



HISTORY STORIES



The first Gilded Age saw massive wealth inequalities, hyperpartisanship, virulent anti-immigrant sentiment and growing concern about money in politics. Sound familiar?

In a region filled with the palatial homes of the rich and famous, one mansion stands out. Measuring an astonishing 38,000 square feet (plus 17,000 more on the exterior), it was crafted with the finest and most expensive materials. The interior boasts 12 bedrooms, 21 bathrooms and three kitchens, plus six bars and a 40-seat theater. The whole thing comes pre-loaded with extensive, curated collections of fine art, vintage wine and classic cars.

Was this "The Breakers" built by the Vanderbilts in the 1890s in Newport, Rhode Island? Or maybe "The Biltmore" in Asheville, North Carolina? Actually, it's a new property in Bel Air, California—fittingly called "Billionaire"—that just went on sale this summer for a cool \$250 million. But beware to any billionaire buyer thinking this would put them at the top of the real-estate heap: Another Bel Air mega-mansion is slated to go on sale later this summer—for twice the price.

Welcome to the Second Gilded Age, where the opulence is unapologetic and the ranks of the hoi polloi can be seen swelling outside the gates. Scores of books and articles have been published in recent years on the topic of a new Gilded Age. Many activists and politicians invoke the phrase because they see startling parallels with the first [Gilded Age](#), the period from roughly 1870 to 1900 marked by increased poverty, rising inequality and growing concern about corporate influence in politics.

An age of enthusiasm and anxiety

What are the parallels, really? A look at the original Gilded Age reveals it as an era marked, not unlike ours, by a powerful duality. It was both the best of times and the worst of times. It was an age of both enthusiasm and anxiety.

On the enthusiasm side of the ledger, nothing loomed larger than the booming industrial economy. Between 1860 and 1900, U.S. factory output soared from \$1.9 billion to \$13 billion, an increase of nearly 600 percent. By 1900 the U.S. boasted the most powerful industrial economy in the world. In recent decades, America has experienced a similar economic boom, albeit one interrupted by periodic recessions. (The same was true in the Gilded Age.)

Gilded Age enthusiasm was fueled not merely by the performance of the overall economy, but also by the new technologies it produced. The signature product of the late-19th century was steel, a material that transformed American life. Steel reshaped everything from transportation (the railroad) and architecture (skyscrapers) to medicine (surgical instruments) and consumer goods (pianos). The same holds true in recent decades, only this time the key transformative product has been the silicon chip—and the digital economy it powers.

Both eras have also produced a list of innovative corporate heads who have become household names. In the 1880s and '90s, [Andrew Carnegie](#), [John D. Rockefeller](#) and William K. Vanderbilt topped the list. In the early 21st century, Steve Jobs, Mark Zuckerberg and Elon Musk stand as titans.

But if the Gilded Age was characterized by great enthusiasm, it was likewise an age marked by intense anxiety. That's because many believed that beneath all the gold and glitter one found disturbing economic, social and political trends. This notion explains why Mark Twain dubbed the era the "[Gilded Age](#)." Like a piece of gilded jewelry, it looked beautiful on the outside. But beneath the thin veneer of gold lay cold black iron.

The flip side: poverty and inequality

Even as the nation's aggregate wealth grew, so too did the number of people mired in poverty. In New York City, America's largest and wealthiest city, two-thirds of its residents lived in cramped tenement apartments, many unfit for human habitation, while tens of thousands scrounged by in the streets. In 1890, muckraking social crusader Jacob A. Riis shone a light on the era's grinding poverty with his shocking exposé, *How the Other Half Lives: Studies among the Tenements of New York*. It's brimming with photos of people crammed cheek-to-jowl in dark, cluttered, airless quarters.

The unsettling implication of all this poverty? That America was losing its republican character and becoming more like a European nation with a population of haves and have-nots locked into fixed classes. Poet Walt Whitman captured the wider economic anxiety in a speech he delivered in 1879. For more than 20 years Whitman had written poems brimming with optimistic paeans to America and its people ("I hear America singing"), but now the great bard was worried. "If the United States, like the countries of the Old World, are also to grow vast crops of poor, desperate, dissatisfied, nomadic, miserably-waged populations...then our republican experiment, notwithstanding all its surface-successes, is at heart an unhealthy failure." Note Whitman's reference to "surface successes." He was urging his audience to look beneath the gilding to see the threat facing the nation.

Another anxiety-inducing threat: growing wealth inequality. Never before had so few people accumulated such vast wealth in so short a time span. Industrialists like John D. Rockefeller and Andrew Carnegie and financiers like J. P. Morgan and Jay Gould amassed stupendous fortunes. By 1890, the top 1 percent of the U.S. population owned 51 percent of all wealth. The top 12 percent owned an astounding 86 percent. The lower 44 percent of U.S. population—almost half the country—owned just 1.2 percent.

Consumption run amok

More than the mere possession of this wealth, it was the way the super rich used it that troubled many of their fellow Americans. To begin with, they spent in ways that violated long-standing republican values of modesty and virtue. Those values dictated that, unlike the aristocrats of Europe, one live well but without palatial mansions, fancy carriages or legions of servants.

All that changed in the Gilded Age as the wealthy competed with each other to see who could build the most opulent mansion, take the longest European tour and host the most expensive ball. The supreme example of the latter was the gala hosted by Alva Vanderbilt, wife of William K. Vanderbilt, in the spring of 1883 to celebrate the opening of their new French-chateau-style Fifth Avenue mansion, brimming with stained glass, wood carvings, paintings and massive tapestries shipped in from Europe. More than 1,000 of New York's rich and famous attended the event. Their invitations were hand-delivered by servants in full livery.

It was a costume ball and tellingly, many attendees dressed as European royalty. One partygoer sported an ensemble complete with a taxidermied cat headpiece and a skirt embellished with cattails. Alva's sister-in-law paid tribute to Thomas Edison's newfangled invention, the lightbulb, wearing a House of Worth gown emblazoned with lightning bolts (now in the collection of the Museum of the City of New York) and carrying a torch powered by batteries hidden in the dress. As guests arrived to the mansion, surging crowds of lookey-loos had to be held back by police, like fans at a red-carpet premiere.

Moneybags lord over politics

Perhaps more disturbing than all the conspicuous consumption—a term coined in the late Gilded Age by sociologist Thorstein Veblen—was the public's growing awareness that with great wealth came the power to bend democracy to their will. Industrialists used their influence to lobby lawmakers to adopt policies favorable to big business and hostile to organized labor. One of the most famous political cartoons of the era, "The Bosses of the Senate," lampooned the trend. Appearing in *Puck* magazine in 1889, it showed U.S. senators being lorded over and intimidated by giant industrial monopolists shaped like moneybags. They've entered the Senate gallery through the door labeled Entrance for Monopolists, while in the background a People's Entrance is boarded shut. The message is clear: Big business had hijacked American democracy, shutting out and defying the will of the people. Stories abounded of big business controlling the political process at both the state and federal level. In Pennsylvania, for example, the Pennsylvania Railroad enjoyed so much power and influence in the 1870s and '80s that it had its own office in the state Capitol building. Its chief lobbyist was known as "the 51st Senator."

And when lobbying wasn't enough, Gilded Age industrialists turned to bribery and other forms of corruption, inspiring some of the most infamous political scandals in American history. The [Crédit Mobilier scandal](#) involved massively inflated contracts related to building the transcontinental railroad. In the Whiskey Ring scandal, politicians colluded with the liquor industry to avoid paying excise taxes. Republican Party power broker Mark Hanna, himself a millionaire, said in the 1890s: "There are two things that are important in politics. The first is money, and I can't remember what the second one is."

Labor and capital in conflict

As industrialists consolidated their power, [labor unrest](#) began to surge. Between 1880 and 1900, American workers staged nearly 37,000 strikes—including some of the largest and most famous in U.S. history. These include the first nationwide railroad strikes, the Great Uprising of 1877 and the Pullman Strike of 1894, both of which saw more than 100 people killed in clashes with police, state militia and federal troops. Meanwhile, thousands of local strikes protested starvation wages, long hours and unsafe conditions.

These labor actions called into question the nation's foundational belief that in America everyone, no matter how lowly their origins, could achieve upward economic mobility. In many ways, the discontent of the American worker during the Gilded Age can be seen in the establishment of [Labor Day](#). What started out as a small hybrid protest-celebration in New York City in 1882 quickly spread across the nation, becoming a federal holiday in 1894.

Contemporary echoes of the Gilded Age

These Gilded Age pain points have many parallels in our time. Concern over rising wealth inequality has become a major political issue, as evidenced by the popularization of the term "the one percent" to describe the super rich. Concern is growing about the influence of corporate money in politics—especially in the wake of the 2010 Supreme Court decision [Citizens United v. FEC](#), which struck down a federal law banning corporations and unions from spending money in federal elections. The recent wave of teachers' strikes suggests a possible uptick in labor rumblings.

And there are additional parallels worth noting. Anti-immigrant sentiment raged in the Gilded Age. It led to the enactment of several laws to restrict immigration—or at the very least to keep out those deemed “undesirable” because they were seen as racially inferior, criminally inclined, physically or mentally deficient—or likely to end up in the poorhouse. There was even concern about terrorism in the late-19th century, a threat associated with German anarchists and Irish nationalists. We see clear evidence, both in polling data and political rhetoric, of a similar level of anti-immigration sentiment in contemporary American society.

The late 19th century also saw voter-suppression efforts waged against African Americans in the South. Terrorist organizations like the [Ku Klux Klan](#) used violence and intimidation to keep blacks away from the polls. When that effort failed to eliminate black voting, legal schemes like the poll tax and literacy tests emerged, which successfully reduced African-American voting by 90 percent in many parts of the South. In the North in the 1870s, lawmakers in New York state tried unsuccessfully to strip voting rights from poor urban whites—a majority of them Irish and [Irish American](#). In recent years the adoption of voter ID laws, purge of voter rolls, and limitations on early voting and the number of polling sites—not to mention sophisticated gerrymandering schemes—have elicited accusations of voter suppression, some of which have been affirmed in federal court.

And then there's political polarization. The first Gilded Age was marked by intense partisanship, gridlock and presidential elections decided by razor-thin margins. Sound familiar? Two presidential contests in the Gilded Age saw the candidate who lost the popular vote win the election by virtue of the Electoral College, just as George W. Bush and Donald Trump did in 2000 and 2016, respectively.

But the belief that we live in a Second Gilded Age raises an intriguing question. The original Gilded Age was followed by the [Progressive Era](#) (1900-1920), a period marked by a vast array of reforms that alleviated poverty, increased workplace safety, improved public health and education, restrained big business, adopted an income tax, granted women the right to vote and made the political process more democratic. Is the United States poised for a Second Progressive Era? It's entirely possible, but as any good historian will tell you, history follows no script. Nothing is inevitable.

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