**Learning Objective:**

Explain the causes of economic growth in the years after World War II.

**Thematic Focus:**

*The interplay between markets, private enterprise, labor, technology, and government policy shape the American economy. In turn, economic activity shapes society and government policy and drives technological innovation.*

1. Rapid economic and social changes in American society fostered a sense of optimism in the postwar years.
2. A burgeoning private sector, federal spending, the baby boom, and technological developments helped spur economic growth.
   1. Prosperity
      1. The decade after World War II was characterized by unprecedented prosperity and a rapid suburbanization.
      2. The Gross National Product (GNP) doubled between 1945 and 1960, growing at an annual rate of 3.2% while inflation grew at just 2%.
      3. Defense spending was the most important stimulant, and military-related research helped create or expand the nation’s new industries of chemicals, electronics, and aviation.
      4. The U.S. had a virtual monopoly over international trade, because of the devastation of WWII.
      5. Home ownership grew by 50% between 1945 and 1960. These new homes required consumer appliances such as refrigerators and washing machines, but the most popular product was the television, increasing from 7,000 sets in 1946 to 50 million by 1960.
   2. Baby Boom
      1. Following World War II, there was a rapid population explosion known as the baby boom.
      2. The rise in population contributed to the growth of the suburbs, consumer culture, and the sharp increase in college enrollment in the 1960s.
   3. Suburban Growth
      1. The high demand for housing after the war resulted in a construction boom. Levittown, a project of 17,000 mass-produced, low-priced family homes made the move from city to suburb affordable for even families of modest means.
      2. For many older inner cities, the effect of the mass movement to the suburbs was disastrous. By the 1960s, cities became increasingly poor and racially divided.

**Learning Objective:**

Explain the causes and effects of the migration of various groups of Americans after 1945.

**Thematic Focus:**

*Push and pull factors shape immigration to and migration within America, and the demographic change as a result of these moves shapes the migrants, society, and the environment.*

1. Rapid economic and social changes in American society fostered a sense of optimism in the postwar years.
2. As higher education opportunities and new technologies rapidly expanded, increasing social mobility encouraged the migration of the middle class to the suburbs and of many Americans to the South and West. The Sun Belt region emerged as a significant political and economic force.
   1. GI Bill: Help for Veterans
      1. More than half the returning men and women in service seized the opportunity afforded by the GI Bill to continue their education at government expense. Over two million World War II veterans attended college, which started a postwar boom in higher education.
      2. The veterans also received over $16 billion in low-interest, government-backed loans to buy homes and farms and to start businesses.
      3. By focusing on a better educated workforce and also promoting new construction, the federal government stimulated the postwar economic expansion.
   2. Interstate Highway System
      1. Passed during the Eisenhower administration, the Federal Highway Act of 1956 created the interstate highway system.
      2. The 1950s witnessed the beginning of a mass migration of middle-income Americans from cities to their surrounding suburbs.
      3. The creation of interstate highways vastly accelerated the growth of suburbia.