

**National Park Service
U.S. Department of the Interior**

**Salem Maritime National Historic Site
Salem, Massachusetts**



SHOW ME THE MONEY

By John Frayler, Historian



∞ Pickled Fish and Salted Provisions ∞
Historical musings from Salem Maritime NHS
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The reputation commonly attributed to Elias Hasket Derby as America's first millionaire should be addressed with some caution. When the final settlement of Derby's will was reached in July, 1816, it was noted that the worth of his estate at the time of his death in 1799 was \$1,063,799.00. It may actually have been more; however it was necessary to convert his real property to dollars to settle the probate. To accomplish this, the sale of the properties was forced. Apparently, much of it was under-assessed in value to expedite the sales process. The fact that Derby was a millionaire is not in question. The degree to which he was a millionaire is somewhat less certain.

Was Derby really the first American millionaire? Books on the economic history of the United States mention him as being such. He was, beyond all doubt, Salem's first millionaire. But was he really America's first? Considering the extent of landholdings granted by the English crown, one starts to wonder. If the consideration is limited to the post 1789 United States, the probability is greater, since Derby's contemporaries would have mentioned their reaching of the magic number had they recognized it on their account ledgers. To date, no one has vehemently contested Elias Derby's claim to fame (he didn't actually make the claim since he was dead for seventeen years by the time the books were balanced). Future scholarship may pit Derby against the owner of some huge southern plantation whose real property may not have been translated to cash prior to 1799. It remains to be seen.

Next we try to address the issue of Derby's buying power. How much would his "million" be worth today. How much was it really worth then? Again we find different answers depending on how the question is approached and which method is used to find an answer.

An article in *American Heritage* magazine notes Derby as being one of America's richest men; their assessment of his wealth being \$800,000.00 during his lifetime with a present day value of \$ 16.2 billion. I can only guess that this is based on the original amount being wisely invested since Mr. Derby's time. Other sources provide much more conservative figures.

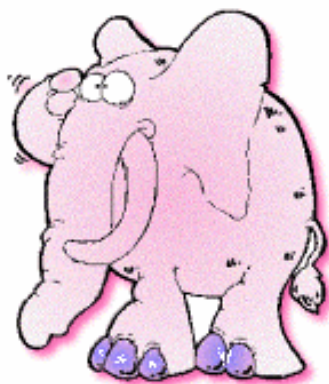
Using the conversion formula developed by Professor Robert Sahr and presented by the *Columbia Journalism Review* (Columbia University, NY), Derby's \$1,063,799 would now be approximately \$16,038,000., rounded off and adjusted for inflation.

A formula used with the indexing system provided by the U.S. Bureau of Labor Statistics gives recent purchasing power of Derby's "million" at around seven and a half million dollars.

Having pursued all of these avenues, we find that, no matter how we approach the issue, Mr. Derby was worth big bucks.

He used his money wisely and contributed a great deal to the success of Salem's developing economy during the Federalist era.

Had he been in the habit of cooking the books for nefarious purposes, the kettle would have very quickly boiled over.



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