their accounting practices so as to provide the public with more information about their operations, and regulated how they invested their huge pools of premium-payment cash. Many state officials also encouraged companies to change their corporate organization into mutual associations returning earned surpluses to policyholders. These reforms helped to place the life insurance industry on a sound footing with the American public, but they failed to come to grips with the matter of life insurance salesmen's nefarious activities and bad collective reputation. Scholars have overlooked this aspect of the industry's development as well.⁹

The professionalization program that Solomon Huebner developed with the National Association of Life Underwriters addressed this matter directly, as well as solicitors' persistent crises of confidence, by establishing a private, voluntary organization devoted to enhancing participating life insurance salesmen's competency and probity. As a university economist, Huebner labored to ensure that the program, comprised in large part of classroom instruction, met academic standards. But he also embraced the industry and Association's view of themselves as parts of a beneficent national institution able to supply Americans with a voluntary plan for basic social welfare benefits. As salesmen of ideas, Oviatt and Fouse succeeded at Wharton far beyond what they could have imagined in even their wildest dreams. Not only did they recruit new students to the ranks of the life insurance industry, they also found the student's professor eager to become their ally. Solomon Huebner took it upon himself to make the Association's dream of academic and professional legitimacy a reality. He devoted his career, and his Ivy-League prestige, to the task.

⁹ H. Roger Grant *Insurance Reform: Consumer Action in the Progressive Era* (Ames, IA: 1979) John A. Garraty *Right Hand Man: The Life of George W. Perkins* (New York: 1960); R. Carlyle Buley *The Equitable Life Assurance Society of the United States: One Hundredth Anniversary History, 1859-1959* (New York: 1959).

Huebner's ties to a prominent Philadelphia industry and inauguration of a new course of instruction boosted his professional progress. By 1913 he had founded an independent Insurance Department in the Wharton School. Now four instructors in insurance transmitted the industry's "picture of the services of life insurance" to growing crowds of eager students. Huebner excelled in the classroom, turning away from economic theory to discourses on the applications and services of insurance that must have often bordered on his early visitors' messianic rhetoric. He was a fiery orator who stalked the classroom, waving his arms and pounding his fist into his palm. His enthusiasm and plainspoken embrace of entrepreneurial salesmanship repeatedly made him the most popular professor at the university. Huebner's practical economics did not find favor with many of his colleagues in the university or the economics profession, however. A university president recalled that other faculty members frowned upon Huebner's classroom techniques; "an understanding of... insurance was considered to be outside the tradition of scholarship of a university." Another colleague concluded that "you will find appraisals varying all the way between a messiah and a charlatan, and of course he was neither."¹⁰

Life Insurance Sales Culture and the Task of Selling, 1840-1905

Solomon Huebner began his teaching career at the Wharton School just as New York State's Armstrong Investigation exposed life insurance companies' political grafting at the State Capitol, the use of policyholders' money in stock speculation, ineffective state regulation, and a fierce competition that often led solicitors to sell customers policies they did not need. One typical editorial lambasted the industry's "colossal iniquity" while another concluded that "the whole thing is a mire of moral rottenness." A third protested that "thousands upon thousands of men are induced to take out more insurance than they can afford to carry - for the solicitors and agents are eager for commissions," then concluded

¹⁰ Mildred Stone, *The Teacher Who Changed an Industry* (Homewood, IL, 1960), 79; Harold Stassen "Dr. Solomon S. Huebner" *Journal of the American Society of Chartered Life Underwriters* (June, 1952), 199. Stassen also noted Huebner's repeated election as "most popular professor on campus," p. 200; Stone, *Teacher Who Changed an Industry* p. 80.

that "all life insurance managers are afraid of public opinion. Those who manage good companies fear they will be classed with the bad ones. And the bad ones are trembling lest they be found out." Insurance men worried that policyholders would begin to "agitate for public sponsored insurance." The scandal placed salesmen in a difficult position. They had to face the public every day. Their livelihoods depended upon customers' trust and goodwill. ¹¹

Life insurance selling had become a truly democratic occupation in the nineteenth century. Men flocked to the business because it offered an opportunity for good earnings and did not require investment capital. Solicitors set out to sell with little or no education or formal training. This situation resulted in a virtual sales free-for-all in antebellum America. By the 1860s the leading companies had instituted the agency system, by which a successful salesman took on a number of "helpers," or field agents. While the general agent often saved a town's wealthiest men for his own account the helpers canvassed the area in search of more modest sales. The agency system served to bring countless new men into the life insurance army without making them the direct employees of the home office. Helpers could sell insurance however they saw fit and not directly reflect upon their company. As late as 1904 Huebner's industry mentor L.G. Fouse was careful to delineate the role of the common solicitor. "Helpers," he reminded, "are (not) supposed to be under contract with the company, but to be acting merely for and through duly authorized agents." ¹²

¹¹"Great Insurance Companies as Fountain-Heads of Political and Commercial Corruption" *Arena* 34, (November 1905), 523; "The Life Insurance Machine" by "Q.P." *World's Work* (November, 1905), 6842; "American Life Insurance on Trial" Walter Wellman *Review of Reviews* 32 (October, 1905), 463, 468; H. Roger Grant, *Insurance Reform: Consumer Action in the Progressive Era* (Ames, 1979), 44.

¹²One company official described his practice of preparing a new agent for the field as such: "In starting a new agent my plan is to carefully go over the subject of insurance with him, and thoroughly explain a couple of the most popular policies. I then furnish him names of the leading policyholders in his community, caution him against the pitfalls he is likely to encounter, warn him against rebating, over-estimating and endeavor to elevate his ideas to the high calling of the real insurance agent. He is then sent out to solicit." J. Owen Stalson *Marketing Life Insurance: Its History in America* (Cambridge, 1942), p. 518; "L.G. Fouse "The Organization and Management of the Agency System" *Annals of the American Academy of Political and Social Science*, v. 26, (September, 1905), 247.

An entrepreneurial ethos pervaded the industry. Promoters like Gage Tarbell of the Equitable relied upon an appeal to individual opportunity to attract able salesmen; in 1903 Tarbell argued that the business "never says to a man `You can go so far and no farther. The limit you can make is so many thousand dollars'.... On the contrary, it says `Go Ahead! Climb! There is no stopping place.... In other words, what a man can make in the business depends wholly and solely upon how hard and how intelligently he works." Driven more by this ethos than any concern for organization, executives and general agents ignored their own denunciations of part-time sales and continued to seek revenue wherever they could get it. Henry Hyde, president of the Equitable, exhorted his field men to "make use of all your friends and associates. Get lists from your doctor of insurable people, and if necessary make it an inducement to him to smooth the way. Make your clergyman help you insure his flock; join literary societies and clubs, in order that you may insure the members." "Evidently the managers argue that every man has a few friends," a later observer noted, "and he is useful at least until he has exhausted them."¹³

Again and again the life insurance industry recruited vast numbers of solicitors, only to find that very few of them could sell. Tarbell's promise of individual achievement attracted the bright, ambitious men who could become outstanding salesmen, but it also provided a legion of second-raters and drifters. One contemporary reporter complained that "New York State is overrun with a horde of solicitors, drummers, and canvassers for the various life companies." The nineteenth-century army of life insurance salesmen turned to sharper and sharper tactics, which one observer termed "outrageous lies and deception," in their competition with one another. The life insurance observer Miles Dawson captured life insurance selling's bottom line in 1898 when he observed: "You will find agents who have been forgiven all the other offenses in the calendar, but

¹³Gage Tarbell "Men for Life Insurance" *The Independent* (December 24, 1903), 3058; Hendrick *The Story of Life Insurance*, 244, 63.

nowhere will you find the agent who has been forgiven for not selling insurance."

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These salesmen struggled for survival in the marketplace and lived working lives comprised of constant appeals to sales prospects. None really became a friend, but many could seem like foes if they failed to buy a policy. In this environment life insurance salesmen developed a distinctive way of understanding and talking about the world, taken from the demands of their work. Many often employed a stark relativism, relying upon any reasoning or appeal that turned the prospect toward a sale. Most salesmen understood their successes and failures in plainly pecuniary terms. Yet the work took its toll and many sought something more. Many solicitors faced ongoing doubts about the validity of their work and their public image, a problem only compounded by the steady rhythm of failure endured by even the most successful salesman. Perhaps no image captured the solicitor's dilemma more vividly than the sign "No Peddlers, Solicitors or Insurance Agents" that barred the door to so many sales opportunities. One agent later recalled that he felt like "the lowest on the totem pole... somebody that anybody could kick around. You had this problem, this image to overcome.... It was that attitude of `no peddlars (*sic*), or agents allowed." As late as 1922 another salesman complained "to this day men... look on me as a pest and attempt to use me for coarse comedy. I really can't blame them though." ¹⁵

¹⁴Stalson, 344; Miles M. Dawson *Things Agents Should Know* (New York: 1898), 4.

¹⁵This particular sign seems to have been a familiar sight around the turn of the century, because John Marshall Holcombe, manager of the Life Insurance Sales Research Bureau, cited it as a specific example of the sorts of difficulties managers faced in recruiting quality agents. With such a public image, he contended, "small wonder that capable men shrank from entering such a classification." See his "The Modern Life Underwriter" in *Annals of the American Academy of Political and Social Science*, v. 130; (1927), 61. Quotation from interview with John O. Todd, September 28, 1979, p. 9; transcript in American College Oral History Collection, American College Library. In 1887 the salesman C.C. Bombaugh, editor of the *Baltimore Underwriter*, read a poem summing up many of the salesman's self-doubts and quarrels with public opinion before the Boston Life Underwriters Association:

Well, you know what they say of insurance men;
You know how they're talked of again and again;
People say they don't pay their debts when they're due;
And what every one say, you know, must be true."

In this context many salesmen struggled to convince themselves that their work, and even their ethically dubious efforts, ultimately benefited their sales prospects and the community at large. In the new business fiction that developed for a mass audience of salesmen, hardheaded prospects often required the use of deceptive sales techniques. But upon taking the policy, the genre's mythical prospect inevitably saw the light and often asked the salesman for additional coverage. In fact, the successful salesman usually believed that his labors ultimately served the common good at the same time that he increased his income. One agent summed up his success by noting "I am now making 50 per cent more money than I did as a newspaper man, and I feel that I am doing some good for other people."¹⁶

Agency managers and executives labored to inculcate in salesmen this understanding of their work. The fate of the entire industry depended upon their success in dedicating solicitors to their often-onerous task. In 1904 the insurance executive L.G. Fouse had informed Huebner's first class that salesmen "must be driven," but emphasized that "a successful life insurance agent is his own driver." One "veteran life agent" knew that "only the man who loves the work for the work's good in alleviating the sum of human misery, in the prevention of poverty, in encouraging the propagation and education of the race, can, even with the largest commissions, remain in the field for his lifetime."¹⁷

Shortly after the Philadelphia life insurance men visited Solomon Huebner's classroom, the young professor decided to "throw in his hat" with the industry and its salesmen. His practical-minded classes at the Wharton School provided students with a ready guide to the practice of insurance selling, and attracted ever larger numbers of students. In 1912 Ernest J. Clark, a general

C.C. Bombaugh "The Underrating of Underwriting" Poem read before Boston Life Underwriters' Association, (February 15, 1887); cited from *Notes of a Veteran Life Agent* by "Constant" (Joseph L. Topham) (Boston, 1887), 46.

¹⁶"Trailing the Prospect" "By an Insurance Agent" *Saturday Evening Post* (July 1, 1922). p. 28.

¹⁷ Fouse "The Organization and Management of the Agency System," 248; *Notes of a Veteran Life Agent*; p. 34.

agent for the John Hancock Life Insurance Company in Baltimore, Maryland and a leading figure in the National Association for Life Underwriters, sent his nephew to the Wharton School to study with Huebner. Huebner's biographer concludes that "in Dr. Huebner, Mr. Clark saw an ally." Clark and other NALU leaders imagined an expanded life insurance industry that provided its customers with an array of financial services, but realized that the bad reputation that their companies and solicitors had earned now blocked these developments. They had long sought federal regulation for their industry, both as an avenue to national organization and as visible evidence of their industry's trustworthiness, but found themselves stymied by the *Paul v. Virginia* ruling. Now Clark and his allies turned to professionalism as an alternative to the elusive federal oversight. Clark recognized that the realization of these goals depended upon "specialized education and training for life insurance company field representatives." Clark and Huebner met to discuss the possibilities.¹⁸

The two men worked with other NALU leaders to fashion a proposal for the introduction of life insurance education, coordinated by a central credentialing body, in the nation's colleges and universities. When Huebner presented their idea to the Association's national meeting in Cincinnati in 1914, he emphasized two definitions of education as complementary parts of plan. While academic coursework and achievement formed the tangible core of the proposal, he told the assembled salesmen and agency managers that "life insurance salesmanship must be given the status of a profession - a high calling.... If this is done you will certainly have the right to feel that you are identified with one of the noblest professions in existence, ranking with those of the ministry, law, medicine and teaching...." He argued that "life insurance education" included the task of public relations as well as training salesmen in economics and law. "It is high time that a proper public opinion" of life insurance salesmen should be

¹⁸ Stone, *The Teacher Who Changed an Industry*, pp. 124-5. On the NALU's attitude toward professionalism as an alternative to federal regulation, see Norris, *Voices From the Field*, p. 28; Philip L. Merkel "Going National: The Life Insurance Industry's Campaign for Federal Regulation after the Civil War" *Business History Review*, v. 65, no. 3, (1991): 528-53; material cited from the *Proceedings* of the 1891 Annual Meeting of the National Association of Life Underwriters.

developed, Huebner concluded. He proposed “a comprehensive system of non-partisan education, which in the course of time will gradually mould the habit of thought on the part of the masses.” Even as the professor framed solicitors as professionals, he made himself a salesman. From their earliest days life insurance companies had employed life insurance “lecturers” to tour the agencies, educating and invigorating the solicitors with a combination of motivational rhetoric and sales tips. When he stepped to the podium in Cincinnati to unveil the plan for life insurance sales professionalism that he and the NALU men had developed, Huebner served as a new incarnation of the familiar life insurance lecturer, using the new promise of professionalism to revive sagging spirits in the struggle to advance the cause of life insurance in America.¹⁹

Huebner’s Cincinnati remarks produced an unequivocal burst of enthusiasm among the life insurance men gathered in Cincinnati. After the professor argued that “despite the fact that you are entitled to view your efforts from the standpoint of commercial results, you... are and always will be as a class essentially teachers, persuaders of men and the missionaries of a great and noble propaganda,” one John Dolph leaped to his feet to applaud. Dolph proposed that the association “go on record in the most emphatic way it is competent to do in expressing its gratitude for this magnificent address.” Charles Brockway of Syracuse seconded the motion and announced that he had been in the business for forty-three years “and in all of that time I have never heard an address or listened to anything... equal to that to which we have just listened.” The NALU official Huebner biographer Mildred Stone perhaps put his reception into historical perspective best when she recalled how, when the “high-ranking university professor” addressed the convention “with respect about the importance and dignity of its calling, the life insurance audience was thrilled. That was a new experience. When he strengthened and expanded their sales ideas they could hardly believe their ears. Here was reinforcement from an unexpected source.” When Solomon Huebner stood before the assembled members of the

¹⁹ Huebner, “Life Insurance Education,” *National Association of Life Underwriters Proceedings*, (1914), 66-7.

National Association of Life Underwriters in Cincinnati he commanded respect as a "high-ranking professor." But Huebner proved so popular to the faithful gathered there not only because he proposed to remake the life insurance industry and pave the way new prosperity. He proposed to remake them as men. Huebner perceived the industry's troubled history and the salesmen's deepening concerns over their public image and self-respect.²⁰

Solomon Huebner and the Construction of Life Insurance Professionalism, 1914-1924

After his Cincinnati address Solomon Huebner spent a decade trying to turn the idea of life insurance sales professionalism into an institutional reality. He had told agents that they already were, for all practical purposes, expert professionals. But the professor realized that establishing a new professional identity able to withstand public scrutiny demanded that he and the NALU leadership articulate a set of basic standards and plan a detailed and rigorous educational curriculum. Huebner also sensed that, in order to achieve these goals, he would have to take up his alternate understanding of "education": in addition to convincing educational administrators to accept the program, he would have to persuade life insurance executives, agency managers, and salesmen to cast their lots with the new initiative. He immediately began a grueling schedule of promotional appearances aimed at changing life insurance men's understanding of the professionalization process.

Huebner began his work by devising new ways for life insurance salesmen to sell policies. In 1919 he embarked upon a series of lectures outlining his "human life value" approach to selling life insurance. The life value speeches laid out a new argument for solicitors, presenting life insurance as an invaluable service for middle class Americans.

²⁰ Huebner, "Life Insurance Education," 81; Stone, *The Teacher Who Changed an Industry*, 126.

Huebner encouraged salesmen to calculate a man's career earning potential as his human life value, wrapping the matter of setting an indemnity in the solemn science of economics. He especially urged solicitors to target "all persons working on a salary, be they ordinary or expert" for life value appeals, for in the professions "the life value constitutes practically all of their business worth." From the perspective of providing burial insurance, most insured Americans carried adequate coverage. But for the goal of protecting a family's standard of living many Americans agreed that they needed additional policies. One life insurance editor introduced a transcript of Huebner's speech "Conservation of the Financial Value of Human Life" to his publication with the observation that "the article as it stands is not an exposition of salesmanship, per se; but it furnishes a score of pegs upon which the active solicitor may hang his arguments with telling effect."²¹

Huebner's life value technique stood to supplant emotional manipulation in the sales pitch and render the solicitor a more professional presence, in command of "a science and ... an expert knowledge." But the idea of sales professionalism as expressed in life value calculations addressed another problem for salesmen as well. Prospects forever reversed themselves on the amount of a policy and steadfastly resisted salesmen's attempts to sell in larger amounts. One Equitable agent admonished his solicitors "Do not fail to urge applicants... to take as large amounts as possible ... a great secret is for the agent to decide the amount to be taken." Another life insurance author reminded his readers "it is the business of the agent and not of the client to know the proper size for the policy." Huebner's life value concept provided a powerful tool for the salesman to provide a "prescription," satisfying to himself as well as the prospect, for insurance.²²

²¹ Solomon Huebner "The Human Life Value in Business Compared with the Property Value" (NALU pamphlet) (1924), 5; *Life Association News* (July, 1919), 542.

²² "How Life Insurance Benefits the Premium Payer" Address to the Pittsburgh Sales Conference of March 3, 1927, 15; *Equitable Scrapbook* (1870) cited from Stalson, p. 536; H.B. Rosen "Personal Sales - \$1,000 A Month" *System* (February, 1918), 179.

As Huebner crisscrossed the country delivering life value speeches whenever his university schedule allowed, he promoted the idea of life insurance as mass-marketed investment service for this growing middle class. He held the individual investor's abilities in low esteem. He decried "the average man" with all his weaknesses and failings, his reluctance to sacrifice, his inability to wait for the sure compounding of interest and argued that "every effort should be made to have the masses place their investments not directly, but indirectly through the medium of large investment institutions (with) expert investment managers." Huebner attacked Americans' speculation and improvidence and came to call life insurance "compulsory savings," an interesting analysis considering his own investment history. This "department store method" or "installment plan" protected the family man against "his own personal failings," for he "need exercise no managerial care whatsoever. He has not a single thing to do, except to earn the money and to hand it over." This method made the insurance salesman into a powerful figure in the middle class family's life. In effect, the salesman became the family's financial planner, to whom they had only to "hand it over."²³

The life value sales technique helped salesmen get over their apprehension about a professional approach to selling. Huebner's biographer Mildred Stone recalled how "life insurance agents saw a professor's academic

²³Solomon Huebner "Conservation of the Financial Side of Human Life" *Life Association News* (July, 1919), 543; Solomon Huebner "Life Insurance in Its Relation to Thrift" *Annals of the American Academy of Political and Social Science* 87 (January, 1920), 187; Solomon Huebner and David McCahan *Life Insurance as an Investment* (Philadelphia, 1932),. 195; Solomon Huebner "The Investment Objectives of Life Insurance" *Annals of the American Academy of Political and Social Science* 161 (May, 1932), 18. Although Huebner had taught classes on the stock market since 1904, he revealed in a 1927 address that once in 1908 he had lost his "savings fund" to stock speculation. Of course this revelation came as part of his overall argument that even high-ranking professionals sometimes lack investment savvy. Huebner spoke directly to professional groups, emphasizing life insurance as an investment, in this period. See his address "Saving, Investments, and Life Insurance for Dentists" and address before the Academy of Stomatology of Philadelphia published in *Dental Cosmos* (April, 1923). Interestingly enough, Huebner's biography contains a similar cautionary tale of the stock market and its risks, only in the official version the young Huebner places a considerable amount on a margin account before leaving town. Upon his return a stern broker delivered Huebner's 100% profit with a warning never to take risks like that again. We can only speculate if Huebner's 1908 loss came on such an adventure. See Stone *The Teacher Who Changed an Industry*, 92-3.

idea paying off for them in sales." The "jumbo sales which resulted" won salesmen over for the life value concept and retained their interest for the rest of Huebner's professionalizing agenda. One life insurance salesman later wrote Huebner's son John, then an executive Vice-President of the Penn Mutual Life Insurance Company, to recall how as a young man in 1922 he had attended one of Huebner's lectures. As soon as the professor stopped speaking, he recalled, "I slipped out, caught a street car and called on a university professor who had turned me down twice within the month. Fortunately he was at home. Using the information and inspiration your father had supplied I came away with an application for \$5000 on the Optional Endowment at 65 Plan with check for settlement." Even haughty university professors fell before the salesman's new arsenal of professional expertise and economic arguments.²⁴

The life value addresses culminated with Huebner's remarks of July 21, 1924 to the NALU's national convention in Los Angeles, California. When the American public fully understood the need for such scientific treatment of their insurance, he boomed, life insurance would sell as readily as other types of indemnity. Apparently Huebner's remarks had an effect similar to his Cincinnati address ten years earlier. His biographer reports that after the remarks agents once again "got excited about themselves as the representatives of a titanic industry." More importantly, NALU leaders decided to pursue a concrete program of professional education in life insurance selling. The idea of a national institution for salesmen's training and certification, waiting in the wings since at least 1914, came to fruition. The establishment of the American College quickly led to new dilemmas however. While many salesmen were overjoyed with the life value technique's jumbo sales, Huebner knew that claims to professional knowledge had to rest upon standards administered by a real organization, lest a sham professionalism produce another industry debacle. Now that solicitors had begun to reap many of professionalism's benefits, it remained to convince them

²⁴ Stone, *The Teacher Who Changed an Industry*, 152; Stone, *A Calling and Its College: A History of the American College of Life Underwriters* (Homewood, IL, 1963), 52; Letter of J. David Boyd, Associate General Agent for Columbus, Ohio to John M. Huebner, May 5, 1961; Box 5, Huebner Collection, American College Archives.

to submit to the study and examinations necessary to preserve their new status. This largely depended upon more salesmanship on Huebner's part.²⁵

The Founding of the American College of Life Underwriters, 1924-27

Despite his deep commitment to the industry's historical mission and appreciation for the salesman's competitive dilemma, Huebner's experience in the academic world made him aware that university officials and accreditation supervisors would expect the American College to produce an educational program with real standards. If the College was to gain popular acceptance, it would have to satisfy the academicians, or at least avoid their scorn. But life insurance salesmen struggled to understand the need for rigid educational criteria and many sought to reap the benefits of the Huebner/NALU program without acceding to scholarship's demands. Solicitors who saw themselves excluded from the new professionalism began to fight Huebner's stiff educational requirements as well. There followed a lengthy period of negotiation and persuasion in which Huebner maneuvered to bring the American College into being as a respected and accredited institution of higher learning.

The salesmen most likely to suffer at the hands of professionalization opened the struggle over the shape the new program would take. A group of solicitors who had achieved high sales totals without the benefit of high school diplomas realized all too clearly that Huebner's educational standards represented a potential threat to their livelihoods. If well-educated salesmen could gain a professional designation, their remaining competitors would become second-class citizens. In this light they moved to make a pre-emptive strike. In February of 1926, even before Huebner's Cincinnati address, the veteran solicitor Guy McLaughlin presented a plan for the National Association of Life Underwriters to award the title of "Counsellor of Life Insurance" to deserving salesmen around the country. The Texan proposed the formation of a "nucleus" of agents recognized by the Association for their experience and accomplishments, and pointed to the example of Canada, where the life

²⁵ Stone, *A Calling and Its College*, 61; 61-2.

insurance trade association had produced a group of certified agents based upon their work and a minimal qualifying examination. He met with Solomon Huebner's unequivocal opposition however. The Wharton professor would not support any plan that substituted field experience and service for regular examinations and academic protocol.²⁶

By 1927 Huebner and his Association allies had defeated McLaughlin's bid to recast life insurance sales professionalism. Edward Woods, Ernest J. Clark, and the rest of the NALU leadership remained devoted to a program acceptable to colleges and universities. In January of that year the Association's Board of Trustees announced the creation the American College of Life Underwriters incorporated in Washington D.C. Clark and Huebner's plan established the American College as an umbrella organization devoted to the administration of professional examinations and the granting of a professional designation, leaving actual insurance instruction to the nation's colleges and business schools. Such a decentralized organization afforded a rare opportunity to establish expert-informed national standards in such a large industry. But the nation's business schools had no use for students without high school diplomas. Woods summed up the dilemma when he mused about the proposed CLU designation: "a college degree has to mean something in the college world..."²⁷

In addition to arguing that professional life insurance salesmen required a high school diploma, Huebner insisted that the College provide a challenging course of study. Huebner's first suggestions for the American College curriculum shocked many life insurance men. The professor proposed a preparatory course including 23 books with 8000 pages of reading. McLaughlin and other opponents

²⁶Norris, *Voices from the Field*, 125.

²⁷Stone, *A Calling and Its College*, 73. The examinations included five parts: Life Insurance Fundamentals, including the economics, principles and practices of life insurance; Life Insurance Salesmanship, including principles of salesmanship and psychology of life insurance salesmanship; General Education, including English Composition, Economics and Sociology; Commercial Law, including wills, trusts, estates and "law pertaining to life insurance salesmanship;" and Finance, including Corporation finance, commercial credit, banking and investments." Solomon Huebner "The American College of Life Underwriters and Its Aims" *Life Association News* (May, 1928): 773.

proposed a lighter load that the Huebner men derisively dubbed a "two-dollar package." Even Edward A. Woods, among the strongest proponents of the Huebner plan, admitted he had placed the weighty volumes Huebner had suggested on his desk and left them there for months, unread, just "trying to get used to them." Ultimately Huebner's first stab at academic standards fell by the wayside. The Association's executive committee rejected the professor's reading list and recommended lighter requirements; the eventual compromise cut Huebner's list in half.²⁸

On another front, some life insurance men recognized an opportunity to enrich the school's empty treasury by selling honorary degrees to dignified underwriters who could not meet the American College's educational requirements. Such degrees promised to endear the school to top producers in the field and secure a large nest egg for construction and development. They also provided an honorable grandfather clause for senior life insurance men without high school diplomas who had distinguished themselves in the field. This was exactly the sort of compromise that promised to smooth the way for the new institution. But it also represented Huebner's greatest fears for the project. The sale of honorary degrees threatened to make his position in the economics profession and at the Wharton School completely untenable. Suspicious academics and other professionals would surely sniff out such a clear attempt to trade upon professional status without meaningful standards. While Huebner continued to weather academics' criticism for his practically oriented economics, he lobbied hard and, with the assistance of Woods and Clark, defeated the demands for honorary degrees. Content that his project was off the ground, Huebner departed for a nine-month exchange professorship in Japan.²⁹

Things began to go wrong almost immediately. Life insurance men would not easily abandon their trade's democratic ethos. Most wanted to fashion a new professionalism that solved the industry's marketing dilemmas but required no

²⁸Stone, *A Calling and Its College*, 71; Stone, *The Teacher Who Changed an Industry*, 156.

²⁹ Stone, *A Calling and Its College*, 71.

hard-and-fast standards. At the 1927 NALU convention in Memphis, Tennessee, Edward A. Woods began his remarks by defending the high school diploma requirement. The colleges, he explained, in obvious discomfort, "looked askance at any proposition without a good educational background, high school or its equivalent." He reminded the assembled solicitors of the "difficulties under which your committee has been laboring in trying to accommodate the people who will deserve it... and in establishing a curriculum that will meet the standards of the great universities.... I don't want you to think we have been unmindful of the difficulty of expecting business men to get the educational background."³⁰

Despite Woods' entreaties, many convention-goers balked at the notion of denying senior salesmen a professional designation for want of a mere educational requirement. Facing this revolt, Woods proposed a compromise. Upon payment of \$50 a member of a local underwriters association certified as outstanding in character and sales could receive a plaque naming him an "Accredited Life Underwriter" upon confirmation of the college. This semantic sleight of hand still distinguished those who met the educational requirements from those buying their way in, yet it clearly aimed to muddy the waters enough to allow the "accredited" underwriters to reap the rewards of professionalism. The proposal seemed to quiet the restive salesmen, and the convention approved the compromise. Upon his return to Philadelphia in early 1928 Huebner perused an American College publication that included news of the Memphis compromise. Friends had warned him of Woods' activities in telegrams, but upon seeing it in print Huebner leapt to his feet to call Clark. "You've killed it!" blurted the professor, threatening his resignation. He knew that while the Association's initiative might pacify salesmen who stood to suffer from the professionalization initiative, its multiple designations could only alienate the university business school administrators he needed to make the College program work. Clark pacified Huebner, and they soon succeeded in defeating the matter. But the professor's plan for educational standards still faced an uphill battle. When the

³⁰Stone, *A Calling and Its College*, 73.

College administered its first attenuated CLU examinations in late June of 1928 for 34 candidates, only 21 passed. Nevertheless, Huebner took off on the road again to promote the College and the CLU. "You had to get out and meet the people face to face, or the baby wouldn't live long," he later recalled.³¹

Huebner crafted his arguments to appeal to each of the industry's groups: salesmen themselves, agency managers, and executives. He urged salesmen to invest in themselves. Professionalism meant a new sense of self-respect for hard-pressed solicitors. He reassured the salesman that he was not "a mere wage earner, chained to a desk with a watchful superintendent" or even "a mere drummer of a standardized product. Instead, he should be a seller - a teacher - of ideas, just as is the lawyer, accountant, and banker." But Huebner also emphasized professionalism's promise of higher take-home pay. Some correspondence with his students had revealed that education in insurance led to "reaching a higher type of client and an increased size of application." The CLU degree meant additional benefits that Huebner boldly estimated at "an additional one-thousand-dollar-a-year income... for the average underwriter." But the CLU program was not for everyone. Professionalism "was never intended for mediocre and unworthy salesmen," "those whose ambition is limited to only the 'ones' and 'twos,'" he insisted. Rather, "it is intended to increase the selling power of those who wish to rise higher into the classes of life insurance buyers." Huebner's program clearly benefited these agents, their Association, and the companies that sought larger policies from wealthier prospects at the expense of the scuffling small-timers. Thus the professor assuaged these groups' fears that the CLU would become commonplace and insisted that it remain a badge of distinction in the life insurance field, a tool for out-competing "mediocre" agents within the industry.³²

³¹Faith I. Popkin "The Man Who Dedicated His Life That We May Better Serve" *The Society Page* (September, 1964) Box 3, Huebner Collection.

³²"The Value of Life Insurance to the Policyholder Himself" Address to NALU convention, 1928, Box 1, Huebner Collection; "Elevation of Life Insurance Educationally With the Public," address reprinted in pamphlet "Important Aspects of CLU Education" NALU, 1932, Box 1, Huebner Collection; "The Financial Value of the Chartered Life Underwriter's Course of Study" p. 9, address in Toronto, September 26, 1930; Box 1, Huebner Collection; Solomon Huebner

Agency managers had long struggled to motivate their sales force without causing high turnover rates. But most managers emphasized short-term results and believed that time spent studying for the CLU would detract from sales calls. As managers struggled to train their agents, Huebner reminded them that "the American College is doing the same thing for them" in the "proper standardization of life insurance education." The college also helped to maintain office morale. It aimed to cultivate a professional aura that would inspire "sufficient enthusiasm on the part of the practitioner to make it his full-time life's work." Similarly, Huebner argued that if life insurance were to survive and grow, it needed to attract men of the highest type. The American College could become a factor in attracting "men of superior qualifications." Most importantly, Huebner tied professionalization to the industry's business with "the middle class and well-to-do families of the country, numbering about 35% of the... total." These "professional, business and salaried groups'" primary interest in protecting "the family's standard of life" would naturally recognize the professional movement in life underwriting. General agents and managers, he pointed out, should certainly be interested "if anyone is, in having their agency participate properly in the 'class business,' and increasing the earning capacity of their good men." As managers sought this lucrative trade, the CLU movement served to help select and prepare underwriters to handle that business.³³

"Outstanding Factors Affecting the Life Insurance Branch Manager and General Agent Today" *Manager's Magazine* (January-February, 1936): 3; Solomon Huebner "The American College of Life Underwriters and the Chartered Life Underwriter Movement" (October 18, 1935): 6; Box 1, Huebner Collection.

³³ Stone recalls that "The attitude of life insurance home offices was generally cool or definitely hostile to the whole idea of academic training. The vice presidents in charge of sales, as well as many general agents and managers in the field, thought book learning would ruin the salesman." *A Calling and Its College*, 5; Solomon Huebner "The American College of Life Underwriters: Aims of the College," address at the Annual Meeting of the Association of Life Agency Officers and the Life Insurance Sales Research Bureau, (1929), 106; Solomon Huebner "The American College of Life Underwriters," p. 4, 1929 NALU Address, Box 1, Huebner Collection; Solomon Huebner "The American College of Life Underwriters and Its Aims" *Life Association News* (May, 1928), 743; Solomon Huebner "The American College of Life Underwriters" Address to NALU convention of 1929, Box 1, Huebner Collection; Huebner, "Outstanding Factors Affecting the Life Insurance Branch Manager and General Agent Today," p. 157-8; Solomon Huebner "What the CLU Program means to the Institution of Life Insurance" *Life Association News* (October, 1935), 158; "CLU Facts," Pamphlet published by the American College (1936), 21. Since Huebner directed all of the College's public-relations initiatives for this period we can safely assume that the words are

In 1929 Huebner drew his ideas of life insurance professionalization together into a broad economic appeal to the industry's executives. In an address before the Association of Life Insurance Presidents' annual convention, entitled "A New Vision in Salesmanship," he once again emphasized the importance of a real educational program in life insurance sales professionalism. Increasingly it would become more important for agents to possess detailed business knowledge and considerable social polish in order to sell to well-educated and refined businessmen and professionals. But such training also involved the subtler "education" of the public in the industry's new ethos and role. Huebner promoted an approach in which "teaching individuals...will soon be the outstanding factor in efficient salesmanship.... The public will then be educated in life insurance, just as it now is in other important fields.... Through education the seller's mind and the buyers' mind will increasingly meet on common ground, and the calling of life underwriting will correspondingly rise in public esteem."³⁴

Huebner's work bore fruit. In 1930 the American College awarded CLU designations to 110 individuals. By 1950 this number had grown to 2,136; by 1960, 5,030; by 1970, 14,889; by 1980, 23,143. The life insurance industry survived the storms of the Progressive Era and successfully tapped the nation's growing "class business." In 1930 American insurers sold 124 million policies placing \$106,413,000 worth of coverage in force, or \$2800 in coverage per family insured. By 1950 life insurance companies had written 202 million policies placing \$234,168,000 in force, or \$4600 per family insured. By 1960 these numbers had grown to 282 million policies, worth \$586,440,000, or \$10,200 per family. In 1970 355 million policies worth \$1,402,123,000 provided insured families with coverage worth an average of \$20,900. In 1939 no less an arbiter of popular tastes than *Better Homes and Gardens* magazine declared the CLU

his. Solomon Huebner "The Mission of Life Insurance and the Mission of the Banks and Trust Companies" Address of January 3, 1929, p. 18, Box 1, Huebner Collection; "The American College of Life Underwriters and the Chartered Life Underwriter Movement," 7, Address of October 18, 1935, Box 1, Huebner Collection.

³⁴Solomon Huebner "A New Vision in Salesmanship" to Association of Life Insurance Presidents *Proceedings* of 23rd Annual Meeting (1929), 191.

designation to be a "good sign" for consumers, "because it shows that its possessor expects to make life insurance his life career." The article went on to describe the "great change that's taking place among life insurance agents" and concluded that "the character and competence of life-insurance representatives has steadily grown better. The really successful agent of today no longer strong-arms you. He's an estate-planner. And that's why, after you've found the right man, you should lay bare your private affairs and hopes to him.... Only by doing so can you profit most fully from his expert knowledge." Several months later the publication concluded that "life insurance agents are frequently razzed for being so insistent. I wonder if we shouldn't be glad they are!" The life insurance industry thrived in this period, thanks at least in part to their solicitors' renewed public stature.³⁵

"The Teacher Who Changed an Industry:" The Huebner Myth and the Development of Sales Professionalism in the Life Insurance Industry

After 1940 Huebner presided over the American College and the CLU movement as much a legend as a man. More than the former dean of the College and one of its principal founders, he became "the teacher who changed an industry," a common symbol of occupational pride and motivation for generations of CLUs. After several decades of brickbats from muckraking critics, the solicitors who originally gathered in 1914 in Cincinnati nearly wept with joy when a university expert embraced their work. Decades later salesmen, now calling themselves underwriters, emphasized several crucial elements of the Huebner myth. First, the Wharton professor had helped them to remake their badly tarnished public image. Mildred Stone's history of the American College opens with the sad sight of the "No Peddlers, Solicitors or Insurance Agents Allowed" sign that burned itself into so many salesmen's consciousness around

³⁵ CLU conferment statistics provided by The American College Library, Bryn Mawr, Pennsylvania, correspondence in author's possession. Life insurance industry statistics cited from *Historical Statistics of the United States, Colonial Times to 1970, Bicentennial Edition* (Washington, 1975), v. 2, 1056. Ray Giles "C.L.U.: A Good Sign" *Better Homes and Gardens* (December, 1938), 57; "When `Bad' Could Be Still Worse" *Better Homes and Gardens* (February, 1939), 85.

the turn of the twentieth century. She organizes her books around the story of how life insurance salesmen moved "in hardly more than a generation in the public mind from the company of peddlers to association on equal footing with attorneys, bankers, accountants, and educators." Huebner had helped Stone and her fellow underwriters to elevate themselves, and their whole industry, from the status of grasping poor cousins into respected bastions of managerial commerce.³⁶

But life insurance salesmen and officials also recognized professionalism's impact upon their own self-esteem. The Northeastern Life of New York remembered Huebner for creating "for all life underwriters an atmosphere of confidence in our profession." The John Hancock Insurance Company noted that Huebner "gave us a sense of our mission as handlers of dreams and hopes, not dollars and cents." While the John Hancock argued that professionalism allowed life insurance salesmen to set aside matters of profits and loss, Huebner's program more accurately provided solicitors with an opportunity to reconcile their labors with the sense of public service that they had long sought. Despite the Armstrong Investigation's "scathing blasts," many life insurance salesmen still badly wanted to position themselves as visionaries and reformers, persuading Americans to plan for the future and protect their families even as they reaped financial rewards for each policy sold. The American College program allowed its graduates to envision themselves, like liberal engineers and other Progressive professionals, as a vanguard of an American modernity comprised of public-spirited private organizations and individuals' enlightened mores.³⁷

Even as they rediscovered their roles as public servants, life insurance solicitors celebrated Professor Huebner's impact upon their bottom lines. The

³⁶ Stone, *A Calling and its College*, p. 1.

³⁷ Advertisement placed by the John Hancock Company entitled "He Aply Led, We Gladly Followed" in *Insurance Salesman* (August, 1955) copy held in Box 3, Huebner Collection. Northeastern Life Advertisement published in insurance magazines in September, 1964; copy held in Solomon Huebner Collection, Box 3.

same John Hancock tribute that saluted the professor's ability to free solicitors from the pressure produced by "dollars and cents" also noted Huebner's "hero's role in building... today's multi-billion dollar life insurance business.... Many of us have climbed to success on the ladder which S.S. Huebner built for us." Industry executives and agency managers relied upon Huebner's positive understanding of life insurance selling to dedicate solicitors, and often themselves, to their work. Solomon Huebner had helped salesmen and their companies to tap the great reservoir of middle-class wealth that grew in twentieth-century America by positioning themselves as professionals, experts, and organization men the with whom middle-class breadwinner could identify and respect. The economist's ambitious, multifaceted program of public education found success in its ability to convince life insurance salesmen that professionalization provided a new opportunity to remake, even purify, themselves - and sell another day.³⁸

Salesmen, industry managers, and official myth-makers went to great pains to portray Solomon Huebner as a representative of the seemingly inevitable organizational dynamics that were shaping twentieth-century America. The Ivy League professor's success suggested that life insurance salesmen, and their companies, had shed their less-than-wholesome reputations and joined the mainstream of American business life. "The teacher who changed an industry" used professional organization and its objective, academic standards to transform the life insurance industry's unruly and disorganized sales force into a sleek engine of the twentieth-century American economy. But the emphasis upon a single professor's expert stature and role in transforming a great industry obscured several important facts.

First, Solomon Huebner brought less expertise to his work than his image suggested. When he began his career as a junior professor of insurance at the Wharton Business School, Huebner actually knew little of the insurance business. He invited Philadelphia insurance men, including representatives of the National Association of Life Underwriters, to lecture to his students, and included

³⁸ "He Ably Led, We Gladly Followed."

much of their dogma in his curriculum. Second, the National Association for Life Underwriters' emphasis upon Huebner's role in the development of life insurance sales professionalism obscured the fact that NALU officials themselves had played a large part in establishing the American College and Chartered Life Underwriter designation. Like many other professionalizers, the NALU men focused much of their energy on improving their own market position. And third, the great gratitude, and even relief, that life insurance officials exhibited in celebrating Huebner's accomplishments revealed the fact that the project's success had been anything but certain.

For decades the National Association of Life Underwriters, as well as most life insurance companies themselves, had sought federal regulation. While complaints about the crazy quilt of state regulations and venal insurance commissioners fueled much of this sentiment, life insurance leaders particularly sought the public imprimatur that a national regulatory structure might provide for their recently discredited industry and, especially, the salesmen upon whose efforts these enterprises rested. In the wake of *Paul v. Virginia*, life insurance sales professionalism provided an alternative means of winning the public's trust in solicitors' competence and probity, and thereby securing the companies' place in the emerging financial services sector of the American economy.

In gaining the public's trust, Huebner drew upon the twin interpretations of "education" that he had elaborated in his 1914 Cincinnati address. The professor devoted yeoman's work to assembling the American College's curriculum and standards, and defending them against challengers within the industry. His appointment at one of the nation's leading collegiate business schools, and familiarity with academic life and standards, enabled him to guide the American College to the adoption of a program acceptable to accrediting bodies and partner institutions in higher education. Together the College's academic components furnished its graduates with an expanded base of specialized knowledge in fields as diverse as finance and law, as well as insurance specialties, upon which they could build a technical competence. The CLU designation provided members of the public potentially seeking insurance

policies with evidence of this expertise. Turning to the matter of securing life insurance solicitors' probity in the public eye, Huebner and his collaborators established no formal code of ethics for solicitors. Instead, the professor relied upon moral suasion, providing his charges with a host of arguments for rejecting deceptive sales practices and embracing their roles as public servants. He also turned his arguments to the public itself, cultivating "a proper public opinion" by assuring them that life insurance salesmen had turned over a new leaf. Huebner used his own expertise in this effort. In addition to providing him with broad familiarity with academic standards, Huebner's University of Pennsylvania appointment endowed life insurance sales professionalism with priceless authority and prestige in an era that one historian has described as "extravagantly enthusiastic about the virtues of expertise." But Huebner's most important contribution to the development of life insurance sales professionalism in the United States grew not from his professional skills or stature. Rather, it took the form of the type of persuasion employed by salesmen everyday.³⁹

Contemporary commentators and subsequent historians alike have often emphasized the seemingly inexorable rise of new experts and their managerial ideas as a profoundly undemocratic force in the workplace and public life in this period. But while Huebner made himself an expert economist he also functioned as a persuader, a campaigner, a salesman of ideas. The professor identified with salesmen even as he sought to change them. Like the solicitors, he often perceived his marginal status in the community of economists and sought to prove himself in other arenas. He shared their vision of life insurance as a means of spreading modern values like thrift and foresight and providing security to American families. And, most importantly, he also made a practice of facing skeptical crowds and individuals whom he hoped to convert to a new way of thinking. Huebner campaigned within the industry and without for decades,

³⁹ One early CLU examination covered "general education (including English)," "economic problems," "government," "sociology," "law, trusts and taxes," "general commercial law," "wills, trusts, and estates," "taxation of insurance," "corporation finance," "banking and credit," and "investments." See *CLU Handbook with Questions and Answers to the 1932 Examination* (Louisville, 1940). Stone, *A Calling and Its College*, 1. Thomas Haskell "Introduction" *The Authority of Experts* (Bloomington, 1984), xviii.

convincing solicitors, managers, and their customers alike to accept the idea that life insurance salesmen were becoming expert professionals, representing enlightened institutions, who served the public interest.

Huebner and his allies in the industry constructed life insurance sales professionalism virtually from whole cloth. Like many contemporary professionals, life insurance solicitors found employment in large corporations. But unlike other rising professional groups who used educational credentials to secure their positions in this period, these salesmen could claim no tradition of autonomy from the corporations that recruited and employed them. Aside from a general sense of which types of appeals succeeded in selling policies and a command of their company's rate book, they could not draw upon a tradition of specialized knowledge and technique. Indeed, life insurance selling had originally emerged in the mid-nineteenth century as an ideal occupation for ambitious young men lacking formal education. Insurance companies recruited salesmen in large numbers and let those whose personality, wits, and drive fitted them to the task emerge as successful practitioners.⁴⁰

Huebner's persuasion secured for life insurance salesmen a variety of professionalism that differed in many respects from other contemporary seekers of professional status. In many respects the American College followed the path established by professionalizing physicians, attorneys, engineers, and accountants who employed standards rooted in academic achievement, examinations, and credentials to win new autonomy and independence of practice, restrict entry to that practice, control relations with clients, establish self-regulation, and claim the mantle of social accountability. Although life insurance sales professionalism failed to win CLUs new autonomy of practice within the corporate bureaucracy, it did succeed in providing a measure of control over newcomers' admission to the occupation and a national scheme of self-regulation. More significantly, CLUs' professional identity provided them new

⁴⁰ Kenneth J. Lipartito and Paul J. Miranti "Professions and Organizations in Twentieth-Century America *Social Science Quarterly*, 79 (2) June, 1998.

leverage with which to dominate relations with clients and a renewed patina of social accountability.⁴¹

Even as fellow professors debated the propriety of Huebner's enthusiasm for life insurance selling, the professor's advocacy of the industry's public service mission placed him at the center of the 1920s' political developments. Ellis Hawley has described how Secretary of Commerce Herbert Hoover sought to "reconcile his burgeoning bureaucratic domain with his deep distrust of `big government.'" In his pathbreaking works Hawley has suggested that Hoover and a new generation of federal policymakers reconciled these opposing dynamics in a synthetic "middle way" by attempting to enlist enlightened private orders, including trade associations and the professions, in the service an "associative state." He shows how economists swelled the ranks of an emerging class of experts and administrators who together spoke for a set of new values emphasizing organization, professionalism, and voluntary association that represented "an American corporatism." Indeed, "for many Americans the `organizers' and `professionalizers' had become the new agents of social progress." Hawley also demonstrates how federal policymakers encouraged many trade associations, including those representing the period's most disorganized, "sick" industries, to realize this doctrine's goals by building private administrative systems able to organize and discipline their diverse operations in this period. Ultimately he concludes that in the 1920s Americans' "antistatist" political culture deflected the course of political modernization away from a fully-realized national state and toward a more "fragmented, competitive-minded,... and often irrational" alternative.⁴²

⁴¹ Lipartito and Miranti cite many scholars' use of autonomy, independence and social accountability as "hallmarks of professional status" in this period. They go on to discuss dominance of relations with clients, control of admission to practice, and self-regulation as other "common attributes" of successful professionalizers. See "Professions and Organizations in Twentieth-Century America," 301-2.

⁴² Ellis Hawley "Herbert Hoover, the Commerce Secretariat, and the Vision of an `Associative State,' 1921-28 *Journal of American History* 61 (June 1974), 117; Hawley uses the term "antistatist" in "Economic Inquiry and the State in New Era America: Antistatist Corporatism and Positive Statism in Uneasy Coexistence" in *The State and Economic Knowledge: The American*

The record of Solomon Huebner's work and experiences clearly support the basic outlines of Hawley's argument. The Wharton professor preached a gospel of organization and professionalism to the benefit of a troubled industry. On closer examination, however, Huebner's work also suggests several significant *caveats* to Hawley's vision of an emerging corporatism in American public life. First, Huebner's collaboration with the National Association of Life Underwriters developed quite outside the ambit of Herbert Hoover and like-minded federal policymakers in Washington. In fact, Huebner's direct relationship with the Association developed in part as a response to the federal government's studied disregard for the life insurance industry. Second, in this partnership Huebner served as more than a bundle of expert capacity available to federal policymakers. He became a political force in his own right, campaigning for life insurance modernizers' vision of their industry, and its sales representatives, as public servants. Third, Huebner's ready embrace of the industry's preferred ideology illuminates how ideas and political practices predating Hoover's struggles to reconcile modernization with Americans' liberal political culture influenced the development of an expert-driven politics more complex than that characterized as the associative state.⁴³

The young professor's welcoming life insurance lecturers into his classroom and adoption of the industry's own mythology reflected more than his inexperience and limited knowledge of his assigned field. The life insurance men's broadly political goal of reconciling their entrepreneurial pursuits with public service appealed to the professor because it echoed his mentor Simon Patten's search for a "voluntary socialism." Professionalism helped to effect this

and British Experiences, ed. Mary O. Furner and Barry Supple (Washington, 1990); *The Great War and the Search for a Modern Order* (New York, 1979), 8; "Social Policy and the Liberal State in Twentieth Century America" in *Federal Social Policy: The Historical Dimension*, ed. Ellis Hawley and Donald Critchlow (University Park, PA: 1988), 129.

⁴³ While Hawley emphasizes the role that federal policymakers played in coordinating experts and associations in the public interest, his student Guy Alchon broadens his focus to examine the role of philanthropic foundations and research institutes like the National Bureau of Economic Research. But he does not address experts' direct service to associations themselves. See his *The Invisible Hand of Planning: Capitalism, Social Science, and the State in the 1920s* (Princeton, 1985).

vision of reconciliation in part because it appealed to Americans' preference for voluntary action over state compulsion. Professional organizations like the American College remained voluntary associations bound by individuals' assent to ethical codes and standards of practice. Individuals disagreeing with these guidelines remained free to go their own way. Perhaps more important, professionalism also provided Huebner and the National Association of Life Underwriters with an organizational form malleable enough to address several seemingly contradictory goals at once. Even as professionalism's national standards and ethical codes seemingly restrained life insurance salesmen's worst behavior in the marketplace, they enhanced participating solicitors' competitive position. Huebner struggled to establish meaningful academic standards, or at least standards acceptable to business school administrators, in the American College program. But these standards also served, like those implemented by so many other Progressive professionalizers, to exclude marginal practitioners from the field. Professionalism's large cultural authority, as witnessed by the "efficiency craze" that accompanied the rise of Taylorism in Progressive America, further contributed to salesmen's commercial fortunes by elevating them to the status of life insurance experts often in command of credulous customers during the crucial sales interview.

In the 1920s the American College's version of modern professionalism helped to inform a complex political order increasingly shaped by experts and associations themselves. While Hoover and his collaborators struggled to create an associative state capable of economic rationalization and planning, Huebner and the National Association of Life Underwriters fashioned their revived industry into a voluntary and private alternative to one of a prospective welfare state's major functions: the provision of basic social welfare benefits themselves. Huebner's work with the NALU made Simon Patten's vision of a "voluntary socialism" into an institutional reality. More broadly, the Wharton School professor's fruitful partnership with the Association and the life insurance industry helped Americans to revive and elaborate their long-standing, persistent attempts to reconcile individual ambitions with the public interest and fashion a political

middle way between *laissez faire* and state compulsion. For decades life insurance salesmen and their managers had sought to position their industry as a private business in public service. Huebner's campaign for the American College marshaled professionalism's organizational forms and enormous authority, and helped to lift life insurance men's self-esteem and fortunes. But Huebner's powers of persuasion reached a larger audience than the nation's life insurance salesmen. His appeals to members of the insurance-buying public convinced them to purchase new policies from salesmen. Moreover, his appeals indirectly renewed Americans' faith in their ability to construct a voluntary and private means of addressing an industrial society's increasing demand for social welfare benefits, and helped the life insurance industry, once nearly discredited in America, to become a cornerstone of an increasingly service-oriented economy. These appeals represented the type of "public education" that Huebner had outlined in his Cincinnati address. In the decades after the founding of the American College, increasing numbers of Americans took the professor's advice and simply "handed over" their savings to Chartered Life Underwriters and other representatives of the financial services industry.