The Real Gold Rush Millionaires

Thousands of people scurried to California in 1848. The Gold Rush was on! The opportunity to get rich quick was worth the risk to these people. They’d heard stories of spectacular finds by lucky miners. New arrivals expected to find gold easily. In retrospect, it wasn’t the miners who became rich; it was the business owners. While miners scraped away at the ground, shrewd business owners performed much-needed services for them.

Some people opened profitable roadhouses. Travelers spent the night at these places on their way to mining towns. Others opened saloons or restaurants. After a long day of prospecting, many miners were happy to pay for a hot meal. Fresh food was sometimes scarce, so prices could be quite high. This meant that farmers could cash in on the Gold Rush, too. There is even one report of a farmer selling her pears for $2.50 each. That would be nearly $67 today!

The real success stories of the Gold Rush were the merchants. Many store owners saw an important need and filled it. If miners needed matches and salt, merchants stocked matches and salt—and sold them at high prices. Many merchants ran the only store in town, so miners had to pay these high prices. Storekeepers supported the miners, but they also became rich.

Sam Brannan, for example, bought up every pickax, shovel, and gold pan in San Francisco. Then, he sold them at inflated prices. Brannan may have earned as much as $500,000 a year doing this. One creative merchant made the clothing that became the uniform of miners everywhere: denim jeans. Levi Strauss made a fortune by making pants that were tough enough for miners.

In short, the true riches of the Gold Rush went to the business people, not the miners!