Differentiated Instruction

**English Language Learners**

**Less Proficient Readers**

**Special Needs**

**Make a Chart**

Assist students with the section content by drawing a chart on the board with three columns and three rows. Title the last two columns “Cause” and “Effect.” Title the last two rows “Industrial Growth” and “Rising Stock Prices.” Read the section with students, stopping to fill in the chart after each paragraph. Have students make a copy of the completed chart to use as a study aid.
Government policies helped boost the economy. High tariffs on imports kept out goods that might compete with domestic products. Taxes on the wealthy were cut to encourage greater spending.

These measures did stimulate the economy. But they also helped Americans develop a recklessness about spending. In 1928, when Ford announced its new Model A, half a million people made a down payment on the car without even having seen it.

Checkpoint
What factors caused an increase in consumer spending?

A Booming Stock Market
With a strong economy, more people chose to invest in the stock market. Many people could now afford to purchase stocks, or shares of companies. With money pouring into stocks, stock values kept rising. A period of rising stock prices is called a bull market.

Stocks were so profitable that many people began buying on margin—borrowing money in order to buy stocks. The investor put down a portion of a stock’s cost and paid the rest later with the profits earned from selling the stock. So long as the market continued to rise, the investor had no problem paying the loan back.

Many Americans grew wealthy buying and selling stocks. Newspapers were filled with stories of investors who accumulated fortunes. However, by 1928, some economists began to worry. High stock prices seemed to have little to do with the actual value of the company that issued them. A few experts warned that the stock market was overvalued. But investors mostly ignored the warnings.

Vocabulary Builder
accumulate (uh kross yoo layt) v. to slowly collect; to increase in amount over time

Teach
Industrial Growth
A Booming Stock Market
pp. 752–753

Instruction
Vocabulary Builder Before teaching this section, preteach the High-Use Words accumulate and participate, using the strategy on TE p. T21.

Key Terms Have students complete the See It–Remember It chart for the Key Terms in this chapter.

Key Terms
Accumulate
Instruct
p. 752–753

Independent Practice
Have students begin to fill in the Study Guide for this section.

Monitor Progress
As students complete the Notetaking Guide for this section, preteach the High-Use Words accumulate and participate. Have students complete the worksheet. 

Answers
Checkpoint Lower prices, higher incomes, installment buying, and advertising increased consumer spending.

Identify Costs Buying stock on margin could lead to a prolonged decline because everyone may become desperate to sell, which would lower prices further.
Differentiated Instruction

### Advanced Readers

**Write a Journal Entry**

Have students choose one of the groups discussed in this section (stock investors, business owners, farmers, and workers). Ask students to write a series of journal entries from the point of view of a person from that group. Have them share that person’s experiences and feelings about life in the 1920s. Ask students to read their journal entries to the class.

### Gifted and Talented

**Write a Journal Entry**

Have students choose one of the groups discussed in this section (stock investors, business owners, farmers, and workers). Ask students to write a series of journal entries from the point of view of a person from that group. Have them share that person’s experiences and feelings about life in the 1920s. Ask students to read their journal entries to the class.
The Election of 1928

The Republicans had held the presidency throughout the 1920s, and they claimed responsibility for the decade’s prosperity. For their candidate in the 1928 presidential election, they chose Secretary of Commerce Herbert Hoover. The Democrats nominated New York Governor Alfred E. Smith.

The campaign highlighted some of the continuing divisions in American society. Smith was the first Catholic ever to run for President, and religion became one of the issues. Immigrants, Catholics, and urban residents tended to support Smith. Rural residents and Protestants tended to support Hoover, a Quaker born in Iowa.

The economy was another major issue. Hoover promised to continue the policies he credited for prosperity. He campaigned on the slogan “a chicken in every pot and a car in every garage.” He said the nation was near to “the final triumph over poverty.”

Although Alfred Smith won the largest cities, he lost every state but Massachusetts and six Deep South states. Hoover won with special strength in rural areas. Herbert Hoover entered the White House in 1929 with great expectations for a prosperous future.

Looking Back and Ahead

A widespread prosperity and sweeping changes in society made the 1920s an exciting time. Within months of Hoover’s election, however, a stock market crash plunged the nation into a great depression that spread misery across the land.