

INTERPRET:

“The business of America is business.”

- President Calvin Coolidge

EVALUATING THE ECONOMY OF THE 20S

**Refer to this information to help you
work through Page 1 of the worksheet**

**SUPERFICIAL
PROSPERITY**



THE AMERICAN ECONOMY

DURING THE

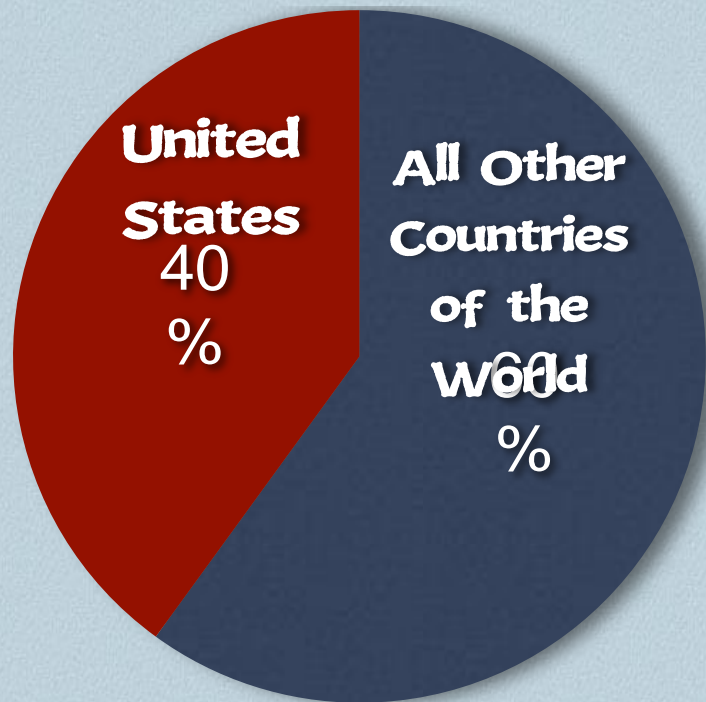
1920s

ANALYSIS

BASED ON THE DATA PROVIDED, WHAT HAPPENED TO THE US ECONOMY DURING THE ROARING TWENTIES?

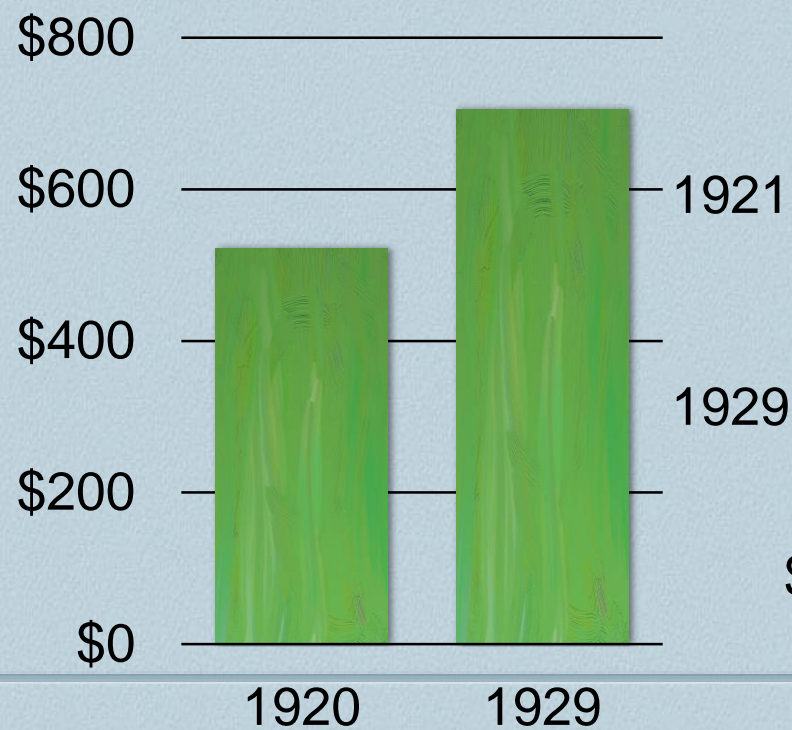
WORLD WEALTH DISTRIBUTION

1920 - 1929



AVERAGE ANNUAL INCOME

1920 - 1929



US NATIONAL INCOME (IN BILLIONS)

1921 - 1929





RECIPE FOR THE ECONOMIC 20s BOOM



NEW TECHNOLOGIES LED TO INCREASED WAGES



LOWER INCOME TAX RATES MEANT MORE INCOME FOR AMERICAN CONSUMERS TO SPEND



INCREASED PRODUCTIVITY MEANT MORE PRODUCTS FOR CONSUMERS



HIGHER TARIFFS ON IMPORTS LED TO INCREASED PROFITS FOR AMERICAN FIRMS



EASILY AVAILABLE CREDIT ALLOWED CONSUMERS TO SPEND BEYOND THEIR MEANS

LET'S START WITH

CONSUMERISM

AMERICAN SPENDING SPREE



1920s America was flush w/ income and Americans were eager to spend. They mostly bought newly innovated goods that made life easier.

As electricity spread, consumers bought up home electrical appliances. Electric refrigerators, washers, and stoves made life easier, gave Americans leisure time.

Mass production techniques made these goods more readily available and drove down prices.

Electric appliances were common in urban and suburban homes, but most rural homes still lacked electricity.



THE BIRTH OF ADVERTISING

The **flood of new goods** in the market and **consumerism** fed the **ad industry**

THE ADVERTISEMENT INDUSTRY ITSELF MADE HUGE PROFITS SELLING ADS AND CONSULTING FIRMS

Ads **increased consumer demand** for and **informed buyers** of new goods

ADS APPEALED TO PEOPLE'S DESIRE FOR YOUTH, WEALTH, AND BEAUTY, AND PLAYED ON FEARS

ADS CONVINCED BUYERS THAT LUXURIES WERE NECESSITIES, AND BRAND NAMES BECAME FAMILIAR

Slogans like **"Say it with flowers"** and **"Reach for a Lucky instead of a sweet"** influenced buyer's spending



"Light a Lucky and you'll never miss sweets that make you fat"

Constance Salwadge
Constance Salwadge
Lucky Strike
Purcell Inc.

INSTEAD of eating between meals... instead of fattening oneself... beautiful women keep youthful slenderness these days by smoking Lucky. The smarter and livelier women of the modern age take this means of keeping slender... when others sizzle fattening sweets, they light a Lucky!

Lucky Strike is a delightful blend of the world's finest tobaccos. These tobaccos are treated—a costly extra process which develops and improves the flavor. That's why Lucky are a delightful alternative for fattening sweets. That's why there's real health in Lucky Strike. That's why folks say: "It's good to smoke Lucky."

For years this has been no secret to those men who keep fit and trim. They know that Lucky steady their nerves and do not harm their physical condition. They know that Lucky Strike is the favorite cigarette of many government athletes, who must keep in good shape. They respect the

A black and white illustration of a woman's profile, looking upwards. She has dark, wavy hair and is wearing a necklace. A speech bubble originates from her mouth, containing the text "Light a Lucky and you'll never miss sweets that make you fat".



*Two-Fold Happiness
for her New Home*

Bluebird is one of those rare gifts that is valued not only for what it does but also for what it permits one to do.

Because it washes with almost unbelievable thoroughness and speed, even a heavy washing can be on the line by nine.

But the happiness it brings does not consist only of doing away with the drudgery of wash day. It adds daily to the joy of living, because the home with a Blue Bird can use its fine fabrics constantly.

For the Bluebird way of washing makes

clothes last many times longer than when they are washed on a rub board.

The leading dealer in your locality sells Bluebird. He will be glad to show you why Bluebird washes so thoroughly that it cleans even heavy blankets in fifteen minutes, and so wearisomely that even a veil can be washed in it without a thread being harmed.

Bluebird can be bought any where by making an initial payment of a few dollars, arranging to pay the rest in convenient monthly sums.

See these Bluebird Superlatives

Washday white enamel cabinet with steel rollers, all mechanism grained.

Plenty space, even knee room, can't double clothes. Inside enough on a wash board, nothing to rub or tear things.

Washes by rubber rock a top action, clothes, and through rest.

Built for a life span of service, extra service, hard work, really dependable machines.

Large power driven motor, saves to any amount, allows automatically for light or heavy loads.

Highly grade guaranteed motor-operated, dependable.

Bluebird Appliance Co., St. Louis, U. S. A.
Bluebird Company of Canada, Bramford, Ontario

Blue Bird
ELECTRIC CLOTHES WASHER

To keep a slender figure
No one can deny...



Reach
for a
LUCKY
instead of a
sweet



"It's toasted"
No Throat Irritation - No Cough.



**MEN
WOULDN'T
LOOK AT ME
WHEN I WAS
SKINNY**

but...
Since I Gained 10 Pounds
This New, Easy Way
I Have All the Dates I Want

NOW there's no need to be "skinny" and frayed
—less, even if you never could gain an ounce
before. Here's a new, easy treatment that is giving
thousands attractive flesh—in just a few weeks.
Doctors for years have prescribed yeast to build
up health. But now, with this new yeast discover-
ed in little tablets, you can get far greater tonic
results—regain health, and also put on pounds of firm
flesh, enticing curves—and in a far shorter time.
Not only are thousands quickly gaining beauty
bringing pounds, but also clear skin, freedom
from indigestion and constipation, new pep.

Concentrated 7 times

This amazing new product, Ironized Yeast, is
made from specially cultured brewers' ale yeast
imported from Europe—the richest yeast known
—which by a new process is concentrated 7 times
—made 7 times more powerful.

But that is not all! This super-rich yeast is iron-
ized with 3 special kinds of iron which strengthen
the blood, add energy.

Day after day, as you take Ironized Yeast table-
ts, watch fat chest develop, skinny limbs round
out attractively. Skin clears to beauty, new health
comes—you're an entirely new person.

Results guaranteed

No matter how skinny and weak you may be, or
how long you have been that way, this marvelous
new Ironized Yeast should build you up in a few
short weeks as it has thousands. If you are not
delighted with the results of the very first pack-
age, your money will be instantly refunded.

Special FREE offer!

To start you building up your health right away,
we make this absolutely FREE offer. Purchase a
package of Ironized Yeast tablets at once, cut out
the seal on the box and mail it to us with a clip-
ping of this paragraph. We will send you a fasci-
nating new book on health, "New Facts About Your
Body," by a well-known authority. Remember, re-
sults are guaranteed with the very first package—
or money refunded. At all druggists, Ironized Yeast
Co., Inc., Dept. 288, Atlanta, Ga.



**20,679* Physicians
say "LUCKIES
are less irritating"**

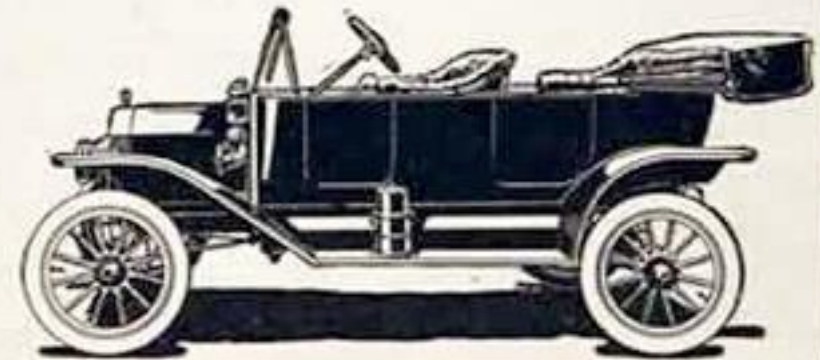
"It's toasted"
Your Throat Protection against irritation against cough



**Buy It Because
It's a Better Car**

Model T \$650
Touring Car
C.O.B. Ford,
Ontario

Get particulars from Ford Motor Co. of Canada, Ltd. Ford, Ont.



**Keep that
Schoolgirl
Complexion**



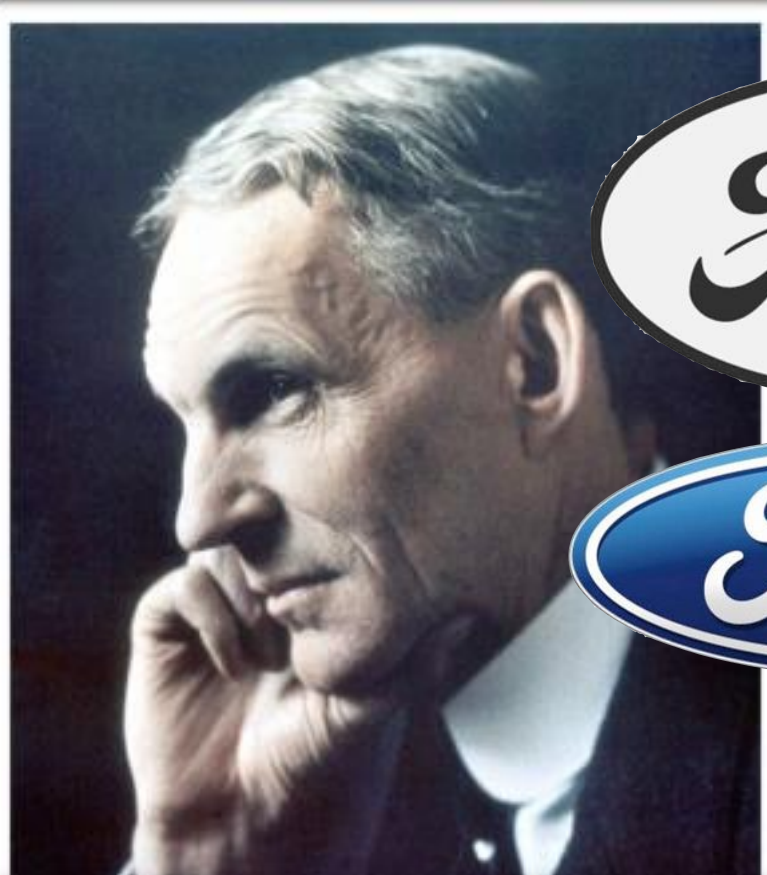
—When She Grows Up



NEXT UP...

THE AUTOMOBILE

THE DECADE OF THE CAR



The car changed America **FOREVER!**

#1 FORD'S ASSEMBLY LINE

Henry Ford employs his assembly line in Ford car plants nationwide
THE ASSEMBLY LINE STANDARDIZED CAR

PRODUCTION, MAKING IT FASTER AND CHEAPER TO PRODUCE CARS

THIS TECHNOLOGY SPREAD TO OTHER INDUSTRIES, MAKING ALL GOODS CHEAPER AND MORE ABUNDANT

#2 AMERICAN LANDSCAPE

Paved roads, interstate routes, new towns and businesses along routes

EVEN NEW HOMES WERE BUILT WITH GARAGES,

CARPORTS, AND DRIVEWAYS TO ACCOMMODATE CARS
THIS TECHNOLOGY SPREAD TO OTHER INDUSTRIES,

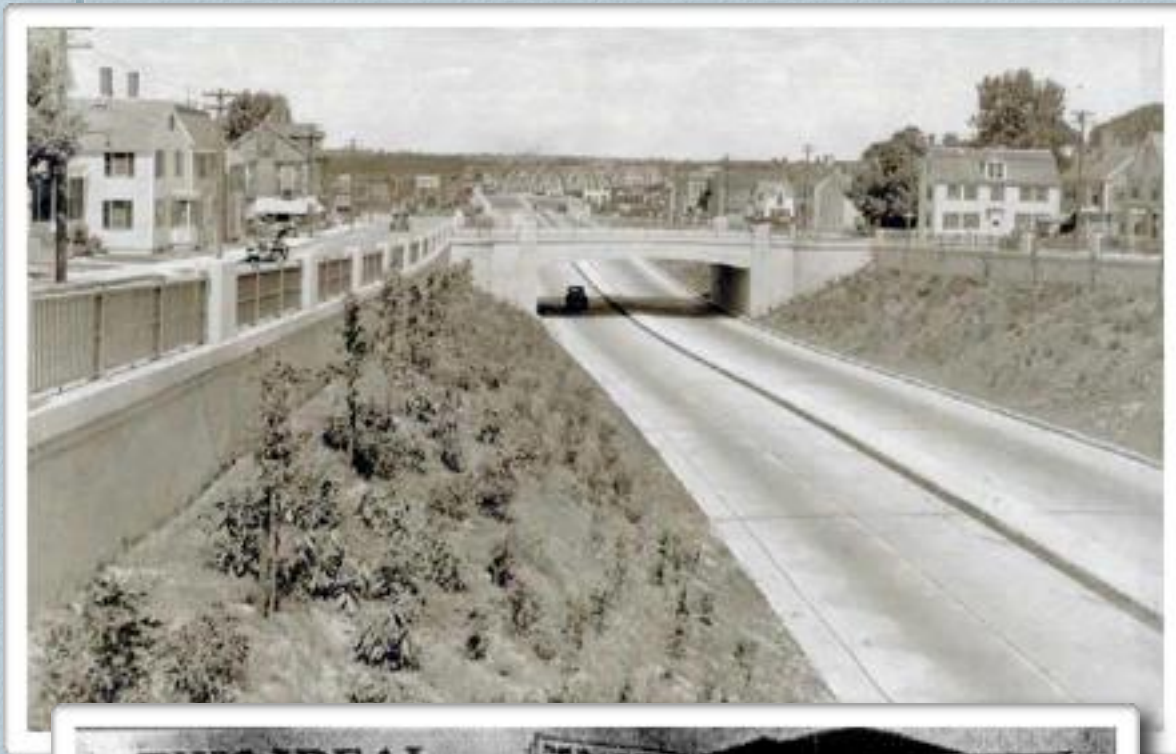
MAKING ALL GOODS CHEAPER AND MORE ABUNDANT





By **OCTOBER 31, 1925**, Ford plants produced **9,109 NEW MODEL-Ts**. That translates to **ONE FOR EVERY 10 SECONDS OF THE WORKING DAY**. With this kind of efficiency, Ford was able to lower the price from **\$850 in 1908** to **\$300 by 1926**.

THE DECADE OF THE CAR



#3 URBAN SPRAWL

Highways caused cities to expand outward and the suburbs flourished

WORKERS MOVED OUT OF THE CITY AND DROVE INTO WORK, GETTING AWAY FROM OVERCROWDING RURAL FAMILIES GAINED MOBILITY, MARKETS WERE CONNECTED FASTER, TRAVEL BECAME INDEPENDENT

#4 INDUSTRIES FLOURISH

The car boom led to a boom in the steel, rubber, glass, & oil industries. Cities that produced cars exploded, like Pontiac MI, Flint MI, and Detroit. THIS TECHNOLOGY SPREAD TO OTHER INDUSTRIES, MAKING ALL GOODS CHEAPER AND MORE ABUNDANT

THIS IDEAL HOME
COMPLETE WITH GARAGE
\$3150 to \$5150
CEMENT WALKS, DRIVEWAYS - CURBS and

ONE OF OUR 6 ROOM MODEL HOME FLOOR PLANS

Car Garage 6 Rooms, Spacious Living and Dining Rooms, 3 Bedrooms, Bath, Cabinet Kitchen, Breakfast Nook, Laundry, Hardwood Floors, Built-in Features

WE EVEN FURNISH AND SET ALL THE SHRUBBERY AND LAWNS

UNIT 8
FAIRVIEW HEIGHTS

BUT WAIT! THE US WAS ONLY EXPERIENCING

SUPERFICIAL

"SHALLOW, ON THE SURFACE,
OUTWARD"



PROSPERITY

"SUCCESS, THRIVING"

THERE WERE **TWO SIGNS** THAT TIMES WERE PERHAPS
NOT AS PROSPEROUS AS THEY APPEARED!



BUYING GOODS ON CREDIT



To keep pace w/ consumerism, Americans **borrowed money** to spend **despite increased wages**, most consumers **spent beyond their means** to fuel consumerism

Installment plans advertised a **"Buy Now, Pay Later"** approach

buyers could **put a small portion down** and **pay back loans over time** at **low interest**. Credit attracted consumers b/c they could **enjoy their goods w/o waiting to pay it off**

Fundamentally, it was a **weakness** b/c most consumers spent **w/o regard to how to pay back credit** in the future



ECONOMIC INEQUALITIES



AS CORPORATIONS MERGED AND EARNED MASSIVE PROFITS, OTHERS DECLINED
KEY AMERICAN INDUSTRIES LIKE IRON AND RAILROADS STRUGGLED TO SURVIVE AND TOOK LOSSES



FARMERS STRUGGLED THE W/ POST-WAR SURPLUS OF CROPS & CHEAP CROP PRICES
THEY GREW MORE CROPS THAN WE COULD CONSUME & STRUGGLED TO BRING IN REVENUE TO PAY LOANS

ADDITIONALLY, THE DECADENCE OF THE RICH MASKED THE GROWING INCOME GAP
THE NUMBER OF POOR AMERICANS GREW, AS TOP INCOME GREW FASTER THAN WORKERS INCOME
WHILE THE RICH PLAYED, THE POOR STARVED

CLOSURE

**WRITE THREE THINGS YOU
LEARNED TODAY ABOUT:**

- 1) The factors that led to the 20s boom
- 2) How the automobile changed America
- 3) The signs that the prosperity of the 1920s was superficial