Captains of Industry?

Incentives, the race to the bottom, and reform in American industry, 1870–1910

Grades 9–12
U.S. History, APUSH, Economics

Plan A: 45–60 min
Plan B: about two periods

APUSH Period 6
Big business and labor

Two ways to run it
Plan A free · Plan B Teacher Plus

Choose one plan

Plan A (free): each student runs one company alone, on their own device, against eleven computer-run companies. **Plan B (Teacher Plus):** the class game: teams of 2–3 students run real companies against each other in four linked industries, with you running the clock and the projector.

Content note

The game includes industrial accidents (shown only as headlines and numbers), strikes, lockouts and child labor in the coal breakers (shown in Lewis Hine's 1911 photograph). Students make choices as company leaders; no one plays a striking worker or a child. Violence such as Homestead (1892) appears only as news, never as a choice.

History to know before you play

After the Civil War, railroads, steel, coal and oil grew faster than any industries in the world. There were almost no laws on wages, hours, safety or child labor, and in most years there were more workers than jobs, as millions moved from farms and from Europe. Owners competed hard on price. That's all students need; the game gives the rest round by round.

Overview

Students run a real company (the New York Central, Carnegie Steel, Frick Coke, Standard Oil, and eight more) for eight rounds of five years each. They set prices, pay, hours and safety, invest, borrow, and make deals: supply contracts between industries, railroad rebates, price-fixing pools, mergers and takeovers. While workers are plentiful, the owner who pays less can charge less and win customers: a race to the bottom driven by incentives, not villains. About halfway through, workers become scarce, and companies that treat workers well pull ahead. Unions and the first reforms arrive in the last rounds. Every round's events are real and cited.

The point is clear-eyed, not one-sided: the same system made rails, coal, freight and kerosene far cheaper and created millions of jobs, and it also brought long hours, accidents and child labor. The debrief asks students to weigh both.

Objectives

1. Explain how competition with few rules and a surplus of workers created incentives for low wages, long hours and unsafe work (a "race to the bottom").

2. Explain how a tighter labor market, unions and Progressive reforms changed those incentives.
3. Describe strategies of Gilded Age business (vertical and horizontal integration, pools, trusts, rebates) and how government responded (ICC, Sherman Act).
4. Weigh the benefits of industrialization (cheaper goods, jobs) against its costs, using evidence.

Standards

CA HSS 11.2.1	The effects of industrialization on living and working conditions
CA HSS 11.2.5	Corporate mergers that produced trusts and cartels, and the economic and political policies of industrial leaders
CA HSS 11.2.6	The economic development of the United States and its emergence as a major industrial power
AP U.S. History Topic 6.5	Technological innovation and the rise of big business in the Gilded Age
AP U.S. History Topic 6.7	Labor in the Gilded Age: workers organize over wages, hours and conditions
C3 D2.Eco.1.9-12	Analyze how incentives influence choices that may result in policies with a range of costs and benefits for different groups
C3 D2.His.14.9-12	Analyze multiple and complex causes and effects of events in the past

Summaries. Official text: California History–Social Science Content Standards; AP U.S. History; C3 Framework for Social Studies State Standards (NCSS).

Plan A · Free: solo practice (45–60 minutes)

5 min Hook	Ask: "If you ran a factory in 1875 and a rival paid workers less, what would happen to your prices?" Take two or three answers.
3 min Set up	Students open **simhistory.org** → Captains of Industry? → Play free, pick a company and read their three people's cards. Hand out the reflection worksheet or have them type on screen.
30–40 min Play	Eight rounds. Circulate and ask: "What did the Gazette say about your industry? Why did your share price move?" At round 5 (1890) point out the workers gauge moving to "more jobs than workers."
10 min Reflect	Students write the annual report and letter to Congress and download one PDF (certificate first, then their answers) to hand in. Discuss: who won each industry, and why?

Plan B · Teacher Plus: the class game (about two periods; in preview)

Before class Set up	Open the class game, choose industries, students per company (2 or 3) and seating: a code for each company (post them to groups in Google Classroom), or one class code with random, student-chosen or teacher-placed seats. The computer can play any empty seat or company.
Day 1 · 10 min Seats	Students join at **simhistory.org/captains** and take a job: President (price, deals), Treasurer (investment, loans) or General Superintendent (pay, hours, safety, the union). Each reads their person's card. Swap anyone by clicking two seats.
Day 1 · 35 min Rounds 1–4	Each round: read the front pages on the projector (1 min), teams decide and negotiate with other companies (5–6 min; deals across industries are the heart of the game), everyone locks in, you end the round, and the projector shows the Gazette, the exchange and the standings (2 min). Click **Save game** at the bell. If a company fails (or is bought), its students go up for hire: while the results are up, Presidents with a computer-played seat bid a signing bonus, and the highest bid wins at **Next round**. With no bids, the computer places them.
Day 2 · 35 min Rounds 5–8	Open the saved game; students rejoin with the same codes. At 1890, stop and ask: "The workers gauge just moved. What will that do to low-wage companies?" Unions ask for recognition in the last rounds.
Day 2 · 15 min Debrief	Show the winners (mogul names only). Each student writes the annual report and letter to Congress on their device and downloads one PDF. Grade the reflection, not the result.

Debrief questions

1. Annual report, 1910: what was your company's strategy? Use three numbers from your report card as evidence.
2. What changed for your company when workers became scarce after 1890? Explain why.
3. Letter to Congress: choose one reform (an eight-hour day, safety laws, a child labor law, union rights or antitrust) and argue for or against it, using what happened in your industry.
4. The Gilded Age made goods much cheaper and created millions of jobs, and it also brought long hours, accidents and child labor. Weigh one benefit against one cost.

Model answers (question 2, for norming)

Strong: "Before 1890 we paid below market and ran 12-hour shifts because workers were easy to replace; our cost per ton was lower than Cambria's, so we sold more. In 1890–94 the workers gauge flipped: our turnover went over 40% and we could fill only about three-quarters of our shifts, so we raised pay and cut hours. Our rivals who kept cutting lost output to strikes. The incentive changed because workers had choices."

Adequate: "When workers got scarce, our workers quit and we couldn't make as much, so we had to pay more."

Beginning: "Things got harder after 1890."

Answer key: what the game is built to show

- **Rounds 1–4 (1870s–80s):** with more workers than jobs, low pay and long hours lower unit costs; strikes fail easily; accidents cost companies little (no workers' compensation). Low-cost companies usually lead.
- **Round 5 (1890s):** jobs outgrow the workforce. Low pay now means quitting, strikes and shifts that can't be filled; well-paying companies pull ahead.
- **Rounds 7–8 (1900s):** unions ask for recognition; reputation matters more (muckrakers); laws bring fines for rebates, pools and child labor.
- **Prices fall over time** as in history (steel rails from about $92 to $28 a ton; freight from 2.4¢ to under 1¢ a ton-mile; kerosene from 24¢ to 8–12¢ a gallon).

Rubric (reflection)

	4	3	2	1
Claim	Clear, defensible claim that answers the question	Clear claim	Vague claim	No claim
Evidence	Specific numbers from the report card and a real event	Some specific evidence	General evidence	None
Reasoning	Explains the incentive (cause and effect)	Some explanation	Restates evidence	None
Balance	Weighs benefits and costs fairly	Mentions both	One side only	Neither

Accuracy notes

- Real prices, output, wages and immigration are cited in the game's Works Cited; numbers before 1890 for coal, and after 1890 for freight and some wages, are approximate.
- Companies in an industry start the same size for fairness; market growth is compressed; share prices are adjusted to compare industries. Each person's card gives the real history.
- The midgame labor shortage is a simplification: immigration stayed high after 1900, but factory jobs grew faster still, and turnover (Ford's 380% in 1913) pushed some employers to raise pay.

- Some company names and dates are adjusted (for example, "Carnegie Steel" dates from 1892; Tidewater from 1878); the cards say so.

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