

SEC on the Silver Screen: How Films Shape Public Perception of Financial Regulation in the United States During the Twentieth and Twenty-First Centuries, 1914-2023

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Since the invention of the nickelodeon, motion pictures have been an important part of American popular culture. Films ushered Americans into a new era of modernity and helped create a national community. David Sklar argues; “For the first half of the twentieth century...movies were the most popular and influential medium of culture in the United States. They were the first of the modern mass media, and they rose to the surface of cultural consciousness from the bottom up.”¹ Scholars argue that movies both dictate and reflect culture. Additionally, they can be a means of controlling and empowering people. Movies have the power to change conventional values, as well as create them.

While scholarship continues to discuss the historical affects of films on the American public, there is little exploration of the portrayal of U.S. financial markets in motion pictures. Financial markets are a large part of the American economy and culture. Moreover, movies have depicted markets, misdeeds, and regulation since the invention of silent film. By studying the various ways American movies have shown the image of the markets, nature of financial misdeeds, and the role of regulation over the past century, people can begin to consider how film may have reflected and shaped public perception of financial markets.

This project has been organized chronologically to better reveal changing themes and patterns in U.S. films depicting American financial regulation. The earliest feature-length silent films created during the 1910s, depict financial misdeeds as stock speculation and manipulation, and embezzlement. These offences support an image of the markets as somewhat volatile. Characters easily lose and gain money with the changing markets. However, in this early period there are no real institutional punishments for financial misdeeds. Characters are punished by fate and misfortune, but there are few governmental repercussions. These plots reflect the lack of governmental financial regulation at the time.

During the 1920s, many of the same types of misdeeds are depicted in films; however, the reasons behind the crimes and the punishments shift. Characters often have good intentions and noble reasons for committing crimes, such as helping an impoverished family member. These characters are frequently redeemed in the end of the film, perhaps because of the good intent behind their actions.

The 1930s is by far the decade with the largest number of films focusing on financial regulation. The increase in films on this topic provides insight into the

¹ Robert Sklar, *Movie-Made America: A Cultural History of American Movies* (New York: Vintage Books, 1994), 3.

historical moment; the country faced the Great Depression after the stock market crash of 1929 and subsequently, the government created the Securities Exchange Commission (SEC) to restore people's faith in the economy. At the same time, film technology grew, and by the early 1930s, many films were incorporating sound. The motion pictures of the 1930s clearly reflect the country's preoccupation with the stock market crash and the influence money can have on people. Many movies include crimes such as embezzlement. There are also a fair number of films that survey past financial panics, like Black Friday. During the 1930's characters that perform misdeeds are subject to governmental punishments instead of moral ones. For example, *The Gorilla*, mentions an SEC agent investigating a financial crime.

The films of the 1940s maintain an emphasis on past financial crimes like the 1930s but tend to focus on the Old West and robberies. Films from this period do not discuss the current happenings in the world, such as the war, but rather gold, oil, stagecoaches, and cowboys in the West. Perhaps this emphasis provided a type of escapism from the grim events of World War II. This theme continues into the 1950s, and illegal betting also becomes an area of focus. Characters in the 1950s stand up for what they believe is right, even if they end up wrongly accused of a crime, and they are often cleared in the end.

The 1960s and 1970s was a period with relatively few films focusing on financial regulation, perhaps because this was a time of wealth and strong markets in American society. In the 1980s, films again began to discuss financial regulation, but they tend to be comedies, reflecting a view that the topic was not a serious issue. This was followed by a series of much more serious movies about regulation in the 1990s. This decade presents the subject as a source of serious problems in the country, and people who break the rules are caught and punished. Moving into the early 2000s, films show people at a financial disadvantage or those facing unfair losses committing "justified," "victimless" crimes against big financial institutions.

Financial regulation themes in film boomed in the 2010s following the Great Recession of 2007. Many Americans faced economic hardship and movies reflected that reality. Movies show why the financial crisis started, who it affected, and how people dealt with it. They tend to depict corporations and financial executives as negative entities that hurt honest, hard-working people. Movies from this period portray people working in finance as manipulative, selfish, and greedy—creating Ponzi schemes, trading on insider information, stealing, and lying for their own advancement. The government and its regulatory entities are often depicted as ineffective, complicit, or corrupt, leaving the average person to solve his or her own problems. However, sometimes lower level, rogue regulatory employees become the heroes, chasing the truth, and helping those who have lost everything.

These are just some brief reflections on this comprehensive list of films on financial regulation. There is still a much larger need for scholars to reflect on and synthesize how these films reflect and shape how the public views of

financial regulation throughout the past century. Considering that movies both reveal and form how people see the world, examining how films on financial regulation have changed over time may help uncover larger public perceptions of the American financial system. I hope that this essay serves a starting point for a deeper inquiry into this topic.

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