“When I grow up, I want to be worth $100,000!” This was the school-boy wish of John D. Rockefeller. “John D.” was born in New York state in 1839. His father was a lumberman and then became a traveling salesman of quack medicines. His frequent travels and uncertain income meant that the family was very poor and John had to start working for local farmers for pennies a day when he was young to help provide for his family.

In the absence of the father, the Rockefeller family was ruled by the stern hand of John’s mother, Eliza. He learned to watch the pennies and live frugally; from these pinched beginnings grew the characteristics that marked his soul in adult life—abstinence, prudence, and parsimony (being tight with your money.) He learned early an economic truism: If he had $50 which he could loan out at 7% (a normal interest rate of the era), the sum he earned would be equal to what he would earn digging potatoes for ten days. Right then he made a realization, he would let his money be his slave instead of being a slave to money. The family moved to Cleveland and Rockefeller studied bookkeeping for a year at the high school. In 1856 he went to work for a commission firm for $3.50 a week and attended a commercial college. When he was eighteen he was ready to found his own business, a produce commission firm, Clark and Rockefeller. The firm was a success from the beginning and the gross business of the first year was almost $500,000.

In 1863, the partners built an oil refinery in the industrial area of Cleveland. [Their initial profits were made from the sale of kerosene, a by-product of oil refining.] During the Civil War, Rockefeller bought substitute soldiers so he could continue his business interests. He was 23 and had invested $25,000 in this business that was producing ten thousand barrels of oil per day by 1865. In 1870, Rockefeller and his associated incorporated the Standard Oil of Ohio Company with capital stock issued for $1,000,000. Their purpose was to buy or wipe out competitors, control railroad rates and curb the whims of oil producing. Following the lessons learned as a young man, Rockefeller and his partners always kept enough cash on hand to buy out the many companies that failed in the new and volatile oil business, often paying pennies on the dollar for the equipment these companies owned. Business flourished. In 1879, stockholders turned over all their stocks to be run by a three-man board. In 1882, all stockholders of the affiliated companies joined and turned in their stock to a board of trustees. In 1886, the profits of this new Standard Oil Trust were $15,000,000 per year; by 1899, they were $45,000,000.

Standard Oil became too big. By the 1890s, the Standard Oil Company controlled 90% of the nation’s oil refining business. The people demanded legislation and Congress passed the Sherman Anti-Trust Act. Using this Act, the government attacked the Standard Oil Trust and compelled it to dissolve. So the Standard Oil Company of Ohio was dissolved in 1892 and then reorganized in New Jersey where the laws were more lenient. Over night there were capital gains from $10,000,000 to $110,000,000 from the reorganization.

“John D.” retired in 1896 when he was just fifty-seven years old. His personal fortune was estimated to be around $200,000,000, largely made on that original investment in kerosene. Unlike men like Cornelius Vanderbilt who went on to create new businesses well into his seventies, Rockefeller was content to be retired. Investing the $200,000,000 led to a quadrupling of his fortune over his lifetime.

John D. Rockefeller had the longest life span of the “colossi” of great wealth. He died in 1937 at the age of ninety-eight. He held onto the lessons from his early life and was often seen handing out shiny dimes to small children with the advice to save and invest that money. While Rockefeller’s main interest was in making money, he and his family did donate huge sums to endeavors ranging from their church, universities, and medical and scientific research.