How does Andrew Carnegie’s example help us to better understand our own identities?

Identity answers the question, “Who am I?”

In this lesson, students will evaluate Andrew Carnegie’s actions to understand his approach to the principle of identity.

Students will analyze the life and work of Andrew Carnegie.

Students will understand how Andrew Carnegie developed his own identity.

Students will learn how they can better develop their identity.

The American economy grew rapidly during the eighteenth century. The early industrialization of the first half of the century led to the development of the first railroads and factories. Power was generated by water and steam. During the second half of the eighteenth century, the second industrial revolution began, powered by coal and oil. Steel began to be mass produced and was used to build thousands of miles of railroad track, bridges, and skyscrapers.

This economic expansion increased the size, scope, and complexity of business operations. The modern corporation, featuring the new forms of management needed to organize operations and strategy on massive scales, was created. Industrialists and bankers such as Andrew Carnegie, John D. Rockefeller, J.P. Morgan, and others built massive companies and contributed to the rapid growth of the American economy. They amassed great fortunes, which they used to build large mansions and assemble world-famous art collections.

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However, they also believed that they had a responsibility to cultivate civil society and promote the betterment of humanity. Collectively, they donated billions of dollars of wealth to enduring institutions, foundations, music halls, museums, libraries, universities, and churches. They are remembered not only for their roles in building the modern American economy, but also for their charity.

**VOCABULARY**

- Industrialization
- Corporation
- Industrialist
- Carnegie Steel
- Tangible
- Inordinate
- Endow
- Philanthropist

**INTRODUCE TEXT**

Have students read the background and narrative, keeping the Compelling Question in mind as they read. Then have them answer the remaining questions below.

**WALK-IN-THE-SHOES QUESTIONS**

- As you read, imagine you are the protagonist.
  - What challenges are you facing?
  - What fears or concerns might you have?
  - What may prevent you from acting in the way you ought?

**OBSERVATION QUESTIONS**

- Who was Andrew Carnegie?
- Why is Andrew Carnegie known as an industrialist and a philanthropist?
- How does Andrew Carnegie’s work as an industrialist shape his identity? How does being a philanthropist shape his identity?

**DISCUSSION QUESTIONS**

Discuss the following questions with your students.

- What is the historical context of the narrative?
- What historical circumstances presented a challenge to the protagonist?
- How and why did the individual exhibit a moral and/or civic virtue in facing and overcoming the challenge?
- How did the exercise of the virtue benefit civil society?
- How might exercise of the virtue benefit the protagonist?
- What might the exercise of the virtue cost the protagonist?
- Would you react the same under similar circumstances? Why or why not?
- How can you act similarly in your own life? What obstacles must you overcome in order to do so?
The Gospel of Wealth: Andrew Carnegie, Philanthropy, and Identity

Handout A: Narrative

BACKGROUND

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NARRATIVE

In early January, 1900, Wall Street banker J.P. Morgan and industrialist Charles Schwab talked all night in the mahogany-lined library in Morgan’s home on Madison Avenue. When dawn broke, Morgan asked, “Would Carnegie sell?” Schwab could not answer the question and went to sound out Carnegie’s wife, Louise. She hoped that her husband, 65, would retire from the cares of business and suggested that Schwab play golf with Carnegie (and let him win) to bring up the topic.

After they played the following day, the two sat down to have lunch in Carnegie’s small stone cottage on the course when Schwab made his inquiry. Carnegie silently listened to the offer and asked for Schwab to call on him the following morning so that he might consider it. When Schwab arrived the next day, Carnegie grabbed a piece of paper off a desk and scribbled out some figures as a price for his company, Carnegie Steel. Schwab carried the paper to Morgan on Wall Street, who considered it for a moment and replied simply, “I accept this price.”
Morgan had just bought Carnegie Steel for $480 million. Carnegie later quipped to Morgan, “I made one mistake, Pierpont, when I sold out to you.” Morgan asked what it was. “I should have asked you for a hundred million more than I did.” Morgan answered, “You would have got it if you had.” Despite this jest, Carnegie was satisfied with a net worth of half a billion dollars. He had become, as Morgan said, “the richest man in the world.”

Carnegie had not been born wealthy. He immigrated to the United States from Scotland with his family in 1848 as his father sought opportunity in America. The boy found work in a textile factory for $1.20 a week. He later reflected that earning a paycheck, however small, was an excellent experience. “I have made millions since but none of these gave me so much happiness as my first week’s earnings. I was now a helper of the family, a bread winner,” he reflected with pride. He later secured a higher-paying job in a bobbin factory and enrolled in night school to improve his business knowledge.

Soon, Carnegie was hired at a telegraph office, where he mastered the device and won several promotions. He enjoyed his success. “I felt that my foot was on the ladder and that I was bound to climb.” Following his time at the telegraph office, Tom Scott, superintendent of the western division of the Pennsylvania Railroad, hired Carnegie as his personal secretary. For twelve years at the railroad, he learned about accounting, the new managerial skills of modern corporations, and how to run complex industrial operations. He also invested his money in the railroads and became relatively wealthy for a young man. When he received his first dividend checks, he thought, “Here’s the goose that lays the golden eggs.”

In 1872, he started his own steel company. He introduced new technology, owned supplies of raw materials, and improved accounting methods. By increasing efficiency and keeping costs down, he sold steel for less money, undercutting competitors. By 1900, he owned the largest steel company in the United States and was a highly successful entrepreneur and industrialist.

Andrew Carnegie had identified himself as one of the world’s most successful businessmen for decades. He not only built a large manufacturing company but also helped create the modern American economy. After selling his company, he wanted to dedicate his money to selfless purposes. He strongly believed that owning great wealth carried a philanthropic responsibility to the community and civil society. His personal philosophy, known as the “Gospel of Wealth,” demonstrated an ethic of giving and selflessness for the benefit of the common good.

Carnegie had warned the public of greed and the love of money that stood in contrast to building something tangible and doing benevolent work. “Man must have an idol . . . The amassing of wealth is one of the worst species of idolatry. No idol is more debasing than the worship of money. Whatever I engage in I must push inordinately; therefore should I be careful to choose that life which will be the most elevating in its character,” Carnegie wrote. He had always been charitable, but he now dedicated himself to freely giving much of his wealth away for the improvement of civilization.
Carnegie delighted in his philanthropic work. He bought $300 million in bonds to be given away. He was particularly dedicated to education, libraries, museums, medical research, and world peace. A short list of his philanthropic work included building more than 3,000 community and university libraries at a cost of $60 million, donating more than 7,500 church organs, creating Carnegie Mellon University, building Carnegie Hall in New York, funding museums in Pittsburgh and other large cities, donating money to his home town in Scotland, building the Peace Palace at the Hague in the Netherlands, and endowing the Carnegie Foundation with $125 million for peace and education purposes with a perpetual income from investments. In all, he gave away an estimated $350 million (well over $8 billion in the modern day).

Carnegie dedicated himself to the betterment of society through his business acumen and the charitable use of his wealth. As an entrepreneur, he was a key figure in erecting the infrastructure of the American economy and providing the steel that built American industry and cities. The general prosperity of a growing economy, the decreasing cost of goods, and the opportunity for jobs brought widespread benefits to society. As a philanthropist, he sought to improve the quality of life for millions of people in America and around the world. Ultimately, Andrew Carnegie was a man who dedicated himself to the betterment of society through his business and the charitable use of his wealth.