

Economic Revolution during the Gilded Age

**Characteristics of
a New Industrial,
Urban, Immigrant
America**

Demographic Shifts

- Involvement of an increasing proportion of the work force in manufacturing rather than agriculture;
- Introduction of new segments of the population in manufacturing, including women, children, immigrants & African Americans;
- Growth of size & centrality of cities as manufacturing & population centers
- Advent of 2nd Wave of Immigration → NEW Immigration → Eastern & Southern Europeans began to dominate.

Technological Shifts

- Increased production by machine rather than by hand, especially assembly-line production;
- Accelerated technological innovation, new inventions & applied science;
- Increasing importance of iron, steel, electricity & oil to the production process

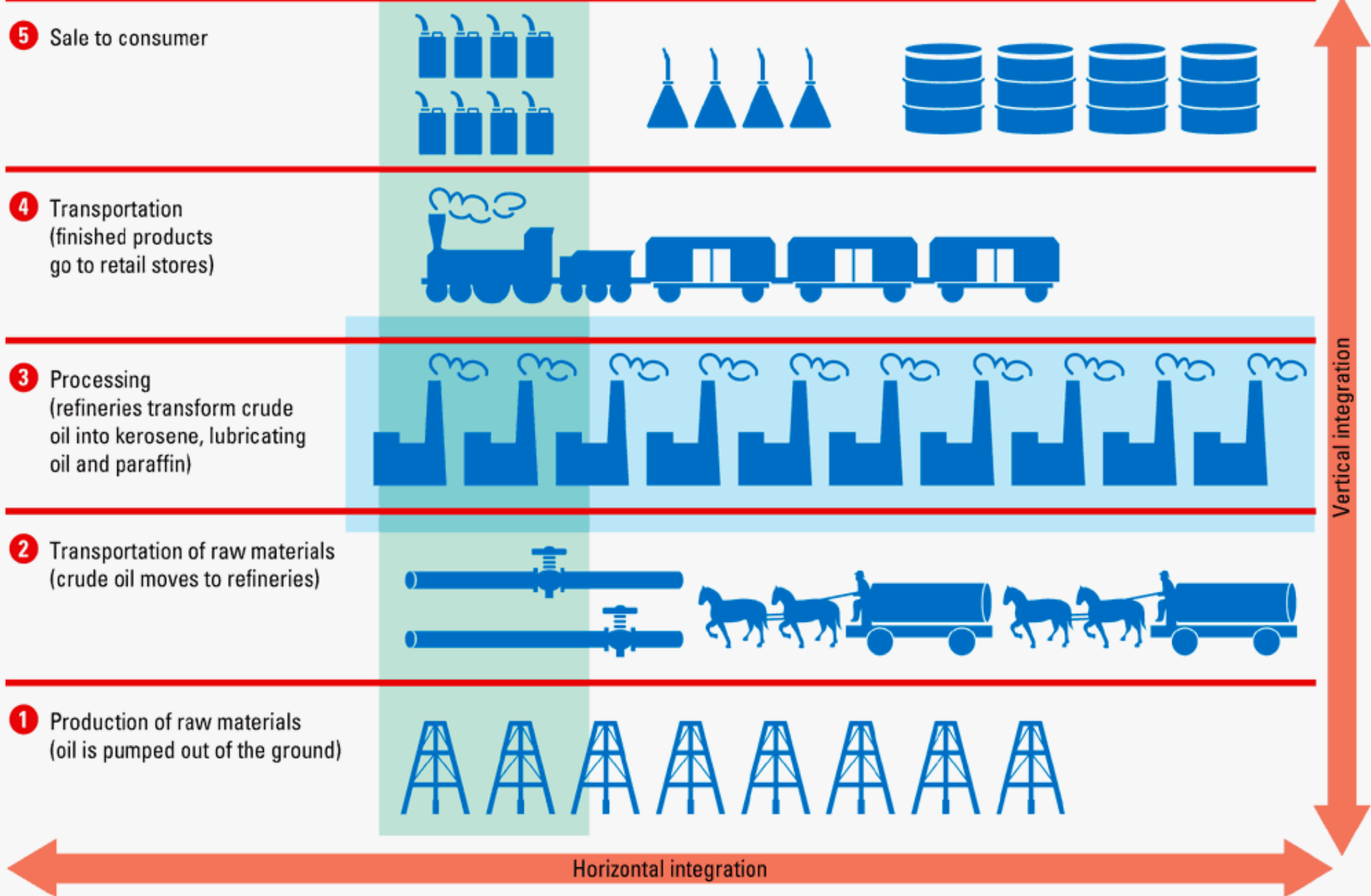
Market Shifts

- Production organized in large, complex, interdependent factory systems;
- Growth of transportation networks, especially railroads but also the communication lines that followed them;
- Expanded markets beyond the local to national and even global networks.

Business Shifts

- Growth of large enterprises & specialization in all forms of economic activity to take advantage of economies of scale;
- Increased capital expansion & accumulation facilitated by developments in banking & investment infrastructure;
- Growth of Corporations & other less legitimate business structures:
 - Pools, Trust, Monopolies
 - Vertical & Horizontal Integration

Vertical & Horizontal Integration



Government Shifts

- Federal government increasingly subsidized economic programs -- many arose during Civil War:
 - National Banking System; Homestead Act; Pacific Railroad Act;
 - Created economic infrastructure & transferred public lands to the private sector for the benefit of the public good.
- Federal Government sought to regulate some of the most extreme abuses of the corporate system with mixed results.