

Boom And Bust Cycles In American History

Boom/Bust Cycles: 1790-1860



The blue line shows, for comparison, the price of a year's tuition at Harvard College. In 1790 it was \$24, but by 1860 had risen to \$104.

Boom and bust cycles in American history have shaped the economic landscape of the nation, influencing everything from policy decisions to individual livelihoods. These cycles, characterized by periods of rapid economic growth followed by sharp downturns, reflect the complexities of market dynamics and human behavior. Understanding these cycles is crucial for analyzing past economic events and preparing for future fluctuations.

The Nature of Boom and Bust Cycles

Boom and bust cycles refer to the alternating periods of economic expansion and contraction. Typically, during a boom, businesses thrive, employment rates soar, and consumer spending increases. Conversely, a bust is marked by economic decline, layoffs, and decreased consumer confidence.