

# Summary: Business Booms

## Businesses Grow

During the Gold Rush businesses boomed. Between 1849 and 1855, almost 200,000 people came to California. They were nearly all consumers, who needed goods and services.

Miners needed food. People started farms, grocery stores, bakeries, and restaurants. New stores sold food, shovels and tools, blankets, and clothes. Laundries and blacksmith shops sold services that people needed. New businesses could charge high prices because the demand for goods and services was high.

The mining business also grew. In the early days, gold was easy to find along rivers and streams. After the surface gold was gone, miners dug deeper and bought more expensive equipment, such as hoses for hydraulic mining. Some started mining companies and hired many others to dig tunnels. Big businesses helped other businesses, such as banks, grow.

## Gold Rush Entrepreneurs

During the Gold Rush, many entrepreneurs started businesses. Domenico Ghirardelli, for example, was a candy maker from Italy, who found little gold. He opened a general store in Stockton that burned down in 1851. Ghirardelli went back to candy making. His company became known for its chocolates.

Levi Strauss was another entrepreneur whose family came from Europe. They sold cloth and other goods in New York City. In 1853, Strauss opened a branch of the business in San Francisco. Most of his customers sold supplies to miners. About 20 years later, his company created the popular work pants known today as blue jeans.

Luzena Stanley Wilson built a hotel in Nevada City called El Dorado. She charged \$25 per week to sleep and eat in her hotel. Lucy Stoddard Wakefield baked 240 pies each week and sold them for \$1.00 each. Another woman made \$20,000 cooking hot meals for miners. She made more money than many miners.

### Before You Read

Find and underline each vocabulary word.

**profit** *noun*, the money left over after all the costs of running a business are paid

**consumer** *noun*, someone who buys goods or services from a business

**supply** *noun*, the amount of something businesses will create for a certain price

**entrepreneur** *noun*, a person who takes a risk to start and run a business

### After You Read

**REVIEW** What were some types of businesses that sold things to miners?

Highlight the sentences that tell what businesses provided.

**REVIEW** How did some entrepreneurs make money during the Gold Rush?

Underline sentences that describe particular businesses.