

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Current Unit

Team: \_\_\_\_\_

Directions: Read and TAKE MARGIN NOTES!

## Standards Focus: Historical Context

### *The Great Depression*

One of the worst periods in United States history was a time called the Great Depression. The many theories about the specific causes of this era are debated, however the widespread poverty and social despair that resulted are indisputable.

During the 1920s, America was experiencing a time of great prosperity and living a life of excess; people had a lot of money and weren't afraid to spend it on new inventions such as automobiles, refrigerators, and the radio. For the first time, people had credit cards, and were spending more than they made. Individuals were living life to the fullest, and the U.S. economy began to thrive at an unprecedented rate.



from the *Migrant Mother* Collection  
by Dorothea Lange

In 1929, on a day that came to be called "Black Tuesday," the stock market crashed. This meant that the value of money had lost its worth. Essentially, what someone could have bought with one dollar the day before now cost three to five dollars. Businesses could no longer afford to pay their workers and began laying off hundreds of thousands of people. Banks could not afford to give people their money, and were forced to declare bankruptcy. People's life savings suddenly disappeared, and as a result, people could not afford to pay their house payments or buy food, clothing, or other necessities.

The downward spiral continued. Because people had no money, harvesting and manufacture of new crops and products slowed drastically. Since no one had money to buy food, production slowed, and even more people lost their jobs. By 1932, 30% (about 16-20 million people) of the American population was unemployed. Since people couldn't work, they couldn't pay their debts, and many were left homeless. When inflation (a rise in prices) hit, even more people were homeless and jobless, forced to beg, borrow, and steal food just to survive. Because the American people could no longer afford to spend money, the economy worsened.

In 1932, Democrat Franklin D. Roosevelt was elected President of the United States in the hopes he could turn the economy around and help those who were suffering. Despite changes such as the New Deal, which helped instill faith in the government by introducing new programs such as Social Security, unemployment insurance, and disability insurance, mass unemployment and economic stagnation continued for several years. The onset of World War II soon sparked the economy as foreign countries began buying from American producers. While the Great Depression officially ended after the United States entered World War II in 1941, the scars of extreme poverty and despair had left their mark, and the Great Depression continues to be viewed as one of the most difficult periods in U.S. history.

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**Directions:** After reading the article about the Great Depression, answer the following questions using complete sentences. Don't forget to steal and spit!

1. Describe life in the United States before the depression. \_\_\_\_\_

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2. Explain what happened on "Black Tuesday." What happened to the value of money? How did this affect people in the U.S.? \_\_\_\_\_

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3. Why did production of new crops and goods slow during this time? \_\_\_\_\_

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4. Why didn't people just go to the bank and take out their money or apply for a loan from the bank? \_\_\_\_\_

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5. What was the "New Deal"? \_\_\_\_\_

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6. Why did the Great Depression finally end? Explain what contributed to its end and how these things helped bring this devastating era to a close. \_\_\_\_\_

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