The History of Credit in America

Directions
Follow the instructions for each section below.

History
Write a paragraph summary of the history of credit and consumerism.

Recall
What legislative program, established during the Great Depression, helped shape consumer lending policies that convinced commercial banks that consumer credit could be a profitable industry? In what way was the program intended to help consumers?

Explain
Explain why buying things on credit was not common prior to 1917.

Draw Conclusions
What was the major financial change between post–World War II borrowers and borrowers after 1970?

Cause and Effect
a What effects did the Great Depression have on the credit industry?

b What effect did the post-war era have on consumer borrowing?

Research
Conduct research on the following New Deal policies:
1 Your research should utilize multiple sources.
2 The focus of your research is to summarize the purpose of each policy and evaluate the common focus of each agency.
3 Think about what you’ve learned regarding the history of credit in America. Write an additional, self-generated question on which to focus your research.

» Federal Deposit Insurance Corporation (FDIC)
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» Home Owners’ Loan Corporation (HOLC)

» Federal Housing Authority (FHA)

» Electric Home and Farm Authority (EHFA)