

Sample Essay

On the topic, “why did the Miami Boom of 1925-1926 collapse?”

The collapse of the Great Miami Boom of 1925-1926, like most complicated historical events, cannot be reduced to a single cause. Indeed, several factors, including bad publicity, the arrival of the Great Miami Hurricane of 1926, and a growing sense of unease by the end of 1925, all contributed to the boom's demise. Still, although only one of many factors, the increasing sense of anxiety about Miami's future that plagued the town by late 1925 probably did the most to undo Miami's boom time prosperity.

There can be no doubt that a spike of bad publicity in late 1925 played a role in dooming the boom. By 1925, northern business leaders were becoming increasingly concerned by the flood of money washing south into Florida real estate ventures, and the northern press began to give voice to those fears. One newspaper editorialist, for example, warned its readers in 1925 that “the boom has reached such tremendous proportions that a terrific crash is inevitable.”¹ Although difficult to prove, bad press of this sort must have encouraged people to invest their money outside of Miami, thus depriving the boom of the cash it needed to survive.

The Great Miami Hurricane of 1926 played an important role as well. In all, over 300 people died in the storm, and when city officials tallied up the damage done to property during the storm, they were shocked to find that the repair bill was equal to half the value of the city's real estate. Worse yet, the Great Miami Hurricane shattered the myth of pleasant tropical weather that the city of Miami had tried to cultivate. So did the hurricane kill the boom? Perhaps not: according to Miami historian Kenneth Ballinger, the boom was already over by the time the 1926 hurricane blew through Miami, undermining the argument that the boom's end can be linked to the 1926 storm. At the most, Ballinger argues, the 1926 storm extinguished the embers of a fire that had already ceased to burn.²

In all, the most compelling explanation for the end of the boom was the growing sense of unease that started in late 1925. The Miami Boom functioned much like a pyramid scheme- as long as Miami real estate agents found more and more investors willing to pay ever higher prices for land, the people higher in the pyramid made millions. Over time, however, the price of land rose to ridiculous levels, convincing many that the boom could not possibly be sustained. What is more, the scale of proposed Miami building projects began to grow absurd. One land developer went so far as to advocate digging out all of Biscayne Bay and using the dredged material to construct a chain of islands that would have stretched several miles into

the Atlantic Ocean, each topped with a hotel, palace, or casino built on a fantastic scale.³ In the face of such outlandish projects and such inflated land prices, would-be investors into Miami became more cautious and more skeptical. The resulting drop in land sales caused the pyramid of the boom to collapse.

Thus, while bad press and bad weather may have helped matters along, the growing skepticism of would-be investors played the central role in the demise of the Great Miami Boom.

¹Frank B. Sessa, “Anti-Florida Propaganda and Counter-Measures During the 1920’s” *Tequesta* (1961), pp. 43-44

²Kenneth Ballinger, *Miami Millions: the Dance of the Dollars in the Great Florida Land Boom of 1925* (Miami, FL: Franklin Press, 1936), p. 6

³Benjamin Reilly, *Tropical Surge: A History of Ambition and Disaster on the Florida Shore* (Sarasota, FL: Pineapple Press, 2005), p. 111