



Assembly lines decreased the cost of automobiles.

The 1920s was a decade of prosperity for most American businesses and people. The standard of living increased as the economy grew stronger. Goods that were once owned by only the rich became obtainable by the average American. New products were manufactured quickly thanks to the assembly line, and Americans bought them. Businesses had increased profits. The Roaring '20s saw an economic boom unlike ever before.

The Rise of the Automobile

The automobile influenced American life more than any other product in the 20th century. The automobile was invented in the 19th century, but it was too expensive for most Americans to buy. In 1908, Henry Ford built the Model T, and he wanted the average American to be able to afford it. Ford made owning the automobile a reality for many American families because he was able to lower the price by using the



1923 Ford Model T



City streets were filled with automobiles in the 1920s.

assembly line to manufacture them. The assembly line enabled large quantities of products to be produced quickly, efficiently, and cheaply. Machines and workers were used on the assembly lines. Assembly lines were used in the production of other goods besides automobiles. Ford's Model T was only available in the color black from 1913-1925, which also helped decrease the cost of manufacturing it. By 1920, over 8 million had been sold, and by 1930, the number had increased to 23 million. Over 80 percent of all automobiles in the world were owned in the US by the late 1920s. Automobiles made it easier for Americans living in rural areas to travel to cities for shopping and entertainment, and it also enabled Americans to work at jobs that were farther from their home.

The Influence of the Automobile

The automobile industry influenced the economy in other ways. Road construction increased, and paved roads became more common. In 1921, highway construction began in 11 states, and in 1926, US Highway 66 was established. Route 66 ran from Chicago, Illinois, to Los Angeles, California. Although parts of Route 66 were not paved until the late 1930s, this stretch of road brought more businesses to the small towns through which it passed. It also allowed farmers to transport their produce from rural areas to the cities.



Restored gas station along Route 66

Now that more drivers were on the road, businesses such as gas stations and motels opened. More mechanics were needed to fix automobile problems that arose. The rubber industry became more profitable since cars needed tires. This

Questions:

Why do you think the 1920s were called "Roaring"?

How was Ford able to make owning a car a reality?

What impact did cars have on Americans living in rural areas?

What impact did paved roads have on the economy?

Which other businesses were affected?

created new jobs for Americans to earn a wage. With more Americans making longer trips, diners opened that served cheap and fast-to-cook foods. However, with these industries growing, the country's railroad industry declined as fewer Americans used trains for travel.

The Airline Industry Grows

Automobiles were not the only mode of transportation that grew during the 1920s. The airplane industry expanded. Airplanes were first used a mail carrying service for the United States Post Office, but by the late 1920s, airplanes were used for passenger transportation. Ford made a trimotor airplane in 1926, and the Lockheed Company made a single-engine plane, the Vega, in 1927. The Vega became one of the most popular transport airplanes of the late 1920s. Pan American Airways was founded in 1927, and they flew the first transatlantic passenger flight.

Consumer Debt Increases

Automobiles were not the only products the average American could afford to buy during this time period. Even if Americans did not have the cash to purchase goods, they could still buy the products by using credit. Businesses offered "buy now, pay later" options, such as installment plans, to people so they could make smaller payments over several months instead of paying entire amount at one time. By the end of the 1920s, over half of the automobiles sold were bought using credit, and about 70 percent of radios were bought on credit. Consumer debt doubled between 1920 and 1930.

New Household Products Make Life Easier

Not only did consumer debt increase, but the standard of living also soared during the 1920s. Americans owned 40 percent of the world's wealth, and Americans had extra money to spend. The average annual income rose 35 percent during this decade, rising from \$522 to \$705. Many common household appliances were invented during the 1920s. These made housework easier and quicker to finish, which was important as more women began to work outside the home. Instead of moving furniture to roll up carpets and take them outside to beat out the dirt and dust, vacuum cleaners were used to suck up the grime. Women did not have to wash each article of clothing one at a time because they could wash an entire load in the washing machine. Electric refrigerators made it easier to keep food fresher longer, and ready-to-wear clothing meant women no longer had to sew clothes. Americans could buy a refrigerator for as little as \$1 down and make payments of \$1 a week thanks to easy credit.

Many of these new appliances needed electricity, and the development of the alternating electrical current made it possible to distribute electricity over longer distances. Now people living away from the cities in suburbs could have electricity,

Questions:

Which companies were manufacturers of 'planes?

What impact did the availability of credit have on debt?

Which household products made life easier?

Many appliances could not have been created without the existence of ... what????

although most Americans living in rural areas still did not have electricity.



Advertisements Take Over

Businesses began to use advertising to market their products to more people in hopes they would sell more. They also used different methods



to convince people to buy their products. One approach was to convince people that a product was needed. For example, in 1923 Listerine convinced thousands of Americans to buy their mouthwash so they wouldn't have halitosis (bad breath).

Advertisers began to create demand for products, and Hollywood stars began to endorse products. Radio broadcasts were also used to advertise across the country.

Government Policies

Government policies also helped the economy and businesses thrive during the 20s. Calvin Coolidge became president in 1923, and he believed that the government should keep taxes low and give businesses credit so they can expand and grow. Coolidge believed in letting the private industry flourish, and the government placed high tariffs on imported goods. This helped American businesses because their products were cheaper.

Some Industries Struggle

Even though many American and businesses experienced prosperity, some industries struggled. The textile and coal mining industries saw less profits, but the agricultural industry actually went into debt. Farmers had to borrow money to buy land and machinery so they could increase crop production during World War I, but when the war ended, the demand for US crops decreased in Europe. This resulted in the price of crops falling, which meant farmers made less money. Therefore, many could not pay their debts. Eventually more than just these industries would struggle, and the economic boom of the 1920s would come to an end on Black Tuesday.

Questions:

What was the purpose of advertising?

What forms did advertising take?

Why did Coolidge impose tariffs on imported goods?

Which industries did not share in the economic prosperity?

What impact did World War I have on farming?