**Ch. 7 L.3 Notes 5.4.2**  *Summarize the stock market crash of 1929 and the Great Depression, including economic weakness, unemployment, failed banks and businesses, and migration from rural areas.*

**1. What were the causes of the Great Depression?**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ crash of 1929 brought an end to the boom times of the 20’s and the start of the Great \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the 30’s. The stock market crash was caused by weaknesses in the US economy:

Wages and farm prices were \_\_\_\_\_\_\_\_\_ so people bought on credit or didn’t buy at all. This led to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by factories, which led to layoffs of workers. Investors in the stock market started selling off stocks, and as stock prices fell, they couldn’t pay off \_\_\_\_\_\_\_\_\_\_\_\_ they had made to buy stocks. The stock market crashed!

**2. What was the “domino effect” that took place after the stock market crash?**

Workers were laid off and wages decreased. This led to decreased \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_power and decreasing prices, causing businesses to fail, which led to more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. People who had borrowed money couldn’t pay off their loans, causing banks to fail. Failing banks made people nervous about saving money in banks, so they withdrew money. These “\_\_\_\_\_\_\_\_\_ on the banks” caused bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, causing people to lose the little they had saved.

**3. What was life like for many Americans during the Great Depression?**

Many Americans lost their farms and began to move to find \_\_\_\_\_\_\_\_\_\_\_\_. Homeless people built shacks in public spaces. These \_\_\_\_\_\_\_\_\_\_\_\_\_towns were called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The Dust Bowl in the Midwest led Okies and others to become \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ workers in California. Many jobless, homeless people became \_\_\_\_\_\_\_\_\_\_\_\_\_\_, walking the highways or riding railroads looking for work or a handout.

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**1. What were the causes of the Great Depression?**

The stock market crash of 1929 brought an end to the boom times of the 20’s and the start of the Great Depression of the 30’s.

The stock market crash was caused by weaknesses in the US economy:

Wages and farm prices were low so people bought on credit or didn’t buy at all. This led to overproduction by factories, which led to layoffs of workers. Investors in the stock market started selling off stocks, and as stock prices fell, they couldn’t pay off loans they had made to buy stocks. The stock market crashed!

**2. What was the “domino effect” that took place after the stock market crash?**

Workers were laid off and wages decreased. This led to decreased buying power and decreasing prices, causing businesses to fail, which led to more unemployment. People who had borrowed money couldn’t pay off their loans, causing banks to fail. Failing banks made people nervous about saving money in banks, so they withdrew money. These “runs on the banks” caused bank failures, causing people to lose the little they had saved.

**3. What was life like for many Americans during the Great Depression?**

Many Americans lost their farms and began to move to find jobs. Homeless people built shacks in public spaces. These shantytowns were called Hoovervilles. The Dust Bowl in the Midwest led Okies and others to become migrant workers in California. Many jobless, homeless people became hobos, walking the highways or riding railroads looking for work or a handout.