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ROBERT A. MARGO

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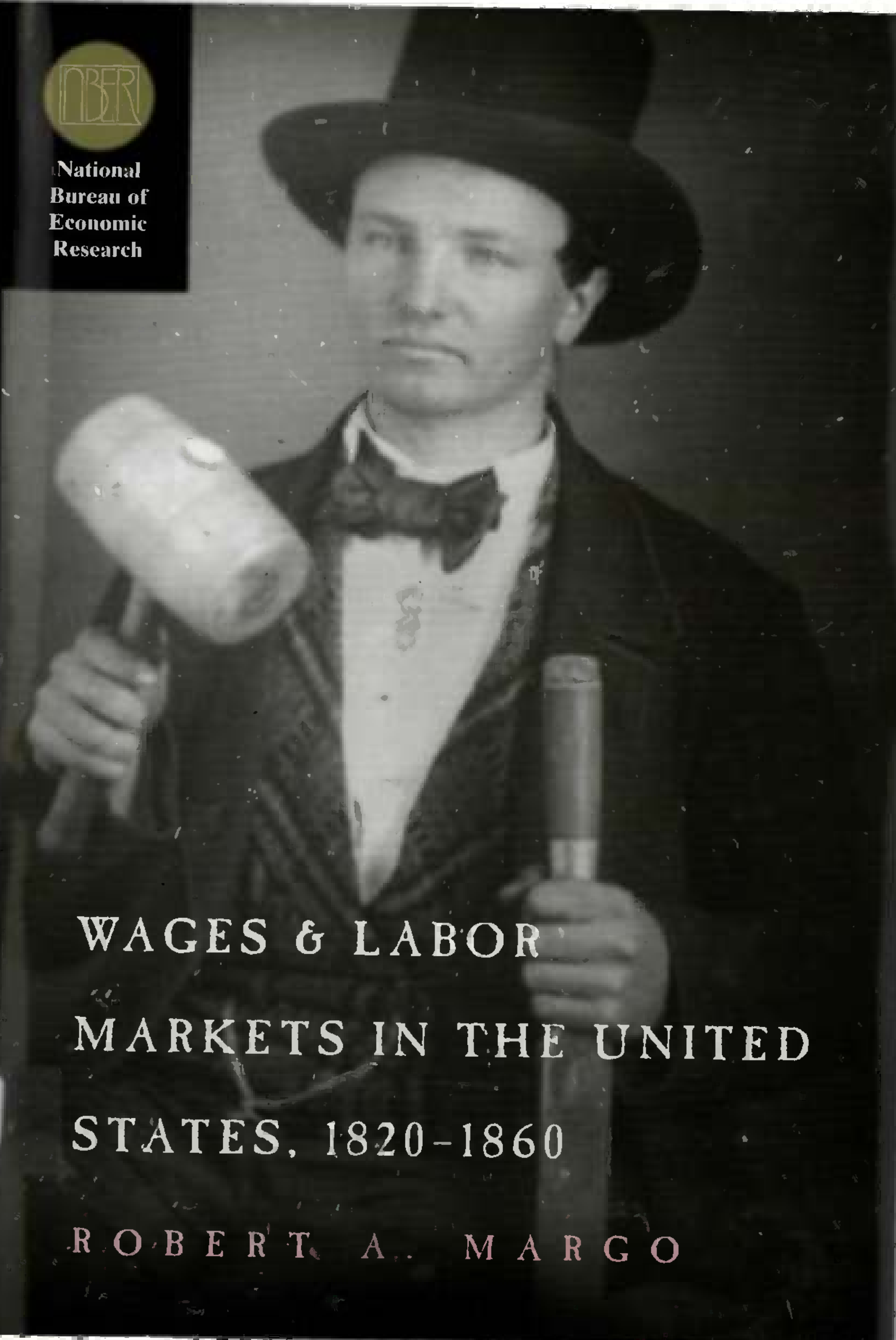

WAGES & LABOR MARKETS IN THE UNITED STATES, 1820–1860

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Robert A. Margo

Over the past several decades, research by economists and economic historians has greatly expanded our knowledge of labor markets and real wages in the United States since the Civil War. By contrast, the period from 1820 to 1860 has been far less studied. Here, Robert Margo brings attention to the economic significance of this time by collecting and analyzing samples from two rich sources of evidence on wages—the payroll records of civilians hired by the United States Army and the 1850 and 1860 manuscript federal Censuses of Social Statistics. New wage series are constructed for three occupational groups—common laborers, artisans, and white-collar workers—in each of the four major census regions—Northeast, Midwest, South Atlantic, and South Central—over the period 1820 to 1860, and also for California between 1847 and 1860. Margo uses these data, along with previously collected evidence on prices, to explore a variety of issues central to antebellum economic development.

During the four decades that led to its Civil War, the United States experienced the onset of modern economic growth, the spread of the factory system, improvements in internal transportation. urbanization, and the westward movement of populations. Some scholars believe that antebellum labor markets were highly effective, so that growth in real wages was steady and substantial. Another group of scholars is far less sanguine, believing that real wage growth was slow, erratic at times, and favored certain occupations and locations over others. Margo's research suggests that an eclectic synthesis of the two positions is appropriate. While real wages did increase in the long run, it is nonetheless important to emphasize their erratic behavior over shorter periods. Antebellum labor markets were reasonably effective in allocating labor between certain uses and locations, in a manner

(continued on back flap)

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(Resolution adopted October 25, 1926, as revised through September 30, 1974)

To Daniel

Contents

Preface

The construction of historical time series is one of the central tasks of economic history. This book presents new series of nominal and real wages in the United States over the period 1820–60 and uses them to explore various issues in antebellum economic development. The new series dramatically expand the existing body of wage evidence for the antebellum period and should be of value to a wide variety of scholars.

This book has taken shape over an unusually long gestation period. The origins of this project date back to 1980, when, as a graduate student at Harvard University, I began looking for new antebellum wage data in response to a query from Robert Fogel. The initial data collection—which Georgia Villaflor and I supervised—was performed by the Center for Population Economics at the University of Chicago. Preliminary results were reported in a paper published in the *Journal of Economic History* in 1987 (Margo and Villaflor 1987). I collected additional data myself with the aid of a grant from the National Science Foundation (NSF) through the National Bureau of Economic Research. I am grateful to the NSF for this support. I am also grateful for additional support from the University of Pennsylvania, Colgate University, and Vanderbilt University. The final version of the manuscript was written at Harvard University and at the National Bureau of Economic Research (Cambridge, Massachusetts), for whose hospitality I am very grateful.

Over the many years of working on this project, I have accumulated intellectual debts to numerous individuals. These include Donald Adams, Lee Alston, Jeremy Atack, Price Fishback, Robert Fogel, the late Robert Gallman, Claudia Goldin, David Gray, Farley Grubb, Graham Hodges, Oswald Honkalehto, Lawrence Katz, John Komlos, Stanley Lebergott, Gloria Main, Emily Mechner, Thomas Mroz, Paul Rhode, Sherwin Rosen, Kenneth Sokoloff, Richard Sylla, the late Paul Taubman, Robert Topel, Georgia Villaflor, David Wildasin, and Jeffrey Williamson. Versions of chapters have been presented at many institutions, including Bard, the University of California (Los Angeles and San Diego), Chicago, Colgate, Dartmouth, Harvard, Illinois, Indiana, Maryland, the National Bureau of Economic Research, Northwestern, Pennsylvania, Tufts, Vanderbilt, Washington University at St. Louis, and Yale. I am grateful to seminar audiences at these institutions as well as to audiences at various conferences of the American Economic Association, the Economic History Association, and the Social Science History Association. Stanley Engerman and Claudia Goldin provided very helpful comments at a late stage in the revisions. Finally, I would like to thank Jodi Bilinkoff, Lee Breckenridge, Marilyn Darling, Robert Driskill, Claudia Goldin, Lance Gunderson, Paul McGill, Emily Mechner, Janet Topolsky, Susan Trent, Gloria Vachino, Leah Welch, Stanley and Becky Yates, and Donna Zerwitz for their friendship and support while I was writing this book.

R.A.M.
Nashville, December 1998