



# Economic Boom of the 1920s

# Decade of Prosperity

- Standard of living increased
  - Economy grew stronger
- New products were manufactured quickly → assembly line



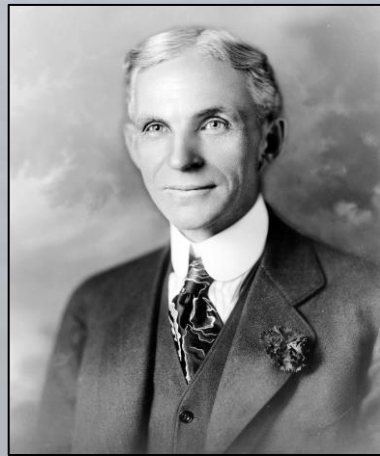
Ford assembly line



Woman in front of an open electric refrigerator filled with food



# The Automobile



Henry Ford

- Invented in 19<sup>th</sup> century but too expensive for most
- 1908 → Henry Ford built the Model T
- He wanted the average American to be able to buy it
- Lowered the price because of the assembly line
- Assembly line → large quantities of goods could be made quickly, efficiently, and cheaply



- Machines and workers were used on the assembly lines

- Model T only available in black 1913-1925
- 1920 → over 8 million sold
- 1930 → 23 million sold
- Americans living in rural areas could travel to cities for shopping and entertainment
- Americans could work farther from home



1921 Model T

# The Automobile Influence

- Caused road construction to increase → more paved roads
- Route 66 ran from Chicago, Illinois, to Los Angeles, California
- Route 66 brought business to small towns
- Farmers could transport their produce to cities
- Gas stations and motels opened since there were more drivers
- More mechanics were needed
- Rubber industry grew



- New jobs for Americans
- Diners opened for travelers
- Railroad industry declined because few Americans used trains for travel



Some of the businesses along Route 66 have been restored.

# The Airplane Industry

- Airplanes were first used as a mail carrying service
- By the late 1920s, airplanes were used for passenger transportation
- The Lockheed Company made the Vega in 1927 → one of the most popular transport airplanes of the late 1920s
- Pan American Airways flew the first transatlantic passenger flight



Passenger plane arrives n Newark, NJ  
(1934).

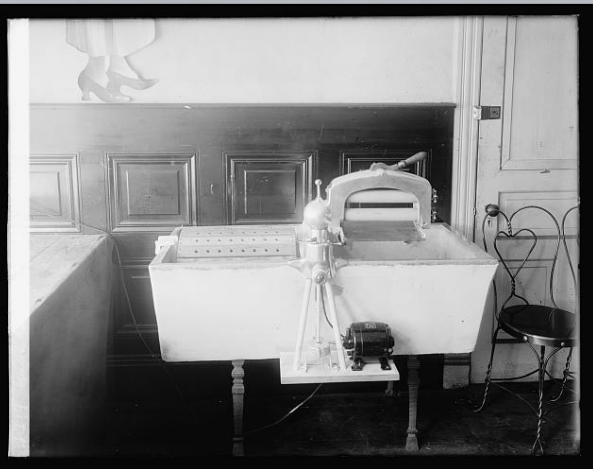


# Consumer Debt Increases

- Americans used credit to buy products
- “Buy now, pay later” → installment plans
- Smaller payments over several months
- By the end of the 1920s, over half the automobiles sold were on credit
  - 70% of radios were bought on credit
- Consumer debt doubled from 1920 to 1930

# Spending Increases

- Americans owned 40% of the world's wealth
  - Annual income rose 35% during the 1920s
    - \$522 to \$705
  - Many household appliances were invented
  - Made housework easier and quicker to finish
- Vacuum cleaner, washing machine, electric refrigerator, ready-to-wear clothes

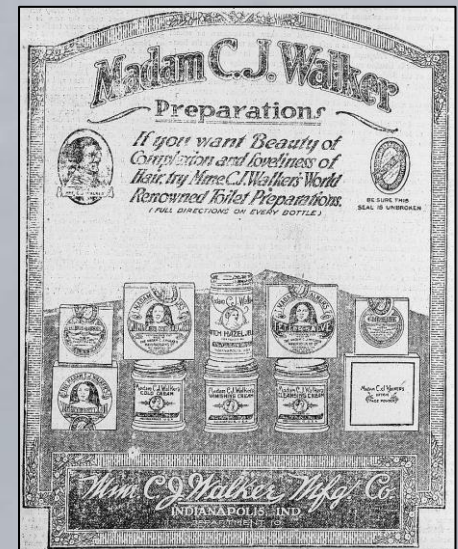


Washing machine (1920)

- Electricity was delivered to more homes
- Most people living in cities and the suburbs had electricity
- Most people living in rural areas did not have electricity

# Advertising

- Businesses wanted more people to buy their products
- Convinced people they needed their products
- In 1923 Listerine convinced Americans to buy their mouthwash so they wouldn't have halitosis (bad breath)
- Advertisers created a demand for their products
  - Hollywood stars endorsed products
- Radio broadcasts advertised products across the country





# Government Policies

- Helped businesses and the economy thrive
- Calvin Coolidge became president in 1923
- He believed the government should keep taxes low and give businesses credit so they could expand
  - Let private industry flourish
- Placed high tariffs on imported goods → American-made products were cheaper to buy



Calvin Coolidge

# Some Struggled

- Not all Americans or businesses prospered
  - Textile, coal mining, agriculture suffered
- Farmers had borrowed money during WW1 for more equipment and land to increase crop production
  - When the war ended, demand for US crops dropped → prices dropped
    - Farmers made less money → could not pay their debts



Coal miners (1915)

Large  
combines  
harvesting  
wheat in  
Kansas  
(1920-1930)

