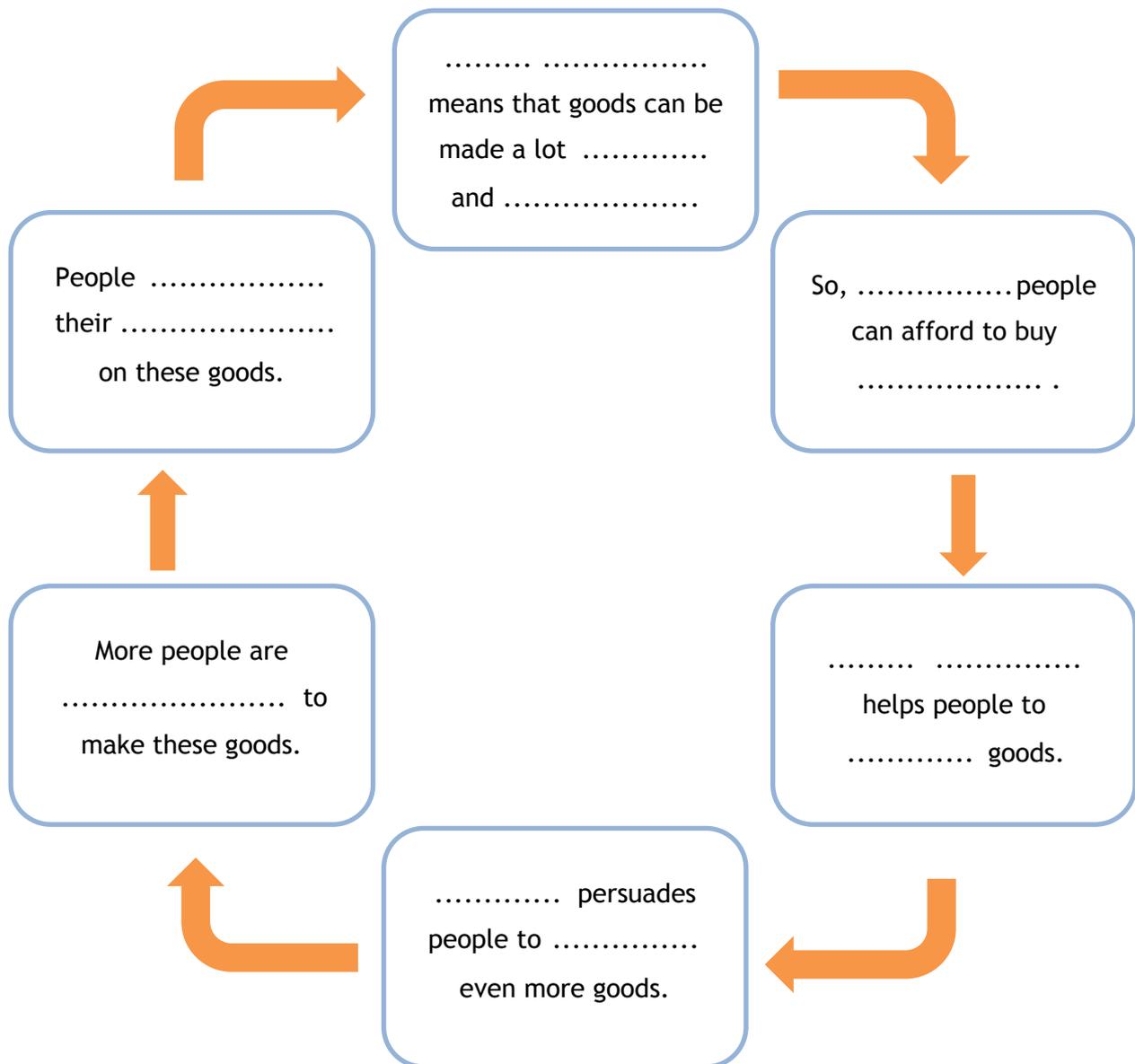


How far did the boom revolutionise American economy and society?

Background information

The 1920s saw a huge increase in economic, industrial and social wellbeing. This was called the boom, and was brought about through a combination of resource wealth, government policies, and America prospering hugely from the First World War. The boom was marked by the growth of some of America's largest industries, including the motor industry, and showed capitalism and consumer society in a brand new light. It was also characterised by huge growth in the phenomena of advertising, celebrity culture and endorsements, and thrived off the new principles of mass production.



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Tasks

1. Read the background information and highlight or annotate the key terms and dates.
2. Complete the gaps in the diagram on p.1 using the Word bank below. This will show how the developments of the boom worked together in a 'virtuous circle' to make America wealthy.

Word bank:

quicker	spend	afford	cheaper
advertising	more	employed	buy
hire purchase	consumer goods	wages	mass production

3. Read the Card Sort on p. 3. Sort the cards into three groups using the Venn diagram on p. 4: advertising, industry and capitalism and consumer society.
 - NB some cards may fit into multiple groups.
 - Challenge: Which factor of the boom was the most significant for ordinary Americans?

4. Define the following key terms:

- consumer society
- hire purchase plan
- mass production
- assembly lines

5. Complete the table on pp. 5-6.

- You have been given six key developments of the motor industry (particularly Ford) in the 1920s.
- First, you need to assess how far this reflects the wider changes of the 'boom'.
- Then, you need to explain how the developments of the motor industry helped drive the wider boom.

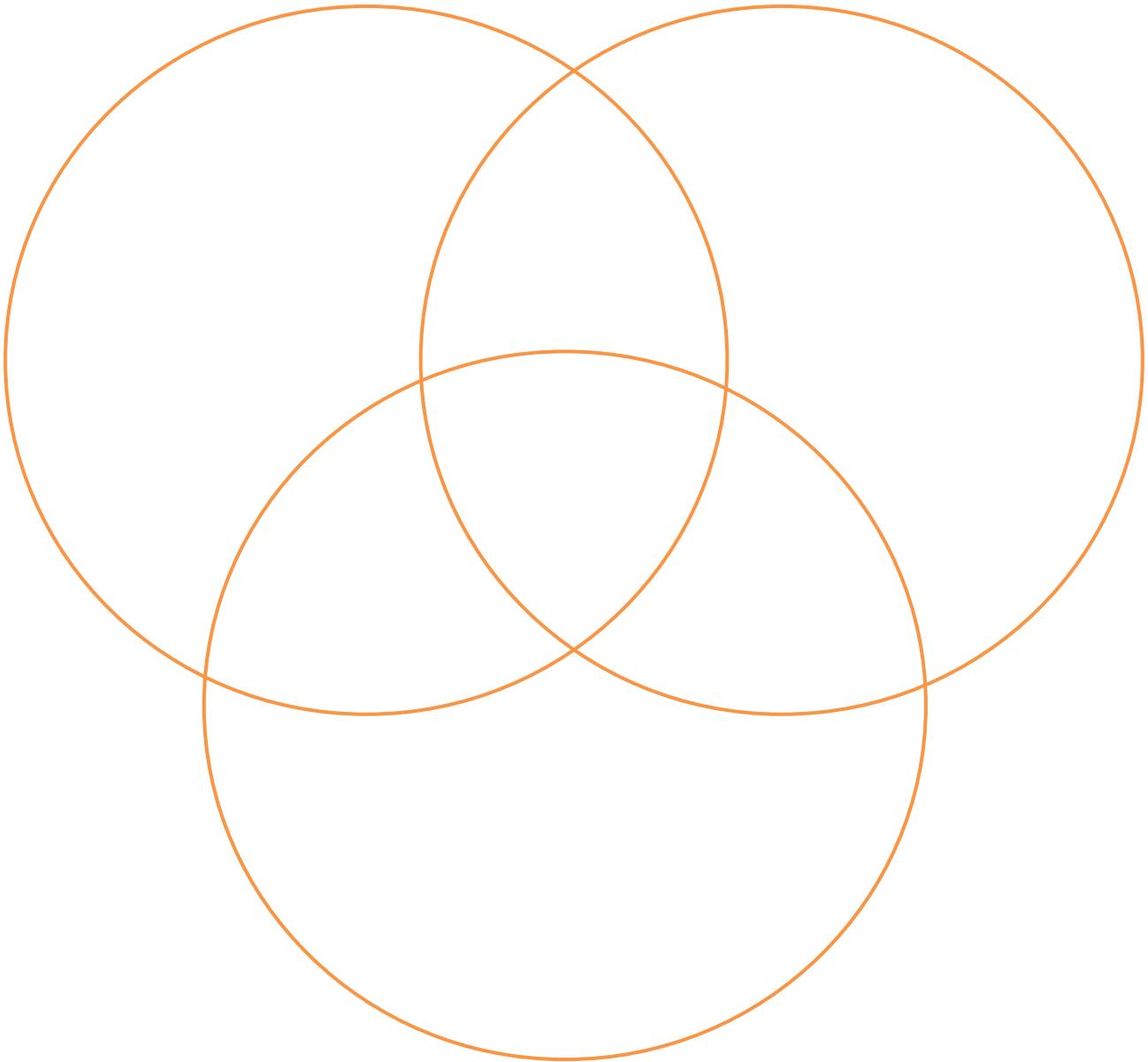
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<p>A. In 1915, just over 15% of American homes had electricity. By 1929, over 70% did. This revolutionised daily life, and boosted spending - people could buy white goods.</p>	<p>B. Advertising was growing hugely in presence and demand - the period of 1920-1922 saw a 200% increase in advertisements placed in papers and on billboards.</p>
<p>C. Car making used just over 20% of American steel, just under 70% of American leather, and around 80% of American rubber and glass. This was a huge boost to the primary (producing) industries, especially to the states in the middle of the US. Ford dominated, selling half of all American cars.</p>	<p>D. During the boom, to be successful, factories had to adopt mass production methods. This involved producing the same product as quickly and as cheaply as possible. 'Workmanship' and personalisation were no longer worthwhile - factories had to be cheap and fast, or else shut down.</p>
<p>E. 'Mail order' became widespread for the first time, often linked with the growth of the department store catalogues. For the first time, the average shopper could afford to sit at home and order something from the catalogue, and then have it delivered. This extended the reach of the shops' consumer pull, and employed drivers and so on.</p>	<p>F. For the first time people began to value 'newness' and 'modernity', over saving money and buying products that would last for years. This was the growth of 'consumer society' where things were cheap and tempting enough to buy quickly.</p>
<p>G. Leading companies in the advertising industry were Coca Cola (who popularised the first red Santa image), Victoria (a company who produced 'music machines'), and Ford. Each of these had dedicated budgets for advertising and became luxury brands as a result of their publicised image.</p>	<p>H. Demand for new 'lifestyle goods', especially electrical goods such as radios, laundry machines and kitchen appliances soared. This gave the American people something to spend their money on, factories a market to produce for and created many jobs in these expanding industries.</p>
<p>I. The world's first radio station opened in Pittsburgh in November 1920, to broadcast the winner of the Presidential election. By the next year there was a daily radio show ushering in a new age of communication media. As with everything else, it didn't take long for radio to contribute to two growing trends; radio was full of advertisements, and 'celebrities' emerged with their own shows.</p>	<p>J. Catalogues were launched, combining advertising and the epitome of consumer culture. These were printed en masse and given away for free with any purchase - inside was everything you could possibly buy, with mail order free for most purchases. These were particularly popular with families who lived further away from the emerging shopping centres, as they could peruse the brands at leisure and order them to their homes.</p>
<p>K. There were many new ways to buy and sell, as capitalism drove demand and the Republicans deregulated the economy. The 'hire purchase plan' was launched - this was a way of paying for an expensive product (such as a car or a refrigerator) over an agreed period of time. This would spread out the cost, so more and more families could afford these items; however, they also included interest payments which made the banks and companies even richer.</p>	<p>L. New manufacturing techniques were becoming popular, including the revolutionary electrical assembly line. Popularised by Henry Ford, as part of his leading charge in the motor industry, this made production significantly more efficient - decreasing production costs of goods, and therefore lowering the price to make them more available across America. The production line also allowed factories to quickly ramp up production, increase employment, and contribute to mass production.</p>

How far did the boom revolutionise American economy and society?

Advertising

Industry
(including the motor industry)



Capitalism and consumer society

Challenge: Which factor of the boom was the most significant for ordinary Americans?

How far did the boom revolutionise American economy and society?

Development in the motor industry	How does this reflect the wider boom?	How would this affect other economic and social progress?
<p>Henry Ford invented and popularised the electronic assembly line. This revolutionised production, greatly increasing labour efficiency and productivity (the number of items increased per working hour).</p>		
<p>The car industry relied upon huge amounts of raw materials. The demand for steel, coal, oil, leather, and rubber sky-rocketed. Furthermore, roads and infrastructure were needed to allow the industry to make the cars, and to allow people to use them. For every one worker in the motor industry, ten other workers made parts for cars.</p>		
<p>By 1925 over 500,000 people worked in the car industry and by 1926 there were nearly 20 million cars on America's roads (half were Fords).</p>		

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<p>Ford reduced all costs of the car, from keeping labour costs down to only manufacturing one make and model to remove specialisation costs. This brought the cost of the car down from \$800 in 1911 to \$295 in 1928.</p>		
<p>Ford paid high wages for important staff - sometimes almost three times higher than competition - and insisted on a five-day working week (the most common practice at the time was a six-day working week).</p>		
<p>Ford factories took advantage of their transportation advantages to build outside of cities, on cheap land. Workers were given significant discounts on cars.</p>		