

The Affluent Society

"Who decides whether you shall be happy or unhappy? You do! Happiness is achievable and the process for achieving it is not complicated. Anyone who desires it, who works for it, and who learns and applies the right formula may become a happy person."

—Vincent Peale, *The Power of Positive Thinking*

During the 1950s millions of Americans listened to the advice of Reverend Vincent Peale, a dynamic speaker and Christian minister who wrote the 1952 book *The Power of Positive Thinking*. Peale's claim that all people could achieve success if they had the right attitude represented the optimism of the decade. In a world dominated by Cold War fears, Peale offered a formula to encourage Americans to pursue their aspirations.



Eisenhower, often referred to by his nickname, Ike, was a calming force for Americans.

The Eisenhower Era

Vincent Dwight D. Eisenhower also reflected the optimism of the 1950s. Rejecting the Democrats' reform proposals, Americans elected Eisenhower, a Republican, to the White House in 1953. He determined to boost the economy and reform the federal government. He pledged to cut bureaucracy, to curb what he called the "growing monster" of the New Deal, to balance the budget, and to reduce government regulation of the economy.

As president, Eisenhower eliminated thousands of government jobs and cut billions of dollars from the federal budget. To reduce government spending on the economy, he cut farm subsidies. He also turned over federally owned lands to the states, which could then allow those lands to be developed. Social Security and unemployment benefits were expanded, and the minimum wage was increased. Eisenhower also supported the largest increase in federal spending up to that time. This approach to domestic affairs, which became known as **Modern Republicanism**.

His administration's pledge to balance the federal budget. Only three of the federal budgets were balanced. During his years in office the federal budget rose from \$29.1 billion in 1953 to \$139.1 billion in 1960.

Summarizing Why did many Americans support Eisenhower in

The Economy

For many Americans the 1950s was a decade of economic prosperity. One man described the era as an escalator. "You just stood there and you moved up," he said. Unemployment and inflation remained very low. By the mid-1950s about 60 percent of Americans were earning a middle-class income, which at that time was considered to be \$3,000 to \$10,000 annually. According to the popular media, never before had so many people enjoyed such prosperity. "This is a new kind of capitalism," declared *Reader's Digest*, "capitalism for the many, not for the few."

Changes in the workplace. The economy received a boost from changes in the workplace. Large corporations prospered during the decade. Some 5,000 companies merged to form larger corporations. American factories were changing as well. Throughout the 1950s companies introduced machines that could perform industrial operations faster and more efficiently than human workers. This process of **automation** greatly increased productivity. However, it also reduced the number of manufacturing jobs. Many workers began to fear an automated future, as the song "Automation" noted.



"I walked, walked, walked into the foreman's office
To find out what was what.
I looked him in the eye and said, 'What goes?'
And this is the answer I got:
His eyes turned red, then green, then blue
And it suddenly dawned on me—
There was a robot sitting in the seat
Where the foreman used to be."

—"Automation," by Joe Glazer

As the number of blue-collar, or manufacturing, jobs decreased, professional and service jobs increased. Huge new corporations required a multitude of managers and clerical workers, positions referred to as white-collar jobs.

Many of the newly created service jobs were in occupations traditionally filled by women. Those jobs included nursing, teaching, retail sales, and low-level clerical work, sometimes called pink-collar jobs. By 1960, women made up about one third of the total workforce.

The new union style. Changes in the workforce also influenced organized labor. Boosted in part by the merger of the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO) in 1955, union membership grew in the 1950s. It peaked at some 18.5 million in 1956.

INTERPRETING THE VISUAL RECORD

Automation. The use of machines allowed workers to make products faster. **What examples of automation can you identify in this picture?**

