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By

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Cambridge Scholars Publishing

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This book first published 2025

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-0364-5363-3
ISBN (Ebook): 978-1-0364-5364-0

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INTRODUCTION

In October 1963—just a month before the assassination of President Kennedy, in fact—a gathering of "marketing men" took place in Boston. The purpose of the meeting was to "paint a portrait" of the American consumer in the year 2000 in order to plan for the future. One of the attendees, Ira M. Hayes of the National Cash Register Company, envisioned that thousands of new products and services would be introduced over the following decades that would make future consumers' lives "easy and full."[1]

Hayes went much further in his prognostication, however. "The year 2000," he told his colleagues, will "certainly see a decided transition from today's distribution vehicles," with "television shopping" making it possible for customers to "view the store interior from her living room easy chair." Through such technology, consumers and salespeople would be able to see and talk with each other, according to Hayes, with distance between the two not a matter of concern. "Mrs. Customer will be able to tune in on various stores," he continued, and, upon buying something, "will receive a statement of her credit purchases from one source, through a centralized credit-handling unit."[2]

Hayes's remarkable portrait of the American consumer at the turn of the 21st century offers a glimpse of the evolution of "Mrs. Customer," something this work addresses head-on. *A Socioeconomic History of the American Consumer* is, as the title makes clear, a social and economic history of American consumers. The work covers the last century of American consumer culture, when our personal and national identities became heavily defined by how we spent our money in the marketplace. The book approaches the American consumer as a character or actor on the national stage whose role changed significantly over time based on varying social, economic, and political conditions. What did not change over the course of five different eras, however, was a continual transformation of Americans from citizens to consumers as the private sphere steadily eclipsed the public or civic arena.

More than anything else, perhaps, the work shows how rather than a linear route, consumers took many twists and turns over their journey of the past one hundred years. As well, the book takes a broad approach by examining the role of consumerism within American society as a whole, particularly as related to issues of race, gender, and class. Both the American

Dream and the American way of life are steeped in the selling and buying of things, of course, making consumerism an integral part of our cultural fabric. The narrative is thus inherently interdisciplinary, crossing over the intellectual boundaries of a handful of the social sciences. And while not a business how-to, practitioners will learn useful tips that draw from the rich history of consumer culture.

Although a historical work, *A Socioeconomic History of the American Consumer* takes a deep dive into many of the core dimensions of economics, including inflation and the cost of living; governmental interventions of the *laissez faire* marketplace; price controls; the rise of consumer credit and debt; interest rates; recessions and booms; the symbiotic relationship between production and consumption; purchasing power; and saving versus spending. More sociological issues addressed are: (1) the relationship between consumption and consumerism; (2) the relationships between consumerist identities and identities as citizens; (3) the wide range of identities of consumers, inflected by race, gender, class, and region; and (4) the relationship between consumerism as a form of identity and the environmental crises we face.

The principal argument of the book is that alongside critics' entirely justifiable claims that American-style consumption is ultimately unsustainable, superficial, and ethically questionable, consumer culture has consistently served as a principal source of meaning and purpose in our personal lives. We thus have a love-hate relationship with consuming, recognizing its financial and environmental consequences while taking pleasure in the things and experiences money can buy. With that thesis, which others have put forth in one form or another, the work aims to be not just the definitive history of the American consumer but to offer deeper insights into the often-contradictory American idea and experience.

Based on their history, however the first thing to be said about American consumers is their consistently irrational, unpredictable behavior. Over the past century, economists, businesspeople, and government officials have attempted to forecast how Americans would spend their money and how much of it but have generally failed epically in that pursuit. Market research has of course been used extensively to plumb consumers' minds but even that hasn't revealed the secrets to Americans' consumption habits. Consumers have spent when they should have saved and vice versa, according to carefully constructed econometric metrics, with what was purchased also frequently different than what had been anticipated. A psychological component has been left out of the equation, as events large and small have proved to affect consumers' decision to spend their money or bank it.

But spend at some level they did over the years, as the steady march of science and technology brought forth a continual flow of new things to buy. In virtually every product category, there has always been something newer and better, and the arrival of each generation has ensured there to be new households to furnish and cars to drive. Those same economists, businesspeople, and government officials have more often than not urged Americans to part with their money, as consumption was of course predicated on production which meant jobs. This cycle was framed as the means to an ever-rising standard of living, a growth-oriented model that aligned perfectly with the progressive nature of American culture. A flat economy wasn't deemed good enough, particularly when set within a global political climate in which there were anti-capitalistic regimes that could threaten the consumerist American way of life.

Given the heavy responsibility assigned to American consumers, it was not surprising that the Federal government devoted considerable effort to tinkering with the workings of the marketplace. Our economy was said to be a *laissez faire* one, yet administrations were often taking some kind of action to make it run as they wished. With consumer spending accounting for two-thirds of the Gross Domestic Product (GDP), government officials did what they could to try to manage and control the system, particularly with the Federal Reserves' raising or lowering interest rates. In extreme cases, notably during World War II, other measures such as price controls and rationing were put in place.

Federal, state, and local governments have also been intent on making consumers better consumers. Not just elected officials but experts of all kinds have offered mounds of advice to Americans in the pursuit to create a smarter and wiser consumer who doesn't waste money or throws away too much of whatever has been purchased. While well-intentioned, consumer education can be seen as another form of control by those in positions of power. If Americans were to be consumers rather than citizens, the thinking apparently went, they might as well be good ones.

Consumers themselves have devoted much time and effort over the years to this same aim. Recognizing their important role as shoppers for their households, "housewives" became students of the marketplace, intent on learning how to get the most out of their money. Such women saw themselves as the consumer equivalent to their producer husbands, translating money into goods and services for their families. Avoiding the many traps lurking in the marketplace was a key part of consumer education, encouraging a kind of "us versus them" kind of relationship between buyers and sellers. Stemming out of that was the activist consumer movement, in which Americans increasingly recognized the power they held as the principal drivers of the nation's economy. Over time, producers conceded the consumer was "king," so much so that marketers of today are in many ways enabling users of their product or service to run the show.

It's safe to say that the most active consumer activists were African Americans. The issue of race has frequented cross paths with American consumer culture as Blacks demanded that they be recognized as a legitimate target audience. It was true that African Americans had sizable buying power, much more than most marketers believed or wanted to believe. (It was not inconceivable that some company executives didn't want their brands to be heavily associated with African Americans.) Indeed, Black Americans were largely ignored by Big Business until it became clear that money was being left on the table, making this story a fascinating part of the struggle for equal rights. Some African Americans, however, wanted no part of this pursuit, arguing that being targeted as consumers was only furthering the financial interests of white-dominated companies.

The desire among many African Americans to be seen and treated as full consumers, however, reflected the degree to which consumption is associated with our national identity. Consumer culture is grounded in the principals of freedom and democracy, as each of us has the power to decide how to spend money in the marketplace. For better or worse, much of our individual identities is based on consumption, with an almost infinite array of things and experience available to construct and express our personal selves. We may have ambivalent feelings about our consumer-based economy, just as we do about money and class, but the truth is that we invest much of our time and financial resources in it.

To that point, consumerism is one of the relatively few spheres of life that we all have in common, making it in some sense a uniting force that bridges our many constructed social divisions. (Unless one lives totally off the grid, every citizen is a consumer.) We've devoted much effort towards establishing our unique identities through the world of goods and services, a private endeavor, but the act itself is essentially the same, and thus a public one. What we buy and how much we spend varies greatly, in other words, but consuming has inarguably served as a shared experience that has help define us as a people. That helps explain how and why Americans continued to consume through wildly different economic, social, and political conditions, often using credit to smooth out the peaks and valleys. As well, consumers have proven to be highly adaptable in terms of their personal financials, open to scrimping when necessary and splurging when not.

A Socioeconomic History of the American Consumer joins an impressive list of scholarship in the area. This work does not rely heavily on theory, but it is well worth briefly reviewing Zygmunt Bauman's profound ideas on consumption and commodification as a kind of a cultural-historical application or extension to the American scene. In a nutshell, Bauman, a Polish-British sociologist and philosopher, argued that individuals look to consumption as a means of self-identification and -expression, a proposition that serves as an ideal framework by which to locate the present work.[3] Channeling the theories of Bauman (along with those of Don Slater and Ulrich Beck and Elisabeth Beck-Gernsheim), Sharon Zukin and Jennifer Smith Maguire posited that the rise of consumer culture was instrumental in transforming individuals' identity from "a fixed set of characteristics determined by birth and ascription to a reflexive, ongoing, individual project shaped by appearance and performance."[4]

Bauman's 2007 *Consuming Life* is particularly helpful in interpreting Americans' "liquid" style of consumption over the past century. (Bauman makes a distinction between "consumption" and "consumerism," seeing the former as a biological process and the latter as a social one.) Western society shifted from being producer-oriented to being consumer-oriented with the approach of modernity, Bauman proposed, a running theme in this book.[5] Bauman's views were clearly steeped in Marxist economic and political theory (especially that put forth by Antonio Gramsci), a rather ironic thing given his underlying premise that individuals use consumer culture as a resource by which to carve out their personal selves.[6]

Over the past half-century, a steady stream of sociology-based works dedicated to exploring the history of American consumer culture have been published, a clear sign of the centrality and importance of the subject. Much of this body of work has been critical towards consumption, viewing the transformation of citizens into consumers as a decline of sorts. In his 1976 *Captains of Consciousness: Advertisement and the Social Roots of the Consumer Culture*, for example, Stuart Ewen showed how the advertising industry was instrumental in shaping "consumer consciousness," in the process accenting divisions in economic and social class while diminishing political sentiment.[7]

A critical view of American consumer culture (seemingly inspired by the Frankfurt School) could certainly be found in *The Culture of Consumption: Critical Essays in American History, 1880-1980*, a 1983 collection of essays edited by Richard Wightman Fox and T. J. Jackson Lears. From the late 19th century on, the contributors argued, consuming has been a distinguishing characteristic of the nation. Marketers have pressured us to buy things allegedly to improve our standard of living and dangle the carrot of upward mobility, we're repeatedly told in the book, the net effect being that our respective personal identities have been principally defined through acquisition and materialism.[8]

Daniel Horowitz saw things quite differently. In his 1985 *The Morality of Spending: Attitudes toward the Consumer Society in America, 1875-1940*, Horowitz charted the ways in which consumption evolved from the late 19th century to the 20th century, and how Americans' attitudes toward it changed as well. Unlike more critical, top-down interpretations of consumption, however, Horowitz recognized that Americans have found meaning in being consumers within the powerful economic system, a refreshing viewpoint.[9] It was clear that scholars in the field were divided in their interpretation of America's consumerist past. Roland Marchand's *Advertising the American Dream: Making Way for Modernity, 1920-1940*, also published in 1985, saw advertising of those two decades as propagandist, therapeutic, and even religious, therefore very much locating itself in the consumption-as-manipulation school.[10]

By the late 1980s, however, postmodern theory had swept through much of the social sciences and humanities, challenging the proposition of there being any single narrative of consumption, whether negative or positive. In his 1988 *Culture and Consumption: New Approaches to the Symbolic Character of Consumer Goods and Activities*, Grant McCracken posited that consumption was metaphoric, i.e., heavily freighted with cultural references, leaving it up to individuals to determine how to construct meanings out of it. McCracken thus had more of an anthropological and psychological view of consumer behavior, reminiscent in some ways of the revolutionary ideas proposed by Ernest Dichter, the "father of motivation research," decades earlier.[11]

While more attention has been given by scholars in the field to the intersection of consumer culture and class in the United States, Robert E. Weems's 1998 *Desegregating the Dollar: African American Consumerism in the Twentieth Century* was a much overdue work given the often-contentious issues surrounding race. Weems showed how African Americans used their buying power to push for equal rights, a story that also appears in the pages that follow.[12] Ted Ownby's *American Dreams in Mississippi: Consumers, Poverty, & Culture, 1830-1998*, published the following year, examined consumer culture in the South by poor people, with race playing a key role in how money was spent.[13]

A number of insightful works addressing gender dynamics within American consumer culture have been published. Jennifer Scanlon's 1995 *Inarticulate Longings: The Ladies' Home Journal, Gender, and the Promises of Consumer Culture*, Ellen Gruber Garvey's 1996 *The Adman in the Parlor: Magazines and the Gendering of Consumer Culture*, Margaret

Finnegan's 1999 *Selling Suffrage: Consumer Culture and Votes for Women*, and Janice Williams Rutherford's *Selling Mrs. Consumer: Christine Frederick and the Rise of Household Efficiency* each demonstrated in its own way how consumer culture both shaped and reinforced roles of women in the late 19th and early 20th centuries.[14] Tom Pendergast's 2000 *Creating the Modern Man: American Magazines and Consumer Culture, 1900-1950*, meanwhile, examined representations of masculinity in magazines through the first half of the 20th century.[15]

Even more so than Horowitz, James B. Twitchell argued that Americans had not been turned into consuming puppets manipulated by capitalists. In his 1999 *Lead Us into Temptation: The Triumph of American Materialism*, which travelled through the 1960s through the 1990s, Twitchell made the case that consumption was a vehicle by which Americans essentially climbed up Abraham Maslow's hierarchy of needs, therefore helping them evolve as human beings.[16] Gary Cross's *An All-Consuming Century: Why Commercialism Won in Modern America*, published that same year, echoed Twitchell's thesis, finding it not at all surprising that Americans looked to the world of consumerism to carve out their identities in complex society.[17] Ann Satterthwaite's *Going Shopping: Consumer Choices and Community Consequences* of 2001 was a vitriolic attack against unchecked consumerism, however; the book argued that there was a great cost to individual pursuits in terms of our shared public spaces.[18]

Lizbeth Cohen's 2003 *A Consumer's Republic: The Politics Mass Consumption in Postwar America*, received much attention, and deservedly so. As I also show in Chapter 3, the broad prosperity the country enjoyed in the years following World War II has become etched in our historical memory but was at the same time unequally distributed according to class, race, and gender.[19] Horowitz's 2004 *The Anxieties of Affluence: Critiques of American Consumer Culture, 1939-1979* was not quite as sanguine as his earlier *The Morality of Spending*, which covered 1875 to 1940. Ironically, it was in the later period that a distinct strand of anti-consumerism could be detected in the United States, he argued, citing evidence that illustrated an unease or apprehension associated with consumption among Americans due to major events such as the Second World War and energy crisis of the 1970s.[20]

A pair of books published around the same time illuminates our ambivalence about being, perhaps first and foremost, consumers. In his *Against Thrift: Why Consumer Culture is Good for the Economy, the Environment, and Your Soul*, James Livingstone stayed true to the title of his 2011 book, seeing the proverbial "saving for a rainy day" as "a soul-crushing emotional trap as well as an economic dead end." History has shown that consuming has served as a form of empowerment, he maintained, and that money was better spent than sitting in a bank.[21] The very next year, however, Sheldon Garon told readers much the opposite in his *Beyond Our Means: Why America Spends While the World Saves*. Americans had in 1910 led all nations except Germany in rate of saving, but all that changed as the modern consumer and flood of goodies soon emerged. "We should do more to *democratize* savings as one means of bringing about a more equitable society," he wrote, thinking the impetus to save should be as strong as the ones to use credit and take out a mortgage.[22]

In their 2013 edited collection of essays *A Destiny of Choice? New Directions in American Consumer History*, David Blanks and David Steigerwald proposed that the fundamental dialectic in the field of American consumer history—consumption-as-good versus consumption-as-bad—was too simplistic. Both individuals and Big Business possessed certain powers in determining who was in charge at any given time in any given situation, the contributors agreed. While corporations set the framework, consumers put the factors in play as they wished, making consumption a highly complex interplay in which agency was, more than anything else, fluid.[23] As the present work shows, consumers are currently often setting the framework, shifting the power dynamic to that part of the equation.

While this book begins in 1920, a brief overview of the American consumer from the beginnings of the country through the early decades of the 20th century offers useful context and perspective. The idea of the "consumer" is typically considered a modern one, a function of the outsourcing of the production of goods for use in the home. "It is usually said that the family has shifted since the industrial revolution from a producing unit to a consuming unit," Robert S. Lynd wrote in the *Annals of the American Academy of Political and Social Science* in 1932, noting that the majority of this transformation took place during the late 18th and 19th centuries. It is true that in colonial days, many households made their own clothes and grew much of their food, but that gradually changed as more factories appeared and as large-scale agriculture eclipsed family farms.[24]

Even before the Industrial Revolution, however, Americans did rely on manufacturers to supply them with things that most could not make by themselves, e.g., firearms, agricultural implements, sawed lumber, milled grain, and dressed hides.[25] In her 1990 *The Pre-Industrial Consumer in England and America*, Carole Shammas found in her research that Americans were actually just as likely to purchase items like dairy products, beer, and cider as make them themselves. In the Northeast, colonists were heavy users of imported grain, gin, and clothing, as well as of commodities such as tea, coffee, sugar, chocolate, tobacco, and rum.[26] Shammas has pointed out that trading across the Atlantic went as far back as the 1500s, claiming that was the beginnings of our global economy. "The Atlantic migration of Europeans and Africans to America and the commercial activities associated with it created an economy that for the first time in history could be called global," she wrote in a 2005 article in the *OAH Magazine of History*.[27]

Researchers mining the nation's past have increasingly located the American Revolution from a consumerist perspective. In his 2004 *The Marketplace of Revolution*: *How Consumer Politics Shaped American Independence*, for example, T. H. Breen went so far as to posit that a torrent of goods imported from Britain to the colonies sparked the Revolution, if true elevating the role of consumer culture in the history of the United States.[28] Cary Carson pushed this idea further in his 2017 *Face Value: The Consumer Revolution and the Colonizing of America*, arguing that much more than the supply of raw materials, commodities, and trade networks were driving latter 18th century consumer culture. "It was indeed a revolution but a *consumer* revolution in the beginning," Carson held, that "the better-known Industrial Revolution followed in response."[29]

Consumers—defined here as purchasers of goods and services for personal use—did thus exist in colonial times, although the modern model characterized by the build-up of inventories and middlemen had not yet come to be. During this period, "producers were keenly aware of the importance and the needs of consumers," Melvin Anshen observed in the *Journal of Marketing* in 1941, with direct contact between manufacturers and end users and ordering on a custom basis the norm. That disappeared in the 19th century, however, as manufacturers sought to lower production costs, widen their distribution network, and specialize in certain industries or product categories.[30]

More recent research has shown the degree to which consumer culture was woven into the tapestry of American everyday life well over a century ago. Mail-order catalogues were mainstays of Midwestern life even before the Civil War, and the department store was very much a "cathedral of consumption" in the late 19th century, both in Europe and the United States. It was at the turn of the 20th century when the concept and reality of a mass market emerged, according to Richard Ohmann's 1996 *Selling Culture: Magazines, Markets, and Class at the Turn of the Century*. Popular magazines could be said to be the first nationally distributed media, and corporations took advantage of them to reach a large audience of middle-class consumers through advertising.[31]

In his 1994 *Fables of Abundance: A Cultural History of Advertising in America*, Jackson Lears found there to be considerable magic, fantasy, and sensuality embedded in 19th century consumer culture, particularly in hucksters' pitches for patent medicine.[32] However, much of that dreamlike emotion had disappeared by the end of the century, as Pamela Walker Laird showed in her 1998 *Advertising Progress: American Business and the Rise of Consumer Marketing*. There was a desire to discard anything smacking of the old-fashioned 19th century as the new, more rational and scientific one approached, she maintained, helping to usher in new forms of selling created by experts in advertising agencies that were targeted to the bourgeoning middle class.[33]

Consumer credit and debt, which is a running them in the present work, was not a modern invention but rather goes back to the early 19th century in this country. In his 1999 *Financing the American Dream: A Cultural History of Consumer Credit*, Lendol Calder examined how consumer culture and credit became indelibly intertwined. Well before the credit explosion of the 1920s, Americans found ways to borrow given that cash flow then, like now, was often not as smooth as one liked. Victorian-era Americans did not eschew debt as much as we commonly think, according to Calder, as there were an increasing number of consumer goods to purchase due to accelerating industrialization. Pawnbrokers, loan agencies, and retailers all offered credit, and both installment buying and home mortgages existed in the late 19th century.[34] On that note, so to speak, it's time to investigate the American consumer of the 1920s.

CHAPTER ONE

THE MODERN CONSUMER, 1920-1939

"The consumer wakes up."
Mary Hornaday, *Christian Science Monitor*, 1938

In September 1923, a small article with a curious headline appeared in the *New York Times*. "Men Like Candy," the piece informed readers, the news being that candy had long been seen as something effeminate, i.e., consumed exclusively by women and children. It was acceptable for fathers to enter a candy store to get sweets for his family or for a male suiter to buy bon-bons for his best girl, but the thought of men actually eating the stuff themselves was deemed rather absurd.[1]

Times had apparently changed, at least according to Ora Snyder. Snyder, who owned a candy store in Chicago, had learned that while buying chocolates for their wives, children, or girlfriends, men had in the past often purchased something sweet for themselves but kept it hidden, afraid of what others might think. Now, however, men were no longer keeping their fondness for sweets secret; they were not only eating candy in public but offering pieces to other men and giving boxes of chocolates as gifts to male friends and co-workers in place of cigars. Snyder viewed this not just as good news for those in the confectionary business like herself but wondered if something bigger could be going on to explain this shift in masculine behavior.[2]

The revelation that men liked candy, and more importantly were not ashamed to let others know they liked it, offered a clue to the dynamics of consumer culture between the world wars. Modernity in virtually all aspects of everyday life, including gender roles, was reconfiguring the templates of American society, perhaps no more so than in the marketplace. A new kind of citizen emerged in the years following the Great War, one who perceived herself or himself first and foremost as a consumer of goods and services. Money was to be made and spent in the ever-expanding world of consumerism, as the joys to be found in consumption became a priority for many Americans.

Lo the Poor Consumer!

That was easier said than done as what was yet to be the Roaring Twenties began. Prices of goods and services typically rose after most major wars, and that was certainly the case following World War I. (Prices rose at an 18.5-percent annualized rate from December 1916 to June 1920, increasing more than 80 percent during that period, according to the Bureau of Labor Statistics.) Inflation in the early 1920s was proving to be an irritating thorn in consumers' sides, as the cost of nearly everything jumped from pre-war levels. "Lo the poor consumer!" a journalist for the *Atlanta Constitution* wrote in February 1920 after taking note of the higher prices being charged by grocers, clothiers, and other tradespeople in Macon, Georgia. A loaf of bread there now cost 15 cents—a nickel more than it had recently been and a dime more than before the Great War. Barbers were demanding a rather shocking 50 cents for a haircut and a quarter for a shave, and gasoline for "automobilists" was going for a staggering 28 cents a gallon.[3]

Things were no better in Boston, according to the *Boston Globe* the following month. The Consumers' League of Massachusetts had just released its Legislative bulletin which compared prices in 1920 to those in 1914 and showed that things had become especially tough for women workers who were making the minimum wage ($15.30 a week in 1920). Board and lodging, clothing, laundry, and almost everything else had risen sharply over the course of those six years, straining what the bulletin called a cost-of-living budget. In fact, a worker making $15 a week in 1920 was economically worse off if making $10 a week in 1914, the data showed, not good news for lower earning consumers.[4]

Across the country, Americans were curtailing their spending because of the higher prices. The middle class was expanding, but the salaries of office workers and teachers had simply not kept up with the cost of living. The working class, meanwhile, had earned high salaries during the war but now many in that group were selling their Liberty and Victory bonds simply to pay the rent which had, in some cases, doubled. Even those with relatively high incomes such as businesspeople were now cashing in their bonds, however, making financial experts believe that some kind of consumer "revolt" could be in the making.[5] To make matters worse, numerous worker strikes were creating shortages in many product categories, making it impossible for consumers to buy certain items even if they could afford them.

William Chaney of the *Los Angeles Times* put the current consumer woes into verse in a piece he titled "The Salaried Consumer." His poem began:

I bought an egg; I bought a roll;
(In trepidation, deep of soul.)
A slice of bacon, wafer-thin;
(They weighed the wrapping paper in.)
Of butter, just a roseleaf pat;
(A wild extravagance at that.)[6]

The poem went on from there, as Chaney's diet shrank "from scarce to worse" due to the cost of cheese, pepper, potatoes, and sugar.[7]

Given such culinary deprivations, it wasn't surprising that calls for a more educated consumer began to appear with frequency. Most Americans simply didn't know how to shop wisely, the thinking went, as there had been no opportunity to learn the art or science of consumption. "The alphabet of thrift is all Sanskrit to his thinking," as an editor for the *Los Angeles Times* described the consumer, adding that "he hasn't even opened the primer of economy." Americans spent their money carelessly and recklessly, it was being said, and they were now literally paying the price for that as inflation soared. "A little training in the principles of personal and domestic thrift is advised," the editor concluded, thinking this would be an effective way to encourage marketers to lower their prices.[8]

The corollary to consumers' inability to shop intelligently was that businesspeople had little idea how to market to consumers in the postwar economy. The field of market research was advancing rapidly, but the average executive or retailer made decisions purely based on judgment and personal experience. "The majority of businessmen in each branch of industry are frank in admitting that never before was it more difficult to gauge the buying power or the purchasing desires of the general public," a journalist for the *New York Tribune* observed in August 1920. All agreed that consumers' wants and needs were the key to the marketplace, but marketers didn't know what products to try to sell or how to price them.[9]

The premise that Americans paid too much for things that they didn't even need combined with the belief that producers of goods had little understanding of consumers' desires was viewed as a major economic problem. The workings of our capitalist society relied on a synchronized alignment between sellers and buyers, and it appeared that this was not the case. With postwar political and social instability, and fears that communism was gaining traction in the United States, it was considered imperative that the mechanics of the marketplace be put into balance. "Every obstacle to free exchange is a charge upon all of us," stated an editor for the *Wall Street Journal* in 1922, adding that "general prosperity is bound up in freedom of exchange." Governmental interference was another factor interrupting *laissez-faire* capitalism, according to the editor, urging that the market be allowed to operate without bureaucratic intervention.[10]

Retailers of the early twenties were especially confused by shoppers' seemingly illogical behavior. Owners of stores typically aimed at the large middle market, reasonably thinking that most shoppers wanted quality goods at a fair price. Instead, however, the market was heavily polarized, with shoppers gravitating to either high-priced goods offering "style" or low-priced, "bargain basement" goods. Store owners, even those who considered themselves experts in such matters, were flummoxed by such odd behavior and were frustrated by their inability to anticipate shopper demand. "Consumers are showing some queer tendencies," a reporter for the *New York Tribune* remarked while trading upon popular psychoanalytic terminology, suggesting that shoppers were exhibiting "strange complexes."[11]

By 1924, however, the economy had rebounded nicely from its postwar jitters, making the spending of money on high priced goods not so strange. "Our taste for jewels is growing," the *Los Angeles Times* noted in January of that year, that precious stones were being "easily absorbed by consumers in the United States." Like wealthy Europeans, the American rich had always been attracted to diamonds and other gems, but now a significant share of the growing upper middle class was visiting jewelry shops to examine rings, necklaces, and bracelets. (Pearls were becoming especially popular.) Income was on the rise as salaries increased, and both property values and the stock market were in ascent, making luxury items within reach of the less-than-rich.[12]

Christine Frederick, an authority on what was called household economics (her books included *Household Engineering* and *The New Housekeeping*), was keenly aware of the recent emergence of the modern American consumer. Writing for the *Annals of the American Academy of Political and Social Science* in 1924, Frederick asked the very good question, "Have we really grasped the full significance of the present and potential social changes inherent in our new wealth and consumption standards?" The answer was no, of course, as the average American had little idea of what might be called the consumer revolution that was currently taking place. Collective wealth had risen dramatically over the past decade, statistics clearly showed, as did the average amount of money that American families spent on food, clothing, and virtually everything else. "The America of 1913 has been altered astonishingly," Frederick exclaimed, "and the changes which have come over us were more swiftly achieved than any of equal importance at any time in our history."[13]

The Most Trusted Customer in the World

Frederick's bold statement was more than hyperbole. As the men-like-candy anecdote suggested, gender-related behavior was transitioning in the 1920s, a prime example of the major changes taking place across American society. Within consumer culture, the functions of both men and women were questioned as traditional roles were replaced by modern ones. Before World War I, it was commonly accepted that men were producers and women were consumers, a reflection of the standard model in which the former worked outside the home and the latter was responsible for domestic matters. Women often produced things for use in the home by canning fruits and vegetables, baking bread, and making candles and soap, but those activities were unfairly categorized as consumption.[14]

Buoyed by the passage of the 19th Amendment in 1920, in which females received the right to vote, however, many more women were taking full-time jobs, thereby officially becoming producers as well as consumers. Even domestic responsibilities such as cooking, cleaning, and child raising were being increasingly defined in productive terms (especially by feminists), as those activities became recognized as valuable contributions to the overall economic status of a family.[15]

Vastly altering the nation's economic landscape in the 1920s was the expansion of consumer credit. Mortgages on a home had of course existed, but the introduction of large-ticket, mass marketed items, notably the automobile and electrical appliances, incentivized manufacturers and retailers to allow buyers to finance their purchases. (A typical "time-payment" plan had buyers put one-third down, with monthly payments covering the balance over the course of a year.) Consumer credit benefited the overall economy and fueled national prosperity, it was held and was seen as analogous to producers' common practice of growing through their own form of financing, i.e., stocks and bonds.[16]

Shopkeepers in other countries were flabbergasted by American retailers' comfort in allowing customers to take possession of an expensive product without payment in full. "The foreign merchant invariably holds up his hands in astonishment as he contemplates the free and easy way in which valuable goods are sold in the United States," Paul G. Hoffman, a vice-president of Studebaker, noted in 1927. For more often than not honoring their promise to pay for a Ford Model-T or General Electric refrigerator over time, the American consumer was "the most trusted customer in the world," according to Hoffman.[17]

Increasing use of electricity to power those refrigerators and other appliances was yet another factor bringing modernity into American consumer culture. There were 1.5 million more users of electricity in the United States in 1928 than the previous year, with industry too consistently using more to make products. Some were old enough to remember the beginnings of thew electrical industry which dated back to September 4, 1882. It was on that day that the first electricity generating plant in the world in New York City. That plant, known as the Pearl Street Station, had served 59 customers in a small area of Manhattan; by July 1928, there were 17.8 million users across the country, and other four million or so industrial users.[18]

Some of the increasing number of users of electricity were not entirely willing to pay for it. Usage was recorded by "indexers" who would go house to house to read electrical (and gas) meters. The job sounded easier than it actually was, however. Getting to the meter could be difficult, as some were located in a waterlogged basement or cellar. Others might be buried under snow or behind a pile of coal or garbage, and still others were reachable only by a small man crawling through a hole. Then there were the tricks which included hiding the meter; installing a fake meter that reported far less usage that the real, hidden one; and stopping or slowing the meter down with chewing gum, sealing wax, or a hat pin.[19]

Electricity, presumably without such trickery, was powering what could be considered the most popular consumer product in the United States and perhaps the world in the late twenties—movies. "Our product now reaches 250 million consumers per week," boasted Will Hays, president of the Motion Picture Producers & Distributors of America, at the corporation's annual board of directors meeting in June 1928. 25,000 miles of film were shown in theaters every day in America, Hays claimed, with the industry employing more people than Ford and General Motors combined. Talkies were coming in just as Hays made his report, and he made a point of easing concerns that sound might kill the golden goose of silent movies. Radio hadn't put newspapers out of business, phonographs hadn't made live concerts obsolete, and automobiles hadn't wiped out trains, he told his fellow movie moguls.[20]

Advancing technology may not have presented a threat to the business community but the stock market crash in October 1929 may very well have. Wall Street's laying of a very big egg reversed the course of the Roaring Twenties boom economy and that of the American consumer, yet elected officials and businesspeople tried to minimize the damage. Buying power had certainly dropped but not all Americans had held securities, it was pointed out, meaning that consumption could continue. "One neither expects nor wants anyone to buy unnecessarily or beyond his or her means," stated New York Lt. Gov. Herbert Lehman in November 1929, "but certainly those who have the financial ability legitimately to satisfy their requirements and desires, both for necessities and luxuries, should not hold back purchases or fail to carry out commitments at this time." In short, it was up to the American consumer to bail the country out of the mess it had gotten into, as it was spending in the marketplace that drove the economy.[21]

Economists agreed that while the panic was a severe one, prosperity would soon return, as consumer demand remained high. Middle-class Americans had become accustomed to enjoying the good things in life, they insisted, and many had built up savings from the high salaries they had earned and from the profits reaped from the bullish stock market. Industry too had made considerable gains from the boom economy of the last few years, providing a financial cushion that would soften the blow of the immediate crisis. A "rosy era" lay ahead, economist Irving Fisher of Yale University assured Chicken Littles, as the mutually beneficial relationship between seller and buyer hadn't changed.[22]

Christine Frederick didn't seem overly concerned about the shaky state of the national economy. Frederick had a new book out titled *Selling Mrs. Consumer*, and she wasn't about to let a stock market crash interrupt her speaking schedule. Frederick, who was the first woman to appear before a congressional hearing (the subject was home economic problems), was widely considered the foremost expert on the woman consumer, hence the title of her latest book. Speaking to a group of retail advertisers in Hartford in February 1930, she framed the financial fiasco within the context of "Mrs. Consumer." Men earned most of the money, but it was women who spent almost all of it, Frederick explained, making them the key to the marketplace. Research showed that women purchased 80% to 90% of household merchandise, making it essential that marketers understand their wants and needs.[23]

Frederick also keenly recognized that the United States had in the 1920s entered what she referred to as the "Consumer Age." It had been commonly held that the most important factor in the country's broad prosperity was mass production, i.e., the ability of American companies to manufacture many goods at relatively low cost. Frederick, however, like a growing number of economists, had come to believe that it was instead mass consumption that accounted for the nation's wealth. Given that premise, greater attention should be paid to women's "brains," she told the group, foreshadowing the focus on psychology in marketing circles following World War II.[24]

Frederick wasn't the only one with a new book about American consumers. In his 1929 *Economic Principles of Consumption*, Paul N. Nystrom also took note of the significance of the economic shift from production to consumption as industrialism continued to eclipse artisanship and craft. Nystrom, who taught at Columbia University, credited Thorsten Veblen for first documenting that shift in the latter's 1899 *Theory of the Leisure Class*. More recently, Stuart Chase and Frederick J. Schlink planted the seeds of consumer rights in their 1927 *Your Money's Worth: A Study in the Waste of the Consumer's Dollars*, something that would blossom into a full-fledged movement in subsequent decades.[25]

A Comparative Stranger

Fuller recognition of the importance of the consumer to the nation's economy was all well and good, but by 1931 it had become clear that the country had entered what would be called the Great Depression. More than ever before, perhaps, the balance between what manufacturers could produce and what Americans could consume was determined to be askew. Increasing consumption was seen as the most effective means to get the economy back on track, but how could that be achieved with such high levels of unemployment? One national newspaper columnist believed he had the answer. "We need 50,000,000 new consumers to buy the surplus which our present industrial equipment is capable of producing," he wrote, suggesting that the current tight immigration quotas be relaxed to increase consumption.[26]

Critics, particularly conservatives, immediately attacked the proposal (which may have been made half-seriously). The publisher of the *Saturday Evening Post* recommended that the United States deport immigrants rather than invite more in, thinking that the nation didn't need more criminals and people who would instantly go on relief.[27] The proposal became the main topic of discussion at a sociology conference held at Yale University, where it was roundly disparaged. "Those who make statements of this kind do not specify where the proposed 50,000,000 consumers are to get their purchasing power," said Professor Thomas N. Carver of Harvard University, making the good point that there weren't even enough jobs for current residents of the United States.[28]

Richard Whitney, meanwhile, argued that having more knowledge of the consumer would have prevented depressions like the present one. Whitney, president of the New York Stock Exchange, labeled the American consumer "a complete stranger," and urged that scientific principles be applied in the field of marketing. "The trends of consumption are themselves largely unpredictable, and constantly subject to the changing whims of fashion," he told the governing committee of the exchange in 1931, calling for more robust statistics on purchase behavior and more accurate interpretation of them.[29]

The day after that conference, Julius Klein, Assistant Secretary of Commerce, echoed Lehman's earlier observation that there were still plenty of Americans who were still employed and hadn't put all their eggs into the basket of the stock market. Klein contended there were 35 million such citizens whose "income has not been curtailed," and he called on them to revive the economy by spending money in the marketplace. "The chief determinant of the speed of America's recovery from the depression is the stimulation of greater activity on the part of that truly impressive buying strength of the American people," he said to a group in Boston, claiming that those 35 million consumers possessed more purchasing power than the population of any other nation in the world.[30]

More specifically, continued spending by whomever could afford to do so was perceived as a primary means of keeping as many Americans as possible employed. Consuming goods meant that they had to be produced, in other words, as otherwise more people would have to be laid off. (The number of unemployed Americans was estimated to be 6 million in 1931.) The more fortunate had a civic responsibility to help the nation in its hour of need by putting their dollars into the marketplace, it was held, elevating the role of consumers from self-motivated private citizen to a kind of public servant.[31]

There was little evidence to suggest that any of these calls to action by authorities from government, business, or academia had any effect on consumers' behavior. In a talk to the Boston Chamber of Commerce titled "Recent Changes in Consumers' Demand," Nystrom suggested that Americans were now showing considerable restraint in the marketplace. Shoppers, particularly women in larger cities, were known to visit many stores before buying something, with the browsing experience considered almost as important as what was actually purchased. Now, however, shoppers were apt to simply get whatever they needed in a particular store; the activity was no longer viewed as an enjoyable pastime. As well, consumers were exhibiting little tolerance for the kind of high pressure selling that had been a mainstay of 1920s salesmanship, preferring to make purchase decisions on their own.[32]

Race also appeared to be playing a role in consumer culture of the early 1930s. African American consumers had historically been largely ignored by marketers, but the onset of the Great Depression was encouraging company executives to be more open to reaching out to alternative audiences. Not just economic forces but social ones as well contributed to this major shift. The between-the-war years were the peak decades of the first Great Migration, when an estimated 1.6 million African Americans migrated from the largely rural, agricultural South to the largely urban, industrial North. These same decades were also the peak era of Jim Crow; in the North and especially the South, segregation and discrimination were common in consumer-oriented industries such as amusement parks, movie theaters, restaurants, and dance halls.

Each of these forces helped to reshape African Americans' experiences as consumers as their buying power became increasingly recognized. Data gathered by James A. Jackson of the Bureau of the U.S. Commerce Department, for example, showed that the nation's 12 million African American consumers spent millions of dollars a year on food, clothing, automobiles, and appliances.[33] The National Negro Business League was also in the process of completing a study on Black consumers in 1931, with preliminary findings showing that 49% possessed cars, 72% had telephones, and 64% owned radios. 75% of African Americans preferred advertised brands, the survey also showed, more reason for marketers to treat them as a legitimate market.[34]

That was certainly the case made by Paul K. Edwards in his 1932 book *The Southern Urban Negro as a Consumer*. Edwards, a social science professor at Fisk University who had previously worked in market research for the Simmons Bed Company, was perhaps the country's foremost expert on African American consumers. (Leading market researcher Daniel Starch wrote the introduction to the book.) Edwards, along with Charles Johnson, a colleague, had done research to try to correct the common misperception among marketers that Blacks purchased only necessities. Southern urban Blacks had $308 million in buying power, his study showed, making it a mistake for them to be overlooked by companies that sold non-essential items.[35]

Almost all consumers had cut back on their spending due to the hard times of the Depression, however, especially on non-essentials. The higher standard of living achieved in the 1920s made such economic dips that much more serious, economists pointed out, as most Americans had been able to afford durable goods and the occasional luxury. The decision to put off buying such higher priced items magnified the effects of a crisis such as the current one, as those dollars evaporated from the marketplace. The construction of new homes had been almost completely shut down (banks had little money to make loans to builders or offer mortgages), triggering a huge drop in the purchase of appliances. Hopes were that Americans would at some point buy new cars, if only because those being made in the early thirties didn't last too long.[36]

Not surprisingly, most Americans were not expecting to find neatly wrapped luxury items under their Christmas trees in 1932. Practical and useful gifts were being pushed by retailers that holiday season as sensibility prevailed over extravagance. Apparel—shoes, socks, underwear, and shirts—and linens were proving to be popular, as were gift certificates to allow recipients to get what they needed. Stores were considering making it possible for shoppers to buy such essentials along with blankets for the needy, although there were obstacles (sizing, for one thing) involved in such a worthy charitable effort.[37]

Even with the devasting effects of the Great Depression on Americans' lives, the power of consumers was becoming increasingly acknowledged and respected. The American consumer had in the past been typically portrayed as a victim of sorts, easy prey for the all-mighty corporation and their vast resources. Now, however, it seemed that the tables had been turned, as it became accepted that consumers led production rather than the other way around. That was the general thesis of Walter Pitkin's 1932 *The Consumer: His Nature and His Changing Habits*. There was considerable fear that humans would be ultimately crushed as the business-driven Machine Age progressed, the Columbia University professor observed, but it was now clear that it was ordinary individuals who held the keys to the economy and thus society as a whole. Manufacturers still attempted to force consumers to maximize their use of the output of mass production, but consumption was a purely personal matter, Pitkin had found in his own research.[38]

In his own book published the following year, Franklin D. Roosevelt said much the same thing but in very different terms. "I believe that we are at the threshold of a fundamental change in our economic thought, the recently elected president wrote in *Looking Forward*, correctly predicting that "in the future we are going to think less about the producer and more about the consumer." FDR would be proved wrong about how that transformation would take place (he foresaw a more equitable distribution of income and wealth in the country—the basic platform of his New Deal), but the man understood that "certain requirements must be satisfied by individuals," cleverly terming consumers "princes of property."[39]

The Same Old Critter

President Roosevelt backed up his words with action. In June 1933, he appointed Frederic C. Howe to the new position of "Consumers' Counsel" within the Department of Agriculture, part of the administration's "Brain Trust" (academic advisors who had assisted FDR during his campaign for president). Howe's main job was to combat food prices said to be unfair, extending the consumer rights movement that had arguably begun with Chase's and Schlink's *Your Money's Worth*. Lowering the cost of bread was Howe's first order of business, with milk and meat next in line. The administration held what were called "emergency powers," allowing it to order "profiteers" to lower (and often fix) their prices. More broadly, Howe planned to organize American consumers into a powerful coalition which could strongly encourage companies to not use exploitive measures, anticipating the work of Ralph Nader some forty years later.[40]

First Lady Eleanor Roosevelt was also actively involved in protecting consumers from price gouging. In August 1933, she held a press conference urging consumers to "defend themselves" in such cases by choosing those vendors who didn't carry obviously overpriced products. Shoppers should also report such incidents, effectively affirming Howe's vision of an army of vigilante consumers fighting back against unethical companies.[41] Because they controlled the purse strings, consumers could and should make smart choices in their purchase decisions, giving them perhaps more power than even the federal government in this regard.[42]

Mildred Adams definitely recognized the ascent of the modern consumer between the wars. "Never was that shy soul so sought after, so courted, so flattered," she observed for the *New York Times Sunday Magazine* in October 1933, especially by Washington officials. The consumer was "a mysterious figure," however, ruling the national economy in a decidedly elusive manner. No one would say "I am a consumer," after all, as Americans identified themselves in other ways, usually by occupation. But the fact was that there were 125 million consumers in the United States in 1933 (the nation's population), accounting for why so much attention was being given to them.[43]

The Zelig-like nature of the American consumer and that she and he were everywhere yet nowhere was a frustrating thing to both bureaucrat and businesspeople. Logic, rationalism, and scientific thought were held in high regard in these modern times, making it difficult to comprehend a character so undefinable and ephemeral. Producers were easy to understand; they made things and could be easily found in factories and offices. Who and where was this invisible American consumer? government pen pushers and corporate middle managers repeatedly asked, with no clear answer forthcoming. The fact that the consumer was also a producer, assuming he or she was employed, made the situation yet more confounding.

Whoever she or he was, the American consumer was spending more money in early 1934 than in the last few years. Many had understandably scrimped during the worst days of the Depression by buying the cheapest goods possible but now higher quality merchandise was being sought. Similarly, non-advertised products had been preferred by many because of their low cost, but as the economy gradually improved well-known brands were more likely to be chosen. Those were the findings of a study sponsored by the Gimbel Brothers, operators of department stores, in which no less than 40,000 personal interviews were held in New York, Philadelphia, Pittsburgh, and Milwaukee. Still, the research showed, consumers were a long way from the free-spending ways they might have had during the 1920s boom.[44]

Better off or not, was the consumer being given more credit than she or he really deserved. Robert Lynd of Columbia University believed so, calling the consumer "the same old critter, ready for you [marketers] to give him the works." Organizing 125 million to do anything was farfetched, he argued at an American Management Association meeting in 1934, saying that having manufacturers adopt product standards and label their brands properly were more achievable goals.[45]

It was true that there was little or no standards in most product categories at the time and that labeling was often vague, so much so that consumers often didn't know what they were actually buying. Critics maintained that the 30 million families who accounted for 60% of all consumer spending were heavily influenced by advertising and popular culture, thus making them Lynd's "same old critter." Manufacturers and distributors had vigorously opposed the standards and grading recommended by the administration's Consumer Advisory Board as doing so would likely make product categories more even playing fields and therefore increase competition. Nationally distributed and advertised brands were gaining market share, making companies resistant to admitting that their products were similar or identical to cheaper, local brands.[46]

Lynd also made the point that while Washington made it appear that it was on the side of consumers, the Department of Commerce and Department of Agriculture were actually in bed with Big Business. (It was only the Bureau of Home Economics which was looking out for the consumer, he told a group of home economists.) While FDR was in office, many "Hooverites" still had jobs in the administration, and they remained committed to corporate interests. The Consumer Advisory Board was making a valiant effort to change things for the better but had no real authority to do so. As well, Lynd made the case that advancing technology had made purchase decisions immeasurably more difficult for the consumer, using the task of cleaning one's floor as a good example. A generation ago, he pointed, one was likely the broom stocked at the local general store but now there were numerous vacuum cleaners from which to choose, each with its own features and price point.[47]

Lynd's claim that the administration's alleged concern for the consumer was more sizzle than steak may have been true, but there was no doubt that various agencies were in 1935 pursuing a slew of research projects to aid in the economic recovery. Charts and graphs on the relationship between prices and consumer demand in the past were being created by the Bureau of Labor and Statistics, and the Bureau of Agricultural Economics was attempting to determine how much of certain foods Americans were eating. Such studies were designed to have a better understanding of what consumers purchased but were also a response to the growing number of "housewives leagues" being formed across the country. These were an outgrowth of the bourgeoning consumer rights movement and were being fueled by local radio stations airing shows that offered advice to listeners on purchase decision making. Some were claiming that a consumer "revolt" against high prices was in the works, although it was unclear what form such an insurgency would take. Even if that was unlikely, it could be seen how the federal government wanted to curb any potential social unrest before it got serious.[48]

Attempts to identify representative consumer behavior did not have to be so wonky. In April 1935, "Miss Typical Consumer" was chosen by the Macy's in New York, a promotional stunt that made national news. She was Verna Long, a twenty-one-year-old from the Bronx who, not coincidentally, worked as a model and salesgirl at the department store. Long was selected among thirty-three candidates not only for her looks (she had previously won the "Miss New York" beauty contest) but because she came nearest to matching the Macy's archetype of the typical consumer in terms of income, expenditures, and "mode of living."[49]

Who was "Miss Typical Consumer"? Just like Long, she was an unmarried "working girl" of twenty-one who earned $25 a week and, perhaps most important, spent within the range $255 a year on clothes (the average amount for a consumer, according to Macy's). Long deviated from the store's archetype in one way, however; she lived with her parents and three siblings in a rather large house. (Macy's had "Miss Typical Consumer" sharing an apartment with another young woman who split the expenses 50-50.) Regardless, Long was awarded $50 and a diploma for earning the title.[50]