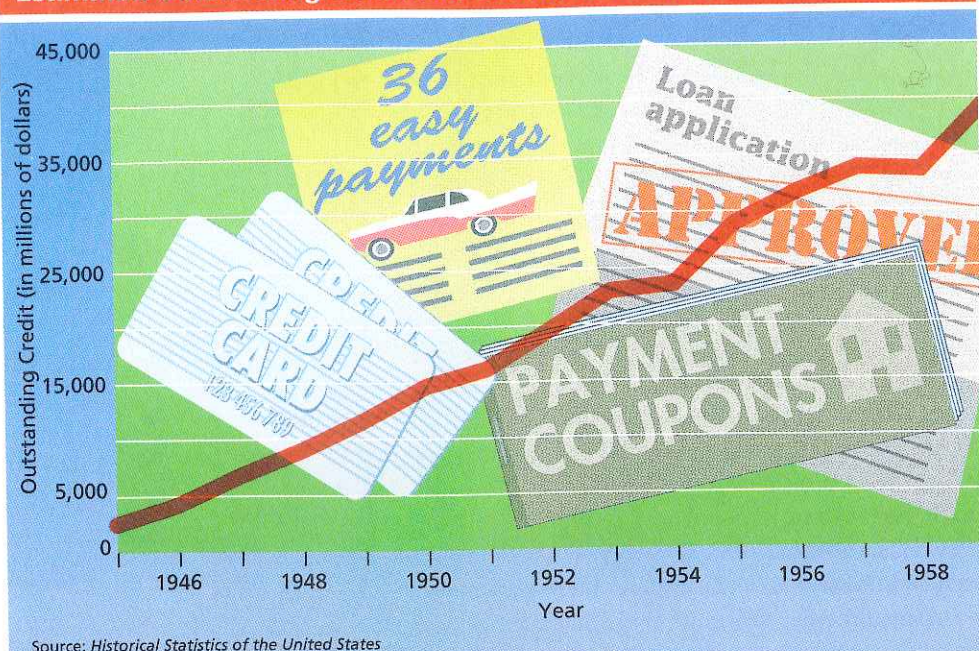


Estimated Outstanding Consumer Credit, 1945–1958



Source: Historical Statistics of the United States

**Interpreting Graphs**

The consumer credit shown in this graph includes automobile and home loans as well as credit card debts. By approximately what factor did consumer credit increase between 1945 and 1950? How many more dollars worth of consumer credit was accumulated between 1950 and 1958?

system more than 40,000 miles long. The project provided a national web of new roads and allowed the evacuation of major cities in the event of nuclear attack. As President Eisenhower noted,

*The total pavement of the system would make a parking lot big enough to hold two thirds of all the automobiles in the United States. The amount of concrete poured to form these roadways would build . . . six sidewalks to the moon.*

Advertisers persuaded consumers that only by buying new products could they attain status and success. Americans responded by using their credit to purchase washing machines, vacuum cleaners, and television sets. The United States had become, in the words of economist John Kenneth Galbraith, “the affluent society.”

A decade before, the nation had faced the problems of scarcity and want. Now it would have to deal with the consequences of abundance.

**Consumer Credit Finances Growth**

The postwar American economy required enormous consumption of goods to remain healthy. The increase in real purchasing power helped pay for some consumer goods but not all. After years of depression and war, Americans willingly went into debt to make up the difference, as the graph at left shows. Lending agencies created new ways to make borrowing easy, such as the credit card. The Diner’s Club credit card appeared in 1950, followed at the end of the decade by the American Express card, and then by the BankAmericard (later called Visa).

**SECTION 1 REVIEW**

**Key Terms, People, and Places**

1. Define (a) per capita income, (b) real purchasing power, (c) baby boom, (d) GI Bill.
2. Identify William J. Levitt.

**Concepts**

How did the diversified conglomerate, the franchise and agribusiness each change the American economy after World War II?

4. What technological advances had an important impact on Americans in the decade after World War II?
5. What factors contributed to suburban development from 1945 to 1960?

**Critical Thinking**

**6. Recognizing Cause and Effect** In what ways did the Depression and World War II contribute to the postwar economic boom of the 1950s?

GEOGRAPHY

GRAPHS & CHARTS

**HISTORIAN'S TOOLBOX**

CRITICAL THINKING

HISTORICAL EVIDENCE

**Making Comparisons**

**M**aking comparisons means examining two or more ideas, objects, events, or people to discover ways that they are alike and ways they are different. When studying history, being able to make comparisons allows you to evaluate more fully historical periods and specific events or viewpoints.

One way to evaluate an event, idea, or historical period is to compare statistics about a subject. Beginning in the 1950s, the popularity of television soared and had a great impact on the daily lives of Americans. Below are two tables noting the number of television sets per household, the percentage of households with television sets, and the amount of money spent on television advertising between 1950 and 1990. Use the following steps to compare the data and draw conclusions about the impact of television in the United States.

**1. Identify the basis on which you will make the comparison.** It is not possible to compare two or more items that are fundamentally different. Making a comparison is possible only when items share a common concept or characteristic. Look over the tables, then answer the following questions. (a) What subject do the data have in common? (b) What period of time is covered by the data? (c) What purpose would a comparison of these data serve?

**2. Determine the ways in which the data on the two charts are alike.** Making comparisons includes finding similarities between two or more items. What relationship can you see between the rapid increase in the number of television sets in the United States and the spiraling amount of money spent on television advertising?

**3. Determine the ways in which the data are different.** Making comparisons also includes finding any differences that may exist between items. In what fundamental way do the data differ?

**4. Summarize and evaluate your comparison of the data.** Complete the comparison based on similarities and differences. (a) In your opinion, did the increase in the number of households with television sets drive up the amount of money spent on advertising or visa versa? (b) Why did the percent of households with television sets stay about the same between 1970 and 1990, while the number of households with television sets continued to increase? (c) In your opinion, will the amount of money spent on television advertising continue to increase? How much do you think will be spent in the year 2000?

Year	Households with Television	Percent of U.S. Households with Television
1950	3,800	9%
1960	45,200	86%
1970	60,100	96%
1980	77,800	98%
1990	92,000	98%

Source: The Universal Almanac, 1993

Year	Estimated Expenditures (in millions of dollars)
1950	171
1960	1,627
1970	3,596
1980	11,469
1990	28,405

Sources: Statistical Abstract of the United States, 1992; Historical Statistics of the United States.