

Warm-Up: Consumer Economy of 1920s

The Age of Credit Buying Begins in the 1920s	
Vacuum Cleaner \$28.95 \$2 down, \$4 a month	Sofa \$74.50 \$5 down, \$8 a month
Refrigerator \$87.50 \$5 down, \$10 a month	Piano \$445.00 \$15 down, \$12 a month
Washing Machine \$97.50 \$5 down, \$8 a month	Phonograph \$43.50 \$5 down, \$5 a month
Bedroom Suite \$228.00 \$15 down, \$15 a month	Large Rug \$148.50 \$10 down, \$15 a month
Easy Chair \$38.50 \$5 down, \$5 a month	Corner Cabinet \$37.95 \$5 down, \$5 a month

1. How much did a consumer have to “put down” in order to buy a bedroom suite for \$228.00?
2. According to the chart, how did many Americans buy their consumer products in the 1920s?
3. Predict what would happen if a consumer lost his job and was unable to pay off his credit payments?
4. What would happen to banks if most of their clients were unable to make their loan payments?