

Economy After 1945

Theme: Work, Exchange, and Technology & Migration and Settlement

Learning Objective 8.D: Explain the causes of economic growth in the years after World War II.

Economic Growth

KC-8.3.1.A: A burgeoning private sector, federal spending, the baby boom, and technological developments helped spur economic growth.

- Burgeoning private sector
 - Little competition from foreign manufacturers
 - _____ (1947)
 - Outlaws “closed-shop” to limit power of unions
 - Producers can increase profits without increasing wages
 - Benefits from _____ - higher demand to increase supply
- Federal spending
 - _____ - gives 1 year of unemployment, access to low interest _____, college tuition
 - Eisenhower
 - _____ Social Security
 - _____ - construction leads to more jobs, more car sales, acts as subsidy for suburbs
 - “New Frontier” and “Great Society” tax cuts on middle class
 - Later trying to end _____
- The Baby Boom
 - _____ born between 1945-1960
 - Generation brought up on mass consumption.
 - More accustomed to having _____ work outside the home
- Technological Developments
 - Consumer goods which increased standard of living
 - See _____
 - Technologies bought by US government
 - _____
 - Defense, Lockheed plants across the country

Learning Objective 8.E: Explain the causes and effects of the migration of various groups of Americans after 1945.

Causes for Migration

KC-8.3.I.B: As higher education opportunities and new technologies rapidly expanded, increasing social mobility encouraged the migration of the middle class to the suburbs and of many Americans to the South and West. The Sun Belt region emerged as a significant political and economic force.

- Higher education opportunities
 - GI bill gives _____ post secondary training
 - Unequal for black veterans
- _____
 - Planned communities like _____ made home ownership more affordable
 - _____ in housing, ex. FHA _____
 - Unequal chance to build wealth
- Growth of the Sub Belt
 - _____ and _____ of the United States
 - Warmer climate, _____, employment in _____ industries

Recap

- The US economy continued to grow through the post-war period primarily due to government spending, growing private sector.
- Stagflation in the 1970s shows first signs of economic slow-down.
- Economic growth was paralleled with the growth of suburbs and the Sun Belt

Part II

Short Answer Questions

Answer the following in AT LEAST three sentences.

1. Explain the causes of economic growth in the years after World War II.

2. Explain the causes and effects of the migration of various groups of Americans after 1945.

Levittown, New York 1959



1. Provide an Attribution for the document:
2. Use the document to support the thesis: “The United States experienced a period of great economic growth that was primarily driven by government spending and a burgeoning private industry.”
3. Choose one of the analysis topics from HAPP and provide a 2 sentence analysis of the document.
4. Give an A-C-E response on a piece of outside evidence that is relevant to the document and topic of the thesis

Richard Nixon on the American Standard of Living (1959)

Retrieved from: <http://www.americanvawp.com/reader/26-the-affluent-society/richard-nixon-on-the-american-standard-of-living-1959/>

I am honored on behalf of President Eisenhower to open this American Exhibition in Moscow. ... Among the questions which some might raise with regard to our Exhibition are these: To what extent does this Exhibition accurately present life in the United States as it really is? Can only the wealthy people afford the things exhibited here? What about the inequality, the injustice, the other weaknesses which are supposed to be inevitable in a Capitalist society?

...

Let us start with some of the things in this Exhibit. You will see a house, a car, a television set — each the newest and most modern of its type we can produce. But can only the rich in the United States afford such things? If this were the case we would have to include in our definition of rich the millions of America's wage earners.

Let us take, for example, our 16 million factory workers. The average weekly wage of a factory worker in America is \$90.54. With this income he can buy and afford to own a house, a television set, and a car in the price range of those you will see in this Exhibit. What is more, the great majority of American wage earners have done exactly that.

Putting it another way, there are 44 million families in the United States. Twenty-five million of these families live in houses or apartments that have as much or more floor space than the one you see in this Exhibit. Thirty-one million families own their own homes and the land on which they are built. America's 44 million families own a total of 56 million cars, 50 million television sets and 143 million radio sets. And they buy an average of 9 dresses and suits and 14 pairs of shoes per family per year.

Why do I cite these figures? ... [W]hat these statistics do dramatically demonstrate is this: That the United States, the world's largest capitalist country, has from the standpoint of distribution of wealth come closest to the ideal of prosperity for all in a classless society.

As our revered Abraham Lincoln said "...We do not propose any war upon capital; we do wish to allow the humblest man an equal chance to get rich with everybody else."

The 67 million American wage earners are not the down-trodden masses depicted by the critics of capitalism in the latter part of the nineteenth and early part of the twentieth centuries. They hold their heads high as they proudly enjoy the highest standard of living of any people in the world's history.

The caricature of capitalism as a predatory, monopolist dominated society, is as hopelessly out of date, as far as the United States is concerned, as a wooden plow.

This does not mean that we have solved all of our problems. Many of you have heard about the problem of unemployment in the United States. What is not so well known is that the average period that these unemployed were out of work even during our recent recession was less than three months. And during that period the unemployed had an average income from unemployment insurance funds of \$131.49 per month. The day has passed in the United States when the unemployed were left to shift for themselves.

The same can be said for the aged, the sick, and others who are unable to earn enough to provide an adequate standard of living. An expanded program of Social Security combined with other government and private programs provides aid and assistance for those who are unable to care for themselves. For example, the average retired couple on Social Security in the United States receives an income of \$116 per month apart from the additional amounts they receive from private pensions and savings accounts.

