

US History

Social & Political History of the 1920s

Learning Targets:

I can examine the emerging economy of the 1920s and the innovations that came along with prosperity.

6. The Economy and Innovation

The Soaring US Economy

- After recovering from demobilization the US economy took off
 - GNP went from \$70 billion in 1922 to \$100 billion in 1929
 - Pro-business policy of the Republicans encouraged investment and economic growth
- Expansion of business led to wage increases for workers
 - Average employee's purchasing power increased 32% from 1914 to 1928
 - This rise of income led to interest in new products

The Growth of Electricity

- 1920s it became common for Americans to have electricity in their homes
 - By 1930 2/3 of all Americans had electricity in their home
- Availability of electricity and growing purchasing power led to market for new products
 - New products included mixers, sewing machines, washing machines, and radios
 - Sales boomed and demand increased greatly for these new appliances

The Growth of the Automobile Industry

Scientific Management –

- Scientific Management – Based on the idea that every kind of work could be broken down into a series of smaller tasks to increase productivity
- Rates of production were set and workers had to meet them

Henry Ford –

- Lowered the cost of cars by implementing scientific management practices
- Developed the assembly line to increase productivity and lower the cost of his Model T car

Assembly line –

- Moved 6 feet per minute and cut engine assembly time in half
- Put many smaller companies out of business
- Reduced the price of cars from \$850 (1909) to \$290 (1924)
- Car registration rose from 8 million to 26 million in the 1920s

Automobile Industry –

- Became nation's largest business
- By 1929 more than 1 million people worked in the auto industry or a related one

Automobiles Change Work and Society

Changes in Work –

- Assembly line had increased productivity but made work repetitive and boring
- Unskilled workers could not advance
- Increased productivity made more upper-level positions but factory workers and immigrants usually did not have the high school diploma needed
- Led to high rates of employee turnover
- Ford and other owners tried to instill morals and American values into their multi-cultural workforces (Speaking English, No alcohol or tobacco use)

Changes in Society –

- Revolutionized transportation
 - Cars, trucks, and busses eliminated horse drawn vehicles and reduced the importance of trains and trolleys
 - 400,000 miles of roads built in 1920s to accommodate new cars
 - Contributed to the move from the city to the suburbs
- Family life –
 - Families began taking vacations in their cars – called auto-touring
 - Teenagers began using cars to escape parental supervision
 - People began spending less time together in families and communities