



# SHE-WOLVES

## Marianne Spraggins' Battle for a Seat at the Table

By Paulina Bren

IN THE EARLY 1980S, Wall Street was not yet the sought-after destination it would soon become, but Marianne Spraggins sensed she needed to be there. The daughter of a prominent lawyer and activist in New York, Marianne had grown up in a historic Harlem brownstone once owned by the wealthy, well-connected racketeer Madame St. Clair. She had been adventurous in her 20s, marrying a jazz musician and moving to Los Angeles, working as an airline stewardess (as flight attendants were then called) and on the NBC television shows *Speaking Freely* and *Positively Black*. After her adored father died in 1971, she decided to honor him by becoming a third-generation Spraggins lawyer.

Marianne had a law degree from New York Law School, an additional LLM degree in international law from Harvard

Law and was an associate professor at New York Law School—she did not need Wall Street. Yet she could not forget a seminar she'd taken on international business transactions, taught by Nicholas Deak, “a very suave...mysterious” Transylvania-born American Hungarian who would arrive for class in a different vintage car each time, his chauffeur behind the wheel. When she learned that Deak owned a Swiss bank, as well as the New York financial group Deak-Perera, she practically swooned.

Marianne immediately understood that Deak represented a level of power she had not yet experienced. Growing up, she had “understood political power from this Harlem vantage point of getting people in jobs and knowing city hall and getting people in judgeships. But I always knew there was something more. And when I took that course, and we went down into those bowels of Wall Street, I didn't know what they did, but there was a different energy, and just a, kind of like a veil being lifted for me. I didn't know what it was, but I knew it was really important and it was kind of a magnet.”

The money was certainly an allure for Marianne, “but that wasn't the driving force.” Instead, it was the dawning recognition that Wall Street represented power and “knowing that this is a table that we did not sit at. And that we had to.” And so she set her sights on Wall Street, to be one of the first Black women to sit at the table with a full place setting in front of her.

But it was one thing to decide to go to Wall Street and quite another to figure out how to get there, or even understand what Wall Street was. Looking for a way in, Marianne was introduced to Russell L. Goings Jr., the founder of one of the first Black brokerage firms, First Harlem Securities Corporation. Goings had started out as a shoeshine boy at a brokerage house. A former professional football player with an intellectual bent, he warned her that Wall Street was rough, “brutal for Black people.”

But Goings did not put Marianne off. “I called up every single Black person on the Street at firms and said, ‘Hi, I'm Marianne Spraggins, let's get together.’” Few of them were willing to meet with her, and she should have understood right then that the game of survival on Wall

Marianne Spraggins poses for a photo shoot for a profile in *Black Enterprise*, 1992.

Street was so cutthroat that the ideas of kinship to which she was accustomed might be meaningless there. But she did manage to rustle up some meetings and slowly started to figure out who was who, what each firm did, who their clientele was, what part of the financial world they represented and what you were expected to do once you entered their world.

She was searching for a way into Wall Street when she happened to arrive at a party and saw her friend's boyfriend standing there, looking, to Marianne's eyes, "very bankerly," in a pinstriped suit and a shirt with a white collar.

He noticed Marianne too. "You know, I know you."

"You do?"

"You get off the train at Franklin Street. I see you in the morning."

The stop after Franklin was Wall Street—and, indeed, it turned out he worked for Salomon Brothers.

She got right to the point; she wanted to get onto Wall Street. *Could he help?*

The next day he called her. "Can you get me your résumé?"

He managed to get her an interview but warned her not to get her hopes up. Salomon Brothers was putting together a "class" of incoming analysts. That was the good news. The bad news was that they'd already picked four Black people for it—two men and two women—and this was itself revolutionary. It was hard to imagine they'd bring in a fifth Black analyst.

On Monday, she arrived at her interview on the 42nd floor of Salomon Brothers, all rich wood paneling and Persian rugs. The imposing reception area was filled with paintings and art objects, and the interview room with white men. While she'd sat waiting to be called in, she'd observed the other interviewees and was unimpressed. When it was her turn, she went in, determined to act herself because she needed to be sure she'd fit in.

It worked. She got a callback for a second interview, this one held in a large meeting room that overlooked the trading floor. Marianne decided to take the lead. She walked in first, chose where to sit and followed the same advice she gave her students at NYLS: "If you believe you are excellent...the world will be persuaded to accept your view of yourself." But part of her confidence stemmed from her ignorance; it was all still a game to her—she still "had no idea what they did" on Wall



—Marianne Spraggins

Street. When she was asked what she wanted, she didn't say money or power. She said, "I don't see anyone here who looks like me and I want to be here for that reason." On Friday, they told her she had a spot in the training program. She had found a seat at the table.

Each analyst class started off with basic training: one week they learned about treasuries, another week about securities. Half the time Marianne had no idea what they were talking about, but she had faith in what she'd learned at law school; if push came to shove, she could always lock herself in a room, read everything she needed to on a given subject and figure it out. Department heads arrived to give lectures about their specific financial sectors with binders tucked under their arms with each analyst's profile, including background and photograph. As far as Marianne could see, these weren't so much training sessions as they were "beauty contests," a chance for department heads to come and decide who they wanted to snatch up for themselves.

The pressure to conform was intense. One of the other two Black women had arrived sporting an Afro and a hippie vest. Within a week she had entirely changed her appearance, her clothes and her persona. Women especially, Marianne noticed, felt the pressure to blend in, to show up wearing a pinstriped lady-suit and a "little yellow tie thing." But Marianne was having none of that. She told the woman there was no point in trying to blend in; that for Black women, blending in wasn't even a possibility, and so

why pretend? A Black woman needed her clothing to say, "So this is who I am, and this is who I'm going to be here." For Marianne, that meant a blazing red suit and high heels.

As the weeks passed, department heads stopped by to recruit their top picks. The white men were the first to be hired. Most of them had arrived knowing someone and had planned to join their friend's department at "Solly." Among the five Black trainees, one of the women was immediately shipped off to a branch office. No way was Marianne going to be removed from New York, where the action was. One of the two Black men had barely spoken to the other four African Americans in the class; he had a plan just like his white counterparts, and he, too, was placed quickly. Now there were three Black trainees left, and time was ticking. The remaining man, who had a military demeanor and might have gone to West Point, suddenly vanished and Marianne heard he'd been found dead in Central Park.

Now there were two Black women: Marianne Spraggins and a super-smart math major who was not from New York. No one invited either of them to join a department. With nothing to do, they languished. They watched and rewatched the training tapes. During a 12-day subway strike in April 1980, the two of them had to take cabs to and from work, all paid for by Salomon Brothers, only to do nothing once they arrived. They attended social events where they were asked what they did at the much-revered firm. The power of their imaginations was tested; they had to pretend they were doing something.

The holding pattern was awkward, excruciating, deeply humiliating. They had nothing to do. No one spoke to them. They were like pariahs. An Irish security guard would stop by Marianne's desk and ask how she was doing. *Not well.* She felt "like Hester Prynne with her scarlet letter." Worse, it was almost time for the next class of trainees to arrive, to assume their place in the lecture rooms. The other Black woman in the meantime had started to date a white man at the firm, not a partner but someone high up in the pecking order. It was "a fatal error," in Marianne's assessment. Sure enough, she disappeared all of a sudden, presumably removed by either the Salomon partners or an angry spouse.

Now it was just Marianne. One thing she knew for certain; she had to keep

her game face on no matter what she felt inside. Much of the time she was doing what she could just to hold back the tears: to show any vulnerability, any pain, was out of the question. How did she go from being a law professor to this?

There were times when it was hard to keep her composure, when the humiliation cut her to the core. Because she had nothing to do, and everyone knew it, sometimes she was sent out onto the trading floor—a place populated, in her mind, by “uncouth, ill-bred, uneducated people making boohoo money”—to get a quote. The traders would make the women (and anyone else they wanted to torment) stand there for 15 or 20 minutes before they even acknowledged them. She was on the floor being yelled at by one of the traders after having already done her time waiting for his attention when suddenly she heard, “Oh, Professor Spraggins!”

Marianne turned around. Standing there was one of her former law students, who turned out to be the sister-in-law of one of the senior partners. Marianne excused herself after a bit and went to the bathroom, where she broke down in tears. She had been reduced to nothing by these people, and now her former student had been a witness to her humiliation.

What made it worse was that she was having to answer to a man who was “a total racist” with “steel-blue eyes, like a beetle.” One day he sent her to interview at one of the departments, and when she got there, she saw that here were the people of color. They were working in either money markets or municipal bonds. It didn’t take having an MBA to work it out. Money markets were the sector in which you made the least money. As for municipals, Black mayors were starting to be elected all around the country, and it was in every firm’s interest now to have minorities sitting at the table representing them in meetings with these newly elected Black officials in charge of investing large sums of public money.

Marianne made a quick calculation: these Black employees were going to be pitted against other Black people hired at the other firms for the same reason, all of them chasing after Black business. This is where he thought she belonged. She did the interview, saying everything she was supposed to say about how she wanted to make bundles of money. The man then looked up, pointed to the secretary’s desk,



The Salomon Brothers trading floor in the 1980s.

Allan Tannenbaum

and said that she’d have to sit “there,” with the secretary, because there was no desk space “here.” She thanked him politely and left, her anger building.

By the time she reached her supervisor, she was yelling, screaming, crying. “Let me tell you one thing,” she said, planting herself in front of his desk. “You can subject me to anything you subject everybody else around here to. That, and no more. Because you don’t understand who I am. I am Roy Spraggins’ daughter. That means nothing to you, but it means everything to me, and it means everything to everybody who ever put anything into trying to make something out of me in this life. I will do that and no more, do you understand?”

He stood up, apoplectic, turning various shades of purple. He pointed to a desk outside his office as if he were putting her in detention, shouting that if she hadn’t liked it “up there” then she was just going to have to sit down here in that chair.

She sat down. She did what he ordered. She tried to compose herself. And as she sat out the rest of the day on that chair outside his office, she made up her mind that either she’d be a huge success or else she’d be “carried out feet first.” The next day, she gathered up her things and moved to the cafeteria.

Salomon Brothers had private dining rooms, where partners invited clients and

guests, but the company cafeteria was where everyone usually went to grab some food, even the partners, especially in the mornings. Marianne parked herself at a table right near the cash register so that everyone who came in would have to see her. She sat there from the time she came in until it was time to go home, reading the financial papers, busying herself. She made it her office because “one day, somebody is going to have to say, ‘Who is that Black woman? Why is she sitting there every day reading the papers, right?’” Deciding it was better to be glaringly visible than conveniently invisible, to put herself on view, to make a spectacle of herself no matter how awkward it was for her or anyone else, brought its own kind of liberation.

Sitting at her cafeteria table, if anyone so much as made eye contact with her, she found out who they were, went to their office and introduced herself. A new “class” of analysts had since started up, and she did not hesitate putting that out there: “I was in the previous class and I didn’t get placed. Do you have any work you need done?” Some, taking pity on her, or feeling so awkward that they just wanted to make her disappear, gave her work. She was handed small tasks here and there, and after she was asked to write a paper on European floating rates, she

eventually got an interview in the newly emerging field of mortgage finance. A man named Lewis S. Ranieri handed her a prospectus on a Friday and said they'd talk on Monday.

Ranieri was not yet a familiar name outside of Salomon Brothers, although he would become well known after the publication of *Liar's Poker*, Michael Lewis's autobiographical account of life at Salomon Brothers in the late 1980s. Ranieri had started in the mailroom at Salomon Brothers while a college student in Queens, alighted on the trading floor as a college dropout and then blew past everyone when he created an entirely new market in mortgage-backed bonds. He would be known for coining the term "securitization" and be among the first to practice "financial alchemy," in his case packaging home loans and selling them to institutional investors.

When Marianne arrived for her interview in the early 1980s, the mortgage trading department on the 41st floor was not yet filled with what Lewis would call "the firm's Biggest Swinging Dicks." Ranieri's department would eventually be the golden goose laying the firm's most monumental golden eggs, outpacing all other departments at Solly; it was where every analyst trainee would want to be assigned.

But for now, there was no sign of this future. That Ranieri handed Marianne a prospectus explaining what his department did and what they were selling suggested that no one yet understood mortgage bonds. Mortgages as a possible source of Wall Street trading was, in hindsight, obvious. Yet mortgages had not been recognized as a potential source of seemingly endless revenue until Salomon Brothers started Wall Street's first mortgage securities department in 1978. At the center of it all was the small-town savings and loan bank, known as a thrift, which doled out most of America's mortgages and benefitted from government protections and tax breaks. Outstanding mortgage loans were at \$55 billion in 1950, rising to \$700 billion in 1976 and becoming a whopping \$1.2 trillion by January 1980.

Marianne, even after she'd read the prospectus cover to cover and her friends had quizzed her until she could recite it in her sleep, still wasn't sure what these mortgage-backed securities were, but on Monday morning she took a deep breath and knocked on Ranieri's office door.

She was ready to answer any questions he could possibly throw at her. But after a short while he simply said that she sounded like everyone else at the firm so she might as well have the job.

It had taken Marianne over a year, but she finally had a position at Salomon Brothers. Yet when she started cold calling to sell this product that neither she, nor anyone else, understood, it was a fail. And so she decided to use her common sense. She realized this was a long-term asset, which would influence who wanted to buy it. Pension funds was the obvious answer. She switched gears and, sure enough, public government pension funds proved to be the most receptive. As soon as she did her first deal, she was on to the next state to do another. Soon she was selling a whole series of mortgage bonds to various state and city pensions.

Marianne had lucked out. It could not have been predicted that Ranieri's department would become the top earner at Salomon Brothers. When the department finally took off, it was because of a single tax decision. In October 1979, the Federal Reserve, under Paul Volcker, appointed by President Jimmy Carter in a desperate attempt to staunch inflation, had significantly raised interest rates. The S&Ls, the thrifts, were hit hard. Until then, the joke had been that they operated under a system of 3-6-2: pay depositors 3%, lend their money out as mortgages at 6% and hit the golf course at 2 P.M. But with Volcker now trying to tighten up money to lower inflation, the reliable formula imploded. Volcker cooled the economy, as intended, but he also brought the housing market to a screeching halt, and the S&Ls to the brink of collapse. Congress, unwilling to give up on the mom-and-pop banks of middle America, agreed to help them out.

Starting in October 1981, these small thrifts were given the right to sell off their mortgages to pay off their depositors. To make it yet more advantageous for them, they were also able to turn their loss on these mortgages into refunds on taxes they'd paid in previous years. With such a profitable tax break dangled in front of them, S&Ls were suddenly extremely eager to unload their mortgages, and Salomon Brothers was the only brokerage house with a fully established mortgage trading department. Overnight, Ranieri found himself with a Wall Street monopoly.

At first, he bought mortgages from one S&L and sold them to another at a markup. But to make them more tradeable for institutional investors, he came up with what became called the mortgage-backed security (MBS). These securities were pooled, turned into baskets filled with anonymous mortgages that the buyer and trader only saw as paper and that the mortgage-owner only saw as a monthly mortgage reminder from their local, friendly S&L. In 1982, Ranieri's department made \$150 million for Salomon Brothers.

In 1984, Marianne was called on to testify before Congress about the MBS market in relation to a proposed bill to increase the ability of pension funds, both public and private, to participate in this new market. Marianne, representing Salomon Brothers, explained, "We are pioneers in developing mortgage securities and, indeed, I think we could go so far as to say that we have been missionaries, in that field. We have learned a lot of lessons." She was asked why other firms were so slow in getting in on the MBS, and she countered, "I would love to say that that was true, that other firms haven't tried, but they have... We were willing to come into this market at an early stage in time," and as a result are "now trading about \$15 billion in mortgage securities a month." That same year, Marianne would herself do four Connecticut transactions that totaled \$500 million.

Marianne was extravagant and reveled in being so. When she closed on her first big deal, she invited her friends, most of them from outside the finance world, to the Palace on East 59th Street, which was said to be "the city's most expensive restaurant." She jubilantly announced to the waiters at the start of the dinner to put the glasses on the bill "because we're going to break them!" Marianne had not only found a seat at the table but had guaranteed herself a full place setting. \$

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