Industrialization and Economic Growth

Following the American Civil War, the United States’ economy grew at an unprecedented rate. This industrial and economic growth represented the culmination of a number of factors (westward expansion, technological innovation, and immigration to the United States, to name a few) that had been developing over several decades. American industrial and economic growth was a mixed blessing; on the one hand, it raised some Americans’ living standards, made some goods cheaper and easier to acquire, and created the conditions that allowed the United States to emerge as a world economic and military power. On the other hand, these same forces widened the gap between the “haves” and the “have-nots,” encouraged and abetted political corruption at all levels of government, and created a lasting legacy of environmental devastation.

Known as the “Gilded Age” (a reference to a novel by Mark Twain and Charles Dudley Warner titled The Gilded Age: A Tale of Today which drew attention to the immense wealth and consequent corruption seen during the period), the years following the Civil War were truly “the best of times and the worst of times.” In the quarter century following the war, America’s economy grew at the fastest rate ever in the history of the country.¹ In the half-century between 1870 and 1920, the number of Americans employed in manufacturing jumped almost 450%, climbing from 2.5 million to 11.2 million. This created a vacuum that encouraged immigration and, during the same period, 27.5 million

immigrants came to the United States. In order to support the country’s burgeoning population, farmers increased the number of acres under cultivation by an astonishing 234%

America’s explosive economic growth was fueled by seminal pieces of legislation passed during and just after the Civil War; these included the Homestead Act of 1862, which allowed the government to make small grants of public land to farmers, and the Pacific Railway Acts, which allowed the federal government to grant public land to private corporations to facilitate the construction of a transcontinental railroad.

However, the rising economic tide did not take all boats; wealth tended the pool at the top of the class pyramid, and the separation between the classes was stark. Perhaps the greatest evidence of the downside of rapid and indiscriminate industrial growth is found in muckraker Jacob Riis’ 1890 classic, How the Other Half Lives. Riis’s book demonstrated the stark contrast between rich and poor by presenting the public with photographs of Manhattan’s Lower East Side; the pictures (below) document claustrophobic alleys separating unsafe buildings, the unsanitary and crowded living conditions, and the general misery that characterized working class life in this period.

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2 Ballard C. Campbell “Understanding Economic Changes in the Gilded Age” OAH Magazine of History (Summer, 1999), 17.
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