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Unit 4: The Great Depression Study Guide

The Unit 4 Test will be on _____. In addition to the study guide, you may also use the following to prepare for the test: 1. **VOCABULARY** in S.S. journal 2) USA Weekly Newspapers 3) Brainpop Videos. Note: All **BOLDED** words are **VOCABULARY** terms.

Stock Market Crash of 1929

- After WWI, the U.S. economy thrived. This time was known as the Roaring Twenties. However, this decade of growth ended with the **Stock Market Crash of 1929**.
- The "crash" began on "Black Thursday" or October 24th, 1929 and then culminated on "Black Tuesday" or October 29th, 1929. On this day, 16 million stock shares were traded, causing thousands of people to lose their investments.

Causes of the "Crash"

- During the late 1920s, farmers and factories overproduced (made too many crops or goods). They were not able to sell as many goods as they had in the early 1920s. As a result, they began making fewer products (food, automobiles, etc.). So, workers were laid off, and **unemployment** rates began to rise.
- In addition, investors overestimated how much companies were actually worth. So, stock prices were very high. Eventually investors realized that the companies were not worth as much as they had originally thought. So, investors decided to sell their shares. The problem was they sold their shares **ALL AT ONCE**. Meanwhile, no one wanted to buy the shares. So, the stock prices spiraled down.

Major Causes of the Great Depression

- The **Stock Market Crash of 1929** was one of the main causes of the **Great Depression**. However, it was NOT the only cause.
- Over 9,000 banks failed in the 1930s. This also contributed to the **Great Depression**.
- Major droughts caused huge dust storms to damage agricultural communities in the Great Plains. These huge storms impacted Texas, Kansas, Colorado, New Mexico, and Oklahoma. This part of the country became known as the **Dust Bowl**. Because many farmers **mortgaged** their homes and farms, they were unable to pay their loans without good crops. So, many farmers became homeless and jobless.

Results of the Great Depression

- High **unemployment**. At one point during the **Great Depression** the **unemployment** rate was 25% overall and nearly 50% for African-Americans.

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- Around 9,000 banks failed during the 1930s, which meant that people couldn't access their money.
- People lost trust in financial institutions (ie: banks, stock market, etc.).
- Americans cut back on spending.
- Fewer goods were produced.
- Americans experienced poverty, hunger, and some even lost their homes.
- **Soup kitchens** served hot meals to those without jobs and/or homes.
- **Hoovervilles** were formed. These shanty towns or "shanties" were built by homeless people on empty lots near large cities. Materials such as lumber scraps, cardboard, or tin were used to build the shacks. There was no running water or electricity. So, most people who lived there were cold, hungry, and sick. They were named "**Hoovervilles**" after **President Hoover** who many people blamed.
- Women and children took jobs for less money. Some kids even quit school to work.
- Charities, religious organizations, and the local government provided help and money for those in need.

Famous People in the 1930s

- **Duke Ellington** was an African-American composer, pianist, and bandleader. He created music from a variety of genres, including blues, jazz, and swing. He traveled the country performing with his orchestra and gained national recognition performing at the Cotton Club in Harlem. Many Americans listened to his music thanks to the radio.
- **Margaret Mitchell** was a newspaper reporter and an author in Atlanta, known for her famous book, *Gone with the Wind*. It was written during the height of the **Great Depression** in 1936. The story describes a Georgia plantation family before, during, and after the Civil War. Despite tough times, she sold a million copies in just six months!
- **Jesse Owens** was an African-American track and field athlete from Ohio State University who competed at the 1936 Olympics in Berlin, Germany. He won **FOUR** gold medals. This contradicted Hitler's Nazi party which believed in the myth of German racial superiority. Although he returned a hero in the U.S., he still faced racial discrimination.
- **Herbert Hoover** was the President of the United States during the **Great Depression** who was blamed for not doing more to help struggling Americans. (1929-1933)
- **Franklin D. Roosevelt (FDR)** was the President of the United States during the **Great Depression** from 1933-1945. He provided government assistance through social programs under the "**New Deal**". He also built up industries during WWII, which also helped stimulate the economy. He is the only president to be elected **FOUR** terms. He died of a stroke shortly after being reelected during his fourth term.

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FDR's New Deal

- The New Deal was initiated by **President FDR**. It revolved around **THREE** concepts.
 - 1) Provided **RELIEF** for those suffering from poverty.
 - 2) Provided **RECOVERY** for the nation economically (\$).
 - 3) **REFORMED** policies to prevent economic crisis in the future.

Programs under the New Deal

- The **Civilian Conservation Corps (CCC)** was established in 1933 and employed 3 million young men. They dug canals, restored historic battlefields, built wildlife shelters, and built more than 800 parks. They worked to preserve natural resources in order to conserve for future generations.
- The **Works Progress Administration (WPA)** was established in 1935, and was the largest of the **New Deal** programs, providing jobs for over 8.5 million **unemployed** people. Public buildings and roads were developed as a result. The WPA also supported the work of artists and other activities.
- The **Tennessee Valley Authority (TVA)** was established in 1933 to revitalize the Tennessee River Valley. It helped farmers learn about modern farming practices, and created a network of dams and power plants that supplied electricity to people. The TVA still exists today.

Practice Questions

1. How did American charities help the poor during the Great Depression?
2. How did Herbert Hoover and Franklin D. Roosevelt handle the problems facing Americans during the Great Depression? Were they similar or different? Explain.
3. How did groups like the Civilian Conservation Corps, the Works Progress Administration, and the Tennessee Valley Authority help to improve the country while putting unemployed Americans back to work? How were they similar? How were they different?
4. What role did institutions such as banks play in the Great Depression?
5. How did areas change when farmers from the Dust Bowl moved in?
6. Why did farmers living in the Dust Bowl move to other regions of the United States?
7. What is the stock market and why did it crash in 1929?
8. How did life change for Americans during the Great Depression?
9. What were some of the causes of the Great Depression?
10. Who was Duke Ellington? Margaret Mitchell? Jesse Owens? Why are they significant?