

TABLE 11.5  
Regional per Capita Income, 1840 and 1860

| Region             | % Average |      |
|--------------------|-----------|------|
|                    | 1840      | 1860 |
| United States      | \$96      | 128  |
| North              | 109       | 141  |
| Northeast          | 129       | 181  |
| North Central      | 65        | 89   |
| South              | 74        | 103  |
| South Atlantic     | 66        | 84   |
| East South Central | 69        | 89   |
| West South Central | 151       | 184  |

Interpretation: Southern incomes were, on average, lower than northern incomes before the Civil War. But note that most parts of the South had a higher living standard than the predominantly rural North Central (Midwest) states. And most important, southern income was growing substantially faster than northern during the two decades before the Civil War.

Source: Robert Fogel and Stanley Engerman, *Time on the Cross* (Boston: Little, Brown, 1974): 248.

the resulting per capita growth must be looked at somewhat differently from, say, the growth record of the North. The South was a modern extrac-tive economy capable of growth because it possessed abundant resources and was blessed by expanding demand from the outside. Growth did take place, but the resulting specialization may have left it unprepared to cope with the changes wrought by decelerating demand for cotton in the late nineteenth century.

Slavery made this extremely rapid economic expansion possible by al-lowing plantations to achieve economies of scale and by allowing greater market orientation by farmers. However, the attraction of cotton-slave agri-culture retarded industrial development, leaving the South vulnerable to the long-term vicissitudes of the world cotton market.

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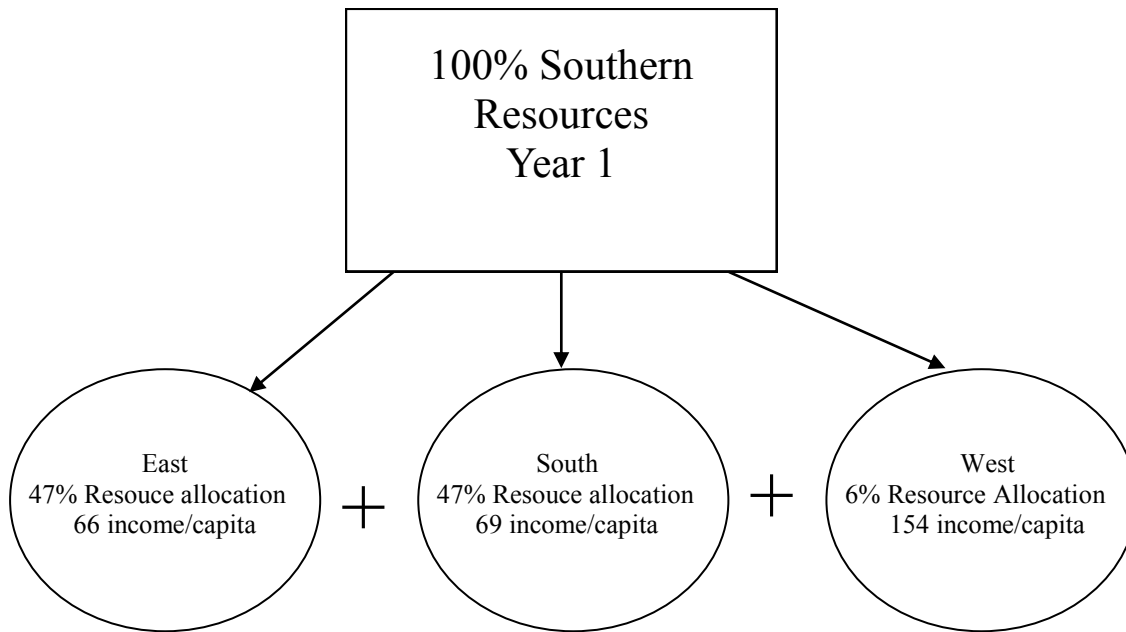
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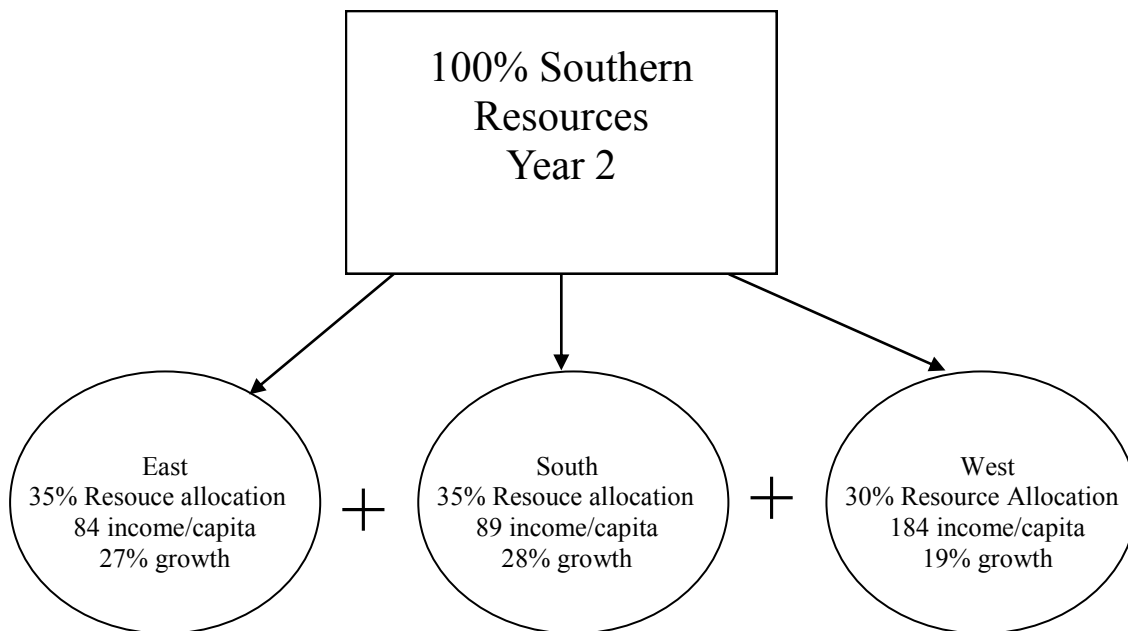
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4.



$$0.47(66) + 0.47(69) + 0.06(154) = 72.69$$



$$0.35(84) + 0.35(89) + 0.30(184) = 115.74$$

$$(115.74 - 72.69) / 72.69 = 59\% \text{ growth}$$

# U. S. Census Bureau-Income By Race 1997-1999 Three Year Average

Number Households ~~and~~ Income

All Races 103,702,000 \$39,657

White 86,996,000 41,591

Non-Hispanic 78,444,000 43,287

Black 12,634,000 26,608

American Indian

and Alaska Native 815,000 30,784

Asian and

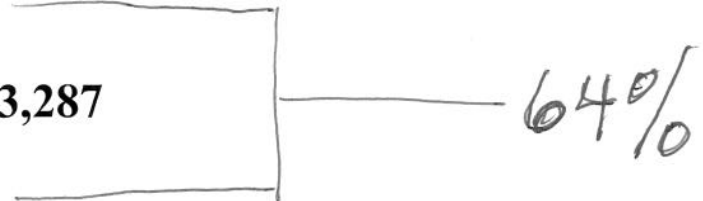
Pacific Islander 3,257,000 48,614

Hispanic\* 8,990,000 29,110

\*Hispanics may be of any race

U. S. Census Bureau

(<http://census.gov/hhes/income/income99/99tableb.html>)



[Previous slide](#) [Next slide](#)

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