



CHAPTER ONE



**Postscript: a brief history of
why the u.s. consumer thinks
the way they do**



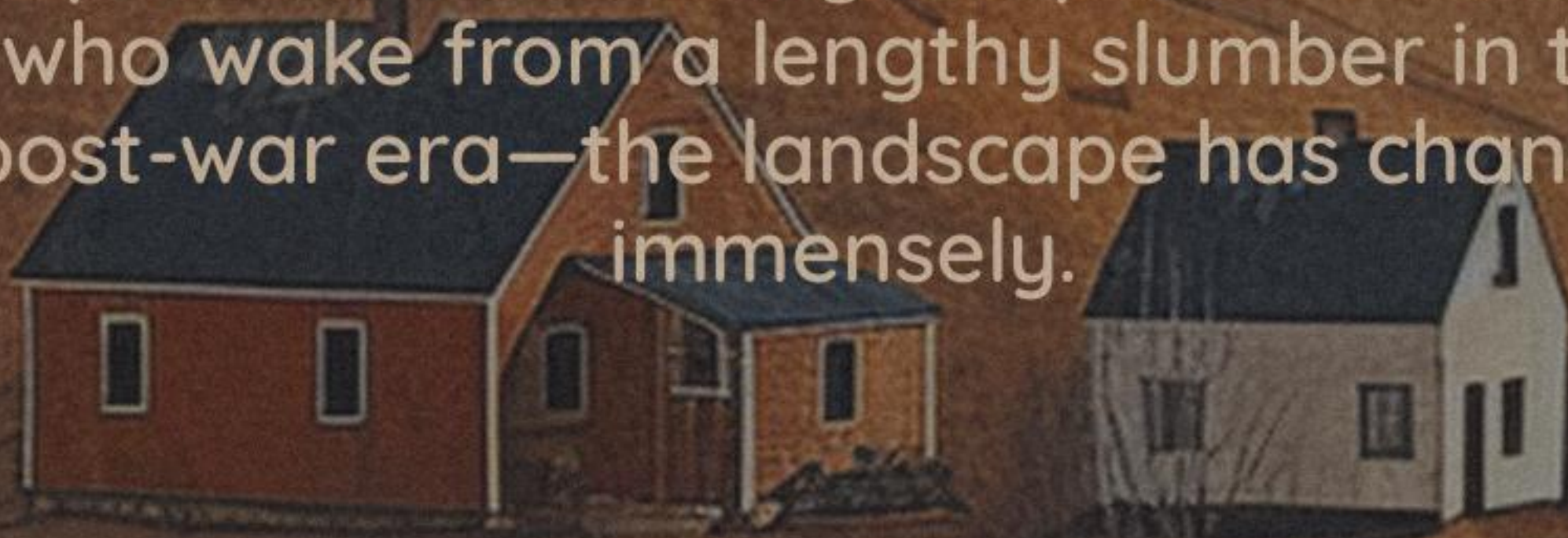
Chapter Summary

This chapter delves into the historical forces that shaped the modern American consumer mindset. It traces the whirlwind journey from post-World War II, where a severe housing shortage and returning soldiers led to economic uncertainty, to a consumer boom fueled by low interest rates and credit expansion. The economic narrative reveals radical shifts in wealth distribution and class dynamics, highlighting how trends of equality gave way to stark inequalities in the following decades. Lastly, it connects contemporary discontent with a longing for equality and shared prosperity, highlighting ongoing issues in a rapidly changing economic landscape.

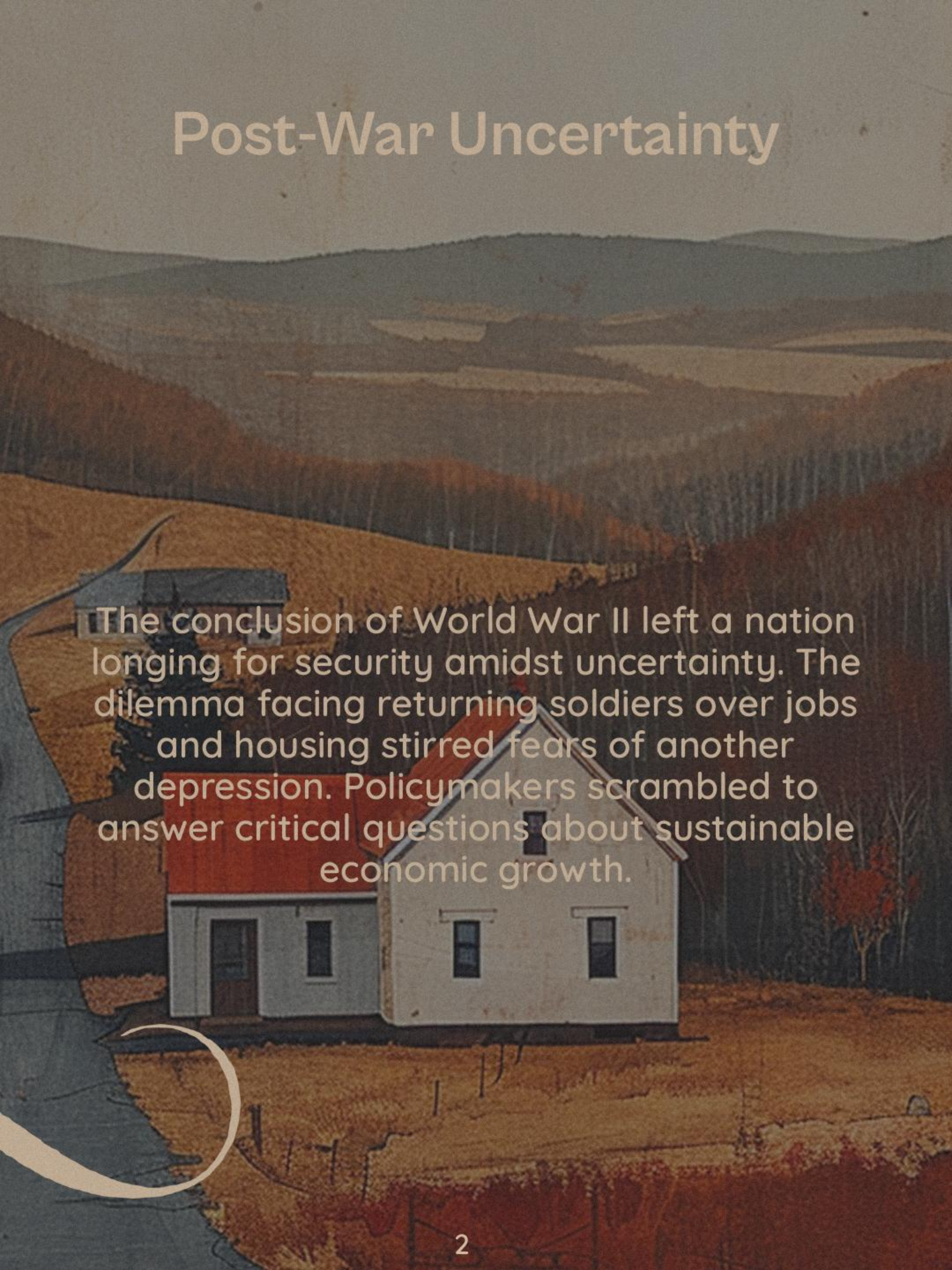


The Unexpected Consumer Mindset

To understand today's consumer behavior, we must unravel the history behind it. Economic growth from 1945 to 2020 has transformed perspectives drastically. Surprises await those who wake from a lengthy slumber in the post-war era—the landscape has changed immensely.



Post-War Uncertainty

A painting of a small, white, single-story house with a red roof, situated in a rural landscape. The house has a dark door and several windows. The foreground is a field of dry, brown grass. In the background, there are rolling hills and mountains under a hazy, overcast sky. The overall mood is somber and uncertain.

The conclusion of World War II left a nation longing for security amidst uncertainty. The dilemma facing returning soldiers over jobs and housing stirred fears of another depression. Policymakers scrambled to answer critical questions about sustainable economic growth.

Birth of the Consumer Culture

To avoid depression, the era of thrifty savings shifted towards a model centered on vibrant consumerism. Low interest rates, subsidized by the government, propelled Americans into the marketplace with unprecedented borrowing opportunities. The GI Bill played a significant role in revolutionizing home ownership.

"Consumption became an economic strategy after the war."

Surging Economic Boom

The 1950s marked a frenetic growth period fueled by pent-up demand from the wartime years. Innovation flourished, giving rise to new consumer goods that shaped lifestyles. Americans flooded into the market, eager to buy, stimulated by easy access to credit.

"We suddenly realized, 'We have some amazing new inventions.'"

Shared Prosperity





Economic growth in the 1950s was uniquely characterized by a significant reduction in wealth inequality. Wages expanded, faster than ever before, providing industrial workers with newfound wealth and security, prompting a more equitable economic landscape.

Debt and Income Dynamics



As household debt burgeoned in the 1950s, income growth offset potential pitfalls. Economic confidence allowed many households to take on debt as a norm rather than an exception. The relationship between rising incomes and manageable debt evolved during this period.

Cracks in the System



By the 1970s, shifting economic winds revealed disparities as unemployment soared and inflation persisted. Cultural expectations of equality strained against new realities as economic growth became more uneven, and America faced formidable global competition.

New Economic Divide

The boom of the 1980s onwards saw prosperity funneling disproportionately to the wealthiest, leading to sharp income inequalities. The narrative shifted; high-income households started to outpace the rest, while the majority found themselves behind in a consumer-centric culture.

The Big Stretch

The aspirations of everyday Americans shifted dramatically as they compared themselves to an increasingly affluent class. This led many to overextend financially, seeking lives mirroring those of the wealthy, often with unsustainable debt levels.




The Call for Change



Modern political movements echo frustrations over economic realities that fall short of post-war expectations. With rising discontent, calls for radical change intensify—a reflection of deep-rooted desires for equitable economic prospects.



Recap

- "The story of money is entwined with the story of consumers."
 - "What happens now was the most pressing concern of the day."
 - "The gap between rich and poor narrowed to an extraordinary degree."
 - "Debt wasn't a big deal at the time; it was an accepted norm."
 - "Expectations moved slower than the facts on the ground."
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Thank You

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