

The Gold Rush: Supply, Demand, and Boomtown Economics

Name: _____ Date: _____

LEARNING OBJECTIVE

Students will simulate boomtown economics through a supply-and-demand role-play to understand how the Gold Rush transformed California.

MATERIALS NEEDED

- play money or paper cut into 'dollar' slips (about 20 slips)
- index cards labeled with goods (e.g., 'loaf of bread,' 'pick axe,' 'pair of boots,' 'tent space')
- 2-3 family members or friends to role-play
- notebook paper
- pencil

HANDS-ON ACTIVITY

1. Research (briefly) 1848-1849 Gold Rush facts: how many people came to California, and how prices for basic goods changed in mining boomtowns.
2. Set up a simple market simulation: one person plays a 'merchant' with only 3 loaves of bread (index cards) to sell; two or more other people play 'miners' each starting with 10 dollars (play money) who want to buy bread.
3. Role-play a bidding round where miners compete to buy the limited bread by offering money, and record what price the bread eventually sells for.
4. Repeat the round but increase the bread supply to 6 loaves (still with the same number of miners and money), and record the new selling price.
5. Write 3-4 sentences comparing the two rounds and explaining, in your own words, why prices in real Gold Rush boomtowns (like San Francisco) became so extremely high for basic goods.

QUESTIONS

1. **In your simulation, what happened to the price of bread when supply was low (3 loaves) versus higher (6 loaves)?**
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2. **Why did prices for basic goods like eggs, flour, and boots skyrocket in real California Gold Rush boomtowns?**
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3. Who tended to make the most reliable money during the Gold Rush: miners searching for gold, or merchants selling supplies? Explain.

4. What is the economic principle of 'supply and demand,' and how did your simulation demonstrate it?
