The Everlasting Effects of the Captains of Industry

The Gilded Age will often be viewed either as the "captains of industry" or as "robber barons." The viewpoint that each offer has merit, however, if purely looking at 1866-1899 economics it would be fair to say that the captains of industry are the reason Americans' live in the world they do today. When entering the Gilded Age the unemployment rate was 6.7%, throughout the Gilded Age unemployment was between 3.3% and 8.3% with an average of 5.1%. The high unemployment, although by today's standards low, was only found during a few years out of thirty-three and most notably were part of the two stock market crashes. Despite the lavish tax breaks and government funding the United States was, by relative terms, strong -- facing a budget deficit averaging less than 1% per year and with Americans wages doubling. The economic boom and subsequent crash of the late 2000s are comparable and conversely different from the Gilded Age. During the early to mid 2000s there was an increase in real estate valuations and wages of which were not tied to much of anything. Conversely, in the Gilded Age, the almost unimaginable growth seen was not smoke and mirrors, but rather the development and implementation of raw infrastructure that the United States needed. The railroad system that came out of the Gilded Age, increase in innovation and expansion of oil and gas, are all effects observed today. One might bring up the point that America would have been able to innovate to the same level, without the inequality that was seen during and since the time of the Gilded Age. This point is drawn from "The Spirit Level: Why More Equal Societies Almost Always Do Better" and one that I would take an opposing viewpoint. While there is a threshold of income inequality, of which once you pass becomes detrimental towards society, the lines were not crossed during the Gilded Age. The benefits, purely from an economic standpoint and not a psychological standpoint, were permanent and helped catapult the American economy after the civil war. As Newtons' Third Law of Physics there is an equal and opposite reaction, this is true of everything from physics, economics and public opinion. In closing, there is not a right or wrong answer, but rather a question that we will look back on in a hundred years and still debate about.