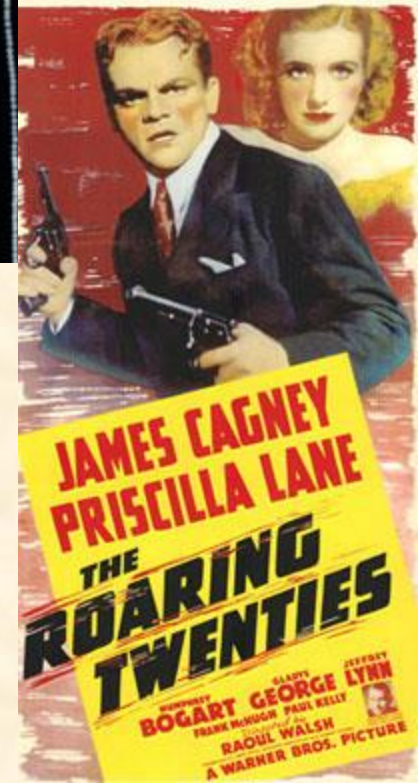


Objective: To examine the methods used to increase the economic boom in America. USHC 6.1/6.3





If paid in full within 12 months.*

**ON ALL MAJOR APPLIANCE, FLOORING,
OUTDOOR POWER EQUIPMENT AND GRILL
PURCHASES** of \$299 or more made on your Lowe's®
Consumer Credit Card.

***Lowe's® Consumer Credit Card:** Applies to single-receipt, in-store Major Appliances, Flooring, Outdoor Power Equipment and Grill purchases of \$299 or more (and any other items purchased on the same sales receipt) made March 6 through March 19, 2008 on a Lowe's Consumer Credit Card account.

No monthly payments will be required and no finance charges will be assessed on this promotional purchase if you pay the following in full within 12 months: (1) the promotional purchase amount, and (2) any related optional credit insurance/debt cancellation charges.

If you do not, finance charges will be assessed on the promotional purchase amount from the date of purchase and monthly payments will be required. Standard account terms apply to non-promotional purchases. APR is 21.99%. Minimum finance charge is \$1.00. Offer must be requested at time of purchase. Offer is subject to credit approval.

***Lowe's® Consumer Credit Card:**

...No monthly payments will be required and no finance charges will be assessed on this promotional purchase if you pay the following in full within 12 months: (1) the promotional purchase amount, and (2) any related optional credit insurance/debt cancellation charges.

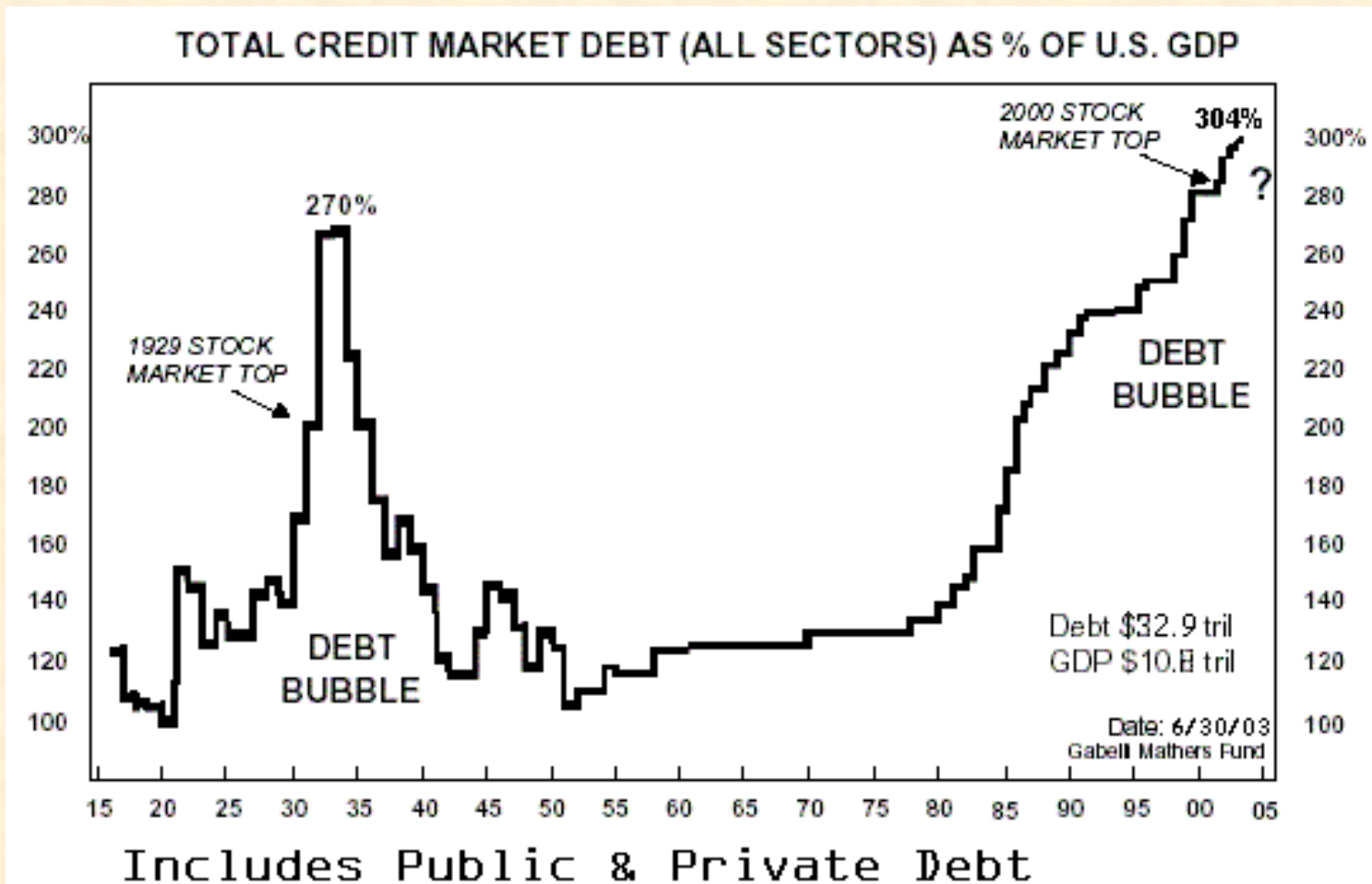
If you do not, finance charges will be assessed on the promotional purchase amount from the date of purchase and monthly payments will be required. Standard account terms apply to non-promotional purchases. **APR is 21.99%.**

Minimum finance charge is \$1.00. Offer must be requested at time of purchase. Offer is subject to credit approval.

New Goods for Sale

· In the 1920's, people began to purchase items they couldn't afford through the use of **installment buying**, or buying on credit.

· Installment buying increased the demand for goods, while consumer debt increased.



Advertising

- In the 1920's businesses used advertising to convince consumers that they would be happier if they bought their product.



"We want a Westclox, too"

THEY know what they want, what they need...timekeeping accuracy, dependability... a clock that will run on time... an alarm that will ring right on the dot. And they know that they will get it in Westclox. Through years of trustworthy and helpful service, Westclox have definitely demonstrated their reliability, proven their worth and won the confidence of millions.

You, too, will find exactly what you want in size, design and in price. Standard models or handsome new de luxe models that are securely built on a sturdy, artistic, felt-cushioned base. Lustrous nickel or colors of exquisite beauty. Plain dials or luminous dials that can be read

in the dark. There are steady or repeating alarms... some toned especially for heavy sleepers, others for light sleepers. And there is Tiny Tim, an attractive and faithful little timepiece *without* alarm. A Westclox for any room in the home.

Pocket Ben, the Westclox Watch, answers every "want" of men who demand good timekeeping, good looks and economy.

Dealers everywhere recommend Westclox. They know that Westclox variety meets individual requirements and that Westclox quality supplies the universal need of timekeeping dependability. Westclox prices range from \$1.50 to \$5.00.

How does the stock market work?

You buy 100 shares of stock of

Westclox[®]

**How much money
have you invested?** x \$5.00 per share
 \$500.00

Scenario #1

Westclox[®] stock *increases* to \$20 per share

**How much are your 100
shares of stock now worth?**

100 shares of stock
x \$20.00 per share

\$2,000.00

**How much *profit* have you
made?**

\$2,000.00 stock value
- \$500.00 initial investment

\$1,500.00 net profit

How does the stock market work?

You buy 100 shares of stock of

Westclox[®]

**How much money
have you invested?** x \$5.00 per share
 \$500.00

Scenario #2

Westclox[®] stock *decreases* to \$1 per share

**How much are your 100
shares of stock now worth?**

100 shares of stock
x \$1 per share

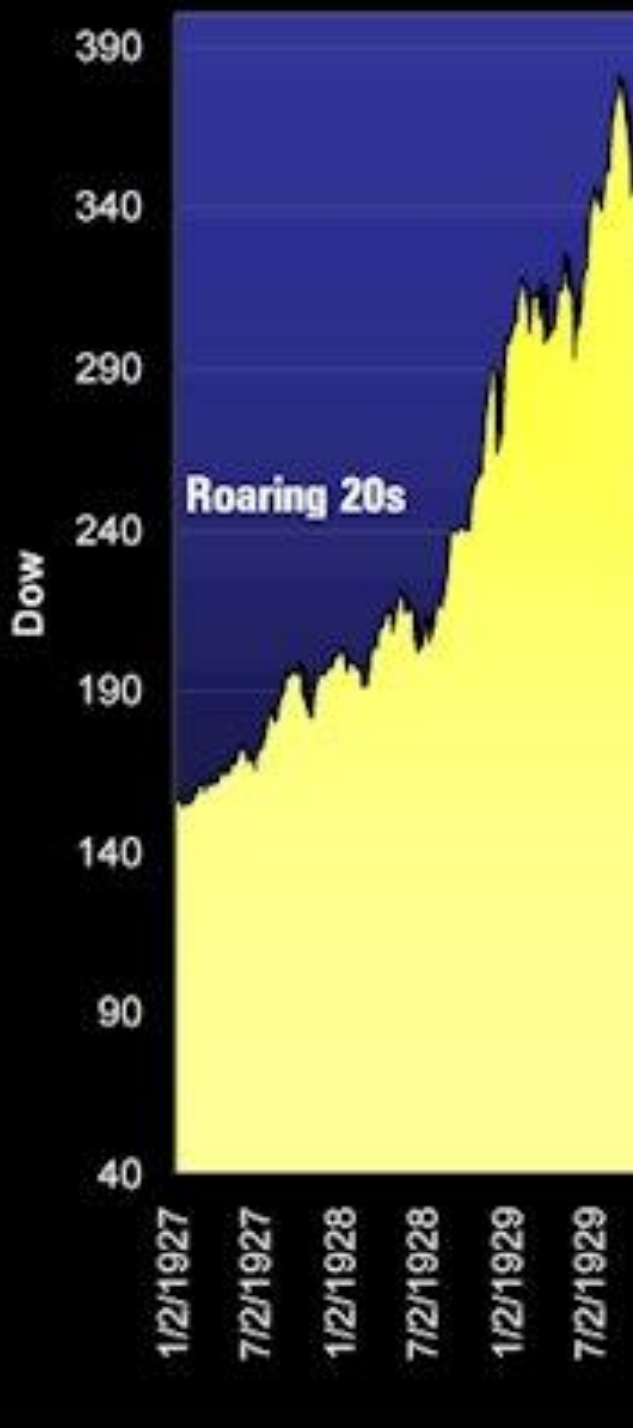
\$100.00

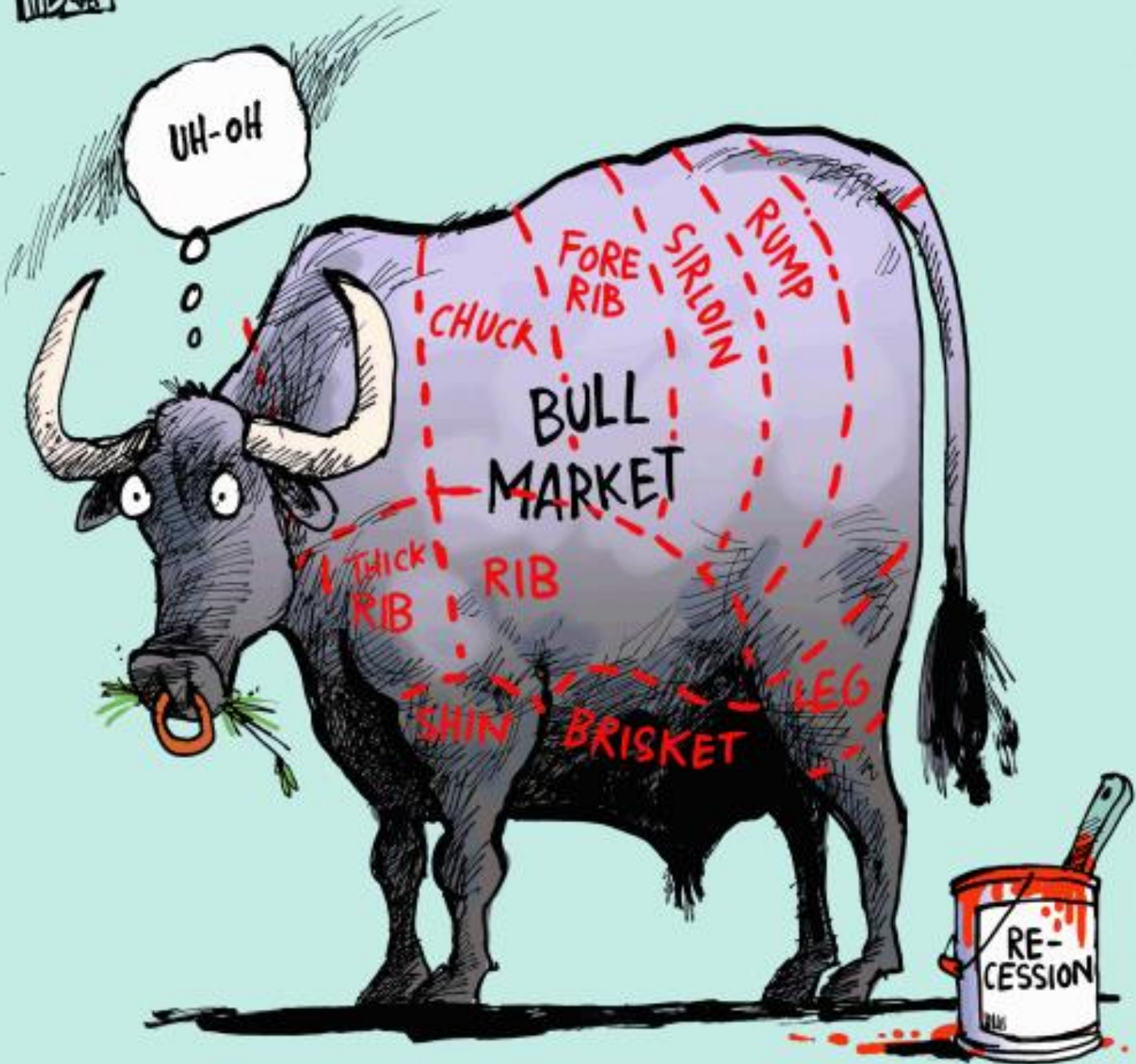
**How much money have you
lost?**

\$100.00 stock value
- \$500.00 initial investment
\$400.00 net loss

Stocks Surge

- Millions of Americans invested in the **bull market**, becoming rich as stock prices rose.





Buying Stocks on Margin: Scenario A



investor

Hello, sir. I would like to purchase 100 shares of stock in the Ford Motor Company. How much is it going to cost me?



stock broker

Buying Stocks on Margin: Scenario A



investor

Well, Ford stock costs \$10 per share. You want to buy 100 shares? Figure it out yourself, smartguy!



stock broker

Buying Stocks on Margin: Scenario A



investor

$$\begin{array}{r} \text{Ummm...} \\ 100 \text{ shares} \\ \times \$10 \text{ per share} \\ \hline = \mathbf{\$1,000.00} \end{array}$$

Oh, well. I only have \$100. I can't afford 100 shares.



stock broker

Buying Stocks on Margin: Scenario A



investor

No, problem!
Just give me
\$100 and you
can owe me
the rest!



stock broker

Buying Stocks on Margin: Scenario A



investor

Like, how much
would that be?
Let me think...
\$1,000 worth of stock
- \$100 paid

= \$900 owed

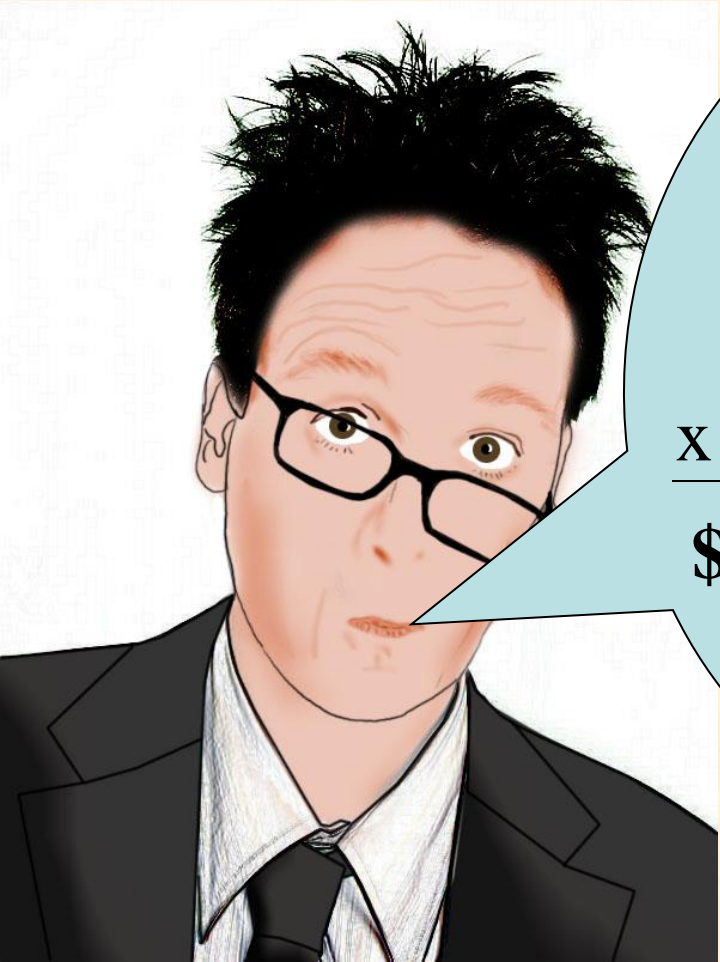
Alright, it's
a deal!!



stock broker

Buying Stocks on Margin: Scenario A

Six months later, Ford stock doubles to \$20 per share.



investor

My 100 shares
are now worth...

$$\begin{array}{r} 100 \text{ shares} \\ \times \$20 \text{ per share} \\ \hline \$2,000 \end{array}$$


stock broker

Buying Stocks on Margin: Scenario A



investor

That's great!
Now pay me
the \$900 you
owe me!



stock broker

Buying Stocks on Margin: Scenario A



investor

No problemo! It
was a pleasure
doing business
with you!



stock broker

Buying Stocks on Margin: Scenario A



investor

Now let's figure out how much money I made!

\$2,000 net worth

- \$900 owed

\$1,100 profit

- \$100 initial investment

\$1,000 net profit

Buying Stocks on Margin: Scenario B

Six months later, Ford stock decreases to \$1 per share.



My 100 shares
are now worth...

$$\begin{array}{r} 100 \text{ shares} \\ \times \text{ \$1 per share} \\ \hline \mathbf{\$100} \end{array}$$

investor



stock broker

Buying Stocks on Margin: Scenario A



investor

Too bad,
hotshot! You
still owe me
\$900!



stock broker

Buying Stocks on Margin: Scenario A



But I'm broke!
What am I going
to do!

investor



stock broker

Buying Stocks on Margin: Scenario A



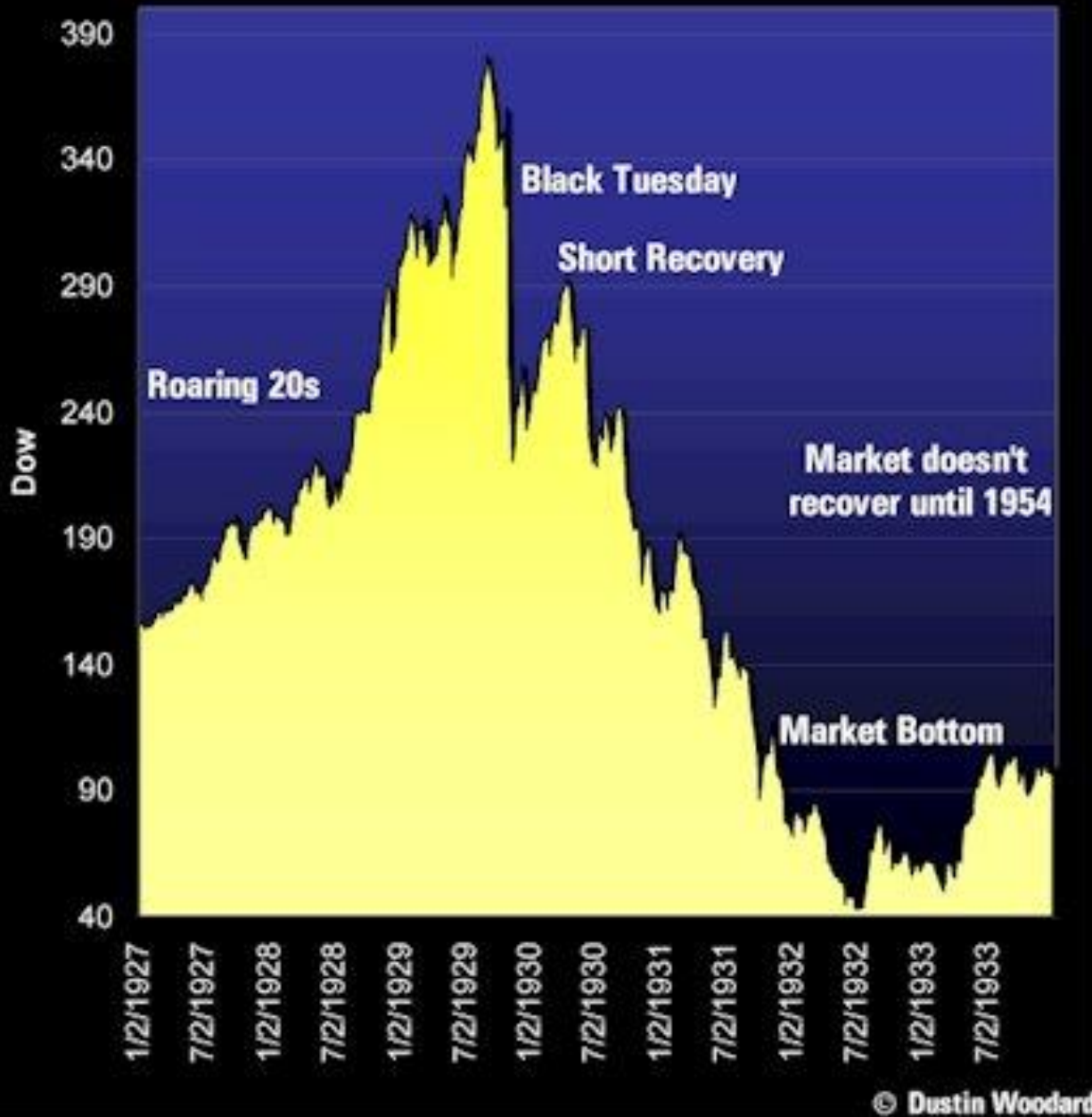
investor

I don't care
what you do as
long as you pay
me back!



stock broker

The Great Stock Market Crash of 1929



• Some people began to buy stocks on margin, which is similar to installment buying.

* Unquestioned faith in the bull market helped lead to the Great Depression!