

# The Stock Market Crash of 1929, Great Depression, Dust Bowl, Franklin Roosevelt and the New Deal

SS5H5: The Student will explain how the Great Depression and New Deal affected the lives of many Americans.

A. Discuss the Stock Market Crash of 1929, Herbert Hoover Franklin Roosevelt, the Dust Bowl and Soup Kitchens.

B. Analyze the main features of the New Deal; include the significance of the CCC, WPA and TVA.

# The Stock Market Crash of 1929

- The decades leading up to 1929 were very exciting and prosperous. They were called the Roaring Twenties
- Women took new roles and gained the right to vote with the 19<sup>th</sup> Amendment.
- African Americans received praise for works of art, literature, music, and contributions to society. These movements were called the Jazz Age and Harlem Renaissance
- Most of the US economy was strong, except for farmers who suffered from falling agriculture prices!

# The Stock Market Crash of 1929

In 1929, the Stock Market Crashed!!

- The stock of a business represents the original money paid into or invested in the business by its founders.
- So... the stock represents how much money was originally invested in a business by the people who started the business.
- When someone starts a business, they divide the business into parts called shares.
- When people buy shares of a company, they are making an investment in that business.

- **Investment** - is putting money into something with the hope of profit
- Many people bought stock expecting **companies** to make money.
- But when the **stock** prices fell, many **investors** or, people who bought stocks, lost everything!

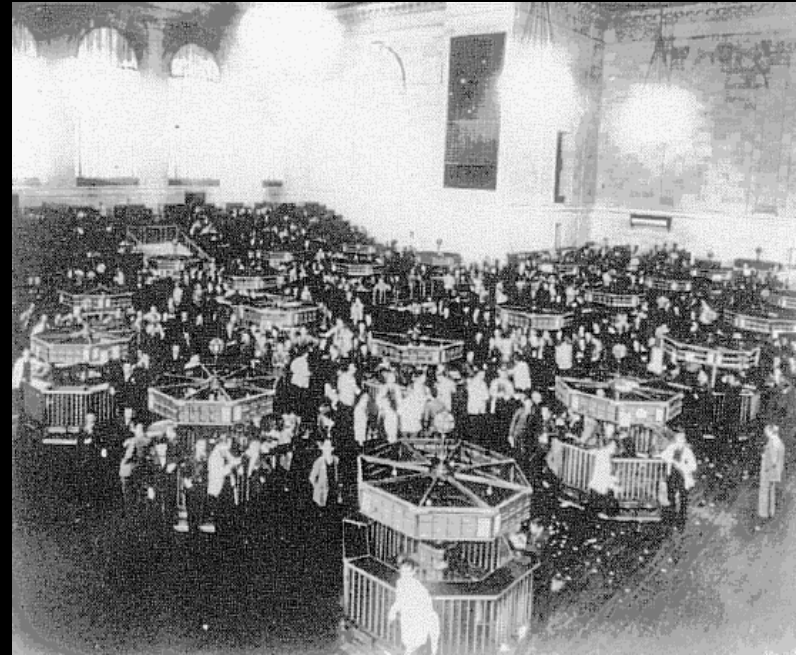


# The Stock Market Crash of 1929

People were BUYING, BUYING, BUYING stocks in businesses that were not worth the amounts they were paying for them and the banks were loaning out more money than what peoples' investments were worth.

- The crash caused others to panic and sell the stock they had.

Banks were recalling loans. This meant they made people pay back loans early. But, many people could NOT pay!





# The Stock Market Crash of 1929

- People could NOT pay, so banks ended up closing.
- People who put their money in the bank lost their life savings.



The Stock Market Crash of 1929 marked the start of the

Great Depression!

# Why did it become the GREAT Depression ?

## “The Domino Effect...”

- People lost their jobs after the stock market crashed. Therefore, many needed to spend their savings.
  - Savings – the money an individual sets aside for emergencies or special events
- When large numbers of people tried to take money out of the banks, many banks went out of business because they did not have the people’s money!
- Because people had so little money, they bought few goods.

# Why did it become the GREAT Depression ?

## “The Domino Effect” Continued...

- The producers could not sell what they made so they did NOT make a profit!
- Without a profit, factories could not pay their employees so the factory workers lost their jobs.
- When workers lost their jobs, they could not pay what they owed to banks or businesses.
- So more banks and more businesses began to fail.



# The Great Depression

It was the worst economic crisis in US history.

- People had to rely on soup kitchens, which gave out free food to the poor, because they could not survive without this.



# The Great Depression

Herbert Hoover was the president when The Great Depression started.

Most citizens blamed Hoover for the crisis.

During the depression many people lost their homes and had nowhere to live; so they built shacks out of scrap pieces of wood and metal.

These soon became communities where poor homeless people lived.

They were called "Hoovervilles" after Herbert Hoover.



# The Dust Bowl

Farmers struggled even before the Depression.

- The Dust Bowl devastated farmers in the Midwest.
- During WWI, farmers did well, because the war created a demand for farm produce and raised farm prices.
- Farmers raised a lot of crops, but many of them did not understand crop rotation method (invented by George Washington Carver) and the crops used up many of the nutrients in the soil.

These methods left the land dry, useless, and uncovered by crops.



# The Dust Bowl

During the early '30s, the Midwest also experienced a drought (lack of rain), which made the soil drier.

- The Dust Bowl was a series of windstorms that carried the soil high in the air and created massive dark clouds of dust.
- Some of these storms buried entire homes and cities.

The Dust Bowl forced many Midwest farmers to leave and move to other parts of the country.





# The Dust Bowl



**Dust Bowl**



Source: NRCS

**Wind eroded fields**



Source: NRCS

**A Great "Roller"**



Source: NRCS

**A "Black Roller"**



Source: NRCS

**Top soil erosion from soils**

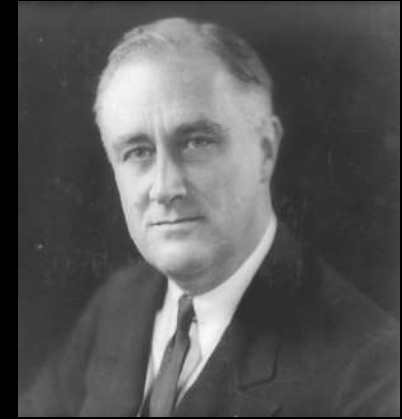
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# Franklin Roosevelt and The New Deal

In 1932, voters elected a new president: Franklin D. Roosevelt (FDR).



Roosevelt was very positive and offered hope to hurting Americans.



was prepared to try new things to deal with the Great Depression.

famous for his pledge he made, "I pledge you, I pledge myself to a new deal for the American people".

# Franklin Roosevelt and The New Deal

- He introduced the New Deal, which is a government program that relied on deficit spending.
  - **Deficit spending** is when the government goes into debt by spending borrowed money, in hopes that its programs would get people back to work and the economy headed in the right direction.

One New Deal program was the Civilian Conservation Corps (CCC).

- The CCC provided jobs for young, unmarried men
- These men worked in national parks installing electric lines, building fire towers and planting new trees.



# CCC



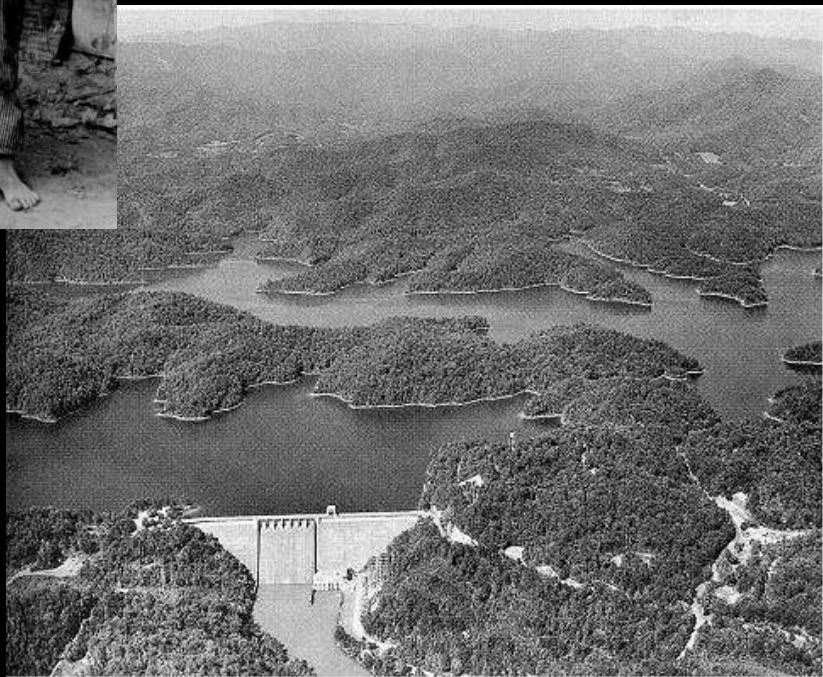


# Franklin Roosevelt and The New Deal

Another New Deal program Roosevelt pushed Congress to create was the Tennessee Valley Authority (TVA) in 1933.

- TVA built hydroelectric dams. These dams turned water into electricity by using the rushing water's power to run a generator and supply power.
- It created jobs and supplied cheap electricity to parts of the South that had never had electric power before.
- The southern Appalachians were one of the poorest areas in the nation and prospered.
  - The Hoover dam was also built during the New Deal and supplied electricity to Southern California and Arizona which helped these areas grow.

# TVA





# Franklin Roosevelt and The New Deal

- Another New Deal program that Congress established in 1935 is the Works Progress Administration (WPA).
- This was a part of a second group of New Deal programs, sometimes called the Second New Deal.
- It provided jobs for unskilled workers.
- The WPA hired people to build government buildings, roads and other public projects.

It also provided money for writers and artists to take photographs or write, draw, and paint about life during the Great Depression.



# WPA



# Franklin Roosevelt and The New Deal

The New Deal also introduced a program to help people who retired or who were out of work.

- This program was called Social Security.
- It promised government money to the unemployed and those over 65.
- Social Security is the only New Deal program that still exists today.





# Franklin Roosevelt and The New Deal

The New Deal did NOT end the **Depression**.

- It wasn't until WWII that the US **economy** greatly **improved**.
- The New Deal **DID** supply **some** relief to help get people through one of the **darkest** economic times in US history.

