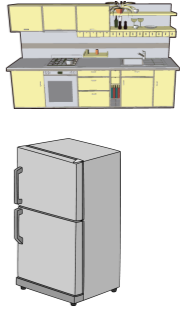




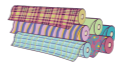
The 1920s witnessed unparalleled economic growth in the USA. It grew by 40% in a decade! It looked like the good times would never end! There were a number of key features to the economic boom.

**ELECTRIC AND CONSUMER GOODS**  
 ELECTRICITY spread across the USA throughout the 1920s. It was a cleaner and much more efficient and adaptable form of energy which provided huge benefits to Americans.  
 There was a craze for new household gadgets to make life easier. Hoover, refrigerators, washing machines, radios all boomed in popularity. These were easily affordable due to hire purchase schemes which allowed goods to be paid off in instalments.  
 Some of these goods cut down time spent on household tasks. As America was still quite conservative this meant that many 'housewives' now had much more leisure time. It is estimated to have cut these tasks down by as much as 1/4 or 15 hours per week.  
 It also led to greater leisure time with phonographs spreading the love of music. Cinema and theatre as well as sports stadiums all benefited from electricity.  
 Communications boomed too with RADIO spreading enormously to over 10 million sets by 1930. This linked the USA together as never before and provided huge advertising revenue. TELEPHONES also boomed from 10-20 million.



**CHEMICAL industry**  
 Major scientific advances led to a boom in the chemical industry.  
 Huge American companies like DUPONT dominated many areas in the industry.  
 It developed products like CELLOPHANE  
 BAKELITE was pioneered as an early form of plastic. It was used in a variety of products such as plugs and toys.  
 RAYON was also invented. It was a cheaper synthetic material which could replace the more expensive cotton and linen. It was used for products like ladies tights. It led to a decline in other older textiles.  
 COSMETICS. This became a multi billion dollar industry. New products like CUTEX n...

**MASS MARKETING**  
 With so many new products being produced and with communications improving rapidly, marketing became a huge growth industry.  
 New advertising companies made millions of dollars on promoting products  
 Catalogue companies boomed. They sold by mail order and could deliver across most of the USA. 1/3rd of Americans had used this service in the 1920s. Huge companies like SEARS boomed.  
 CHAIN STORES like PENNEY's also boomed to over 1,000 stores.  
 Shopping malls began to become popular with the rise of the car and suburbs.



**CREDIT**  
 CREDIT - was extremely important. Things like hire purchase allowed Americans to buy things they would never have been able to afford. They could pay it back in instalments. Up to 60% of US cars were bought on credit alongside many of the new electric goods. Americans began to accept debt as a part of their lives and it doubled by the 1930s. Nearly 10% of the average American wage was spent on repayments.  
 A great deal of shares were purchased on the margin using credit-fuelling the huge growth of the stock market.

**CINEMA**  
 This was the Golden Age of Hollywood.  
 Movie companies flocked to Los Angeles California and to the new suburb of Hollywood.. or Hollywoodland as it was called!  
 The good dry weather and light made it perfect for filming. It attracted the best in the world in terms of producers, directors, actors, set designers and cameramen.  
 90% of the worlds films were made by the BIG FIVE Production companies- Paramount, MGM, RKO, Warner brothers and Fox. Up to 500 were produced annually.  
 They employed thousands of people and became multi million. Dollar industries.  
 Famous movie stars like Charlie Chaplin, Harold Lloyd, Buster Keaton Mary Pickford and Laurel and Hardy were household names.  
 The first academy Awards (oscars) were held in 1929.  
 Innovation was fast moving and 'talkies' had taken over by the end of the decade.



BACKGROUND



**FEATURES OF THE 1920s ECONOMIC BOOM**

FEATURE 7

FEATURE 1


FEATURE 2

FEATURE 3

FEATURE 4

FEATURE 5

REASON 6

**CAR INDUSTRY**  
  
 Without a doubt the car industry and mass production were the key drivers of economic growth in this decade.  
 Henry Ford pioneered so much of the key features of 1920s economic growth.  
 - The Assembly line and mass production cut costs extraordinarily! He had introduced these methods as early as 1913. By the 1920s he was using time and motion surveys and being in bulk and this was leading to mass selling, by 1927 15 million Ford T cars had been produced. They were dependable. They were all sold in black and they were affordable. The price dropped from over \$800 to just over \$250  
 The number of cars rose to 23 million  
 The car industry fed prosperity  
 - Wages were very good for what was a monotonous job. Workers also got a five day week with more leisure time. Many got the chance to buy their own model T. This fed back into the economy with more money to spend.  
 The car industry also provided huge amounts of additional employment. The rubber industry like firestone tyres, the steel industry, marketing, textiles, mechanics, road side restaurant, infrastructure, cinemas and development of suburbs are all linked to the development and affordability of the car.

**CONSTRUCTION**  
 There was huge investment in construction and real estate throughout the 1920s. Some of New York's most iconic buildings were completed in the 1920s including the Empire State Building. Up to 1/4 of Manhattan's skyline was rebuilt in the decade.  
 High rise skyscrapers, mansions and holidays homes soared in value.  
 States like Florida attracted a great deal of investment due to the car and better communications. Many northerners also invested in homes here for retirement in the warmer climate.  
 SUBURBS like Levittstown boomed in popularity as people left the city centre and headed out of town where there was more space. The car drove this growth as people could commute. Even these new suburbs were mass produced using mass production techniques.

