Federal Dollars, Local Growth

Trace how federal spending changed Alabama's economy.

SS24.AS.22 "Analyze the influence of federal spending on the growth of Alabama's economy from the New Deal to the present."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Circle one example of federal spending in each paragraph. Underline a job or business effect of each example, then draw an arrow from the spending to its effect.

Three Waves of Federal Spending

1. In the 1930s, many Alabama families had little cash, and some rural homes lacked electricity. Through the New Deal, the federal government funded the Tennessee Valley Authority (TVA), which built dams such as Wheeler Dam on the Tennessee River. Construction hired workers, who spent wages in nearby stores. The dams generated electricity that reached homes and helped industries operate in northern Alabama. Federal dollars did more than create short-term construction jobs: they helped build a power system that businesses could use for decades. Still, the gains were uneven; communities without access to the new power did not benefit in the same way.

2. World War II brought a different kind of federal spending to Alabama. The federal government ordered ships for the war, and shipyards in Mobile hired thousands of workers to build them. Shipyard pay supported nearby stores, restaurants, and housing. Federal orders thus created jobs inside the yards and increased demand for other local businesses. But this growth depended on wartime needs. When the war ended and ship orders fell, many shipbuilding jobs disappeared. Mobile's experience shows how federal contracts can rapidly expand a local economy, while a change in federal demand can put that growth at risk.

3. Federal spending still shapes Alabama's economy, especially around Huntsville. Federal budgets support NASA's Marshall Space Flight Center and Army operations at Redstone Arsenal. They pay workers and fund contracts with private firms. Those workers buy local goods and services, supporting additional jobs. Research and engineering skills can also help attract firms with customers beyond the federal government. Yet projects can end, and budgets can shrink. Across these periods, federal spending has supported public infrastructure, wartime production, and specialized research. Its influence has been strong, but it has not been the only cause of Alabama's economic growth.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did New Deal spending create both immediate jobs and a longer-lasting benefit for Alabama businesses?

2. How did federal ship orders affect businesses outside Mobile's shipyards, and why was that growth at risk?

3. Explain one direct and one indirect effect of current federal spending around Huntsville.

4. Compare the lasting economic effects of TVA spending with the effects of wartime ship orders. What made the two outcomes different?

3 YOUR TURN

Your own words

Imagine federal funds pay for a new job-training center in an Alabama county. In 5 to 6 sentences, predict two ways it might affect the local economy, explain one risk, and compare its likely effects with one example in the passage.

ANSWER KEY

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HIGH SCHOOL · SS24.AS.22

PART 1 · READ AND MARK

Circle one example of federal spending in each paragraph. Underline a job or business effect of each example, then draw an arrow from the spending to its effect. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did New Deal spending create both immediate jobs and a longer-lasting benefit for Alabama businesses?	**Building TVA dams hired workers immediately. Electricity from the dams helped northern Alabama businesses operate for decades.**
2	How did federal ship orders affect businesses outside Mobile's shipyards, and why was that growth at risk?	**Shipyard workers spent their pay at local stores, restaurants, and housing. When wartime ship orders fell, many shipbuilding jobs disappeared.**
3	Explain one direct and one indirect effect of current federal spending around Huntsville.	**Federal budgets directly pay workers or fund private firms' contracts. Workers' purchases then support additional local jobs.**
4	Compare the lasting economic effects of TVA spending with the effects of wartime ship orders. What made the two outcomes different?	**TVA dams supplied electricity that businesses could use for decades. Ship orders created jobs and local demand, but many of those jobs disappeared when wartime orders fell.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A federally funded training center could hire instructors and staff from the county. Their spending might bring more customers to nearby businesses. Graduates could also gain skills that help them get jobs with local employers. Like TVA's power system, the center might provide a benefit that lasts beyond its first years of operation. However, if federal funding ends, the center could close before enough workers finish training.

Accept other passage-supported cause-and-effect explanations. For the open task, look for two plausible economic effects, a risk tied to funding or demand, and a specific comparison with the passage.