

# Inclusion in Asset Building: Research and Policy Symposium

## The Homestead Act: A Major Asset-building Policy in American History

Trina Williams

2000

Working Paper 00-9



**Center for Social Development**



# **The Homestead Act: A Major Asset-building Policy in American History**

Trina Williams

**September 2000**

**Working Paper 00-9**

**Center for Social Development  
Washington University  
George Warren Brown School of Social Work  
Campus Box 1196  
One Brookings Drive  
St. Louis, Missouri 63130  
Telephone: (314) 935-7433  
Fax: (314) 935-8661  
<http://gwbweb.wustl.edu/csd>  
E-mail: [csd@gwbmail.wustl.edu](mailto:csd@gwbmail.wustl.edu)**

This paper was commissioned for the *Inclusion in Asset Building: Research and Policy Symposium*, Center for Social Development, Washington University in St. Louis, September 21-23, 2000.

The symposium was sponsored by the Ford Foundation and the George Warren Brown School of Social Work at Washington University. The organizers and editors were Michael Sherraden and Lisa Morris.

Land policy plays an important role in U.S. history. From frontier life as exemplified by Laura Ingalls Wilder in her Little House on the Prairie books (e.g., Wilder, 1935) to key moments such as the 1889 Land Run in Oklahoma, policy decisions about property shaped how and where people lived in early American society. One of the more enduring pieces of legislation shaped settlement in the Western territories from 1863 to 1939. Signed into law on May 20, 1862, by Abraham Lincoln, the Homestead Act was one of the nation's first major domestic policies.\* This Act is important for several reasons. It represents consensus culminating from a larger dialogue concerning the rights of citizenship, how the nation's land resources would be managed, and whether an opportunity should be provided for persons other than the wealthy to own property in the Western territories. In addition, it complements other policy and economic changes that were taking place simultaneously during the latter part of the 19<sup>th</sup> century.

This paper will address three questions: What is the significance of the Homestead Act? Who benefited from the Homestead Act? What can we learn from the Homestead Act? After an introduction to the Homestead legislation and how it was implemented, there will be an empirical analysis that considers the long-term impact of the Act. This will entail a calculation of the descendants each Homestead family might have had, based on a few reasonable demographic assumptions, followed by an estimation of how many people living today could have had ancestors who received property through this transfer of assets. Considering implications that follow from the Homestead Act, the paper will discuss principles for policy that provides genuine opportunity for citizens while contributing to the long term development of the nation's resources, particularly looking toward future generations.

## **Significance of the Homestead Act**

### Historical Background

Land commonly known as the public domain was granted to or purchased by the United States government between 1781 and 1853.<sup>1</sup> This essentially included all land owned by the federal government and not a part of the original 13 states. Excluding Alaska, the total area encompassed nearly 1.5 billion acres through the following territorial acquisitions: state cessions, the Louisiana Purchase, Red River Basin, cession from Spain, Oregon Compromise, Mexican cession, purchase from Texas, and the Gadsden Purchase (U.S. Department of Interior, 1998; see map in Appendix). How to administer this public land that formed a continuous strip

---

\* I have benefited from comments by economist Douglass North as well as advice regarding estimation methods by demographers David Coleman and Eugene Hammel. The original idea for this paper was conceived by Michael Sherraden, who also guided and advised the project.

The research on this paper was funded by the Ford Foundation and supported by the Center for Social Development at Washington University in St. Louis.

<sup>1</sup> Prior to European colonization, land was occupied by various Indian tribes both north and south of what has become the Mexican border. Although wars and dishonesty were often the means of acquisition, by 1853 all the property being considered was the legal possession of the United States government. One author (Gates, 1976) explains how promoters, frontier settlers, and fur traders pushed the government to enter treaties with Indians which today would be regarded "as unconscionable" (pp. 223-224). Even those agreements that had been made were often honored only when reservations "did not contain land desired by the whites" (Robbins, 1976, p.233).

of territory from east to west coast was an important part of early governmental policy. Congress passed 3500 land laws between 1785 and 1880 (Gates, 1970).

The primary policies governing federal property in the United States were decided soon after attaining independence (Hughes, 1987; Robbins, 1976). The land ordinance of 1785 established a system of surveying to measure territories and divide them up for public sale. Townships of 36 square miles were marked off and divided into one-square mile sections of 640 acres. Congress reserved certain sections in a township for government use and to establish common schools (Dick, 1970; Robbins, 1976). Complementing this arrangement, Congress passed the Northwest Ordinance in 1787, which established laws whereby territories could become states (Hyman, 1986; North & Rutten, 1987).

Opposing viewpoints arose on how to best distribute the property.<sup>2</sup> Initially, available land was to be auctioned as entire sections (640 acre lots) to the highest bidder at a minimum price of one to two dollars per acre. There were complaints that the price was too high and the acreage too large, favoring the wealthy and speculators rather than small farmers. Politicians such as Thomas Jefferson, William Henry Harrison, and Albert Gallatin (who represented the frontier region of Pennsylvania) favored an agrarian republic made up of many small landholders and argued that the land should be sold in smaller plots at a reduced price to maintain economic democracy (Cross, 1995; Robbins, 1976). Numerous petitions were made to Congress for change, but the political reality was that raising revenue was the high priority. Since the “new government was practically bankrupt. . . one of the first thoughts of statesmen was to sell the public land and bolster the country financially” (Dick, 1970, p. 6).

However, attempts to sell land in large bundles at high prices did not always succeed. There were often owner resells and bounty warrants where land could be purchased at cheaper than \$1 an acre (Gates, 1941; Lebergott, 1985; North & Rutten, 1987). In addition, many people on the frontier did not honor the official laws. Groups of settlers simply started living off the land, whether farming, cutting timber, or extracting natural resources. Some even formed squatters clubs to protect property, keep bidding at minimums, ensure their members got the best land, and enforce their own informal norms. The Eastern reaction to these practices was typically negative; laws were passed to fight against squatting and unauthorized occupancy (Dick, 1970; Robbins, 1976).

By 1832, raising revenue was no longer the most pressing priority because President Jackson had paid off the national debt. In addition, the very wealthy had other investment options and their portfolios were more likely to include city lots rather than farmland (Lebergott, 1985). These changing competitive factors along with new political concerns stemming from the growing political power of western states and territories led to laws and institutional changes that shifted the balance from large landowners and eastern investors toward smaller landowners and

---

<sup>2</sup> In his overview of land policy, Gates (1976) discusses two major divisions of opinion: how to dispose of the land and how quickly the land should be surveyed and opened for settlement. The first concern was whether to grant large estates to influential people and whether the benefits from the sales revenue should go to the state or territory wherein the land was sold or to the federal government to distribute among all the states. The second concern was whether quick sale at favorable rates in the new territories would draw population away from existing eastern states, thus negatively impacting congressional representation, land values, and employment. The East and West typically had opposing opinions on these issues.

independent farms. The Preemption Act of 1841 allowed squatters with an established claim guaranteed permission to purchase their land at the minimum price of \$1.25 an acre once the area opened for survey and settlement. The Graduation Act of 1854 reduced the minimum fixed price from \$1.25 to \$1.00 after 10 years and eventually as low as 12.5 cents if a plot of land went without purchase for 30 years (Dick, 1970; North, 1974; Robbins, 1976).

The culmination of these incremental changes was the Homestead Act passed in May of 1862. The statute provided that anyone who is head of a household, a military veteran, or over 21 years of age was entitled to 160 acres of unappropriated land as long as they had not borne arms against the United States Government. Applicants had to be U.S. citizens or at least have filed intention of becoming one. After filing an application for surveyed land with the appropriate land office and swearing that the property was for one's own use with the purpose of cultivation and settlement, the person had 6 months to move onto the land and begin improvements. The land was exempt from sale, taxes or previous debt.<sup>3</sup> Any time after five years, the applicant was entitled to take out final papers and receive a patent for the land, after providing evidence that all conditions had been fulfilled and paying nominal charges to the appropriate land office. If the claimant abandoned the land or changed residence, the plot reverted back to the government. The Preemptive Clause of 1841 was still in effect, however, so if homesteaders wanted to pay the minimum price per acre before the five years expired, they could still buy title to the land. This was called the commutation of a homestead (Dick, 1970; Sloan, 1976).

The beauty of the Homestead Act is that anyone who was willing to move west and stake a claim was eligible for the public land. Wage earners, recent immigrants, young adults from large families desiring private property, those seeking adventure, those wanting to shape politics or culture in the 'lawless' west, those seeking a new start, and thousands of others could all pursue their personal dreams and aspirations. Everett Dick (1970) writes that "land was the most important single social factor in frontier history;" that it "became the lure that enticed immigrants to America and settlers farther westward" (p. ix).

Citizens with little or no assets could find an unoccupied 160-acres, file a homestead application and, after living on the land for five years, possess crops, land, and financial independence. In a sense, the government was not simply giving away land, but rather the opportunity for upward mobility and a more secure future for oneself and one's children. As Everett Dick (1970) states, Just as gaining an education is the surest way to rise in society today, in colonial days the acquisition of property was the key to moving upward from a low to a higher stratum. The property holder could vote and hold office, but the man with no property was practically on the same political level as the indentured servant or slave. (pp. 1-2)

---

<sup>3</sup> Before the Civil War, most states adopted this type of Homestead exemption to provide security in a time of volatile market forces. A reasonable portion of property was exempt from seizure to pay debts so that a household would be left with at least a place to live when facing destitution. For a good discussion of the legal, historical and philosophical foundation for these laws see Paul Goodman, "The Emergence of Homestead Exemption in the United States: Accommodation and Resistance to the Market Revolution, 1840-1880," *The Journal of American History*, 80 (2) (Sept. 1993), 470-498.

Yet even with passage of the Homestead Act, the details of implementation would be the key to fulfilling its promise. It was a great opportunity, but also entailed great risk. Gaining title to the available land was not a simple task and sometimes produced false hope.

One of the biggest barriers to surviving five years and successfully attaining title was the need for at least some capital. More than land was necessary to build a farm. Deverell (1988) estimates that between \$600-\$1000 was required. At minimum, the homesteaders needed money to travel, register, plant, and sustain themselves until harvest (Cross, 1995; Danhof, 1941). A bad crop or poor weather could cause setbacks making it difficult to survive the winters. In addition, moneylenders often charged exorbitant interest rates to settlers compelled to borrow. Initially optimistic homesteaders often became discouraged and returned home (Dick, 1970).

Understandably, farmers already living on western lands benefited the most. They knew the terrain and simply claimed the best homestead property nearby (Deverell, 1988). Due to a lack of information about certain areas and terrains, professional land agents arose who understood the legal process and tried to outmaneuver newcomers, sometimes charging fees to help people find good property or selling rights to contested land before it was actually surveyed (Gates, 1970). But in spite of such difficulties, this policy did provide a viable option for adults to attain independent living on a self-managed farm, to develop assets that might appreciate over time, and to provide an estate to pass on to one's children. Indeed, a settler filing entry for a homestead with a land office was less likely to have their land dispossessed than a settler purchasing a similar plot of land from a private owner (Gates, 1996).

In his report for the Public Land Commission, Donaldson (1884) summarized the benefits of the Homestead Act as follows:

The homestead act is now the approved and preferred method of acquiring title to the public lands. It has stood the test of eighteen years, and was the outgrowth of a system extending through nearly eighty years, and now, within the circle of a hundred years since the United States acquired the first of her public lands, the homestead act stands as the concentrated wisdom of legislation for the settlement of the public lands. It protects the Government, it fills the States with homes, it builds up communities, and lessens the chances of social and civil disorder by giving ownership of the soil, in small tracts, to the occupants thereof. It was copied from no other nation's system. It was originally and distinctively American, and remains a monument to its originators. (p. 350)

Although the basic tenets of the Homestead Act remained the same throughout its 75 year tenure, it was adjusted several times to deal with timber interests, mining interests, grazing interests, irrigation needs, and concern for the environment. For example the area west of the 100<sup>th</sup> meridian received insufficient rainfall to farm without special techniques so adjustments were made in the allowable acreage and the time necessary to remain on the land (Dick, 1970; Peffer, 1951). Also, when it appeared that forests were being harvested too quickly, some states created incentives for homesteaders to set aside part of their acreage to plant trees or required loggers to legally purchase land according to the value of the timber it contained (Robbins, 1976).

By the 1920s, however, the land remaining in the public domain became less and less productive for farming. Also with an agricultural depression, it was difficult for newly beginning small farmers to sustain themselves in less fertile terrain (Dick, 1970). However, most agree that the real end of frontier settlement came with a series of laws signed by President Franklin Roosevelt (Dick, 1970; Pepper, 1951; Robbins, 1976). Two Executive orders dated November 26, 1934, and February 5, 1935, withdrew all remaining land (aside from Alaska) from the “unreserved and unappropriated public domain”(Dick, 1970, p.364). What was left could be reserved for uses such as logging and grazing, but would be owned by all citizens of the United States, not given over as private property.

Overall, this process of land transfer provided a foundation for future growth both in terms of population and the economy. As the more western parts of the frontier were settled, the Homestead Act allowed development to occur in families and communities over time. With a legal title, the farmer could pass along accumulated assets and upward mobility to descendants. For example, the original homesteader might clear 80 acres, build a house and plant a few crops each year. The homesteader’s children might make more improvements by clearing the other 80 acres and raising livestock while continuing to sell crops. In addition, once enough farmers populated an area, there would be sufficient demand to establish a town, a school, retail stores, etc., creating economic opportunities outside of agriculture. This one-time transfer of property provided a mechanism and incentives for growth over generations rather than limiting benefits to one person or lifetime.

### **Number of Americans Who Have Benefited from the Homestead Act**

#### Number of Homesteads granted

Building upon the narrative description of the Homestead Act above, this section will be more empirical, focusing on the actual number of people that received a title to public lands through the policy. Data from a report by Thomas Donaldson (1884), public land statistics (U.S. Dept. of the Interior, 1961), and historical statistics (U.S. Census Bureau, 1975) are compiled in Table 1 to summarize the basic information collected in land records. The first column details the number of people who submitted an application, accepted and properly entered, to secure title to public domain lands. The second column lists the number of acres requested by these applications. The third column lists the number of people making final entries (typically five years later) who were issued an equitable title (patent) to their homestead property after complying with the relevant legal requirements. The fourth column lists the number of acres transferred from the federal government to those homesteaders. Upon paying the appropriate administrative fees, those making final entries owned the land and could do with it what they pleased. Because the original Homestead Act required homesteaders to live on the land for five years, there is a lag between the original entries in 1863 and the first homestead titles granted in 1868.

The numbers for each year are tabulated into 10-year running totals. Comparing decades, the largest number of applications was submitted between 1900 and 1909, at 794,513 entries. The largest number of final titles was granted between 1910 and 1919, for 384,954 homesteads. Over the 76 year period in consideration, 3 million people applied for homesteads and almost 1.5

million households were given title to 246 million acres of land. This represents a remarkable transfer of wealth and assets. The acreage is close to the land area of Texas and California combined.

A quick comparison makes it apparent that the number of original applications is much higher than the number of final titles issued. This may seem like a huge failure rate, and the reality is that some applicants were not able to survive for the required five years. There are other explanations, however. Although he cites some evidence of Blacks who submitted preliminary entries being intimidated by white neighbors in the South, Robbins (1976, p. 240-241) comments that the primary reason for discrepancy between the number of applications and patents was likely “dummy filings.” This is when wealthy individuals or corporations employed people to make claims for agricultural homesteads so they could access timber or minerals. After stripping the land of its resources, the claimants never concluded the transaction for final entry. Each local land district included thousands of square miles making it impossible for officials to monitor and verify each entry. In addition to such possible instances of fraud, the final homestead numbers do not include commutations. Thus, if a person decided to buy their land outright at \$1.25 an acre after 6 months, they could obtain an ownership title without filing a final homestead entry (Dick, 1970; Sloan, 1976). It is important to note, however, that even if one homestead application was unsuccessful the farmer could make an entry on another plot of land. Some people made several entries before successfully attaining title to a homestead property (Dick, 1970).

The U. S. Department of the Interior (1998) lists that 287.5 million acres of the public domain was granted or sold to homesteaders. This is approximately 20% of public land and is comparable to the amount of land granted to states and the acreage sold or awarded to railroads and other corporate interests.<sup>4</sup>

### Estimated Long-term impact

Even though the Homestead Act touched many aspects of American life as the western frontier developed and territories became states, the focus of this paper is the families who acquired property as a result of this policy. The opportunity this legislation provided led many people to relocate and begin a new life. Choices made did not just affect the homesteader, but also the homesteader’s family, neighbors, and any children that were born. Acquiring a homestead created a distinct lifestyle and social situation, leaving a legacy for future generations.

Given that a homestead provided a real asset that could be developed and passed on to one’s children, an interesting question is how many people living today had ancestors who acquired property through the Homestead Act. This is not simply an intellectual curiosity, but rather a way to demonstrate the enduring legacy of early asset-building policy. The case can be made that once persons successfully survived on a homestead for five years and obtained title, they

---

<sup>4</sup> Even after the Homestead Act was passed, there were other disseminations of the public domain outside of granting free land. Some land continued to be sold in larger plots and to private corporations (303,500,000 acres). Some land was granted to states for schools, public works, and other institutions (328,480,000 acres). The rest was granted to railroad corporations, veterans, or sold under special timber or desert laws (224,900,000 acres). (Data taken from the U. S. Department of the Interior (1998), “Public Land Statistics.”)



became active participants in the developing economy. Whether family members continued in farming or took on other professions, future generations could have a tie to property and obtain a positive externality from ancestors that achieved upward mobility through the Homestead Act.

This section will calculate the descendants each Homestead family might have had based on a few basic demographic assumptions. This will be done through a demographic estimation with three scenarios. The demographic estimations were made according to the calculations outlined in Chart 1. The numbers are given in five year increments because many of the relevant demographic statistics are listed as such and because it makes calculating a 25-year generation easier. Starting with a single homestead family (taken from the totals in column 3 from Table 1<sup>5</sup>), calculations are made assuming a 25-year generation. The number of homesteads granted in each five-year period is multiplied by the total fertility rate during that time to calculate the total estimated number of children.<sup>6</sup> The number of children is multiplied by the fertility rate 25 years later and the proportion of women ever-married in that cohort.<sup>7</sup> This provides an estimate of the number of children in the second generation. The children of the second generation are multiplied by the fertility rate 50 years later and the proportion of women ever-married 25 years later to provide an estimate of the number of children in the third generation. The children of the third generation are multiplied by the fertility rate 75 years later and the proportion of women ever-married 50 years later to provide an estimate of the fourth generation (if acquisition of the homestead was early enough for this data to be possible).

(Chart 1 here)

The first two scenarios assume that any benefit from a homestead would pass along to all children. Table 2 presents the first scenario and projects the total possible descendants, providing a high estimate for the number of persons living today with a homesteader in their ancestry. The two youngest generations will be considered as today's adults. Thus, for the Homestead family obtaining title to property in 1878, enough time has passed for four generations to be born. The baby boomer great grandchildren born around 1953 and the 20-something great-great grandchildren born around 1978 will be counted as surviving descendants. Similarly, for a Homestead family acquiring title to public land later (in 1926), enough time has passed for only two generations. Their children born around 1951 and grandchildren born around 1976 would be counted as surviving descendants. In this high estimate, the two youngest

---

<sup>5</sup> Column 3 from Table 1 will be used as the relevant number of homestead families, representing the homestead patents granted to applicants who remained on the land for five years and 'proved up.' Although many others resided upon property applied for under the Homestead Act and may have benefited from the legislation, these calculations will only include those who fulfilled the requirements to attain full legal title to the land.

<sup>6</sup> Data taken from the authoritative study on U.S. fertility by Coale & Zelnik (1963). Total fertility rate is a measure that summarizes the average number of children per woman that would be born to a hypothetical group of 1000 who, as they pass through the reproductive ages, experience the birth rates observed in the population. The numbers represent births per white woman in the United States over the given time period.

<sup>7</sup> Data taken from an article by Ryder (1986) on cohort fertility in the United States. The statistic of proportion ever married by age 45 is based upon the census reports of women by age and marital status. Adjustments and corrections were made comparing between censuses. Thus it provides a good estimate of how many of the homestead children born in the given 5-year period ever married and were likely to bear children of their own.

generation descendents of homesteaders would range in age from 25 to 80 and number 93 million.

The second scenario is presented in Table 3 and projects the potential number of descendents using the same calculations, but provides a medium estimate. Rather than assuming the maximum possible number of children, the numbers are divided in half. This is done to be conservative and to allow for the very real possibility that the children of some homesteaders may have applied for their own homesteads or married someone with a homestead, thus duplicating numbers in downstream generations. In this medium estimate, the two youngest generation descendents of homesteaders would range in age from 25 to 80 and number 46 million.

The last scenario makes a more stringent assumption to provide a low estimate. It is predicated upon the idea that only one inheritor (amongst multiple children) would maintain the homestead and retain a benefit that could be passed along to descendents. This can be seen as a shift from equal shares, with all future generations receiving comparable benefits, to a unigeniture system where in each generation one child receives the entire benefit, which can be passed along to only one descendent. The children born to a homestead household would probably live on the homestead at some point so their children would be descendents of a homesteader, but only one child would control the property and be able to pass accrued benefits on to future generations.

Table 4 presents this third scenario. The fertility rates and proportion of ever married remain the same as they are based on observed demographic information, but this estimate is based upon the idea that only one inheritor would maintain the homestead and thus have an asset to pass on to descendents. With this low estimate, the two youngest generations of homesteaders potentially living today would range in age from 25 to 80 and number 20 million.

These calculations of the number of Homestead descendents living today are based on a reasonable demographic foundation. Chart 2 provides a summary of the three scenarios. Taking the medium estimate of forty-six million would mean that a quarter of the current U.S. adult population (aged 25 and up) potentially has ancestors who were homesteaders.<sup>8</sup> This would mean a quarter of the adult population potentially has a legacy of property ownership and assets in their background that can be directly linked to national policy. Of course, some of these ancestors might have become property owners anyway, but a significant portion likely utilized the Homestead Act as a means of upward economic mobility or to stabilize their economic position. This single policy passed in the late 1800s leaves an enduring legacy.

(Chart 2 here)

### Situation of Blacks

The Homestead Act was passed as the country was on the brink of civil war. Given its importance as a mechanism for acquiring property, a key issue is how the legislation impacted the four million Blacks who then lived as slaves. Blacks were ineligible for any public land

---

<sup>8</sup> The total U.S. population in 1998 was 270.3 million. The adult population (age 25 and over) was 175 million (U.S. Census Bureau, 1999).

prior to the Civil War because they were not considered citizens. After the Emancipation Proclamation and the end of the Civil War, the situation of Black freedmen and women often depended upon local leadership and conditions.

As early as 1865, certain white Southerners put legal obstacles in place to prevent ex-slaves from acquiring property. Magdol (1977) explains,

In the provisional state governments under President Johnson's protective leniency, planters not only prohibited black landownership but enacted extreme measures of social control that virtually restored slavery. The black codes struck directly at freedmen striving to escape their subordination and to obtain their communities. It was class and race legislation. (p. 150)

Oubre (1978) acknowledges that the Freedmen's Bureau invalidated such Black codes, but if no one enforced the directives, opposition to Black ownership made acquiring any land difficult in some areas. Ironically, Black men who served on the Union side during the War and even remained enlisted as Buffalo Soldiers to help protect settlers on the frontier from outlaws and Indian attacks were denied the opportunity to make land claims in some of the very communities they fought to defend (Cox, 1993).

Words from Lincoln and confiscation acts passed by Congress, fueled by a strong desire for land and schools, led freed slaves to believe they would be given property along with freedom.<sup>9</sup> The myth of 40 acres and a mule was never an official legislative promise, but there were moments of hope when it appeared that legal and political action would be taken to help recently freed slaves become economically independent from their former masters. Unfortunately, nothing permanent was created to help the former slaves acquire property or a better economic position.<sup>10</sup>

On June 21, 1866, Congress passed the Southern Homestead Act. Forty-six million acres of unsold public land in Alabama, Arkansas, Florida, Louisiana, and Mississippi were set aside for purchase in 80-acre plots, then later 160-acre plots. The primary beneficiaries, at least in the first six months, were to be landless freedmen. It was a rare full-scale solution attempted to assist freed slaves. In addition, the land was to be for settlers, not sold to speculators or those with mining and timber interests. The desire for land among the former slaves was strong and they deluged local land officers with requests for homesteads (Lanza, 1990). This was true even though settlement would be difficult given that most quality land had been claimed before the Civil War. What remained was primarily swamp land and pine trees that would have required much capital to improve (Gates, 1996; Magdol, 1977). Before much land had been distributed, the Southern Homestead Act, like most Reconstruction programs, was repealed in June of 1876.

---

<sup>9</sup> Painter (1977) describes how thousands of freed slaves left the south in 1879, searching for land and assistance in Kansas. Some found jobs and a few bought property or applied for homesteads, but most arrived poor and remained that way.

<sup>10</sup> Cox (1958) does an excellent job discussing deliberations of the 38th Congress in 1865 on the Freedmen's Bureau bill, which would have taken abandoned and confiscated lands of the South for use in 40-acre allotments by freedmen or refugees to rent and eventually own. She demonstrates that there were persons interested in greater freedom, aid, and land ownership for former slaves, but the recommendations hinged upon an expected confiscation of large southern plantations, which never really took place.

The homestead only clause was taken away and the remaining land opened for sale and preemption (Lanza, 1990).

Of the 67,600 homestead applications made under the Southern Homestead Act, only 27,800 at most received final patent, which equates to the transfer of 2.9 million acres, about 6% of the land originally offered. Estimates from a sample of homestead claims in Mississippi reveal that about 23% of claimants under the Southern Homestead Act were judged to be Black. In that sample, 35% of Black claims were successful compared to 25% of white claims (Lanza, 1990). Using these percentages, 5,440 of the 27,800 final patents may have been awarded to Black homesteaders. Citing Magdol (1977), only 4,000 Blacks even made homestead entries under the Act (p. 160). Either way, the reality is that few homesteads were granted to Black claimants.

During a period where many citizens were given public land by the government, Blacks who wanted to be small farm owners had to pay for their land and struggle against obstacles that most of their White counterparts did not. This is especially unsettling given that during the initial phase of the Homestead Act, from 1863-1880, most Blacks had just been freed from slavery, faced active discrimination, and were not in a position to negotiate on equal terms. It was a missed opportunity to not use the Homestead Act as a vehicle for Black self-sufficiency, bringing the freed slaves into the existing economy using existing laws to do something at which they already had some experience. Oliver and Shapiro (1995) argue that outcomes of the Homestead Act are just one of many examples of the racialization of state policy, economic detours to self-employment, and sedimentation of racial inequality that shapes the inequality of wealth between Blacks and whites even today.

### **Reflections on Policy Implications and Lessons Learned**

Although there was political disagreement and ongoing debate, the passage of the Homestead Act provided a voice and an opportunity for small landholders. Many other arrangements were possible. Rather than becoming a nation of small farmers, there could have been a system comprised largely of tenancy and sharecropping, which was the case in other developing economies of the time.<sup>11</sup> In light of possible alternatives, the Homestead Act was a progressive policy, broadening the base of asset ownership beyond the wealthy.

Although many people were not able or chose not to take advantage of the Homestead Act, there were no real restrictions as to who could apply. There was no means-testing or provision for special populations. Rather than spreading propaganda, establishing realistic expectations and reducing fraud may have prevented some abuses and unnecessary failure, but overall it was an opportunity available to practically anyone. Ignoring the racism that hampered non-white citizens, it was an inclusive policy.

---

<sup>11</sup> Mosk (1951) compares historical institutional development in the United States (excluding Southern states) and Latin America. He writes that the former developed a system of small landholdings while the latter developed a landed aristocracy with tenancy or peonage systems. In his analysis, the wide distribution of land ownership in the US led to the development of a dominant middle-class, higher standards of living, attraction of more immigrants, and a less rigid social structure. Other scholars make similar points that U.S. land policies were consistent with economic growth (North, 1974) and increased “access to recognized avenues of mobility, opportunity, and success” (Hyman, 1986, p. 10).

The basic premise stayed constant over three quarters of a century: give land away in small parcels to persons who are willing to populate the western territories and develop the property. Although the overall goals remained consistent, there was flexibility to make minor changes based on local circumstances. In areas that were not as conducive to agriculture, concessions were made. Research made possible by the 1862 Morrill Land Grant Act and irrigation projects were financed to make unfamiliar terrains more productive. Raising cattle and increased acreage for grazing became acceptable uses as well. However, even with such adjustments the Homestead Act was a simple and enduring policy.

The nation's money and resources were invested to give people assets. Homesteads provided something of lasting value that potentially could change a person's economic status. Not only were crops produced and sold for money, but the land itself could increase in value as areas developed. The Homestead Act made it possible for a family of modest means to create a better life for the next generation. But it took ingenuity and hard work to survive on a homestead for five years. It was a participant-centered policy where each homesteader was an active contributor.

These lessons from the Homestead Act can help inform policy today. The Growing Wealth Working Group (GWWG)<sup>12</sup> advocates asset-building policy similar to that exemplified by the Homestead Act: progressive, inclusive, simple, enduring and participant-centered. This might entail several guidelines. Whenever possible, ways to assist the non-wealthy should be considered and a voice should be provided to those who are currently asset poor. Policies need to be created that are inclusive and not amenable to the stigmatization of visible groups. Policies must be pursued that are simple and enduring, but flexible enough to adapt to the unique circumstances of a person or locality. And lastly, policies should be considered that are participant-centered and allow people to use their own ambition and creativity to create a future for themselves and their descendants. Considering these principles embodied within the Homestead Act might inspire modern policy initiatives that provide opportunities for individuals and families while contributing to the economic development of the nation.

## **Conclusion**

The Homestead Act was passed at a unique time in U.S. history. The populace was overwhelmingly rural and the geography, politics, and racial dynamics familiar today were in the process of being formed. The nation chose to give up some immediate revenue, to invest in its people and its future. As a result, 1.5 million families were offered a valuable asset. But the homestead legislation did more than simply transfer property from the government to private ownership. It hastened the development of the Western frontier. It is thought to have made the United States an attractive place for investors and new immigrants. It continued during a period of tremendous economic, demographic and political growth, lasting through the Industrial Revolution and the start of World War II. It is part of the ancestry of many Americans currently living in the 21<sup>st</sup> century—even though they may be unaware of the fact.

---

<sup>12</sup> The Growing Wealth Working Group (GWWG) is a policy development “brain trust” convened by the Corporation for Enterprise Development (CFED) and the Center for Social Development (CSD). A more detailed description of principles for asset building policy can be found in the chapter written by Robert Friedman and Ray Boshara in this volume.

Maybe understanding the enduring legacy of asset-building policies such as the Homestead Act and the G.I. Bill will lead to more openness toward similar ideas. What asset-building policies can be created today that will lead current U.S. citizens into a productive future for themselves and subsequent generations? What would be the result if the government were daring enough to create policy that provides hope and opportunity for persons who otherwise are less likely to be successful (the poor, uneducated, foster children, single mothers, etc.)? Hopefully domestic policy that provides assets and a meaningful future to individual citizens and families will not just be a part of U.S. history, but also part of its present.

## References

- Coale, A. J., & Zelnik, M. (1963). New estimates of fertility and population in the United States. Princeton, N.J.: Princeton University Press.
- Cox, C. (1993). The forgotten heroes: The story of buffalo soldiers. New York: Scholastic, Inc.
- Cox, L. (1958). The promise of land for the freedmen. The Mississippi Valley Historical Review, 45(3), 413-440.
- Cross, C. F. (1995). Go west, young man! : Horace Greeley's vision for America. Albuquerque: University of New Mexico Press.
- Danhof, C. H. (1941). Farm-making costs and the "safety valve": 1850-60. The Journal of Political Economy, 49(3), 317-359.
- Deverell, W. F. (1988). To loosen the safety valve: Eastern workers and western lands. The Western Historical Quarterly, 19(3), 269-285.
- Dick, E. N. (1970). The lure of the land: A social history of the public lands from the Articles of Confederation to the New Deal. Lincoln: University of Nebraska Press.
- Donaldson, T. (1884/1970). The public domain: Its history, with statistics. New York: Johnson Reprint Corp.
- Gates, P. W. (1941). Land policy and tenancy in the prairie states. Journal of Economic History, 1(1), 60-82.
- Gates, P. W. (1970). Introduction. In T. Donaldson (1884), The public domain: Its history with statistics (pp. i-xi). New York: Johnson Reprint Corp.
- Gates, P. W. (1976). American Land Policy. In V. D. Wiser (Ed.), Two Centuries of American Agriculture (pp. 213-229). Washington: Agricultural History Society.
- Gates, P. W. (1996). The Jeffersonian dream: Studies in the history of American land policy and development. Albuquerque: University of New Mexico Press.
- Goodman, P. (1993). The emergence of Homestead Exemption in the United States: Accommodation and resistance to the market revolution, 1840-1880. The Journal of American History, 80(2), 470-498.
- Hughes, J. (1987). The great land ordinances: Colonial America's thumbprint on history. In D. C. Klingaman & R. K. Vedder (Eds.), Essays on the economy of the old Northwest (pp. 1-18). Athens: Ohio University Press.
- Hyman, H. M. (1986). American singularity: The 1787 Northwest Ordinance, the 1862 Homestead and Morrill Acts, and the 1944 G.I. Bill. Athens: University of Georgia Press.
- Lanza, M. L. (1990). Agrarianism and reconstruction politics: The Southern Homestead Act. Baton Rouge: Louisiana State University.
- Lebergott, S. (1985). The demand for land: The United States, 1820-1860. Journal of Economic History, 45(2), 181-212.
- Magdol, E. (1977). A right to the land: Essays on the freedmen's community. Westport, Conn.: Greenwood Press.
- Mosk, S. A. (1951). Latin America versus the United States. The American Economic Review, 41(2), 367-383.
- North, D. C. (1974). Growth & welfare in the American past: A new economic history (2d ed.). Englewood Cliffs, N.J.: Prentice-Hall.
- North, D. C., & Ruten, A. R. (1987). The Northwest Ordinance in Historical Perspective. In D. C. Klingaman & R. K. Vedder (Eds.), Essays on the Economy of the Old Northwest (pp. 19-31). Athens: Ohio University Press.

- Oliver, M. L., & Shapiro, T. M. (1995). Black wealth/White wealth: A new perspective on racial inequality. New York: Routledge.
- Oubre, C. F. (1978). Forty acres and a mule: The Freedmen's Bureau and Black land ownership. Baton Rouge: Louisiana State University Press.
- Painter, N. I. (1977). Exodusters : Black migration to Kansas after Reconstruction (1st ed.). New York: Knopf.
- Peffer, E. L. (1951). The closing of the public domain: Disposal and reservation policies, 1900-50. Stanford, Calif.: Stanford University Press.
- Robbins, R. M. (1976). Our landed heritage: The public domain, 1776-1970 (2d , rev. ed.). Lincoln: University of Nebraska Press.
- Ryder, N. B. (1986). Observations on the history of cohort fertility in the United States. Population Development and Review, 12(4), 617-643.
- Sloan, I. J. (1976). American landmark legislation: Primary materials. Dobbs Ferry, N.Y.: Oceana Publications.
- U S Census Bureau (1975). Historical statistics of the United States: Colonial times to 1970. Washington, DC: Government Printing Office.
- U S Census Bureau (1999). Statistical abstract of the United States: 1999 (119<sup>th</sup> ed.). Washington, DC: Government Printing Office.
- U S Department of the Interior (1961). Public land statistics, 1961. Washington, DC: Government Printing Office.
- U S Department of the Interior (1998). Public land statistics, 1998. Washington, DC: Government Printing Office.
- Wilder, L. I. (1953). Little house on the prairie. New York: Harper & Row.



**Table 1 Homestead Totals: Number of entries, acres and final patents**

Year	Original Entries	Acres	Homestead Patents	Final Acreage	Year	Original Entries	Acres	Homestead Patents	Final Acreage
					1880	47293	6054709	15441	1938235
					1881	36999	5028101	15077	1928005
					1882	45331	6348045	17174	2219454
1863	8223	1032872			1883	56565	8171914	18998	2504415
1864	9405	1247171			1884	54982	7832000		2946000
1865	8924	1141443			1885	60877	7416000	43909	3033000
1866	15355	1890848			1886	61638	9145000		2664000
1867	16957	1834513			1887	52028	7594000		2749000
1868	23746	2332151	2772	355086	1888	46236	6677000	115264	3175000
1869	25628	2698482	3965	504302	1889	42183	6029000		3682000
<b>Total</b>					<b>Total</b>				
<b>1863-1869</b>	<b>108238</b>	<b>12177480</b>	<b>6737</b>	<b>859388</b>	<b>1880-1889</b>	<b>504132</b>	<b>70295769</b>	<b>225863</b>	<b>26839109</b>
1870	33972	3754203	4041	519728	1890	40244	5532000		4061000
1871	39768	4657355	5087	629162	1891	37602	5040000		3955000
1872	38742	4595435	5917	707410	1892	55113	7716000		3260000
1873	31561	3760200	10311	1224891	1893	48436	6809000		3477000
1874	29126	3489570	14129	1585782	1894	56632	8047000	116178	2930000
1875	20668	2369782	18293	2068538	1895	37336	5009000		2981000
1876	25104	2867814	22530	2590553	1896	36548	4831000		2790000
1877	18675	2176257	19900	2407828	1897	33250	4452000		2778000
1878	35630	4496855	22460	2662981	1898	44980	6207000		3095000
1879	41005	5267385	17391	2070842	1899	45776	6178000	110593	3134000
<b>Total</b>					<b>Total</b>				
<b>1870-1879</b>	<b>314251</b>	<b>37434856</b>	<b>140059</b>	<b>16467715</b>	<b>1890-1899</b>	<b>435917</b>	<b>59821000</b>	<b>226771</b>	<b>32461000</b>

**Note**

Homestead patents represent the number of households making final entry and receiving an equitable title to their land after complying with the relevant legal requirements, typically five years residence.

**Homestead Totals: Number of entries, acres and final patents (Table 1 Continued)**

Year	Original Entries	Acres	Homestead Patents	Final Acreage	Year	Original Entries	Acres	Homestead Patents	Final Acreage
1900	61270	8478000		3478000	1920	48532	13511000		8373000
1901	68648	9497000		5241000	1921	43813	13662000		7727000
1902	98829	14033000		4343000	1922	29263	8980000		7307000
1903	80188	11193000		3577000	1923	18942	5524000		5594000
1904	69175	10171000		3233000	1924	13886	3873000	119949	4791000
1905	70344	12896000	144121	3419000	1925	11010	3041000		4049000
1906	89600	13975000		3527000	1926	10354	2875000		3451000
1907	93957	14755000		3741000	1927	10500	3237000		2584000
1908	87057	13586000		4243000	1928	10429	3367000		1816000
1909	75445	12302000	130430	3699000	1929	11598	4178000	39439	1701000
<b>Total</b>					<b>Total</b>				
<b>1900-1909</b>	<b>794513</b>	<b>120886000</b>	<b>274551</b>	<b>38501000</b>	<b>1920-1929</b>	<b>208327</b>	<b>62248000</b>	<b>159388</b>	<b>47393000</b>
1910	98598	18329000		3796000	1930	12708	4723000		1371000
1911	70720	17639000		4620000	1931	12640	4757000		1353000
1912	52991	13624000		4306000	1932	10639	3914000		1210000
1913	57800	11222000		1009000	1933	7527	2642000		907000
1914	62229	12117000		9291000	1934	7507	2787000	20501	1124000
1915	62360	12440000	189553	7181000	1935	3297	1166000		1640000
1916	65282	13628000		7278000	1936	1209	357000		1765000
1917	58896	12021000		8497000	1937	561	111000		1915000
1918	35875	7420000		8236000	1938	447	78000		1362000
1919	39341	10204000	195401	6525000	1939	378	66000	19533	1089000
<b>Total</b>					<b>Totals</b>				
<b>1910-1919</b>	<b>604092</b>	<b>128644000</b>	<b>384954</b>	<b>69739000</b>	<b>1930-1939</b>	<b>56913</b>	<b>20601000</b>	<b>40034</b>	<b>13736000</b>
					<b>Grand Total</b>	<b>3,026,383</b>	<b>512,108,105</b>	<b>1,458,357</b>	<b>245,996,212</b>

**Data compiled from the following references:**

Donaldson, Thomas (1970). The Public Domain: Its History With Statistics. New York: Johnson Reprint Corporation, (original published in 1884).  
 U S Census Bureau (1975). Historical Statistics of the United States: Colonial Times to 1970. Washington, DC: GPO.  
 U S Department of the Interior (1961). Public Land Statistics, 1961. Washington, DC: GPO.

**Table 2 Projected Beneficiaries of the Homestead Act—High Estimate**

Years	Homesteads Awarded in period	Total Fertility Rate	Estimated # of children	Percent married (cohort)	2nd Generation	3rd Generation	4th Generation
1867-1870	10,778	4.555	49,094	0.922	177,799	533,277	1,253,105
1871-1875	53,737	4.558	244,933	0.927	823,749	2,323,892	6,846,754
1876-1880	97,722	4.312	421,377	0.927	1,336,690	3,284,537	10,614,744
1881-1885	95,158	4.268	406,134	0.936	1,325,934	2,769,463	9,644,290
1886-1890	115,264	4.018	463,131	0.939	1,442,931	2,976,086	9,176,338
1891-1895	116,178	3.928	456,347	0.942	1,368,735	3,216,281	7,458,786
1896-1900	110,593	3.628	401,231	0.941	1,131,921	3,334,916	6,035,114
1901-1905	144,121	3.422	493,182	0.948	1,211,855	3,916,390	N/A
1906-1910	130,430	3.488	454,940	0.952	950,227	3,309,041	N/A
1911-1915	189,553	3.318	628,937	0.962	1,297,200	3,999,732	N/A
1916-1920	195,401	3.184	622,157	0.971	1,461,956	3,390,382	N/A
1921-1925	119,949	2.998	359,607	0.973	1,059,490	1,917,333	N/A
1926-1930	39,439	2.592	102,226	0.974	330,367	N/A	N/A
1931-1935	20,501	2.194	44,979	0.976	156,634	N/A	N/A
1936-1940	19,533	2.144	41,879	0.969	129,127	N/A	N/A
<b>Grand Total</b>	<b>1,458,357</b>		<b>5,190,154</b>		<b>14,204,616</b>	<b>34,971,331</b>	<b>51,029,131</b>

- High estimate:  $51,029,131 + 34,971,331 + 6,785,940 = 92,786,402$
- Homesteads Awarded taken from Table 1, Column 3 of this paper.
- Total fertility rate statistics taken from Coale and Zelnik (1963) New estimates of fertility and population in the United States. Princeton, N.J.: Princeton University Press.
- Percent married statistics taken from Ryder (1986) Observations on the history of cohort fertility in the United States. Population Development and Review, 12(4), 617-643.

**Table 3 Projected Beneficiaries of the Homestead Act—Medium Estimate**

Years	Homesteads Awarded in period	Total Fertility Rate	Estimated # of children	Percent married (cohort)	2nd Generation	3rd Generation	4th Generation
1867-1870	10,778	4.555	49,094	0.922	88,899	266,639	626,553
1871-1875	53,737	4.558	244,933	0.927	411,874	1,161,946	3,423,377
1876-1880	97,722	4.312	421,377	0.927	668,345	1,642,269	5,307,372
1881-1885	95,158	4.268	406,134	0.936	662,967	1,384,732	4,822,145
1886-1890	115,264	4.018	463,131	0.939	721,466	1,488,043	4,588,169
1891-1895	116,178	3.928	456,347	0.942	684,367	1,608,140	3,729,393
1896-1900	110,593	3.628	401,231	0.941	565,961	1,667,458	3,017,557
1901-1905	144,121	3.422	493,182	0.948	605,927	1,958,195	N/A
1906-1910	130,430	3.488	454,940	0.952	475,114	1,654,521	N/A
1911-1915	189,553	3.318	628,937	0.962	648,600	1,999,866	N/A
1916-1920	195,401	3.184	622,157	0.971	730,978	1,695,191	N/A
1921-1925	119,949	2.998	359,607	0.973	529,745	958,667	N/A
1926-1930	39,439	2.592	102,226	0.974	165,183	N/A	N/A
1931-1935	20,501	2.194	44,979	0.976	78,317	N/A	N/A
1936-1940	19,533	2.144	41,879	0.969	64,564	N/A	N/A
<b>Grand Total</b>	<b>1,458,357</b>		<b>5,190,154</b>		<b>7,102,308</b>	<b>17,485,665</b>	<b>25,514,566</b>

- Medium estimate:  $25,514,566 + 17,485,665 + 3,392,970 = 46,393,201$
- Homesteads Awarded taken from Table 1, Column 3 of this paper.
- Total fertility rate statistics taken from Coale and Zelnik (1963) New estimates of fertility and population in the United States. Princeton, N.J.: Princeton University Press.
- Percent married statistics taken from Ryder (1986) Observations on the history of cohort fertility in the United States. Population Development and Review, 12(4), 617-643.

**Table 4 Projected Beneficiaries of the Homestead Act--Low Estimate**

Years	Homesteads Awarded in period	Total Fertility Rate	Estimated # of children	Percent married (cohort)	2nd Generation	3rd Generation	4th Generation
1867-1870	10,778	4.555	49,094	0.922	177,799	117,075	75,962
1871-1875	53,737	4.558	244,933	0.927	823,749	509,849	446,646
1876-1880	97,722	4.312	421,377	0.927	1,336,690	761,720	776,017
1881-1885	95,158	4.268	406,134	0.936	1,325,934	648,890	692,139
1886-1890	115,264	4.018	463,131	0.939	1,442,931	740,688	733,023
1891-1895	116,178	3.928	456,347	0.942	1,368,735	818,809	633,101
1896-1900	110,593	3.628	401,231	0.941	1,131,921	919,216	589,654
1901-1905	144,121	3.422	493,182	0.948	1,211,855	1,144,474	N/A
1906-1910	130,430	3.488	454,940	0.952	950,227	948,693	N/A
1911-1915	189,553	3.318	628,937	0.962	1,297,200	1,205,465	N/A
1916-1920	195,401	3.184	622,157	0.971	1,461,956	1,064,819	N/A
1921-1925	119,949	2.998	359,607	0.973	1,059,490	639,537	N/A
1926-1930	39,439	2.592	102,226	0.974	330,367	N/A	N/A
1931-1935	20,501	2.194	44,979	0.976	156,634	N/A	N/A
1936-1940	19,533	2.144	41,879	0.969	129,127	N/A	N/A
<b>Grand Total</b>	<b>1,458,357</b>		<b>5,190,154</b>		<b>14,204,616</b>	<b>9,519,235</b>	<b>3,946,541</b>

- Low estimate = 3,946,541 + 9,519,235 + 6,785,940 = 20,251,716
- Homesteads Awarded taken from Table 1, Column 3 of this paper.
- Total fertility rate statistics taken from Coale and Zelnik (1963) New estimates of fertility and population in the United States. Princeton, N.J.: Princeton University Press.
- Percent married statistics taken from Ryder (1986) Observations on the history of cohort fertility in the United States. Population Development and Review, 12(4), 617-643.

Chart 1

*Calculating projected number of beneficiaries*

Estimated number of children:

Homesteads Awarded in period X Total Fertility Rate

Estimated children in the 2<sup>nd</sup> generation:

Number of Children X Percent Married X Total Fertility Rate

Estimated children in the 3<sup>rd</sup> generation:

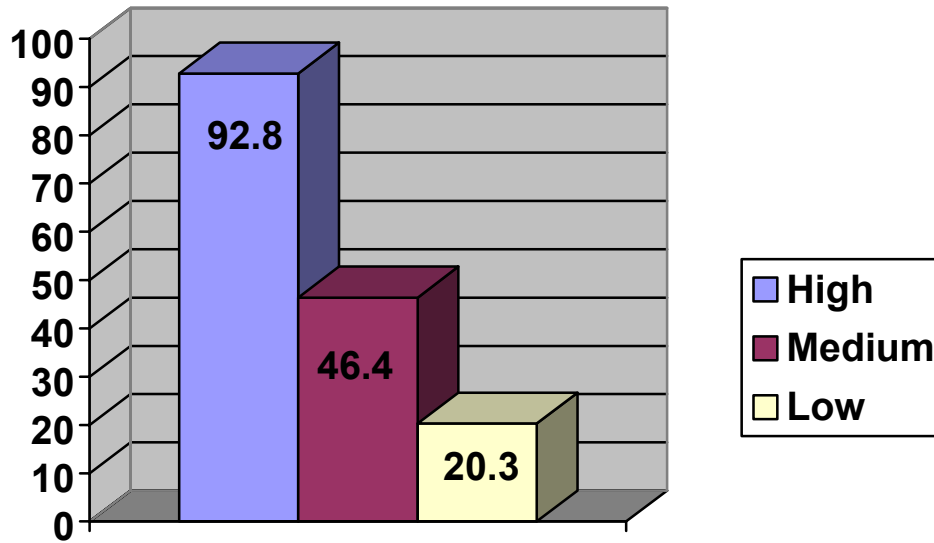
2<sup>nd</sup> Generation Children X Percent Married X Total Fertility Rate

Estimated children in the 4<sup>th</sup> generation:

3<sup>rd</sup> Generation Children X Percent Married X Total Fertility Rate

Chart 2

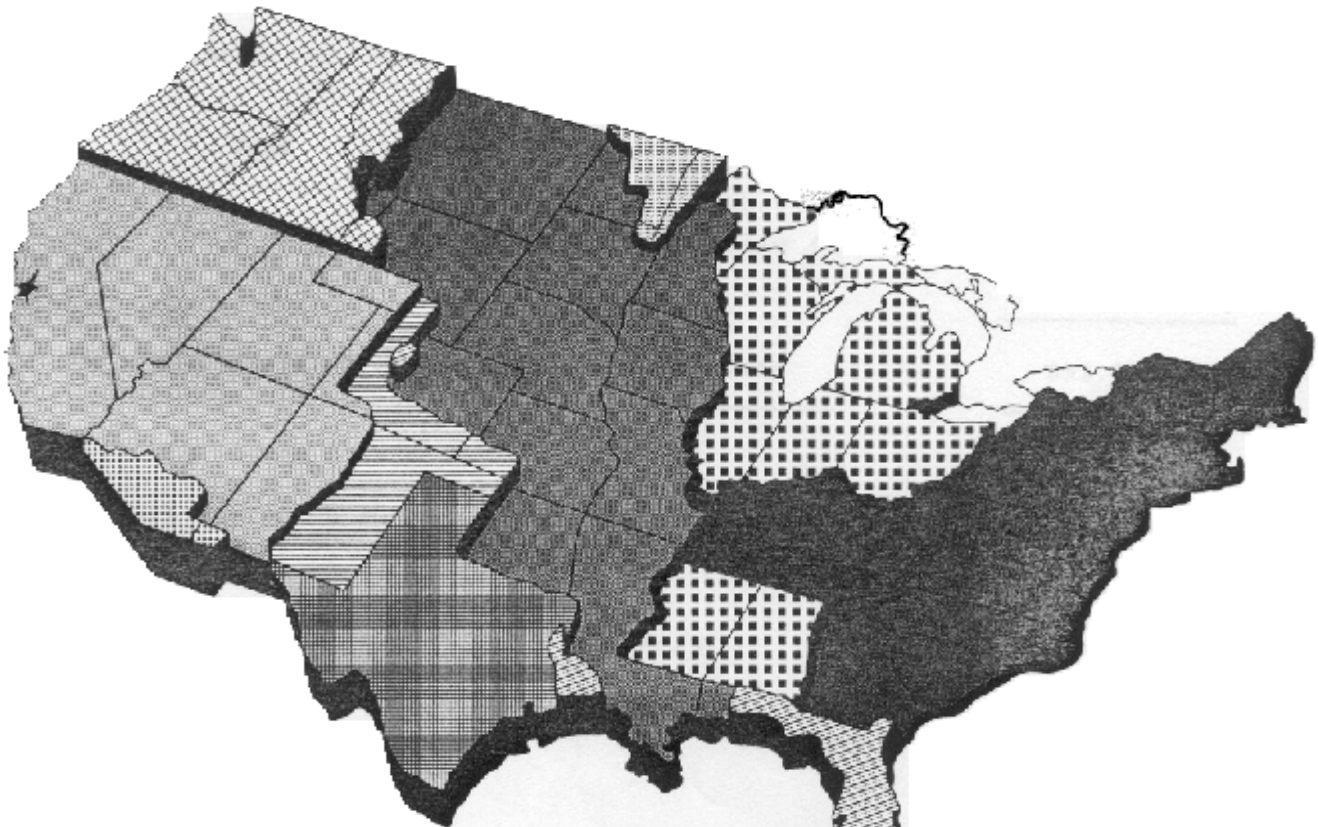
## Summary of 3 Scenarios






Number of Homestead  
descendants (in millions)

Appendix



# ACQUISITIONS









### TERRITORY OF THE ORIGINAL THIRTEEN STATES

-  State cessions to the United States
-  North Carolina cession to the United States, 1790  
United States cession to Tennessee, 1806 and 1846
-  The Original Thirteen States (present area) plus the District of Columbia

### TERRITORY OF THE REPUBLIC OF TEXAS (Annexation of Texas, 1845)

-  United States purchase from Texas, 1850
-  State of Texas (present area)

### OTHER ACQUISITIONS OF THE UNITED STATES

-  Louisiana Purchase from France, 1803
-  Treaties with Great Britain, 1783 and 1817
-  Treaty with Spain (cession of Florida and adjustment of claims), 1819
-  Oregon Compromise with Great Britain, 1846
-  Cession from Mexico, 1848
-  Gadsden Purchase from Mexico, 1853

THE U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT