

March



US Economy 1919 - 29:  
Chapter 5: Hire Purchase,  
Advertising and Cinema.



Learning Gain - be able to explain how HP, Adverts and Cinema helped feed the economic boom during the 1920s.

**Learning Steps:**



- Investigate the new industries of advertising, cinema and credit.
- Evaluate how they might have contributed to the cycle of prosperity.
- Think about how they might link together.



How do ordinary people buy new cars?



## Hire Purchase

Hire Purchase was a form of credit arrangement that allowed consumers to buy the new luxury items produced in the 1920s without first having to save up for the whole cost.

Henry Ford wanted his workers to be able to afford to buy the cars they made. So he set up HP at Ford which allowed them and the public to buy a car and pay in instalments.



This arrangement was then copied by other manufacturers, such as Hoovers, Fridges, Radios etc.

Even shares on the stockmarket could be bought this way - "buying on the margin". This will cause trouble later this decade!

## Advertising:

Consumers with extra money or with the opportunity to use Hire Purchase were tempted and encouraged to buy new luxuries by advertising.

Advertising was relatively new in the 1920s but benefited from the economic boom and helped to contribute to it.

New media such as radio, cinema and magazines promoted the glamorous must have products. And people spent their money feeding the economic boom.



## Cinema:

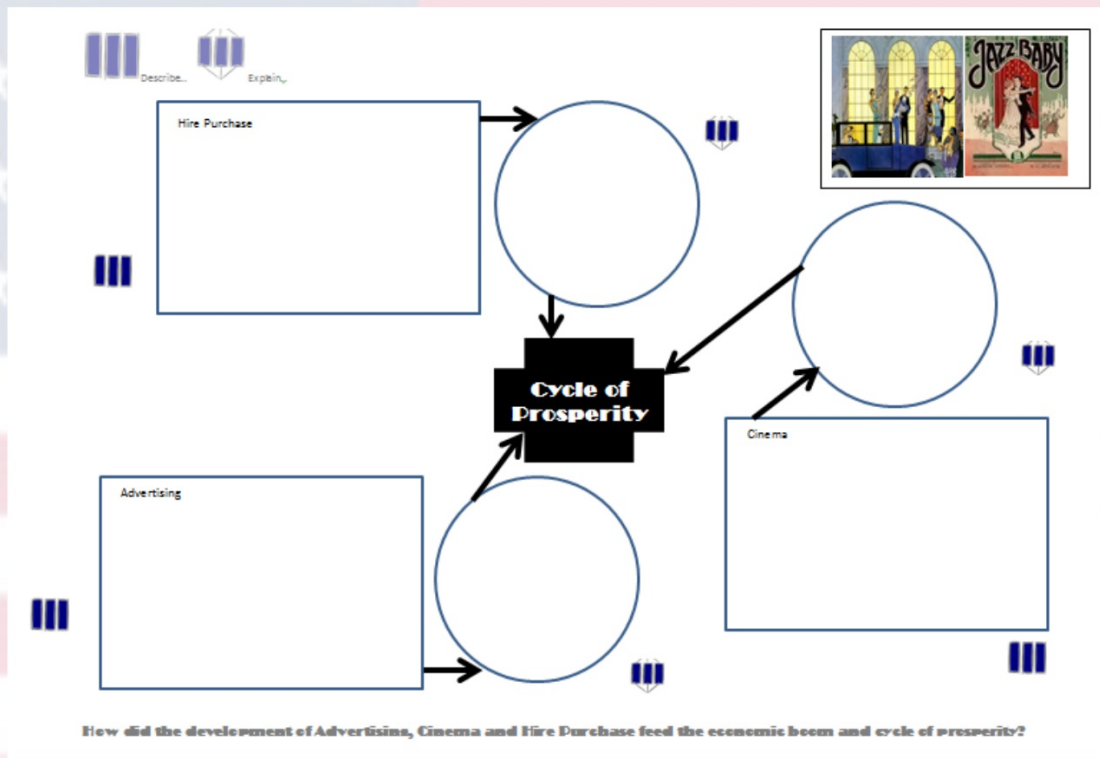
Cinema invented before the 1920s came into its own during this decade. Hollywood was producing 80% of USA's cinema by 1928. Its stars promoted and reflected the changing attitudes, glamour and wealth of the era.

People went to the cinema in their millions and saw a way of life, fashion and luxury that they wanted for themselves.





Complete the SOLO sheet - be explaining how each of the three helped feed the cycle of prosperity.





Can you write a few sentences to show how the three things you have studied today can be linked together.

