

The American Economy after World War II

World War II had a major impact on the U.S. economy. Before the war, the world had suffered from a devastating economic depression. Many feared that the U.S. economy would suffer again once the war came to an end in 1945. Instead the United States emerged as the richest, most powerful nation on the globe. Its citizens were prospering due to an expanding economy stimulated by wartime production. There were many reasons for the **rapid growth of the American economy following World War II.**

Why were Americans prospering after World War II?

One reason for the rapid economic growth was the **production and demand for consumer goods.** As American soldiers returned home, they took jobs and started spending. Now that the limiting, or rationing of goods had ended, businesses began to quickly change from the production of war materials to the production of consumer goods to meet the new demands. There were some shortages of products, such as appliances and automobiles, before factories were able to switch over to peacetime production levels.

What was one reason for the rapid economic growth after the war?

What did businesses do when the rationing of goods ended?

Another reason for the rapid economic growth after World War II was the **increase in Americans purchasing goods on credit.** New products, many developed from wartime inventions, filled the marketplace and tempted the American consumer. Private debt grew as more and more Americans bought goods on credit or installment plans. By the 1950s, the credit card made its first appearance and consumer spending continued to increase.

What was another reason for the rapid economic growth after the war?

What happened as more and more Americans bought goods on credit or installment plans?

The rapid growth of the American economy was also due to the return of American servicemen from the war. As the soldiers returned home, the workforce shifted back to the men and many **women returned to their homes and family responsibilities.** However, as the economic prosperity continued, the next generation of **women re-entered the labor force in large numbers.**

What was another reason for the rapid economic growth after the war?

What happened to the workforce after the war?

What happened to the next generation of women as economic prosperity continued?

As the job market expanded and industries grew and prospered, **labor unions** began to flex their muscles. Many unions merged and became more powerful. With their support, the American worker received new benefits and higher salaries. By the 1950s, the federal minimum wage had risen to \$1.00 an hour.

What happened to labor unions after the war?

What did the American worker gain with the support of labor unions?

Our Peacetime Economy – USII 7b

Name _____ Date _____

Circle the words that best complete the selection below.

Following World War II Americans prospered due to (**an expanding, a declining**) economy that had been stimulated by America's (**desire for riches, involvement in the war**).

The American economy grew (**slowly, rapidly**) following the war. With the (**rationing, production**) of consumer goods over, businesses converted from the production of (**war, factory**) materials to the production of (**raw, consumer**) goods. Increasingly Americans purchased those goods (**with cash, on credit**).

The workforce shifted back to (**men, women, children**) and most (**men, women, children**) returned to family responsibilities. (**Labor, Credit**) Unions merged and became more powerful. Workers gained new (**responsibilities, benefits**) and higher (**work hours, salaries**). As economic prosperity continued and (**technology, agriculture**) boomed the next generation of women (**remained at home, re-entered the workforce**) in large numbers.

Terms – Our Post War Economy – USII 7b

Name _____ Date _____

Match each of the following terms to its correct description.

1. _____ benefits
2. _____ consumer goods
3. _____ credit
4. _____ labor unions
5. _____ prosper
6. _____ salary
7. _____ technology
8. _____ workforce

- A. an arrangement by which a buyer can take possession of something now and pay for it over time
- B. to be successful, flourish, or thrive
- C. people available to take on jobs in the economy
- D. compensation or payments, in addition to regular pay, made to workers or to pay for insurance or extras they earned as a result of their employment
- E. a fixed payment received at regular intervals in exchange for work or various services
- F. groups of workers joined together for the purpose of protecting the common interests of their members
- G. the amount of scientific knowledge and the kinds of tools a people have
- H. things that are made or grown by producers and used by people

U.S. and the World from World War II to the Present

-Conversion to a Peacetime Economy

Following WWII, Americans prospered due to an expanding economy stimulated by America's involvement in the war.

Using the notes from Standard 7b please complete the following exercise by correctly matching one example from below to the corresponding statement it is most closely associated with.

Historical Statement

- With rationing of consumer goods over, business converted from production of war materials to production of consumer goods.
- Americans purchased consumer goods on credit.
- The workforce shifted back to men and most women returned to family responsibilities.
- Labor unions merged and became more powerful; workers gained new benefits and higher salaries.
- As economic prosperity continued and technology boomed, the next generation of women re-entered the labor force in large numbers.

Example

A. Ford Motor Company switched back from making WWII airplanes to making cars again.

B. John Smith returned from fighting in Europe and returned to his job at the local factory. His sister lost her job and returned to the home.

C. Mike Jones received a raise and better health benefits as a result of an agreement his union reached with the owner of his factory.

D. Thanks to improved electronics from research completed during WWII Jane Doe was able to get a clerical job at a newly created electronics company.

E. Jack B. Nimble bought one of those new television sets at the local home furnishing store. He will have to make 24 payments over the next 2 years.

<p>In the U.S., the period following WWII was one of economic -</p>	
<p>USII.7b – How did WWII help bring the Depression to an end?</p>	
<p>USII.7b - What contributed to the rapid growth of America’s economy after WWII?</p>	
<p>USII.7b - What happened to labor unions after WWII?</p>	
<p>USII.7b - How did the more powerful labor unions that emerged after WWII help workers?</p>	
<p>USII.7b - What changes occurred in the American workforce after WWII?</p>	
<p>USII.7b - After WWII, women left the workforce and returned to their families. Did they stay out of the workforce?</p>	