

Name: _____ Hour: _____

Causes of the Great Depression (Student Outline/Notes)

1. What was life like in America in the 1920s? _____

CAUSES of the Great Depression:

2. Overproduction of _____ (which caused prices to _____).

3-4. _____ of Manufactured Goods, thanks to an abundance of _____ and lots of innovation and technological progress (which causes prices to _____).

5-6. This _____ of inventory \Rightarrow falling _____ \Rightarrow cutting _____ \Rightarrow less spending (and the cycle continues)

7. Excessive buying on _____ (meaning lots of consumer debt).

8. Overconfidence in the _____ (creating a "bubble")

9. Buying stock " _____ " (borrowing in order to speculate)

10. **The TRIGGER:** " _____ " (**October 29th, 1929**)

People begin panicking on Wall Street and selling off stock. The more people sold, the more the value of the stocks dropped. The more the value dropped, the more people panicked, and sold, and so on.

11. Stock prices peaked in _____ then dropped rapidly, hitting bottom by _____.

12. _____ began to fail - people couldn't pay back their loans, and others started rushing to withdraw their savings because they worried banks might fail - which caused banks to fail.

13. _____ began to fail - people couldn't afford to buy stuff and many businesses already had too much inventory on the shelves to begin with.

14. _____ skyrockets as businesses reduce the number of employees they can afford (or close altogether).

15. The United States is confronted with a troubling question: what does it mean when people who seem to be doing _____ are failing in large numbers? If the problem isn't individual decision-making or personal incompetence, could the _____ be broken?

Briefly Describe FIVE things from the *King Kong* clip which were indicative of life during the Great Depression for many Americans:

16. _____

17. _____

18. _____

19. _____

20. _____