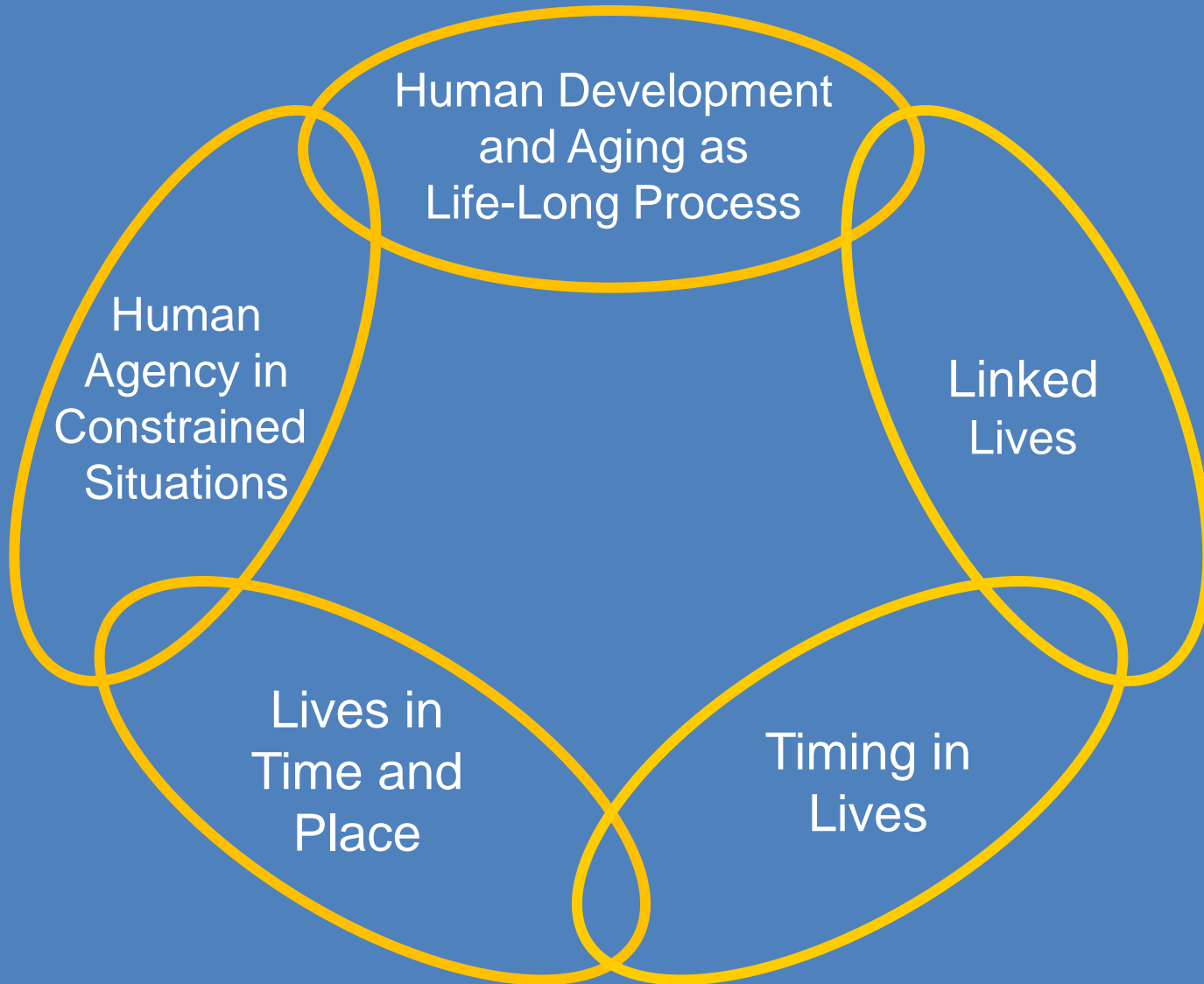


Overcoming Disadvantage: From Great Depression to Great Recession

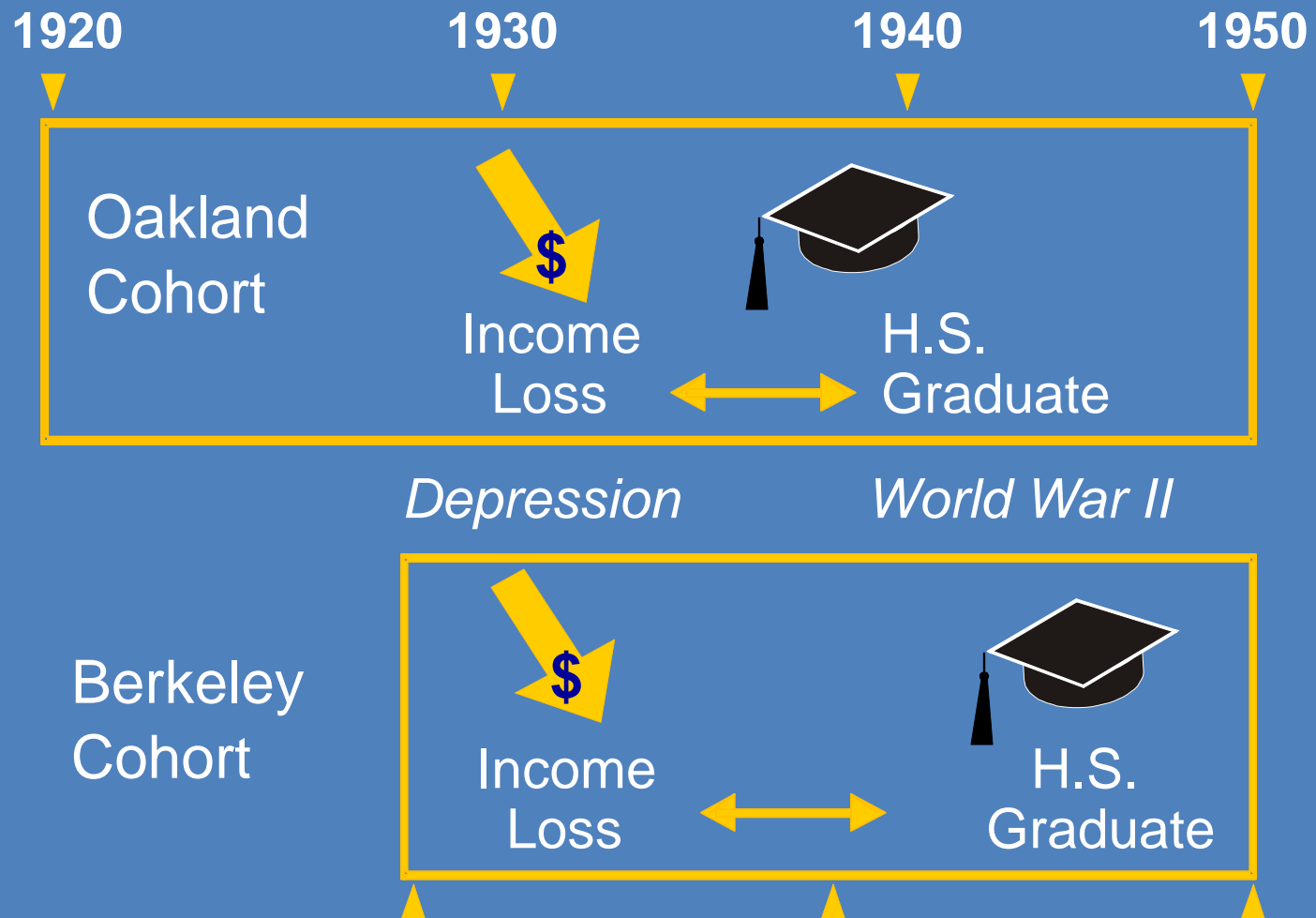
Glen H. Elder, Jr.
Carolina Population Center
The University of North Carolina at Chapel Hill
<http://www.unc.edu/~elder>



Principles of Life Course Theory



The Different Historical Times of the Oakland and Berkeley Cohorts



Family Adaptations Link Income Loss to Children's Well-being

Income loss
1929-33



- Household economy
- Changes in relationships
- Emotional distress, anger

Children's
well-being

Oakland and Berkeley cohort members by age at historical events

Date	Event	Oakland	Berkeley
		Age of cohort members	
1929-30	Onset of Great Depression	9-10	1-2
1932-33	Crisis of Great Depression	11-13	3-5
1937-38	Economic Slump	16-18	8-10
1941-45	World War II	20-25	12-17
1974	End of affluent age	53-	46-

Adverse Effects of Depression Hardship

Gender	Negative Effects of Hardship	
BOYS	Berkeley (younger)	More than  Oakland (older)
GIRLS	Berkeley (younger)	Less than  Oakland (older)

Emerging Debt Pattern “Way of Life” 1920s – 2009

Before WW II

- The 1910s-20s – buying things on credit, promoted by large retailers such as Sears, Roebuck, May Co.
- “Living beyond one’s means?” A good many Americans were doing so in the 20s.
- “When times go bad,” as in the 30s – job loss and inability to pay off debts

Evolving Debt Pattern “Way of Life” 1920 – 2009



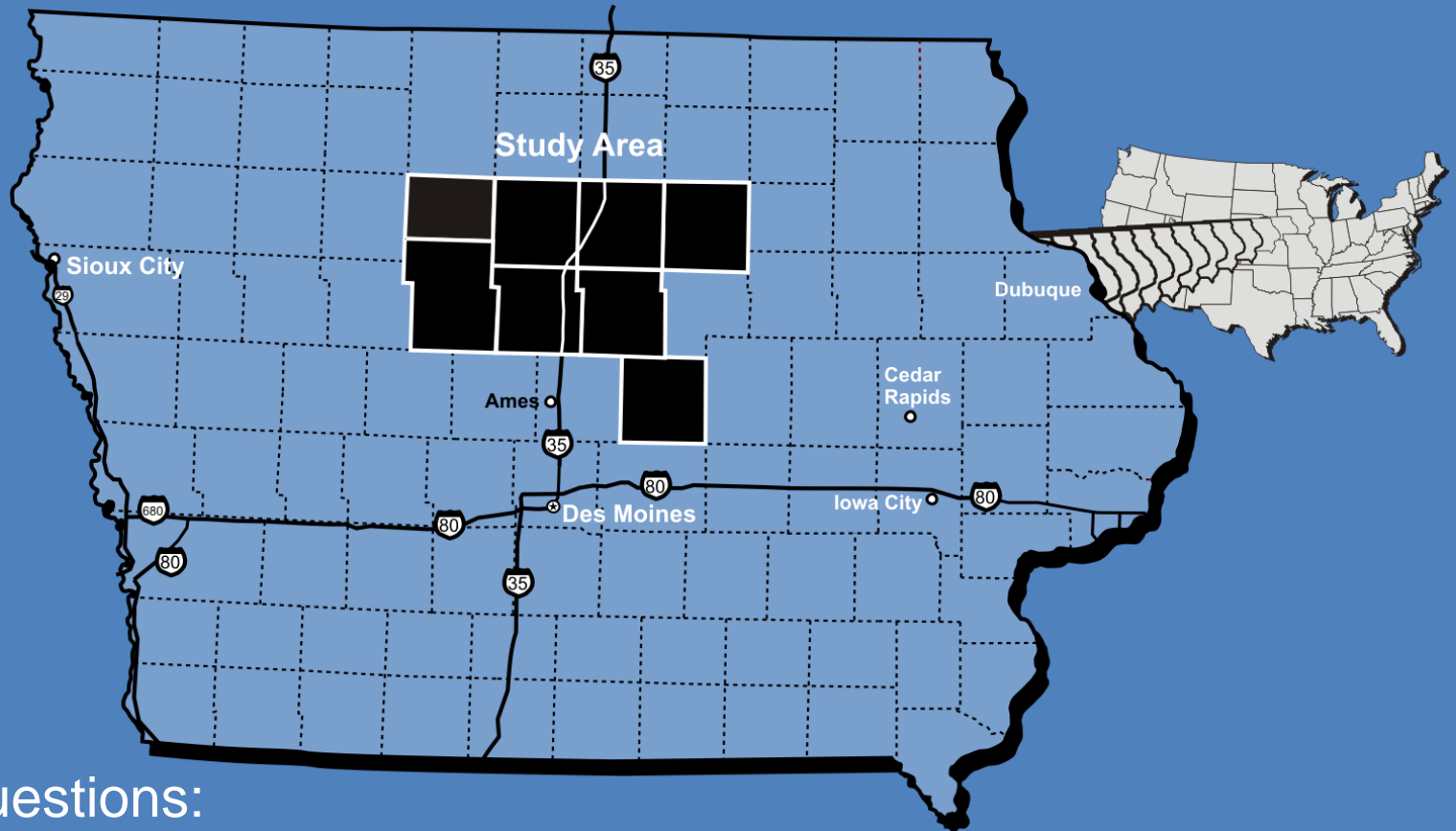
After WW II

- The appearance of credit cards – Diners, American Express
- Booming 90s – $\frac{3}{4}$ of Americans had a credit card. More purchases by credit than by cash.
- From “easy credit” to fragile families and communities. “Ability to repay loan” less important. Bankruptcies soar over 400 percent from 1985 to present.

Origins of Rural Economic Crisis, 1975 – 1995

- Bankers encourage Iowa farmers to plant “fencerow to fencerow,” and to buy more tillable acreage.
- “Soaring inflation” ended the prosperity of the 70s for rural Iowa, Feds increased interest rate for borrowers. Credit dried up.
- Value of land declined and families cut back on purchases, sending entire state of Iowa into a depression-like economy. Worst since the 1930s.

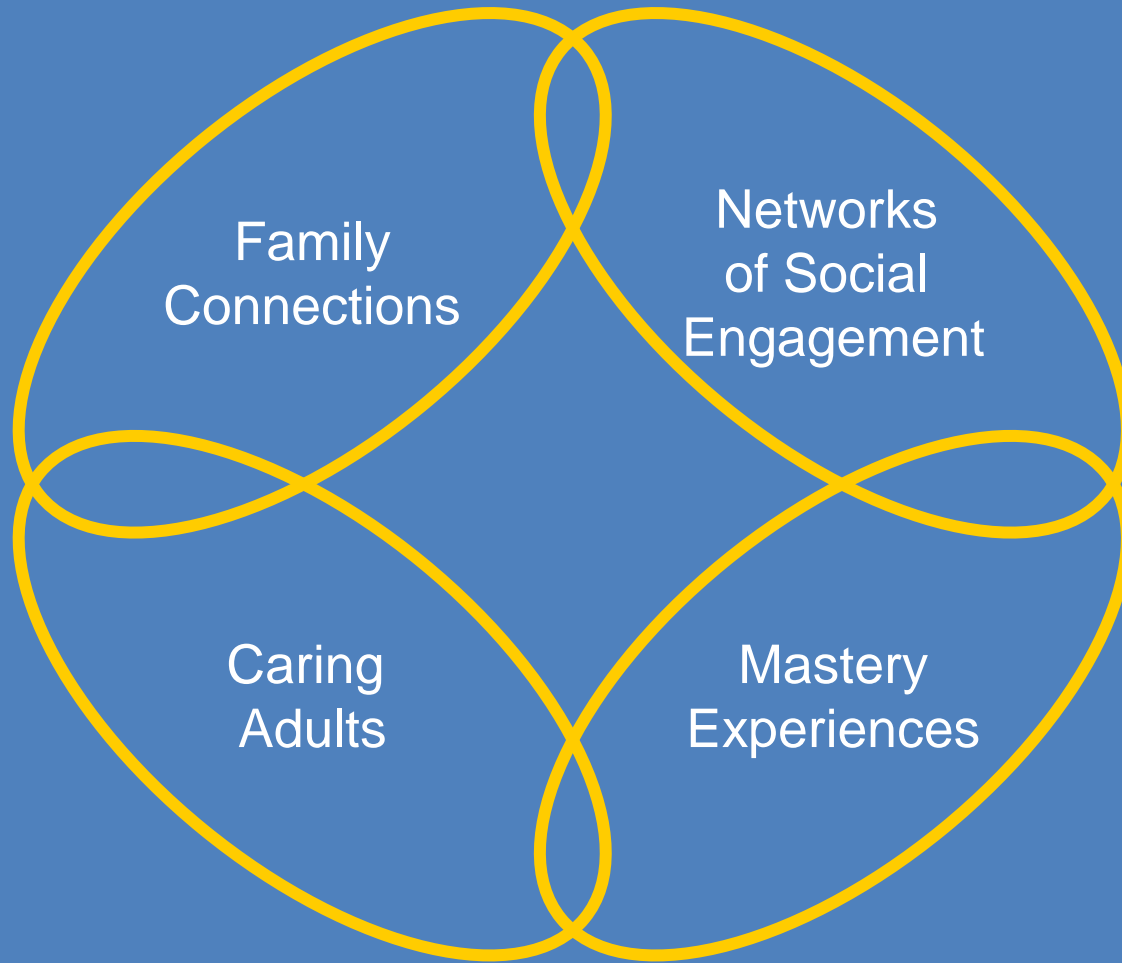
Iowa Youth and Family Study



Questions:

1. Effects of economic hardship on young people.
2. Factors that increase youth achievement.

Sources of Resilient Lives



Source: Elder, Glen H., Jr., and Rand D. Conger. 2000. *Children of the Land: Adversity and Success in Rural America*. Chicago: University of Chicago Press.



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