

The economic effects of the gilded age

AP Seminar

Rangelle Pichardo

Word Count: [1837]

After the Civil War, America experienced severe devastation in the 1800s. After this time, America made the decision to rebuild itself, and this was the beginning of the "gilded age," in which the economy began to expand. While some historians have focused on the working class and labor, others have focused on business and the growth of manufacturing. Since Americans could travel more quickly without using horses, railroads helped the country to grow. New homes and factories were being built. American life made a major change. People began to move from the south to the north in seeking better work opportunities; the majority of these people were used to working in the field and weren't used to working in factories. Many people might have believed that because things were improving and their economy was expanding, life would be simpler for everyone, but that was not the case. People would receive low pay, be pressured without interruptions, be seen as useless and fired if they were injured, and they would remain homeless because of the poor living conditions and low pay. A lot of farmers would be employed by the businessman, who would then force them into debt. The wealthy would live in beautiful rich homes, while the poor would live in overcrowded, dirty, and unsanitary apartments. They often had

to bring their children to work, which would require them to work for 12 hours straight (history.com).

This shows how they became tired of the terrible treatment they faced and made the decision to defend themselves. This shows how the poor struggle more than the wealthy and how their desire for hard labor was nothing more than a means of maintaining the slavery system. The lower class refused to work in an attempt to call focus on the issue of long hours of work and poor housing conditions. Since the rich just wanted to control the economy and gain from it, the middle class was also going bankrupt (history.com). This demonstrates how they decided to protect themselves once they had had enough of the terrible abuse they had been receiving.

Wight Martindale Jr. argues that the gilded age was a time period where America decided to reconstruct its economy after the civil war. They wanted people to live a "better" life and have more opportunities with jobs and improvement of manufacturing . He states that when the American economy began to grow during the Gilded Age, more individuals began to travel to the North in search of better employment opportunities. The development of railroads made travel easier for citizens(martindale). This shows throughout the gilded age era many people got the opportunity to start a new lifestyle in the north which was very different from the south but somewhat similar since it opened the eyes of many people that they were not being treated as humans.At this time, things were improving in the north.The federal government decide to sell anything and things became on sale, the federal government decide to sell millions arcades of land to start constructing railroads but it affected the reconstruction since it brought corruption. The Governments from the south continued to plague Grant during his eight years in administration and thrived once again when Rutherford Hayes was elected president in 1877 in a brazenly dishonest manner(martindale). This portrays that during the gilded age more techniques were developed for efficiency in the economy .

Stephen Leccese argues that during the gilded age, many people had suffered economic equality. The end of the civil war was when the raising of a wealth gap grew and the working class started to face many inequality and crises. Most of the things these working class experienced during this time was labor abuse and didn't have good living conditions, which made them struggle to get food on their back. This started a group of people to start

a strike and decide to create a group called “NEW SCHOOL” they decided to break the working traditions and not make the working class over work (Leccese). They wanted to focus on society's poverty and inequality. New school wanted to revolt for the working class to be able to get paid more and work less, since they realized that economic growth and social progress were being harmed by economic inequality. These economists contended that broadening the customer base would reduce issues with economic instability and class conflict related to America's shift to industrial capitalism(Leccese). Since there was much economic inequality there was also a development of industrialization which also became an economic growth. Several people declared an environment of abundance as a result of dramatically increased industrial production and the availability of reasonably priced consumer products. The rapid growth of industrial and economy was happening during the period of the gilded age america started to become one of high status countries(Leccese). But while the economy was growing the working class was struggling to stay alive and find basic necessities for their families and themselves. The lower class suffered disproportionately, employees typically responded to a depression by either lowering wages or mass-firing employees(Leccese). There was an increase of poverty and the classes were unrest due to the increase of the economy and the inequality most of these people were facing.

SanDeep Vanheesan argues that since the gilded age there was a time period where many people moved to the north to be able to get new job opportunities. They were taken advantage of since they never have worked at factories and they only saw it as a new opportunity since many things were being built and people were “earning money” they thought it was something new and a good way of a new lifestyle. But that didn't last for long. They forced the working class to work long hours , no break and because all of these harsh working conditions laws were started. The congress wanted to protect labor actions.They wanted to protect the workers from larger businesses having power and control over them protecting the freedom of workers(Vanheesan). Congress wants to take over America's monopolies because they tend to manipulate farmers and other producers to be able to take money away from them and this is why they stay poor and never have enough money because they would take their money away. The era's corporate monoliths used their influence to reduce prices paid to farmers and labor and raise prices to consumers, impoverishing average Americans(landee). During the gilded age Federal antitrust laws helped to restructure the oil refining industry in 1911, contributed to the development of distributed market structures in the middle of the 20th century, and broke AT&T's monopoly over the communications sector in

1984. There was a growth of monopolies happening during this time and that's why they wanted to get rid of it. In fact, it was widely believed in Congress that labor unions would complement antitrust laws in limiting the power of monopolies and trusts (Landee). This shows how the working class had many opportunities but that wasn't such an advantage because the business owners were very selfish and would take everything away from the working class.

Ryan Zickgraf states that workers strike and fight the police and federal government. On July 16, 1877, workers went on a strike because they decided to cut the paychecks of workers. So the workers responded back by not going to work and shutting down rail traffic. This one incident caused many workers around America to rebel against the capital. Capitalism led the working class to rebel against the federal government because they were getting abused and not getting paid (Zickgraf). They have not seen people rebel since the Civil War since over 1 million workers decided to stop working. Since the business men were depending their wealth on the working class when the strike happened it started to go down. The working class was working so hard to put money on these federal people. People tend to question if the Reconstruction era was just slavery repeating itself. Rapidly industrializing cities in the North, and laborers endured long hours and starvation-level wages, with few rights on the job (Zickgraf). During the Gilded Age time period there were many robber barons who would lower workers salaries which was after the Panic of 1873 which caused America financial depression. The situation was just getting worse in 1877 when railroad businessmen agreed to cut workers' pay in half while making massive profits. Managers and shareholders did well, but the pay of regular employees was reduced by up to 50%. These business owners were just making money while the workers were barely surviving since they didn't get paid enough. The workers didn't want this to keep happening so they decided to start a strike to demand them a raise of money and the word was spreading quickly people from east to west to be able to join the people from the north not only did railroad workers decide to join this strike but also solidarity, including miners and boatmen in West Virginia, box makers in Baltimore, and butchers in Chicago (Zickgraf). This highlights how the working conditions were so bad that the workers had to strike. The Gilded Age was a time of renovation but at the cost of the workers health and wages.

To conclude the gilded age was a time period where the American economy grew, but only the rich powerful business owners benefited while the working class was doing all the work. All stakeholders agreed that the working class was being overworked and underpaid. They worked in harsh conditions and didn't make enough to support their family. However some authors argued that the benefits of the new and improved society benefited everybody because people went from working on farms to working in factories. They also had new and improved transportation. This is significant because while people thought since the economy was growing and people got more opportunity, that everything was good but it wasn't like that the working class was going through an immense minimum wage crisis that caused strikes and the working class became even poorer.

Works Cited

1. History.com editors. "Gilded age". History.com. Accessed December 13, 2022
2. Ryan Zickgraf. "The 1877 Class War That America Forgot". Jacobin.com. Accessed January 5, 2023
3. Martindale Jr., Wight. "The New Gilded Age: We've Seen It All Before." *Academic Questions*, vol. 34, no. 3, Fall 2021, pp. 62–68. EBSCOhost, <https://doi.org/10.51845/34.3.9>. Accessed December 22, 2022
4. Stephen Leccese. "Economic Inequality and the New School of American Economics". *Religions* 2017, 8, 99. Accessed December 21, 2022
5. VAHEESAN, SANDEEP. "Accommodating Capital and Policing Labor: Antitrust in the Two Gilded Ages." *Maryland Law Review*, vol. 78, no. 4, June 2019, pp. 766–827. EBSCOhost, <https://search.ebscohost.com/login.aspx?direct=true&db=asn&AN=138261642&site=ehost-live>. Accessed December 21, 2022
- 6.
- 7.
- 8.