

**Affluence:** A time of increasing wealth and prosperity

*Despite the standard of living rising considerably, cars and TVs becoming ‘must-have’ items and 25% of Americans living in suburbia by 1960, there was* ***Poverty amidst plenty****.*

By 1959, 29% of the US population (50 million people) lived below the poverty line.

Most commonly the poorer people were black American in northern Ghettos, Hispanic workers in the West and ‘hillbillies’ in the Appalachia mountains.

Poor Americans found it hard to cope with the rising cost of health care (there was no NHS).

**Levittowns**: refers to the 7 large suburban developments of a planned community initially created on Long Island in the United States. **Levittown** was a post-war housing project consisting of mass-produced homes.

**Growth of Suburbia**

* Affordable housing
* Living the American Dream
* Increasing Car Ownership
* Baby Boom
* Increasing affluence.

**By 1960**

**Americans three times better off than Britons.**

Shopping was a hobby, luxury goods became necessities, wealth became a symbol of flourishing economy and free society.

**Americans living the ‘American Dream’ in Suburbia – Levittowns sprung up outside cities.**

**Consumerism & Suburbanisation**

* Americans spent saved money on TVs and Cars.
* **Hire purchase** (paying over a fixed amount of time) increased.
* Population grew, so did demand for goods.
* Ongoing Cold War created need for weapons, electronics and fuel production.

**After WW2**

* War bonds cashed in by Americans.
* Eager to stop rationing and start consuming.
* Car sales boomed.
* Surge in house building from low interest loans for ex-soldiers.

By the 1940s the USA produced: 57% of steel, 62% of oil and 80% of cars for the world.

Roosevelt died in 1945 – Truman continued economic development and social welfare. Truman called it a **Fair Deal**.

**The USA benefitted from WW2**

*Increased role of the federal government.*

WPB set up in 1942, by 1945 production had doubled.

*Internal migration*

1941-45 over 27million Americans had migrated for work

*End to unemployment*

Conscription. Unemployment fell from 9.5million in 1939 to only 670,000 by 1944.

*Wartime production*

Fossil fuel industries and steel works expanded. Arms production increased, by 1944 the USA was producing ½ of the world’s weapons.

Economic impact of the second world war and post-war developments