



**CALIFORNIA CONTENT
STANDARD 11.8.1**

Growth of the Service Economy

Specific Objective: Trace the growth of service sector, white collar, and professional sector jobs in business and government.

Read the summary to answer questions on the next page.

Changing Types of Jobs

- U.S. technology changed the demand for industrial and manufacturing jobs. Automation (use of machines to perform tasks previously done by people) meant that fewer workers were needed to keep production levels high.
- White-collar jobs (those not using manual labor) increased, while blue-collar jobs (using manual labor of some type) decreased.
- Most blue-collar workers had manufacturing jobs. White-collar workers had higher paying clerical, managerial, or professional jobs in fields like sales, advertising, insurance, and communications.
- Before World War II in 1940, only about 31 percent of jobs were classified as white collar. The percentage grew to 36 percent in 1950 and 47 percent by 1970.
- The government began to employ a much higher percentage of workers as it provided more services to people. The percentage grew from about 13 percent of all workers in 1940 and 1950 to about 18 percent in 1970.

Growth of Corporations

- After the Depression, large companies did not want to rely on a single type of business that could go bankrupt in an economic crisis.
- Large companies bought other types of businesses not necessarily connected to their original work.
- Diversified companies were called conglomerates.
- For example, International Telephone and Telegraph bought car-rental companies, hotel and motel chains, and insurance companies.
- Conglomerates became very powerful and affected how their workers thought and acted as well.

Effect on Culture

- Many employees of large corporations or conglomerates were paid well and had safe, secure, white-collar jobs.
- However, their employers wanted them to put the company first and to conform to certain forms of thought, dress, and social activities.
- A book, *The Organization Man*, showed how corporations supported and increased conformity.
- In the later 1950s and throughout the 1960s, some people questioned whether the economic and social rewards for conformity were worth the loss of some creativity and individuality.



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Growth of the Service Economy

Directions: Choose the letter of the *best* answer.

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| <p>1 How did automation change the American workplace after World War II?</p> <ul style="list-style-type: none"> A It reduced the number of white-collar workers and reduced production. B It increased the number of white-collar workers and kept production high. C It increased the number of blue-collar workers and increased production. D It had little effect on the types of jobs but dramatically increased production. <p>2 Which sector of the economy was <i>most</i> affected by the changes in the blue-collar workforce after World War II?</p> <ul style="list-style-type: none"> A government B managerial C manufacturing D professionals <p>3 After World War II, the U.S. government</p> <ul style="list-style-type: none"> A hired more workers as it provided more services to people. B was prevented from hiring more people by conservative members of Congress. C cut many war-related jobs and decreased the number of government workers. D went through several cycles of hiring more and then fewer people. | <p>4 Which statement <i>best</i> describes why large companies became conglomerates after World War II?</p> <ul style="list-style-type: none"> A They wanted to concentrate on the type of business they knew the best. B They thought they could get more political power to influence decisions. C They wanted to make their companies less vulnerable to economic crises. D They could control tariffs more easily and protect their exports. <p>5 White-collar employees of large corporations in the 1950s and 1960s were</p> <ul style="list-style-type: none"> A expected to be very creative and to try new ways of doing things. B not paid well but had good insurance and other benefits. C interested in joining labor unions in large numbers. D expected to conform to certain ways of thought and dress. <p>6 Which description <i>best</i> fits the “organization man” of the 1950s?</p> <ul style="list-style-type: none"> A a worker who increases efficiency through better organization B a worker who puts the company first and fits in with the other workers C a union leader who organizes a union in a new company D the head of a conglomerate who decides on how to organize the company |
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