The Economy of the Roaring Twenties

1.1 Introduction

Notes:

Welcome to “The Economy of the ‘Roaring Twenties,’” an online U.S. History tutorial for students in 11th grade. When you are ready to begin, click Next.
1.2 Objective

By the end of this tutorial, you’ll understand:

- Policies of 1920s presidents
- How they set stage for economic boom
- How prosperity affected wealthy, middle class Americans
- How some were left out
- Consumerism, advertising
- Boom (and bust) of stock market

Notes:

You’ve probably heard the decade of the 1920s described as the “Roaring Twenties.” What was so “roaring” about it?

A big part of the excitement and change of that era was because of the booming economy Americans experienced.

By the end of this tutorial, you’ll understand how the presidents of the 1920s pursued policies that set the stage for an unprecedented economic boom.

You’ll learn how the prosperity affected wealthy and middle class Americans differently, and also about how some Americans were left out of the prosperity.

You’ll understand how consumerism and advertising changed the spending habits of Americans.

And you’ll learn about the tremendous boom-and bust-of the stock market in the late 1920s.
1.3 The 1920s in Context

Notes:

Let’s put the 1920s in their historical context. The decade before, the “nineteen-teens,” was part of what’s often called the Progressive Era. Presidents like Woodrow Wilson had tried to use government to improve the lives of different groups of Americans. The U.S. also fought and helped win World War I.

After the Twenties would come the Great Depression, the worst economic crisis Americans have ever faced, as well as President Franklin Roosevelt’s New Deal policies designed to lift America out of the Depression.

This tutorial covers the “good times” in between.

The Roaring Twenties are sometimes called the Jazz Age, after the new music that was popular, exciting, and controversial.

The decade is known for its lively culture that put celebrities and entertainment in the spotlight.

It’s also known for new technologies, like radio, which connected Americans and made them feel part of a common national culture.

And finally, the 1920s are known for being a period of sustained economic prosperity. More Americans achieved a comfortable middle class lifestyle than ever before, and the wealthiest Americans became even more fabulously
wealthy.
Have you ever read or heard of *The Great Gatsby*? Published in 1925, it's the best known work of literature to depict the Roaring Twenties.
The novel's mysterious central figure is a man named Gatsby, a millionaire with many secrets.
You can hover over the book cover if you'd like to know more about the story.

### 1.4 Presidents of the 1920s

Calvin Coolidge was President of the United States from 1923 to 1929, for most of the decade you're learning about. A famous quote is often attributed to him: “The business of America is business.”

Actually, that's not *exactly* what Coolidge said. The correct quote, which President Coolidge stated in 1925, was this: “The chief business of the American people is business. They are profoundly concerned with producing, buying, selling, investing and prospering in the world.”

Coolidge's words fit the times. In the mid 1920s, the United States was in the midst of one of the longest and most sustained economic booms in history.

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And guiding this prosperity were leaders like Calvin Coolidge, a conservative Republican.

Coolidge had a “hands-off” approach as president and believed government should interfere with the economy as little as possible.

This economic belief is sometimes known by the term *laissez-faire*: French for “let go.”

It was a rather different philosophy than that taken by the last several presidents, *progressives* like Theodore Roosevelt and Woodrow Wilson, who believed government should play a more active role in regulating, or managing, the economy.

Warren G. Harding and Herbert Hoover bookended Coolidge’s years as president. All 3 men were conservatives with similar ideas about economics. You can hover over the pictures of any of the presidents to learn more about each man.

**1.5 Review**

*(Pick Many, 10 points, 2 attempts permitted)*
Correct Choice

<table>
<thead>
<tr>
<th>Correct</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Warren G. Harding, Calvin Coolidge, and Herbert Hoover all served as president during the 1920s.</td>
</tr>
<tr>
<td></td>
<td>Calvin Coolidge believed in using government power to shape the economy.</td>
</tr>
<tr>
<td>X</td>
<td>The 1920s are sometimes called The Roaring Twenties or The Jazz Age.</td>
</tr>
<tr>
<td>X</td>
<td>The 1920s are known as a period of sustained economic prosperity.</td>
</tr>
</tbody>
</table>

Feedback when correct:

Correct! The 1920s are often nicknamed The Roaring Twenties or The Jazz Age, and the decade did see a period of sustained economic prosperity for Americans. Calvin Coolidge, along with Harding and Hoover, served as president in the ‘20s, but he didn’t believe in using government to guide the economy. Instead, he favored a hands-off, laissez-faire approach.

Feedback when incorrect:

The right answers are shown here. The 1920s are often nicknamed The Roaring Twenties or The Jazz Age, and the decade did see a period of sustained economic prosperity for Americans. Calvin Coolidge, along with Harding and Hoover, served as president in the ‘20s, but he didn’t believe in using government to guide the economy. Instead, he favored a hands-off, laissez-faire approach.

Notes:

Let’s review what you’ve learned so far. Some of these answer choices are correct, and others aren’t. Pick ALL the correct answers by clicking on them, and click Submit when you’ve found them all.
1.6 Boom Times for the Wealthy

In the 1920s, the “boom” in prosperity was huge, widespread, and unprecedented in American history.

First and foremost, it was a great time to be rich! Treasury Secretary Andrew Mellon lowered income taxes steadily throughout the decade, especially the top tax rate on the highest earners.

In 1921, the wealthiest Americans paid as much as 73% of their earnings in taxes, but by 1922, this rate was lowered to 58%. By 1924, it was 46%. By 1925, it was just 25%!

Mellon’s boss, President Coolidge, said “the wise and correct course to follow in taxation...is not to destroy those who have already secured success but to create conditions under which everyone will have a better chance to be successful.”

In other words, Coolidge and Mellon believed that by allowing the wealthy to keep more of their earnings, they would reinvest it in the economy, thereby providing opportunities for middle class and working class Americans. Later on, this belief would become known as “supply side” or “trickle-down” economics.

At least for a while in the 1920s, it seemed to work! Many more Americans
entered the upper class than ever before. Between 1922 and 1928, the number of Americans reporting earnings of over $100,000, a huge amount of money at that time, almost quadrupled, or multiplied by four.

### 1.7 Good Times for the Middle Class

**Notes:**

But the 1920s were also a very good time to be middle class! Ordinary workers saw their “real wages,” their purchasing power adjusted for inflation, increase by about 20% during the decade.

The techniques of mass production pioneered by Henry Ford in the auto industry were adopted by other industries. This meant that consumer products, from toasters to vacuums to washing machines, could be made less expensively and sold more affordably.

And middle class families increasingly found themselves able to save, invest money, purchase insurance policies, and take vacations.

Many workers saw their employers offer bonuses, pensions, and other fringe benefits for the first time.

By the end of the decade, ordinary urban families across America could reasonably expect to own a car, a washing machine, a radio, a refrigerator,
and many other modern conveniences.
A generation ago, these goods would have been affordable only to the very wealthy, or they wouldn't have existed at all!
Now, they were more than just affordable: they began to seem like necessities-tickets to the “good life” of the modern era.

1.8 True or False?

(Pick One, 10 points, 1 attempt permitted)

<table>
<thead>
<tr>
<th>Correct</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Button 1</td>
</tr>
<tr>
<td>X</td>
<td>Button 2</td>
</tr>
</tbody>
</table>

Feedback when correct:

Right! Some people view the Roaring Twenties as a period when only the rich got richer, but this wasn’t the case. Middle class Americans also saw real gains in their standard of living that lasted throughout the decade.
Feedback when incorrect:
You should have picked Thumbs Down. Some people view the Roaring Twenties as a period when only the rich got richer, but this wasn’t the case. Middle class Americans also saw real gains in their standard of living that lasted throughout the decade.

Notes:
Let’s practice. “Only the wealthy benefited from the prosperity of the 1920s.” Click Thumbs Up if this statement is true, and Thumbs Down if it’s false.

1.9 Not-So-Good Times for Others

Notes:
The prosperity of the 1920s didn’t reach all people. Rural Americans were mostly left out.

It wasn't until 1920 that the population of urban Americans, those who lived in cities, surpassed the number of rural Americans, those who lived on farms or in the country.

Many American farms lacked electrical power well into the 1930s.
So the new inventions and consumer products, most of which required electricity, largely bypassed rural America.

Agriculture was the weakest part of the economy. The years of World War I had been very profitable for farmers, who had been encouraged to produce enough crops to feed and clothe a hungry, war-torn world. Many farmers had invested in land, tractors, and other new technologies to take advantage of the boom.

But after the war, prices dropped sharply. Not only could farmers not sell what they had grown, but they found themselves unable to pay the debts they had incurred for their investments.

Farmers would face foreclosures and bankruptcies at an alarming rate throughout the decade.

The Great Depression wouldn't begin nationally until 1929, but it's safe to say that for the American farmer, the depression really began in 1920-and lasted for an entire generation.

As a result, a divide between city and country developed during the 1920s that hadn't really existed before. Urban Americans enjoyed the prosperity and consumerism of the Roaring Twenties, while others, who were bypassed, felt left out in the cold.

1.10 Practice

Matching Drop-down, 10 points, 2 attempts permitted
### Correct Choice

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealthy Americans</td>
<td>Top income tax rate was cut from 73% to 25%</td>
</tr>
<tr>
<td>Middle Class Americans</td>
<td>Real wages increased about 20%</td>
</tr>
<tr>
<td>Rural Americans</td>
<td>Mostly left out of prosperity</td>
</tr>
</tbody>
</table>

**Feedback when correct:**

Nice job! The 1920s “roared” the loudest for the wealthiest Americans, who benefited from a dramatic drop in the top income tax rate. Middle class Americans did very well too, seeing their real wages rise by about 20%. Only rural Americans were generally left out of the prosperity.

**Feedback when incorrect:**

The right matches are shown here. The 1920s “roared” the loudest for the wealthiest Americans, who benefited from a dramatic drop in the top income tax rate. Middle class Americans did very well too, seeing their real wages rise by about 20%. Only rural Americans were generally left out of the prosperity.

**Notes:**
For this practice, select each answer choice on the right so that it matches the class on the left it best describes. Does each describe wealthy Americans, middle class Americans, or rural Americans?

### 1.11 Consumerism and Advertising

**Notes:**

Middle and even working class Americans now had more disposable income, or extra money to spend, than they ever had before.

One result was the growth of **consumerism**: being able to acquire more and more desirable things.

Consumer goods tend to be things that people *want* but don’t need. They make life easier, more fun, and more relaxing, even if they’re not essential.

Earlier generations of Americans had tended to place great value on being thrifty and saving money. The new culture of the Roaring Twenties made spending a virtue.

Not everyone embraced consumerism in the Twenties, but increasingly, many Americans were starting to define themselves by what they owned—and what they could afford.

Advertising helped build this consumer culture. Ads weren’t exactly new, but...
the industry that produced them really came into its own in the 1920s.

Advertisers figured out ways to use propaganda to make consumers feel like they needed the newest and latest products. Good ads worked like invitations to a better, more satisfying lifestyle.

Ads were used to sell everything from cookies to Coca-Cola. They used all kinds of techniques.

Some ads used “expert opinions” to pitch their products. Other ads created characters to sell their products, like Betty Crocker, the fictional housewife, or the Jolly Green Giant, designed to appeal to children.

Some ads exploited people's insecurities, promising solutions to “problems” they hadn't even known they had. This ad shows a young woman, sitting sad and alone while a happy couple dances in the background. What's her problem? Halitosis, which, according to the ad, “makes you unpopular.”

What's halitosis? It's a fancy Latin name for bad breath, a term which was introduced in the 1920s by the Lambert Pharmaceutical company, the makers of...Listerine, a mouthwash!

The ad goes on to say that bad breath can cost a person their friends: “they may be nice to you—but it is an effort.”

Before the 1920s, no one had even heard of “halitosis.” Probably, everyone then had bad breath, and didn’t think twice about it!

But now, the advertisers for a mouthwash company created a new problem—halitosis—and conveniently marketed the solution: Listerine! Sales of the product skyrocketed.

Using techniques like this, the ad industry would go on to become a major driver of the American economy in the 20th century and beyond.
1.12 Practice

As you learned, advertisers in the 1920s used all kinds of different strategies to make their products attractive.

What strategy does this ad use for making Red Rock Cola appealing to customers? Pick the one best answer.

- The ad claims that Red Rock Cola is less expensive than other cola drinks.
- The ad uses a celebrity to endorse Red Rock Cola.
- The ad exploits consumers’ insecurity about not drinking the best cola.
1.13 The Auto Boom

Notes:

Automobile sales made up the biggest part of the Twenties boom. Other industries, like steel, glass, rubber, and oil thrived when auto sales were strong.

With cars becoming more of a necessity than a luxury, the freedom of mobility was now available to most Americans for the first time in history.

In 1929 alone, more than 5.3 million new cars rolled off American assembly lines. This represented more than 80% of worldwide auto production.

Ford had long been the dominant car company, accounting for more than 50% of auto sales when the decade began in 1920.

Ford's simple and successful strategy was to make the best value car for the lowest cost, keeping its product line very simple and lowering prices for consumers almost every year.

In fact, until 1927, Ford produced exactly one kind of car, the Model T, which was available in exactly one color: black!

Ford's main competitor was GM: General Motors.

GM actually applied techniques of the ladies' fashion industry to sell cars: it had 5 different brands for different types of consumers.
To entry-level car buyers looking for a simple and inexpensive ride, GM sold Chevrolets and Pontiacs. To middle class consumers with more money to spend who wanted a fancier car, GM sold Oldsmobiles or Buicks. And to the customer who wanted the finest in luxury, GM offered its flagship brand: the Cadillac.

Each brand was produced in numerous versions and colors—just like cars today. And each year, starting in 1923, the whole line of cars was updated with newer and fancier styles.

Because its cars could be more expensive than Fords, GM allowed customers to buy cars on the *installment plan*, with only a down payment required at the time of purchase. Most of its cars would be sold this way.

By the end of the 1920s, GM, with its highly successful marketing strategies, had pushed Ford to second place. General Motors would become the largest manufacturing company in the world.

**1.14 Practice**

*(Drag and Drop, 10 points, 2 attempts permitted)*
Feedback when correct:
Well done! Ford started the decade as the dominant American automaker but was surpassed by GM, in large part because of their marketing strategies and the wider variety of their product line.

Feedback when incorrect:
The right matches are shown here. Ford started the decade as the dominant American automaker but was surpassed by GM, in large part because of their marketing strategies and the wider variety of their product line.

Notes:
Drag and drop the answer choices to the right companies. Does each answer describe Ford or General Motors?
Notes:

The 1920s were characterized by the longest housing boom ever recorded. More Americans were able to buy their own homes than ever before.

One of the hottest spots for real estate was Florida.

In the early Twenties, South Florida was prosperous, and Miami was developing a reputation as a tropical paradise, especially for middle and upper class tourists.

Advertising sold people on a lifestyle of leisure and sunshine if they moved to Florida, which many did.

Because there were more new arrivals than homes, the price of land went up sharply.

Real estate *speculators* took advantage, using the strong economy and cheap credit to buy land they never intended to live on.

Instead, these speculators planned to resell the land for a large profit as prices rose.

As much as 2/3 of all Florida real estate during the boom was bought and sold by mail to speculators who never even visited the state.
Instead, they hired other people to stand around in vacant lots, waiting for investors with cash to come by and make a down payment, which they did. Land was sold at auction, and a property could sometimes be sold and resold as many as 10 times a day as prices rose by the hour! Developers planned and started to build brand new cities for the new Floridians.

But by 1925, prices had reached such an expensive peak that new customers stopped arriving, and current customers wanted to sell. Prices fell sharply. The real estate bust, combined with a destructive hurricane that hit South Florida in 1926, wrecked Florida's economy. Many of the new developments weren't completed, or were never built at all.

The boom-and-bust cycle in Florida didn't affect most Americans outside the state, but it foreshadowed trends that would occur on a national scale in the late 1920s.

1.16 The Stock Market

The stock market played a large role in the booming economy, especially in the later years of the 1920s.

Notes:

The stock market played a large role in the booming economy, especially in the later years of the 1920s.
In 1927, 1928 and 1929, it came to seem to ordinary Americans that almost anybody could “get rich quick” by investing in stocks.

“Stock” represents a share, or part ownership, in a company.

Companies looking to expand or make more money can decide to sell shares of their business to investors by “going public.”

Those who buy the shares then become co-owners of the company: the more shares you own, the bigger your stake in the company.

The price of stock can fluctuate depending on the worth, or the perceived value, of the company.

If General Motors is doing well and making lots of sales, its value increases, and so does the price of its shares. All shareholders of GM stock then see its value rise, and they become richer—at least on paper. They would have to actually sell the shares on the stock market to collect that increased dollar value.

Stockholders may also receive a share of the company’s profits in the form of a dividend check.

Shares can drop in value too, of course. It’s possible to buy stock at one price and wind up with shares that are worth far less.

Because of this, investing in the stock market can be risky—like a roller coaster.

1.17 True or False?

(Pick One, 10 points, 1 attempt permitted)
Feedback when correct:

Yes! This is exactly how the stock market works: when a business does well and its value increases, so should the price of the stock owned by its shareholders. Since stockholders are technically co-owners of the company, their share in the company grows as it grows.

Feedback when incorrect:

You should have picked Thumbs Up. This is exactly how the stock market works: when a business does well and its value increases, so should the price of the stock owned by its shareholders. Since stockholders are technically co-owners of the company, their share in the company grows as it grows.

Notes:

“When a business increases in value, its shareholders see their stock rise in
Thumbs Up or Thumbs Down?

1.18 The Bull Market

During the 1920s, that roller coaster seemed to go up, up, up in one direction only. Investors call this a “bull market”: a sustained period of rising stock prices.

From 1925 to 1929, the value of the New York Stock Exchange more than tripled, from $27 billion to $87 billion.

A good example of an individual stock is RCA: Radio Corporation of America. RCA was a hot stock in the 1920s based around the new technology of radio broadcasting.

In 1921, a share of RCA stock could be bought for about $1.50. By 1924, the stock was worth $67. By 1928, it was worth $420. And in 1929, the stock “split,” giving the owner of each share 5 new shares, each of which peaked at $114, or $570 per original share! If someone had invested $2,650 in 1921, they could be a millionaire by the end of the decade from that stock purchase alone.
The period between March 1928 and September 1929 is known as the Great Bull Market.

Some stocks rose in value by as much as 700% during that time!

Speculators drove prices up. They bought stocks not as long-term investments, but only to turn around and resell them for a profit.

A sense of unreality-of fantasy-set in among investors. It honestly seemed like the bull market “bubble” would keep expanding and expanding without ever popping.

1.19 Buying on Margin

Notes:

The stock market had traditionally been a “rich man’s game,” but in the late twenties, many middle and even working class Americans became more and more convinced that they could become millionaires by playing the stock market.

So housekeepers, factory workers, clerks and mechanics found themselves investing their entire life savings or borrowing large sums of money to invest-after all, why not when stocks were only rising? To many, it seemed foolish
not to take advantage of the opportunity.

28% of American families owned at least some stock by 1929.

Risky new practices made it easier for people without lots of cash to still play the market. One was buying on margin.

Let’s say a person wanted to buy $1000 worth of stock but only had $100 on hand. He could buy “on margin,” putting down the 10% and borrowing the other 90% from the stockbroker who made the deal. Stockbrokers buy and sell stocks on behalf of their clients.

Buying on margin worked when stock prices continued to skyrocket. If the stock you owned rose in value, you could sell it, repay the 90% of what you had financed, and still collect a healthy profit.

But what if stock prices dropped? You might find yourself heavily in debt for something that was worth less than it was when you purchased it.

Many Americans didn’t want to believe that could happen. The economy had been so strong for so long that it seemed America had entered a new realm of permanent growth and prosperity.

1.20 Practice

(Matching Drop-down, 10 points, 2 attempts permitted)
Correct | Choice
--- | ---
1. Bull market | A sustained period of rising stock prices
2. Buying on margin | Buying stock by paying for only some of it upfront and borrowing the rest
3. Stockholder | Anyone who owns stock in a company and shares in its profits
4. Stockbroker | One who buys and sells stock on behalf of clients
5. Speculator | Those who buy stock only to quickly resell it for a profit

**Feedback when correct:**

Excellent! Partly because of the risky practice of buying on margin, the bull market continued through the late 1920s, but it couldn’t last forever.

**Feedback when incorrect:**
The right matches are shown here. Partly because of the risky practice of buying on margin, the bull market continued through the late 1920s, but it couldn’t last forever.

Notes:
You’ve learned several new terms while learning about the stock market. Complete this exercise by selecting the answer choices on the right to match the terms on the left they best describe.

1.21 The Crash and the Depression

Notes:
It’s tough to learn about the economy of the 1920s without thinking ahead to what happened at the decade’s end.

People living in “real time” in their historical era don’t have the benefit of hindsight—they don’t know what’s “coming up” for them, like we do, looking back.

When Herbert Hoover ran for president in 1928, a Republican party ad promised that the prosperity would continue: “a chicken in every pot, and a car in every backyard, to boot.”
When he was inaugurated in 1929, President Hoover told Americans: “I have no fears for the future of our country...it is bright with hope.”

In October of that year, the stock market crashed with disastrous consequences for the economy. It was the beginning of the Great Depression. A panic resulted. No one wanted to buy stocks, and everyone wanted to sell theirs—for whatever price they could get their hands on.

Remember that single share of RCA stock that was worth the equivalent of more than $500 before the crash? Weeks after the stock bubble popped, that investment was worth a mere $28.

What if you had purchased that stock in 1928 or 1929 for hundreds of dollars, assuming it would go even higher? What if you had done so “on margin,” with borrowed money?

It’s not as simple as saying the stock market crash caused the Great Depression that followed. The causes of the Depression are complicated, and another tutorial covers the topic in more detail.

But overspeculation and unwise investments helped destabilize the economy. Looking back, many of the warning signs seem clear. The 1920s economy was prosperous for many, but it had weaknesses that weren’t apparent to everyone at the time.

Income was distributed unevenly, and there was still much poverty in America underneath the prosperity.

The middle class had done well, but in the late Twenties, many had seen their purchasing power decline as prices rose. And many Americans had overextended themselves by making expensive purchases, like cars, using installment plans. This left them paying off old purchases instead of making the new purchases needed to drive a consumer economy.

“The fundamental business of the country...is on a sound and prosperous basis,” declared President Hoover the day after the stock market crash. The years that followed, unfortunately, would prove him wrong.
1.22 Video

Notes:

If you want, feel free to view this short video before finishing the tutorial. In it, you’ll learn a little more about mass production and advertising in the 1920s.

You can also skip the video by clicking Next.
1.23 Lesson Review

Notes:

Let's quickly recap all you've covered.

In this tutorial, you learned how the presidents of the 1920s, like Calvin Coolidge, pursued policies that set the stage for an unprecedented economic boom.

You learned how the prosperity affected wealthy and middle class Americans differently, and also about how rural Americans were left out.

You learned how consumerism and advertising changed the spending habits of Americans, with an emphasis on the automobile industry and the Florida land boom.

And you learned about the tremendous boom-and bust-of the stock market in the late 1920s, which helped bring about the Great Depression.

It's been a pleasure learning with you today! Click Next to finish the tutorial.
1.24 Congratulations

Notes:

Congratulations for completing this tutorial! You can view credits for the content used in this tutorial by clicking the Acknowledgments button, and you can print a certificate of completion by clicking the Download button.
2. Review Game

2.1 Final Review

Notes:

Let's review all that you've learned. Click on each category in blue, starting with the 100 point box, to see a review question. For each question you get right, you'll earn that number of points. If you earn all 1000 points, you'll be a true history buff! Good luck.

2.2 300 Point Question

(Pick Many, 10 points, 2 attempts permitted)
<table>
<thead>
<tr>
<th>Correct</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Calvin Coolidge was president during most of the 1920s.</td>
</tr>
<tr>
<td></td>
<td>Herbert Hoover said “The chief business of the American people is business.”</td>
</tr>
<tr>
<td>X</td>
<td>Florida saw a land boom—and a land bust—in the mid 1920s.</td>
</tr>
<tr>
<td>X</td>
<td>Strong auto sales were a major part of the 1920s boom.</td>
</tr>
<tr>
<td></td>
<td>1920s presidents believed in using government power to strengthen the economy.</td>
</tr>
<tr>
<td></td>
<td>Agriculture was the strongest part of the 1920s economy.</td>
</tr>
</tbody>
</table>

**Feedback when correct:**

Very good—300 points! Click CONTINUE to pick your next question.

**Feedback when incorrect:**

Here are the right answers. Coolidge was president during most of the 1920s, and it was he, not Hoover, who said the “business of the American people is business.” Coolidge and other ‘20s presidents didn’t believe in government interference with the economy: they had a hands-off, laissez-faire approach. Strong auto sales were a major part of the boom, but agriculture
wasn’t—farming was the weakest part of the economy. Florida’s land boom and bust in the middle of the decade foreshadowed some of the hard times ahead for all Americans when the prosperity bubble popped. Click CONTINUE to pick your next question.

Notes:

Pick ALL the correct answers from the ones shown here, for 300 points.

2.3 100 Point Question

(Pick One, 10 points, 1 attempt permitted)

<table>
<thead>
<tr>
<th>Correct</th>
<th>Choice</th>
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<tbody>
<tr>
<td></td>
<td>Button 1</td>
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<tr>
<td>✗</td>
<td>Button 2</td>
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</tbody>
</table>

Feedback when correct:
100 points—correct! If anything, the stock market crash triggered the Depression, not the other way around. Even that’s a simplification of something historians and economists still debate today. Click CONTINUE to pick your next question.

**Feedback when incorrect:**

You should have picked Thumbs Down. If anything, the stock market crash triggered the Depression, not the other way around. Even that’s a simplification of something historians and economists still debate today. Click CONTINUE to pick your next question.

**Notes:**

“The Great Depression caused the stock market to crash in 1929.”

For 100 points, pick Thumbs Up or Thumbs Down.

### 2.4 200 Point Question

*(Matching Drop-down, 10 points, 2 attempts permitted)*

![Image of 200 Point Question](image-url)
<table>
<thead>
<tr>
<th>Correct</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>The desire to purchase and acquire new products</td>
<td></td>
</tr>
<tr>
<td>Propaganda used to make consumers feel the need to buy products</td>
<td></td>
</tr>
<tr>
<td>Technique, often utilizing an assembly line, for producing goods quickly and inexpensively</td>
<td></td>
</tr>
<tr>
<td>People who buy something with the intention of reselling it for a profit</td>
<td></td>
</tr>
<tr>
<td>A long-term increase in many people’s wealth and standard of living</td>
<td></td>
</tr>
</tbody>
</table>

**Feedback when correct:**

Right—200 points! Click CONTINUE to pick your next question.

**Feedback when incorrect:**

The right matches are shown here. Please review this important information before moving on, and then click CONTINUE to pick your next question.

**Notes:**

For 200 points, match the answer choices on the right to the terms on the left.
2.5 400 PTG

Notes:

For 400 points, you'll type your answer in the box below.

Compare the prosperity of the 1920s as it affected 3 groups: wealthy Americans, middle class Americans, and rural Americans.

Include specific details in your answer as you discuss each group.

Good luck!
Congratulations! You have completed the tutorial, "The Economy of the ‘Roaring Twenties’". U.S. History: Economic Boom of 1920s, Advertising, Causes of Great Depression.