

# The Economic Ascent of the Hotel Business

# 6

**Paul Slattery**

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# 6 The US Economic Structure and Hotel Business: 1945–1960

## Introduction

During the 15-year period to 1960, the structural balance of the US economy shifted towards service businesses rocketing the growth in hotel supply and demand and boosting the presence of hotel chains. In parallel, other economies and hotel businesses struggled to shake off the problems of World War II and the legacy of the other critical events of the previous half century. In the US, the four factors necessary to progress the structural balance of an economy towards service businesses progressed.

- ◆ First, civil and human rights were extended. In 1954, the Supreme Court ruled racial segregation in public schools to be unconstitutional. Women at this time saw a quantum leap in their standard of living and the reduction of drudgery in household chores through the mass ownership of household appliances. In 1950, only 29% of the labour force was female, but as the structural balance of the economy moved towards service businesses so the total number of women employees grew as did the proportion of women entering further and higher education.
- ◆ Second, the social sciences expanded in university teaching and research and their application to social and business life increased.
- ◆ Third, the personal capital markets expanded. The increase in the level of personal credit was facilitated by the high levels of employment. Secured loans were extended with the growth in home ownership, unsecured loans increased to buy consumer durables and towards the end of the period, credit cards were introduced.
- ◆ Fourth, personal travel grew with the significant increase in automobile ownership and the expansion of airline travel.

Importantly, the development in the structural balance of the US economy during the post-war period was facilitated because the citizen services segment was regarded as a safety net for the more vulnerable in the economy and not as

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