

# The Postwar Years at Home (1945-1960)

## Lecture #1 Postwar Business and Technology

### OBJECTIVES:

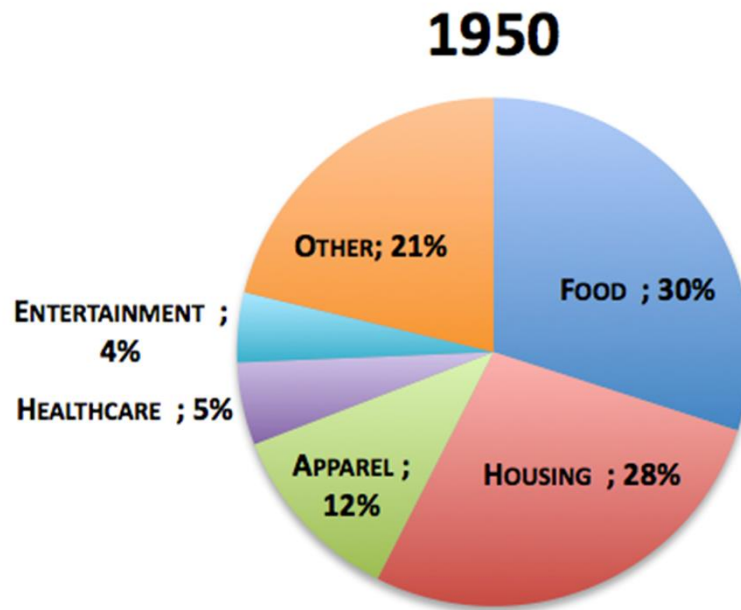
- Describe how technological advances transformed life in the United States.
- Describe the rise of the Middle Class and its economic and social effects.
- Describe the Truman and Eisenhower presidencies in the 1950's.



### Postwar Economy

- American soldiers returned from the battlefields of WWII
  - Great Depression forced most Americans to save what they had
  - Wartime rationing led to many Americans to hold back on purchasing items
- 1950's...Americans were eager to acquire everything the war – and before that, the Depression – had denied them.

- CONSUMERISM!
- Consumerism was a CULTURE!
- Economic abundance and the American dream!



### Causes of Growth (1945-1950):

1. *Consumerism*  
Consumer credit grew by 800% from 1945-1957
2. *Government spending*  
Public funding of schools, housing, veteran's benefits, Interstate Highway program
3. *Military spending*  
Korean War, Cold War, Arms Race with USSR
4. *Technological progress*  
New scientific research and development (demand for scientists, engineers, highly trained personnel)
5. *Advances in production technique* (producing 35% more) MACHINES!

- U.S. Economy expanded after WWII
  - Gross national Product (GDP) more than doubled
    - \$212 billion in 1945 to \$504 billion in 1960
- *Per capita income*...the average income per person, increased from \$1,526 to \$2,788
- Major corporate expansion
  - General Motors, Ford, Chrysler in automobiles

- General Electric and Westinghouse in electrical items
  - These businesses became *conglomerates*...businesses that own many smaller companies that produce entirely different goods and services
- *Franchise*...the right to open a restaurant using a parent company's brand name and system
  - 1954...Ray Kroc, a milkshake mixing machine salesman...bought the rights to the McDonalds franchise
    - McDonalds started by two brothers in San Bernardino, California...had an idea about assembly-line food production
      - Following Ray Kroc's lead with McDonalds, hundreds of franchises opened up nationwide
        - Kentucky Fried Chicken, etc...



- Technological developments...made life easier and spurred industrial growth
  - Thousands of new and improved products
    - Dishwashers, gas powered lawnmowers, etc...
- Television
  - Developed in the 1930s, by 1953 two-thirds of American families had a television set
    - 1955..the average American family watched television 4-5 hours every day
  - Three large networks controlled television programming
    - ABC, CBS, NBC
      - They raised the money to broadcast their shows by selling advertising time

- **MARKETING!** Consumer goods advertised and marketed nationally because of TV

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### Number of TV Households in America

Year	Number of TV Households	% of American Homes with TV	Year	Number of TV Households	% of American Homes with TV
1950	3,880,000	9.0	1964	51,600,000	92.3
1951	10,320,000	23.5	1965	52,700,000	92.6
1952	15,300,000	34.2	1966	53,850,000	93.0
1953	20,400,000	44.7	1967	55,130,000	93.6
1954	26,000,000	55.7	1968	56,670,000	94.6
1955	30,700,000	64.5	1969	58,250,000	95.0
1956	34,900,000	71.8	1970	59,550,000	95.2
1957	38,900,000	78.6	1971	60,900,000	95.5
1958	41,920,000	83.2	1972	62,350,000	95.8
1959	43,950,000	85.9	1973	65,600,000	96.0
1960	45,750,000	87.1	1974	66,800,000	97.0
1961	47,200,000	88.8	1975	68,500,000	97.0
1962	48,855,000	90.0	1976	69,600,000	97.0
1963	50,300,000	91.3	1977	71,200,000	97.0
			1978	72,900,000	98.0

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- Computers
  - Calculators and computers developed during 1950's...sprang from WWII tech.
  - 1948...Bell Telephone scientists invented the *transistor*...a tiny circuit device that amplifies, controls, and generates electrical signals.
- Nuclear Power
  - What was once a tremendously terrifying new weapon was being harnessed to provide power
    - Shippingport, Pennsylvania has the first nuclear power plant
- Advances in Medicine
  - 1954...Dr. Jonas Salk and Dr. Thomas Francis found the cure to Polio
  - Wartime research on antibacterial drugs led to medical advances in 1950's

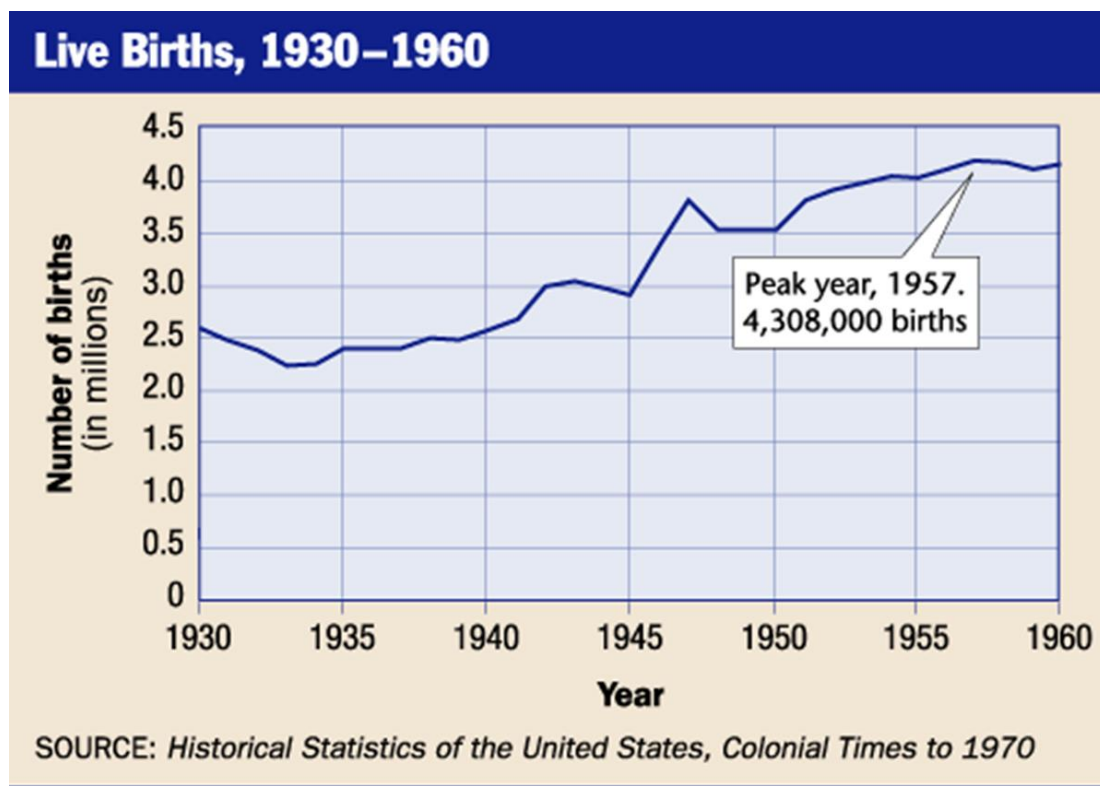
### Changes in the work force

- Before the war, most jobs were blue-collar
  - After the war, new machines performed many of the jobs previously done by people
  - Productivity increased 35% from 1945-1955 because of production techniques and worker efficiency
- By 1956, a majority of all American workers had white-collar jobs
  - No longer producing goods but instead performing services for others

- Office jobs, cubicles, etc...
- White-collar service industry affected the lives of Americans
  - Clean, bright offices made working Americans feel encouraged and content
  - Also made it feel impersonal... Workers had little connection with the products
- Pressure to dress, think, and act a certain way

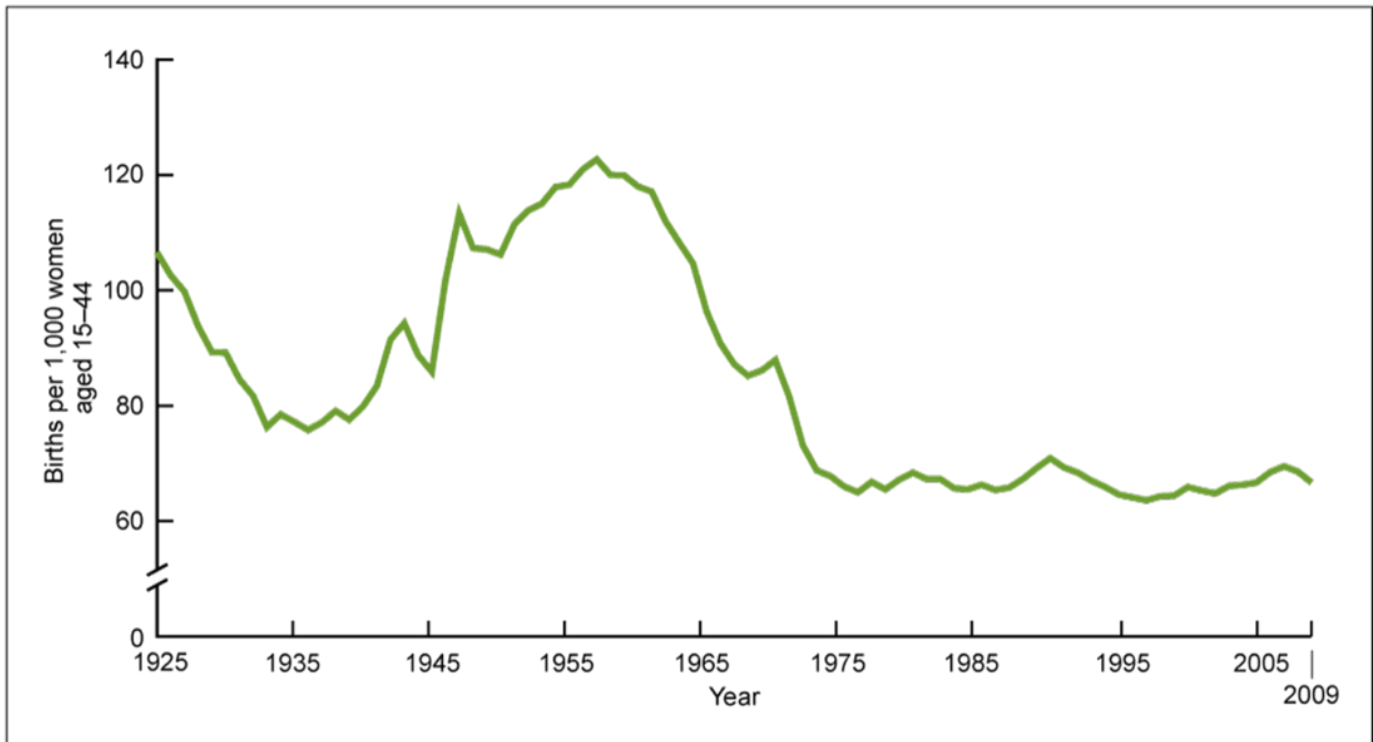
## The Baby Boom

- The *baby boom*, or rise in birth rates, that had begun in the 1940s continued into the 1950s.
- Birthrate in U.S. had fallen during the Great Depression to 19 births per 1,000 people
  - Birthrate soared to more than 25 births per 1,000 in 1947, after World War II
  - Soldiers wanted to settle down after the harsh life of war...came home to their sweethearts...this resulted in a Baby Boom
- Nation's population rose by more than 20% during the 1950's
  - 150 million in 1950 to 179 million in 1960
  - This spike in the nation's birthrate grew from 1945 until it peaked in 1957
- The Baby Boom generation today? RETIRING



## Birthrate of the United States, 1925-2009

Figure 1. Fertility rate: United States, 1925–2009



NOTES: Data for 2009 are preliminary. Access data table for Figure 1 at: [http://www.cdc.gov/nchs/data/databriefs/db60\\_tables.pdf#1](http://www.cdc.gov/nchs/data/databriefs/db60_tables.pdf#1).

SOURCE: CDC/NCHS, National Vital Statistics System.

## **Lecture #2**

# **The G.I. Bill, Rise of the Suburbs, and the Interstate Highway Act**

### **OBJECTIVES:**

- Describe how technological advances transformed life in the United States.
- Describe the rise of the Middle Class and its economic and social effects.
- Describe the Truman and Eisenhower presidencies in the 1950's.

### **G.I. Bill of Rights**

- Serviceman's Readjustment Act of 1944
  - Gave the following to soldiers returning home from war low-income loans for:
    - Low-interest mortgages to purchase new homes
    - Provided stipends (\$) to help fund education
    - Business loans

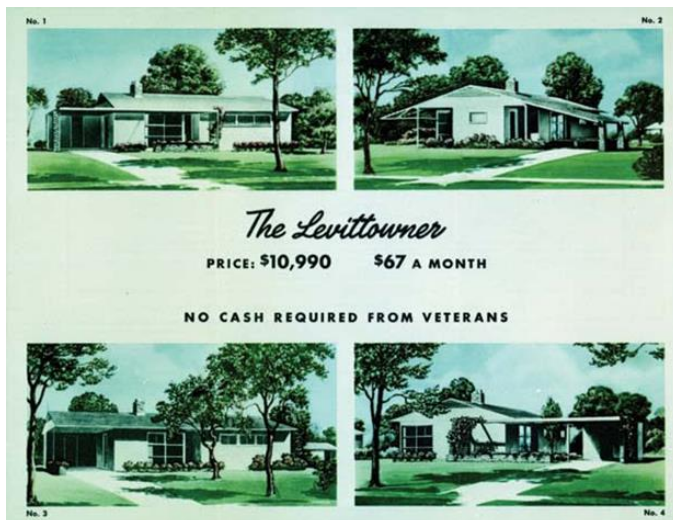
- This was the most expensive bill (law) up to that point
- Effects of the GI Bill:
  - Improved lives of veterans – came back and thrived
  - Helped jump-start the economy – veteran’s came back and used their skills to contribute
  - “Greatest Generation” – had a major impact on American society



## Suburbs

- *Suburbs*: neighborhoods on the edge of the city (urban).
- Growing families retreated from cities to suburbs...opportunities to buy new houses
  - GI Bill gave soldiers low-interest mortgages to purchase their new homes
    - Example: Levittown, NY
      - Affordable suburban housing

- For the first time, average Americans could afford to buy their own home
  - Most people fully enjoyed this typical, suburban life
- Reasons for the suburbs:
  - Safe for raising children
    - Baby boom – emphasis on family
    - Community for socializing
    - G.I. Bill allowed for home purchases
  - Higher per capita income → money to buy new houses
- William J. Levitt created housing developments in response to the new demand for suburban residences
  - Mass-production techniques in building new homes...the result was every home looked alike and was cheap to buy
  - Others copied his techniques...soon housing developments were springing up EVERYWHERE
  - Population of people living in the suburbs grew by 47% after WWII



## Cars and Highways

- Stores began to move from urban cities, to shopping centers located in the suburbs
  - Americans depended on automobiles and less on public transportation
    - During the 1950s, American auto makers produced up to 8 million new cars each year
    - Number of privately owned cars more than doubled during the 1950's
- Growth in the car industry created a need for more and better roads
  - 1956 Interstate Highway Act





## Car Culture

- Higher per capita income → money to afford things like cars
- What did it look like?
  - People bought nice cars to impress their friends!
    - Car = social status
  - Families took vacations (hitched camper to their car)
  - Sunday drives in station wagon
  - Teenagers “cruised” about town on Friday and Saturday nights
  - Outdoor drive-in movies – sit in car and watch movies with door speakers
- Drive-in restaurants – with “car hops” and door trays

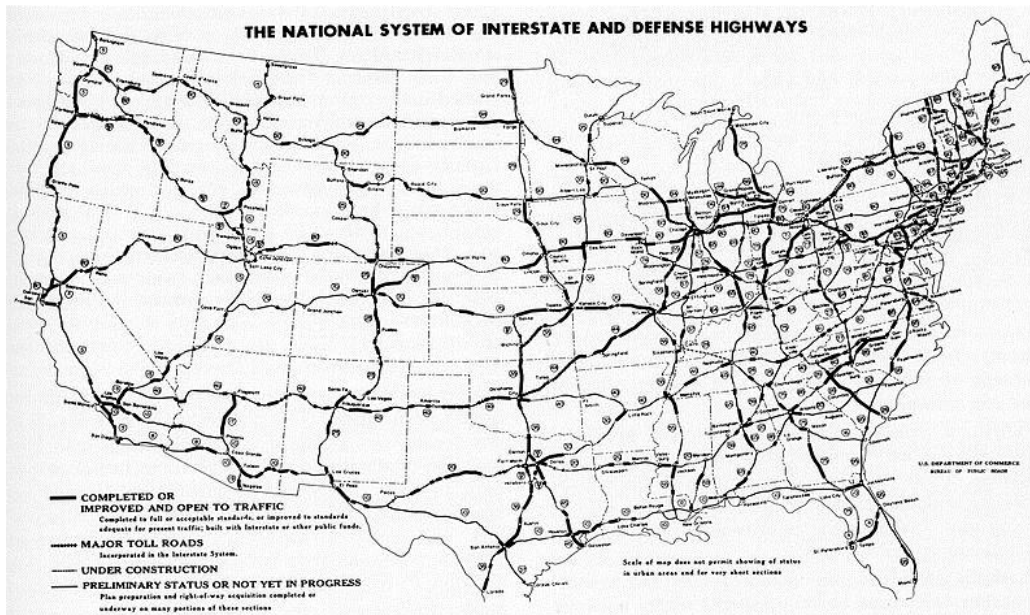
*“When we came here [to the suburbs] our first goal was to buy a new car. I mean with all the traveling that we needed to do, our old car just didn’t cut it. We soon realized that task was a little more complicated than we anticipated. A car was a real status symbol and hey, who didn’t want to impress the neighbors.”*

- Agnes Geraghty, suburban resident

## Interstate Highway Act

- National Interstate and Defense Highways Act – Signed into law by President Eisenhower on June 29, 1956
  - Initiated the construction of 41,000 miles of interstate highways across America
  - Provided \$26 billion dollars to build interstate highways.
  - Why was it built?
    - i. Growth in the car industry created a need for more and better roads
    - ii. To help the economy!
      1. Provided a national web of new roads – made it easier to transport goods
    - iii. Theoretically allowed for the evacuation of major cities in case of nuclear attack.

- iv. National defense – made it easier to transport troops, military vehicles, missiles, etc...



- What was the effect in the Interstate Highway Act?
  - Helps with transportation to and from the suburbs – People like driving to work
  - Cars become a greater part of American culture.
  - Inspired the development of many new businesses (gas stations, repair shops, auto parts stores)
  - Vacations – “See the USA!” people were urged to drive for vacations and visit national parks, seaside resorts, amusement parks, etc...
  - Teenage car culture – drive-in movies, drive-in restaurants, etc...
  - Many small towns that had once thrived along old highways (famous Route 66) were bypassed by the new high-speed interstate highway system
    - These small towns struggled to survive. (Radiator Springs!)

### Growth of Consumer Credit

- Gasoline companies begin offering gas cards – taking advantage of the growing car culture
  - Credit cards just for gas at their station!
- Credit = buy now, pay later
  - Like a credit card (pay interest on charges)
- 1950 - Diner’s Club credit card
  - First credit card – for travel and entertainment
- Amount of debt rises, BUT people buy more which improves the economy (CONSUMERISM!)
  - Total consumer credit debt rose from \$8 billion in 1946 to more than \$56 billion in 1960.
  - This leads to more advertising!