

Historically Speaking

The GI Bill and the Remaking of America

This summer the Departments of Defense and Veterans Affairs will implement the largest increase in educational benefits since World War II. This is a compliment to all who have lobbied long and hard to further the well-being of returning soldiers, sailors, airmen and marines. It also continues a national tradition of investing in demonstrably responsible young Americans to improve the country as a whole. The first GI Bill—the Servicemen’s Readjustment Act of 1944—not only improved America, it transformed it. The gigantic postwar contributions of the Greatest Generation would be hard to imagine without it.

The Servicemen’s Readjustment Act of 1944 emerged amid anxieties concerning a return of the Great Depression in the aftermath of World War II. Congressional leaders feared employment would drop as defense spending wound down and the sudden return of 16 million servicemen would push unemployment to unbearable heights. The so-called 52-20 Clause was central to the bill’s intent. It authorized former servicemen \$20 a week for 52 weeks while they were looking for work, an anticipatory unemployment compensation. The act also authorized stipends to cover college or technical school expenses and low-interest loans to buy a house or start a business. As a pleasant surprise to its authors, the 52-20 Clause proved to be perhaps the least consequential aspect of the bill. Less than 20 percent of the funds set aside for it were used. The returning servicemen sought to substantially improve their lots in life; for most

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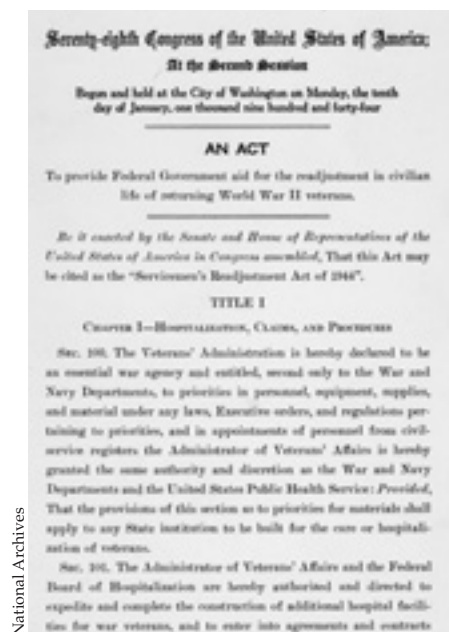
that meant getting an education, owning a home, starting a business or some combination of all three.

About half of the returning World War II veterans pursued educational benefits under the GI Bill. This kept millions out of the labor force temporarily, allowing the economy to make the transition gradually to a postwar posture. It also transformed higher education and contributed to transforming the economy as a whole. Before World War II, fewer than one in 10 young Americans went to college, which was generally viewed as a venue to polish the affluent. Curricula tended to have an elitist bent as well, heavy on the “classics” and a bit dismissive of subjects directly related to making—as opposed to inheriting—money. Some professors despaired of the “educational hobo jungles” the GI Bill created, where eager but cost-conscious students crowded into garages, attics and Quonset huts near campus. Combat veterans were not to be intimidated by academics, however, either in their determination to get an education or in the courses they took. Hard sciences, applied sciences and business management experienced a golden age as federal funds poured in to subsidize the curricula that the veterans chose to pursue. College now had less to do with cultural polishing and more to do with getting a “good job.”

This shift in educational emphasis was timely. Industrial and technological advances soon led to far less use of unskilled labor and far more use of professional and managerial talent. In 1956, the number of white-collar workers sur-



U.S. Department of Veterans Affairs



National Archives

By signing the first GI Bill into law in 1944, President Franklin D. Roosevelt opened educational, home ownership and business opportunities to millions of World War II veterans, establishing a precedent that remains strong today.



By providing financial support to veterans, the GI Bill transformed U.S. culture and society and the postwar economy.

passed that of blue-collar workers for the first time, and the salaried middle class had increased by more than half in less than 10 years. In addition, the term *blue-collar* was increasingly unlikely to mean unskilled. GI Bill-funded attendance at technical or trade schools propelled millions into higher paying jobs. The boundaries between white-collar and blue-collar work blurred. The socioeconomic middle class grew dramatically.

The rapidly growing middle class needed suitable places to live. This was especially true because it was an unusually productive group. Anxieties during the Great Depression and World War II had delayed marriage and kept birth rates down. With wartime victory and economic prosperity, confidence returned, fueled in part by the broadening opportunities that the GI Bill afforded young people. Marriage rates soared, as did birth rates. The bountiful Baby Boom averaged more than 4 million new babies a year through 1964. Again the GI Bill proved central to socioeconomic transformation. Low-interest loans enabled

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millions of veterans to buy their own homes. The sheer volume of such loans—and of collateral mortgage insurance guarantees by the Federal Housing Administration—transformed the mortgage industry. Home ownership became a middle-class expectation, and the middle class was exploding in size. Millions poured out of urban apartments to live in newly built affordable suburban houses accessible via newly constructed highways in cars newly purchased with wartime savings—savings made possible by the limited availability of commercial items during wartime rationing.

The resultant economic growth invited entrepreneurship. Once again the GI Bill proved crucial, enabling veterans to seize business opportunities in the proliferating new mix of urban, suburban, industrial and postindustrial venues. By law, the benefits of the Servicemen's Readjustment Act of 1944 were equally accessible to all veterans, regardless of race, ethnicity or creed. In practice, African Americans and others often encountered obstacles locally because of prejudice and discrimination, but dramatically increased access to education, home loans and business loans nevertheless advanced their socioeconomic positions. The World War II experience would prove an important turning point in the long march toward equal rights.

Because the 1944 GI Bill was so successful and so consequential, it has been resurrected on a near continuous basis ever since. It has served both as a reward for service and as an incentive to serve. The numbers of veterans have never been nearly as large as they were in World War II, so the overall transformative effects have not been as dramatic as in the postwar period. GI Bills have nevertheless continued to serve as engines of economic advance and social mobility. Veterans who otherwise could not reasonably have aspired to do so have received educations, bought homes, started businesses and advanced into and through the middle class. The country has prospered from their contributions. They uphold the government, pay their taxes and lead their communities. The underlying premises are simple: A nation's young people are its future. Education and other benefits are best invested in socially responsible young people. Selfless public service, such as military service, is the best single indicator of social responsibility. GI Bills are therefore good investments. We should be pleased that our congressional leaders continue to recognize these relationships. ★

Recommended Reading:

Bennett, Michael J., *When Dreams Came True: The GI Bill and the Making of Modern America* (Washington, D.C.: Potomac Books, 1996)

Mettler, Suzanne, *Soldiers to Citizens: The GI Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005)

Olson, Keith, *The G.I. Bill, the Veterans and the Colleges* (Lexington, Ky.: University Press of Kentucky, 1974)