

## Workers' Pay and the Cost of Living <sup>[1]</sup>

The U.S. Census of 1880 reported on the wages of employees in various industries. One of these industries was listed as "cigars and tobacco" -- plain tobacco meaning smoking tobacco (for pipes), and cigarettes not yet being widely manufactured. Two North Carolina manufacturers responded to the Census Bureau's survey, and the information they gave is provided on the page linked below, along with remarks about each establishment.



[2]



[3]

### Wages at two tobacco mills in North Carolina, 1865–1880

## Questions to consider

### Work and wages

1. Did wages for workers at the first factory go up or down during the 1870s?
2. Why do you think wages stayed the same at the second factory?
3. Who worked at each factory? How did the Census Bureau describe them?
4. How might the employees at the first factory have responded to their employer's charges that they were lazy?

### Wages and profits

1. In the remarks for the first factory, the Census Bureau lists the average labor cost per pound of tobacco. What percentage of the cost of the finished products went to workers' pay?
2. The remarks for the same factory also list the sum of all other costs except for material and "internal revenue <sup>[4]</sup>," or federal taxes, which is 16 cents per pound. In 1880, bright leaf tobacco sold wholesale (from the farm) for 9 cents a pound, and Burley tobacco was about 5 cents a pound. If you add up the wholesale costs of tobacco, average labor cost and other costs per pound, and internal revenue, how much was left for profit? How does the factory's profit per pound compare with the total amount paid to workers?
3. What did mill owners do with their profits? (Hint: Where did the money for new factories and new equipment come from?) How do you suppose mill workers felt about owners' profits?

## What could you buy? (A challenge problem)

Here are the average retail prices (that is, the prices in stores) of some foods in U.S. cities in 1890, rounded off to the nearest penny:

food	quantity	price in cents
flour	6 lb.	15
round steak	1 lb.	12
pork chops	1 lb.	11
bacon	1 lb.	13
butter	1 lb.	26
eggs	1 dozen	21
milk	1/2 gal.	14
potatoes	10 lb.	16
sugar	5 lb.	35

We know how much workers earned, and we know what some foods cost. Now, how long did someone have to work to earn enough to feed a family?

In the Civil War, the daily ration for a Union army soldier was 1 lb. 6 oz. flour and 12 oz. bacon. Every 100 men received 15 lb. sugar a day, plus some beans, hominy, tea, coffee, and vinegar.

Let's assume that a factory worker needed the same amount of food as a Civil War soldier, and let's be generous and

throw in some fresh food that soldiers wouldn't have had. Let's say, per person per day:

- 1 lb. 6 oz. flour
- 6 oz. bacon
- 4 oz. round steak

And let's add per person per week:

- 10 lb. potatoes
- 1 dozen eggs
- 1/2 gallon milk
- 1 lb. sugar

Assume that a factory worker made \$1.50 for a 12-hour day, and worked 6 days a week. How long would he or she have to work to earn enough for a week's food?

If you get stuck or want to check your answer, there is a solution.



**Challenge problem solution** - workers' pay and the cost of living

## It could be worse!

After looking at these numbers and answering these questions, you may wonder why anybody took a job in a factory. Here's why: In 1900, the U.S. Census reported that the average annual wage of all workers in manufacturing was \$487. That's about \$1.50 a day if we assume a 6-day workweek -- a number similar to the ones we've been looking at for the 1870s in North Carolina.

But the average annual wage for *farmers* in 1900 was only \$178. And that's why farm families and farm kids continued to pack up and head for growing cities.

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