

The Great Depression

In the 1920's, there was an economic boom! This ENDED with the STOCK MARKET CRASH of 1929 and was the start of the Great Depression of the 1930's.

The Stock Market Crash of 1929 was NOT the ONLY event that led to the Great Depression.

The real problem was the ECONOMY.

- Not everyone had enough money to buy products.

- Factories had made more than they could sell... so they began to lay-off workers.

- Credit (borrowing money) was out of control.

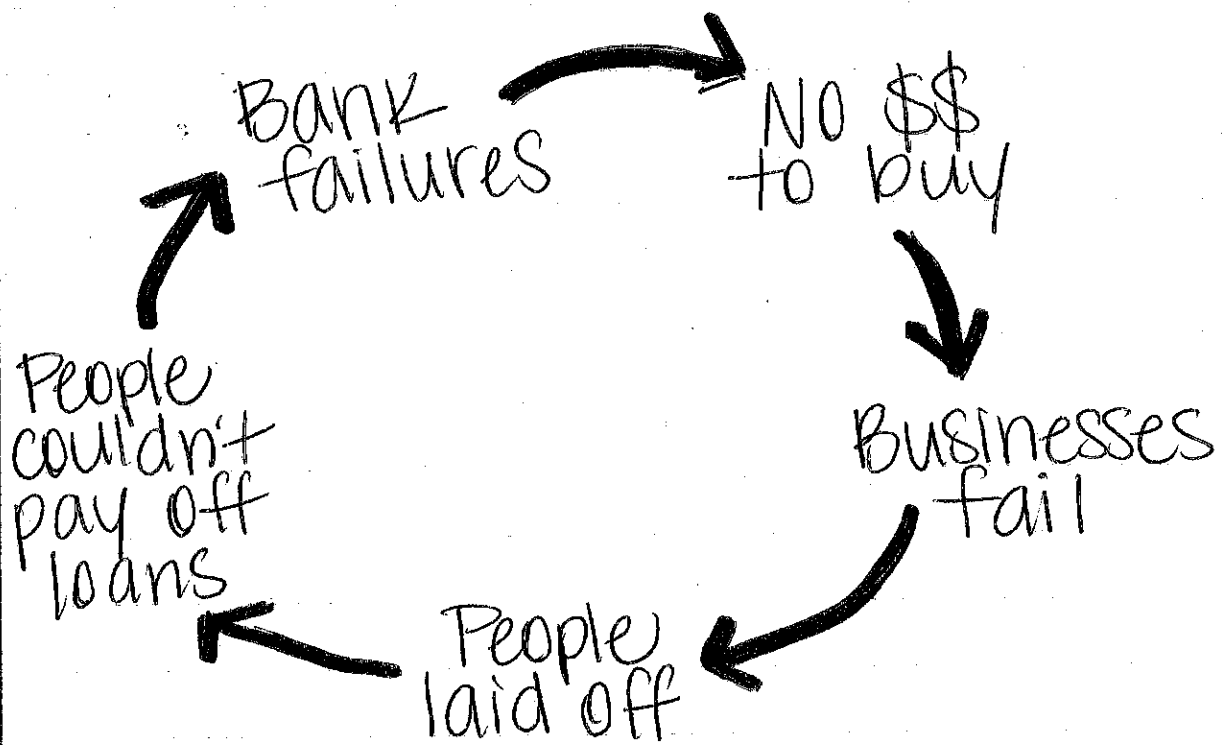
- People who had invested in the stock market realized companies were producing more than they could pay for... SO they started selling their stocks.

The stock market crash resulted.

What are stocks?

• Stocks are units of ownership in a company. When you buy stock, you become a shareholder, which means you own 'a part of the company.

Spiral Effect



What was life like in the
Hoovervilles 1930's?

unemployment
Hoboes
Dust Bowl

Why was it called the Great
Depression?

- worst economic crisis
of the century.

Why was it called the Great Depression?

- over 13 million people
unemployed.

- Many **lost their homes**
- Homeless people began
to make **shanties** out
of scrap lumber and
empty boxes in parks.

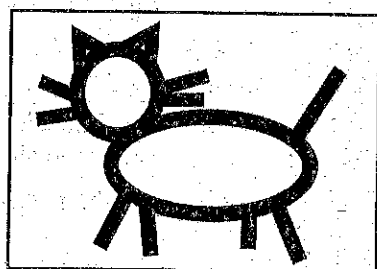
These **shantytowns** came
to be called **HOOVERVILLES**
named after
president Hoover.

The Dust Bowl

- The name given to the
Great Plains region
devastated by **drought.**

- The Dust Bowl conditions
of the Midwest led others,
such as the **Okies**, to
migrate to California where
they sought jobs as migrant
workers.

• **Hoboes** were unemployed young men and young women who took to the highways or rode the rails from town to town seeking work or a handout (free food or shelter).



Kind lady lives here



Hit the road



Vicious dog

Hobo signs - usually carved into fences.

Election of 1932

- Hoover lost his re-election
- Franklin Delano Roosevelt won by ad promoting his New Deal.



President
Herbert Hoover



President's Plan FDR's New Deal:

- ① Relief for the needy
- ② Recovery - provide jobs
- ③ Reform - business and government reform.

CCC - Civilian Conservation Corps

- unemployed men who went to work for our country by:

- planting trees
- fighting fires
- insect and disease control.

* Both relief AND recovery:

→ **Relief** by providing opportunities to unemployed men.

→ **Recovery** by helping men earn money which they would spend, helping businesses.

FDIC - Federal Deposit
Insurance Corporation

- the Federal government
will insure the money
deposited into the bank.

★ **Reform** because it
changed the system to
prevent the conditions
that caused the Great
Depression.

SEC - Securities and
Exchange Commission

- set up to protect
investors in the stock
market.

★ **Reform** because it
changed the system to
prevent another stock
market crash.

Social Security

- it provided monthly payments to the elderly, the disabled, and unemployed.

- payments are paid for by taxes on employers and employees.

★ **Reform** because it changed the system to prevent people from being laid-off and those that were not able to work would have income.

Which New Deal programs are still in place today?

✓ Social Security

✓ FDIC