

Do now: From Boom to Bust



The Roaring 20's was one of the most prosperous times in American History, however much of that prosperity disappeared almost as quickly as it appeared during the 1930's.

- 1) How could something like this happen? What were some of the warning signs?
- 2) What societal groups do you think will be the most effected when the economy falls into decline? Justify/explain your answer?



Chapter 14: The Great Depression Begins

AN ECONOMIC CRISIS GRIPS THE NATION DURING THE GREAT DEPRESSION. PRESIDENT HERBERT HOOVER'S CONSERVATIVE RESPONSE TO THE NATION'S PROBLEMS COSTS HIM MANY SUPPORTERS.

Great Depression Rap: Video Questions

While watching the “Great Depression” rap which attempts to explain how the US economy went from “Boom” to “Bust” in the late 1920’s, look for the answers to these 2 questions:

- 1) What were some of the causes of the Great Depression?
- 2) What was life like for people during the Great Depression?



Chapter 14-1: The Nation's Sick Economy

AS THE PROSPERITY OF THE 1920S ENDS, SEVERE ECONOMIC PROBLEMS GRIP THE NATION.

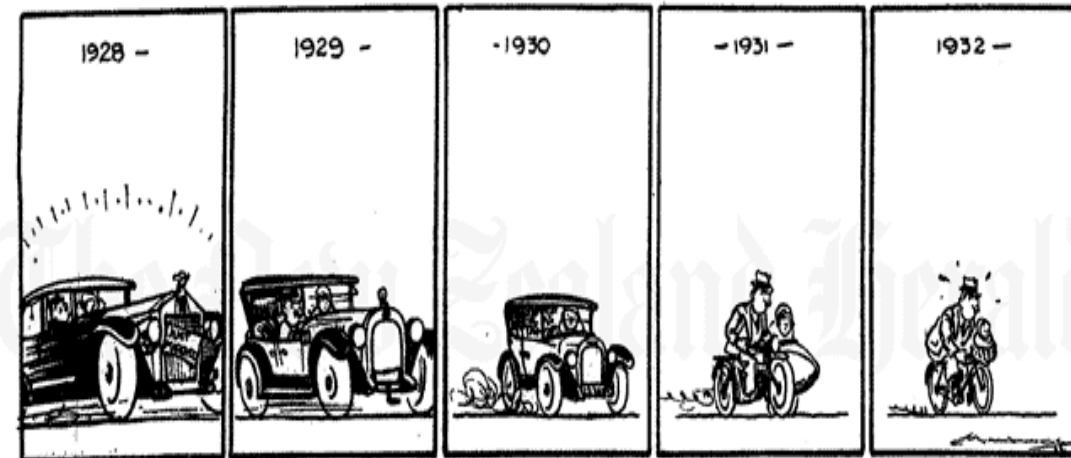
The Great Depression: How did it happen?

1) Industries in trouble:

- Railroads, textiles and steel struggle to profit
- War industries: Mining, lumbering, shipyards, no longer in high demand
- “Boom industries”: Automobiles, construction and consumer goods begin to weaken considerably
- Farm production declines/farm economies struggle
 - Price-supports—government buys surplus crops, guarantees prices

2) Reduction in Purchasing

- People buy less due to rising prices, stagnant wages, credit debts



A SHORT HISTORY OF THE DEPRESSION

The Great Depression: How did it happen? (Continued)

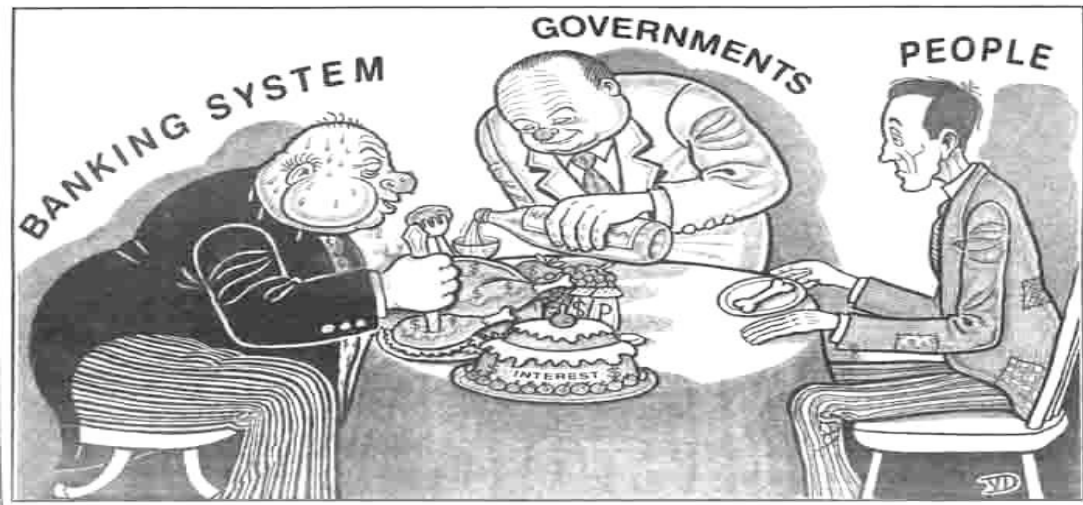


3) Living on Credit

- Many people buy goods on credit (buy now, pay later)
- Businesses give easy credit; consumers pile up large debts
- Consumers have trouble paying off debt, cut back on spending

4) Uneven Distribution of Income

- In 1920s, rich get richer, poor get poorer
- 70% of families earn less than minimum for decent standard of living
- Most cannot afford flood of products factories produce



The Great Depression: How did it happen? (Continued)

5) The Stock Market Crashes: Black Tuesday

The Good: Early 1920's

- Dow Jones Industrial Average tracks state of stock market
- 1920s, stock prices rise steadily; people rush to buy stocks, bonds
- Many engage in speculation, buy on chance of a quick profit
- Buying on margin—pay small percent of price, borrow rest

The Bad and the Ugly: October 29, 1929 and Beyond

- September 1929 stock prices peak, then fall; investors begin selling
- October 29 or Black Tuesday, market, nation's confidence plummet
- Shareholders sell frantically; millions of shares have no buyers
- People who bought on credit left with huge debts
- Others lose most of their savings



The Great Depression: How did it happen? (Continued)

6) Bank and Business Failures

- [Great Depression](#): economy plummets, unemployment skyrockets
 - lasts from 1929–1940
- After crash, people panic, withdraw money from banks
- Banks that invested in stocks fail; people lose their money
- 1929–1932, gross national product cut nearly in half
 - 90,000 businesses go bankrupt
- 1933, 25% of workers jobless; those with jobs get cuts in hours, pay

7) Worldwide Shockwaves

- Great Depression limits U.S. ability to import European goods
- [Hawley-Smoot Tariff Act](#) sets highest protective tariff ever in U.S.
- Other countries cannot earn American currency to buy U.S. goods
- International trade drops; unemployment soars around world



Mini-Project: Ranking the Causes of the Great Depression

Today you will be looking deeper into what caused the Stock Market Crash and Great Depression in 1929. Your job will be to determine how all the causes together collectively caused the US (and later the world) to plunge into financial ruin.

In groups of 4-5 you will read into the causes and create a list ranking the causes. You should be able to justify why you ranked the causes the way you did and identify how each cause is related to the next.

Once everyone has completed we will compare lists and see if we can determine how to best “rank” the causes of the Great Depression

Homework

☐ 14-1 Reflection Question: How did the economic trends of the 1920's help cause the Great Depression?

☐ Think About:

- ☐ What happened in industries?
- ☐ What happened in agriculture?
- ☐ What happened with consumers?

Do Now: The Depressing Great Depression



During the Great Depression, many people woke up one day to find their wages cut in half and their savings completely gone thanks to risky bank investments. This was in a time where government help and regulations were essentially non-existent.

1) Imagine if you or your family found yourself in this situation what would you do?

2) What are some things the government and banks could do to fix the problems of the Great Depression or even avoid them all together?

Video Questions: Life During the Great Depression

- 1) How does Dorothy Wamble describe her life during the Great Depression?
- 2) How does William Hauge's story of living during the Great Depression compare to Dorothy's?
- 3) What kinds of things did people have to do to "get by" during the Great Depression?
- 4) How is the story of the Great Depression one about HOPE rather than despair? Do you agree with this assessment of the time period?



Chapter 14-2: Hardship and Suffering During the Great Depression

DURING THE GREAT DEPRESSION AMERICANS DO WHAT THEY HAVE TO DO TO SURVIVE.

The Depression Devastates People's Lives

The Harsh Reality of the Great Depression

- People lose jobs, are evicted from homes
- [Shantytowns](#), settlements consisting of shacks, arise in cities
- People dig through garbage, beg
- [Soup kitchens](#) offer free or low-cost food
- [Bread lines](#) - people line up for food from charities, public agencies
- African Americans, Latinos have higher unemployment, lower pay



The Depression Devastates People's Lives (Continued)

The Depression in Rural Areas

- Most farmers can grow food for their families
- Jobs available to women pay poorly
 - many become tenant farmers

The Dust Bowl

- Farmers in Great Plains exhaust land through overproduction
- 1930s, drought, windstorms hit; soil scattered for hundreds of miles
- **Dust Bowl**— area from North Dakota to Texas that is hardest hit
- Many farm families migrate to Pacific Coast states



Effects on the American Family

Hardship and the Family

- Family is source of strength for most Americans
- Some families break apart under strain of making ends meet

Men in the Streets

- Many men used to working, supporting families have difficulty coping
 - cannot find jobs
- About 300,000 hoboes wander country on railroad box cars
- No federal system of [direct relief](#) -cash or food from government



Effects on the American Family (Continued)

Women Struggle to Survive

- Homemakers budget carefully, can food, sew clothes
- Women work outside home; resented by unemployed men
- Many women suffer in silence, ashamed to stand in bread lines

Children Suffer Hardships

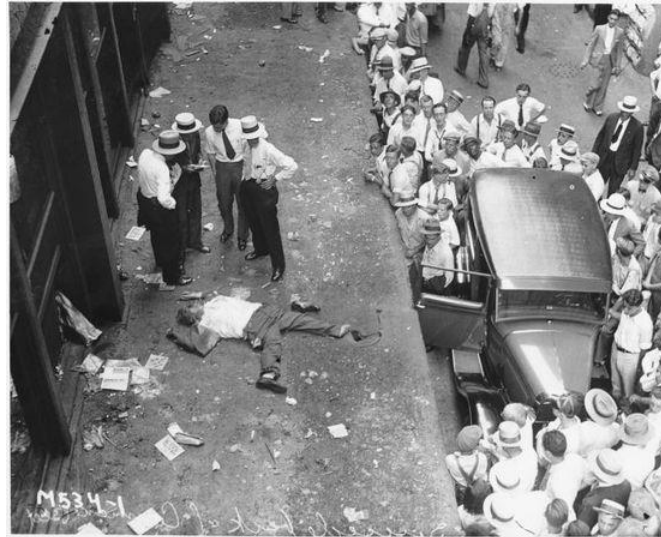
- Poor diets, health care lead to serious health problems in children
- Lack of tax revenue leads to shortened school year, school closings
- Teenagers leave home, ride trains in search of work, adventure



Effects on the American Family (Continued)

Social and Psychological Effects

- 1928–1932, suicide rate rises over 30%
- Admissions to state mental hospitals triple
- People give up health care, college, put off marriage, children
- Stigma of poverty doesn't disappear; financial security becomes goal
- Many show great kindness to strangers
- Develop habit of saving and thriftiness



Your Turn: Great Depression Budget Simulation Game

Today you're going to experience just how difficult it was for a family to get by during the Great Depression. Your job will be to try and sustain a family on a Great Depression budget.

Steps for Simulation:

- 1) Choose a “partner” or “spouse”: Choose wisely! Choose someone who you will want to suffer through the great depression with
- 2) Each group should come and collect the following:
 - A budget packet
 - A family/occupation card
 - A 1928 shopping list
- 3) Use a 1928 shopping list to pick out things that you need: Groceries, Appliances, a Car etc.....
- 4) When you get done with part 2- Look at the salaries on the board for part 3!!!
- 5) When you get to part 4: Come see Mrs. Eplin to determine your “fate”: Will you still be employed?

1932 Salaries

	1928 Salary	1932 Salary
Construction Worker	\$3,000	\$2,200
Railroad Worker	\$3,600	\$2,600
Farmer	\$3,200	\$2,400
Teacher	\$2,300	\$1,800

Reflection Questions: In your Notebook

Complete this individually after your 1930s family has completed the simulation.

- 1) What sacrifices did your family need to make as a result of your income realities? What was the hardest thing to give up?
- 2) What would it have been like to live on this budget?
- 3) What expenses does a modern American family have? How does it compare to a depression-era family?
- 4) What does poverty look like in modern America?
- 5) Would it be more challenging to face poverty during the Great Depression or today? Why?
- 6) How concerned should Americans be about poverty in modern America? Unemployment? Why?

Homework

- ☐ Finish **Reflection Questions** in notebook if not complete
- ☐ 14-2 Reflection Question: How was what happened to men during the Great Depression different from what happened to women?
Children?
 - ☐ Think About:
 - ☐ Each group's role in their families
 - ☐ The changes each group had to make
 - ☐ What types of help was available to them

Do Now: Relief for the Poor



1) Knowing how bad conditions were for families during the Great Depression, what advice would you give 1930's politicians (and specifically President Herbert Hoover), to help Americans in need?

2) Why do you think Herbert Hoover and other Republicans at this time were so hesitant to provide people with "**Direct Relief**" type programs? Why do you think these beliefs remain a major part of the Republican Party platform today?

Video Questions: Herbert Hoover's Legacy

- 1) Describe some of the accomplishments of Herbert Hoover before his time as a Great Depression era President.
- 2) Why did many people feel that Hoover was destined for “Presidential Greatness”? What happened?
- 3) How did Hoover approach the Great Depression from a policy perspective? How did this effect his personal and presidential legacy?
- 4) Describe Herbert Hoover's re-election campaign. What problems did he face?
- 5) What was the “final nail” in Herbert Hoover's political coffin?
- 6) What do you think Herbert Hoover's legacy should be? Does he deserve to go down in history as one of the worst US Presidents ever? Explain your answer.



Chapter 14-3: Hoover Struggles with the Great Depression

PRESIDENT HOOVER'S CONSERVATIVE RESPONSE TO THE GREAT DEPRESSION DRAWS CRITICISM FROM MANY AMERICANS.

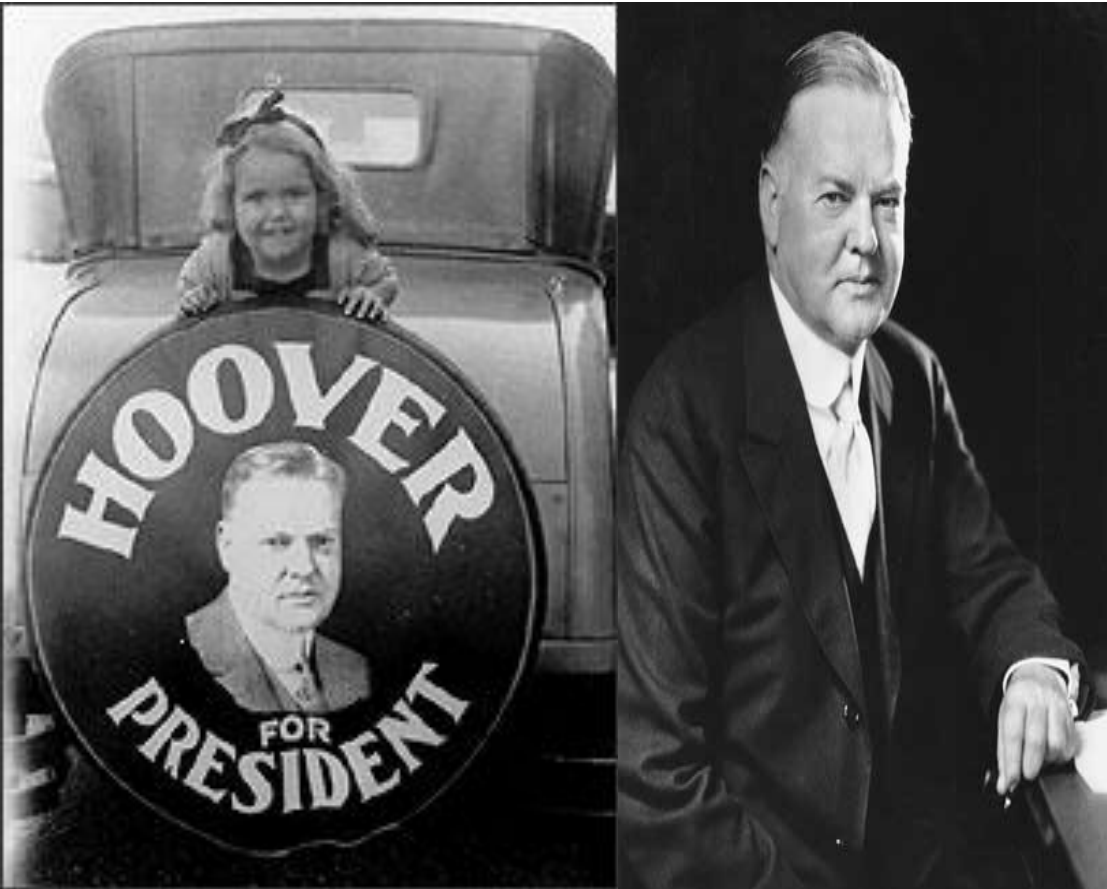
Hoover Tries to Reassure the Nation

Hoover's Philosophy

- President [Herbert Hoover](#) tells Americans economy is sound
- Many experts believe depressions a normal part of business cycle
- Hoover: government should foster cooperation between competing groups
- People should take care of own families, not depend on government

Hoover Takes Cautious Steps

- Calls meeting of business, banking, labor leaders to solve problems
- Creates organization to help private charities raise money for poor



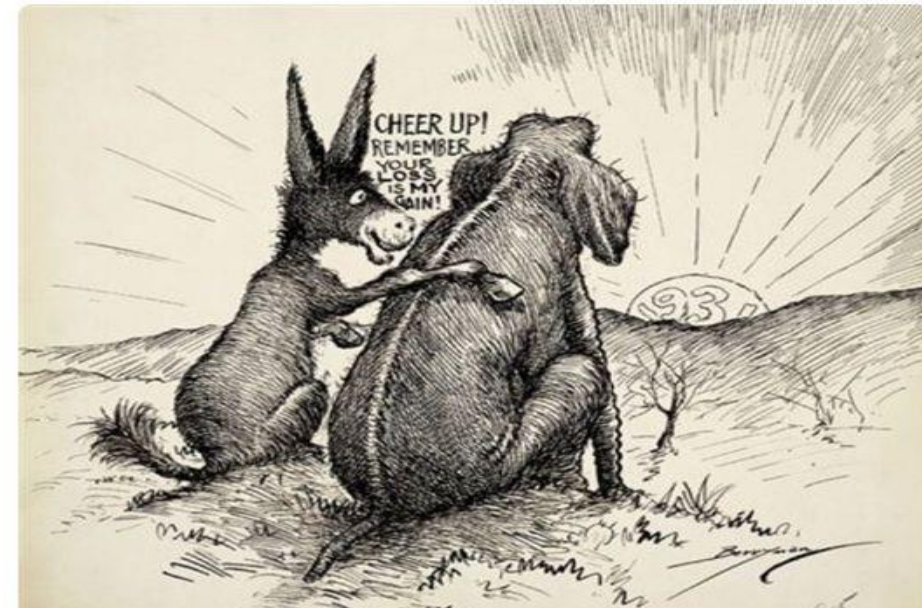
Hoover Tries to Reassure the Nation (Continued)

Boulder Dam

- Hoover's [Boulder Dam](#) on Colorado River is massive project
 - later renamed Hoover Dam
- Provides electricity, flood control, water to states on river basin

Democrats Win in 1930 Congressional Elections

- As economic problems increase, Hoover, Republicans blamed
- Democrats win House; Republican Senate majority down to 1 vote
- Farmers try to create food shortages to raise prices
- Widespread criticism of Hoover: shantytowns called "Hoovervilles"



Hoover Takes Action

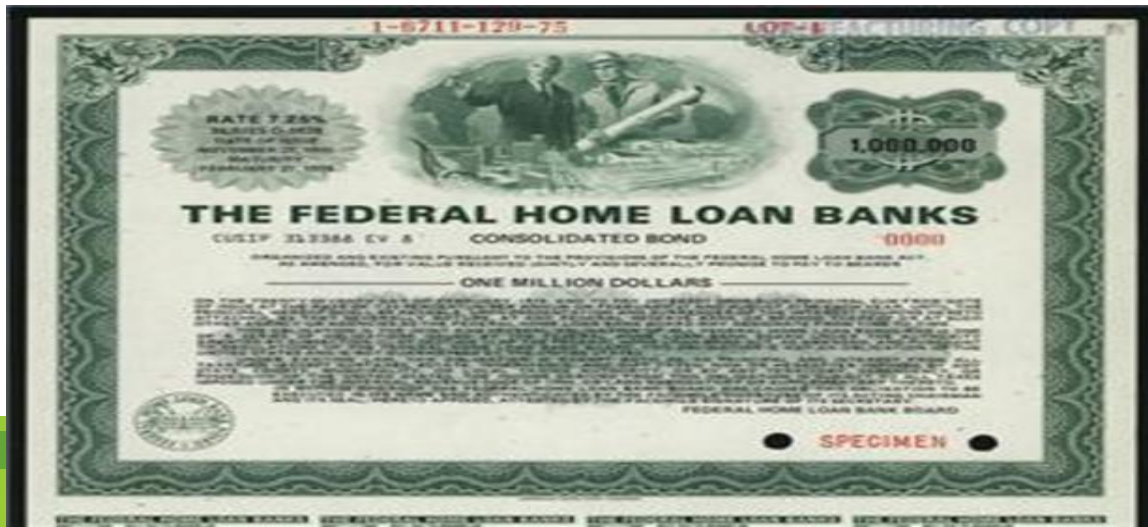


Hoover Backs Cooperatives

- Hoover negotiates agreements among private entities
- Backs Federal Farm Board (organization of farm cooperatives)
 - buy crops, keep off market until prices rise
- Gets large banks to establish National Credit Corporation

Direct Intervention

- [Federal Home Loan Bank Act](#) lowers mortgage rates
- [Reconstruction Finance Corporation](#) —emergency funds for businesses
- Hoover's measures don't improve economy before presidential election



Gassing the Bonus Army

The Patman Bill Denied

- **Bonus Army**: veterans go to D.C. in 1932 to support Patman Bill:
 - want payment of bonus
- Hoover opposes bill; Senate votes down bill
- Most veterans leave Washington; about 2,000 stay to speak to Hoover

Hoover Disbands the Bonus Army

- Hoover fears violence, calls on U.S. Army to disband Bonus Army
- Infantry tear gas over 1,000 people, including children; many injured
- Public is stunned, outraged by government's actions



Great Depression Simulation: Continue

Get back in your groups from last Wednesday and work to finish your Great Depression Simulation. Be sure to come see me when you get to the end of the packet to determine your “Fate”

When you’ve finished the simulation complete the reflection questions in your notebook.

If there is additional time you may use this time to work on your DBQ Essay that is due on Wednesday.

Homework

- ☐ Reflection Question 14-3: How did Herbert Hoover's belief in "rugged individualism" shape his policies about the Great Depression?
- ☐ Chapter 14 Quiz Wednesday February 14th
- ☐ Finish Budget Packets/Reflection Questions (Put in notebook)