

\$\$\$AMERICA'S POST-WAR ECONOMY\$\$\$

The Great War was at that time the most destructive conflict in history, particularly for the countries of Europe. Since so much of the war was fought there, many European farms, factories, and roads were destroyed and the continent struggled for years after to recover. As Europe rebuilt, the United States, untouched by the destruction of the war, entered into a period of abundant trade and prosperity.

A major labor shortage at home during the war resulted in the need for new and more efficient methods of production as well as many new industries. These improvements made production easier and cheaper. Workers could make more for less, resulting in higher profits for growing companies. As companies earned more money, workers' pay increased.

New inventions also allowed for greater leisure time. With more money to spend and more time to spend it, the nation saw a tremendous growth in consumerism. Americans were buying and spending at a furious rate, bringing even greater economic growth. With lower production costs the prices of goods fell, helping to fuel the buying frenzy.

Three Republican presidents in a row supported the economic boom and the businesses that fueled it. In fact the relationship between business and government is viewed by many historians as never having been closer. Laws protected American products and businesses and discouraged foreign imports.

Prices were low, money was available, spirits were high, and to many it seemed that the prosperity would never end. The decade of the "Roaring 20's" was indeed an exciting time in American economics.

Which factor did NOT cause America to experience an economic boom after the war?

- A. American factories were all intact after the war.
- B. Production of European products was reduced.
- C. A labor shortage drove workers' wage higher.
- D. U.S. goods were needed in foreign markets.

The American buying frenzy was fueled by all of these factors EXCEPT

- A. people had more leisure time.
- B. workers earned more money.
- C. goods and services cost less.
- D. laws discouraged imports.

Given the information in the passage, what do you think the term "consumerism" means? _____

Summary:

DIRECTIONS:

1. **Number** each paragraph.
2. As you read the document, **highlight** in YELLOW (or underline with pen) any important information that helps to communicate main points.
3. As you read the document, **circle** in GREEN key words, dates, historical events, names, places, words that are repeated, and words that signal relationship (“this leads to...” or “as a result of...”). *If the phrase is longer than 3-4 words, it should be highlighted in yellow not green!*
4. As you read the document, you will come across words that have been boxed for you. Highlight them in ORANGE and **define** these words **in the margins** of the worksheet.
5. **Summarize** the written portion of the worksheet in 1-2 sentences.
6. **Answer** the questions about the written portion of the document. **Fill the entire spaced provided!**