A Roaring Economy

A Return to Normalcy

After World War I, President [Blank] promised American voters that life would “return to normalcy.”

- End to war challenges, such as [Blank]
- New economic [Blank]

Warren G. Harding (1865–1923)

- Served as a [Blank] senator
- Became president soon after World War I [Blank]
- Won a landslide [Blank] in the 1920 election based on his promises
- Vowed to create [Blank] change
- Led an administration plagued by [Blank]
A Shift from the Progressive Era

Harding became president during a time when America began to move away from

• Americans became more concerned with their

• issues became less prominent.

• More Americans supported a pro-business, marketplace.
Lesson Objectives

By the end of this lesson, you should be able to:

• Explain the effects of new policies during the Harding and Coolidge presidencies.

• Describe the impact of the on the Harding presidency and on American opinion.

• Analyze the importance of in the economic growth of the 1920s.

• Explain the effects of the extension of and on the growth of the economy.
### Words to Know

*Fill in this table as you work through the lesson. You may also use the glossary to help you.*

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>credit</td>
<td>the ability to obtain something based on the ability to pay for it in the</td>
</tr>
<tr>
<td>installment payments</td>
<td>a [ ] of payments a consumer makes instead of paying the [ ] amount at once</td>
</tr>
<tr>
<td>consumerism</td>
<td>a way of life featuring the purchase of [ ] goods on a regular basis; to show off personal wealth or just to have the “fun” of buying something</td>
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</table>
Harding’s Economic Plans

President Harding promised to help America’s \[\text{grow after World War I}\] by:

- slashing \[\text{.}\]
- reducing government \[\text{in business.}\]
- \[\text{progressive reforms.}\]

The Teapot Dome Scandal

Harding’s administration experienced serious \[\text{.}\].

His secretary of the interior, \[\text{}, \text{agreed to lease a piece of land in Wyoming to businesses.}\]

- Business owners paid Fall illegal \[\text{in exchange.}\]
- Fall \[\text{his profits from the government.}\]
The Scandal and Harding’s Administration

Harding _______ in office before the scandal became public.

Albert Fall was sentenced to _______.

The public became more worried about _______ in government. Many people:

• raised calls for a full investigation and a _______ government.

• became more _______ of government administration.

Calvin Coolidge (1872–1933)

• Was vice president under _______.

• Served as _______ from 1923 to 1929 after Harding’s death

• Avoided _______ in his administration

• Continued to pursue _______ policies in office
Coolidge and the Economy

Coolidge continued Harding’s economic policies. Under his administration, the government:

- further ______ the regulation of businesses.
- ______ income taxes.

The Future of America’s Economy

LOOK AHEAD

Under Coolidge:

- American business ______.
- Americans found more ______ to buy and sell.
- the 1920s would become a new era of ______.

America entered an age of ______.

The Rise of Consumerism

- ______ is a pattern of continually desiring and buying new products.
- With fewer ______ and new ______ after World War I, Americans could pursue consumerism.
Consumers in the 1920s

Americans had more resources to spend and more reasons to shop.

Americans:

- earned more money.
- had more time.
- demanded a wide variety of goods.

They became consumerists.

Consumerism and Manufacturing

Consumers

Manufacturers

Manufacturers
Manufacturers and Consumers

Manufacturers thrived with fewer [ ] and lower taxes.

They made changes to adapt to consumerism. Manufacturers:

• Adopted [ ] manufacturing techniques
• Offered a [ ] variety of consumer goods
• Responded to changing [ ]

Advertising to Americans

Advertisements from the 1920s stressed [ ] leisure, health, and [ ].
The Auto Industry and Consumer Society

The [auto] industry changed the way other industries produced goods.

- Used [advertising] to lower prices
- [promotion] with deluxe full-color ads
- Focused on providing [customer satisfaction]

The auto industry also created [infrastructure] industries.

- Hotels and motels
- [gas stations]

Consumerism and Credit

Consumerism encouraged Americans to continue to [purchase] new things.

Americans began to use new ways to purchase these products.

[Credit] : the ability to obtain something based on the promise to pay for it in the future

[Installment] : a series of payments a consumer makes instead of paying the full amount at once
Using Credit

Consumers were able to buy on almost anywhere, including at:

- neighborhood
- dealers.
- department stores.
- .

Credit: The Good and The Bad

Credit helped and harmed Americans.

<table>
<thead>
<tr>
<th>Benefits of credit include:</th>
<th>Problems with credit include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• out payments and expenses.</td>
<td>• buying than can be afforded.</td>
</tr>
<tr>
<td>• not having to use.</td>
<td>• going into.</td>
</tr>
<tr>
<td>• buying , rather than later.</td>
<td></td>
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Lesson Question

How did new economic policies lead to the rise of consumerism and credit in the 1920s?

Answer

Review: New Policies and New Scandals

Presidents Harding and Coolidge pursued new policies.

These policies, which were intended to help American businesses after World War I, included:

- lower taxes.
- less of businesses.
- less government in the market.
Summary

A Roaring Economy

Review: Consumerism

is a pattern of continually desiring and buying new products.

Consumerism was fueled by:

- workers making money and spending it on goods.
- manufacturers responding to consumer demand by making more goods and new products.

Review: The Teapot Dome Scandal

The nation was rattled by the of the mid-1920s.

- Secretary Albert Fall took in exchange for land deals.
- The scandal created a feeling that the government could not be .
Review: Credit, Debt, and the Economy

became a popular way for Americans to buy and sell goods.

- Credit plans allowed people to buy and pay .
- allowed Americans to spread out payments.
- Many consumers went deeply into .

Use this space to write any questions or thoughts about this lesson.