

- Increases jobs in steel factories and coal mines, but leads to air and water pollution
- Andrew Carnegie: buys a steel mill, buys out competitors and uses **vertical integration** to control all steps of steel process
- Carnegie's "Gospel of Wealth"--the rich have the duty to improve society: he donated millions to charity

## Corporations

- Big factories and businesses can produce goods more cheaply than smaller businesses
- Big businesses need a lot of capital (money) to put into their business to pay for expenses
- Many businesses become corporations

- Corporations raise money by selling stock--the company is then owned by anyone who owns stock in it
- People buy stock to share in the profits--they get dividends
- Run by a board of directors

### **Banking**

- Bankers make huge profits from loaning money to corporations
- J. Pierpont Morgan used profits to buy into corporations
- Morgan gains control of most U.S. railroad lines and the steel industry

