

# Unit 6—Great Depression Study Guide

Name: \_\_\_\_\_

**SS5H5 The student will explain how the Great Depression and New Deal affected the lives of millions of 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 Civilian Conservation Corps, Works Progress Administration, and the Tennessee Valley Authority.
- c. Discuss important cultural elements of the 1930s; include Duke Ellington, Margaret Mitchell, and Jesse Owens.

**SS5E2 The student will describe the functions of four major sectors in the U. S. economy.**

- a. Describe the household function in providing resources and consuming goods and services.
- b. Describe the private business function in producing goods and services.
- c. Describe the bank function in providing checking accounts, savings accounts, and loans.
- d. Describe the government function in taxation and providing certain goods and services.

**SS5E4 The student will identify the elements of a personal budget and explain why personal spending and saving decisions are important.**

**SS5E1f Give examples of technological advancements and their impact on business productivity during the development of the United States.**

| <b>Vocabulary</b>       |  |
|-------------------------|--|
| <b>Unemployment</b>     | <i>Unemployment is when a person doesn't have a job. If you are employed, than you are an employee and you have a job. About 1 in 4 people were unemployed during the Great Depression.</i>  |
| <b>Depression</b>       | <i>In Social Studies, a depression is a time when the economy is doing very poorly. The stocks are doing poorly, unemployment is high and businesses aren't making much money. The 1930's were a time of depression in America.</i>                    |
| <b>Debt</b>             | <i>Debt is when you owe someone money. If you can't afford to buy something you might get a loan. In the Great Depression many people had debts they could not repay to the bank, and this caused hundreds of banks to run out of money and close.</i> |
| <b>Hydroelectricity</b> | <i>Hydroelectricity is electricity created by moving water. The Tennessee Valley Authority (TVA) created many dams, which provided electricity for thousands. Thousands also got jobs working for the TVA on the project.</i>                          |
| <b>Consumption</b>      | <i>When talking about the economy, consumption is purchasing things. Consumers are people who buy things. When consumption is high then businesses are doing well and the economy is good.</i>   |
| <b>Loan</b>             | <i>If you can't afford to buy something than you might borrow money from a bank. Borrowing money is called getting a loan.</i>   |
| <b>Budget</b>           | <i>A budget is when you plan how you are going to spend your money. By planning, you make sure you have enough money for the things that you need, and then can plan how to use extra money that you might have.</i>                                   |
| <b>Economy</b>          | <i>The economy is the flow of money. If the economy is good, businesses are doing well, people are getting paid, and the money is flowing.</i>   |

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### **SS5H5 a. Discuss the stock market crash of 1929, Herbert Hoover, Franklin Roosevelt, the Dust Bowl and soup kitchens.**

*Throughout the 1920's the economy was "roaring." That all came to an end in 1929, when the stock market crashed causing billions of dollars to be lost. People who had borrowed to invest money couldn't pay back the banks, businesses went out of business and banks were forced to close because they were out of money. Herbert Hoover was president at the time and was blamed for the countries problems. Thousands of poor people lived in boxes or shanties because they couldn't afford anything else. These groups of homeless became known as Hoovervilles. Franklin Roosevelt (FDR) was elected president in 1932. He promised the American people a "New Deal" which you can learn about in the next question.*

*While all this was going on, a drought hit the central United States for several years during the 1930's. The drought, combined with poor farming techniques and over farming, caused erosion and giant dust storms to ruin many farms. The invention of the tractor was great for farmers at first, because they could farm more land. Unfortunately, farmers often made fields that were much to large and did not use good farming techniques, such as windbreaks, to prevent erosion. In cities the economy and stock market were struggling, and in the farmland the Dustbowl was ruining crops and destroying farmers' incomes. Millions no longer had jobs and couldn't afford to buy food. Churches, charities and individuals who had money opened soup kitchens to provide food for the poor who could not afford food at the time.*

### **SS5H5 b. Analyze the main features of the New Deal; include the significance of the Civilian Conservation Corps, Works Progress Administration and the Tennessee Valley Authority.**

*The New Deal was FDR's plan to help get the economy going again and help the unemployed find jobs. He created many government programs that provided jobs for people.*

*The **Civilian Conservation Core (CCC)** was one of the most notable programs. This program hired young men ages 18-26 who were unemployed and paid them to work mostly on outdoor projects such as national parks and planting trees (helped to prevent erosion which was prevalent because of over farming).*

*Another program was the **Tennessee Valley Authority (TVA)**, which is still in existence. The TVA built dams, which provided hydroelectric power to Tennessee, northern Georgia, northern Alabama and the whole river valley. Thousands of men were also employed to build the dams. This also helped the economy because electricity helped businesses in the area.*

*The **Works Progress Administration (WPA)** provided jobs for millions of Americans, who were given the task of building roads, bridges, parks, airports and a plethora of other public facilities.*

*Much was accomplished and many of the projects that were worked on can still be seen today, but historians debate whether the economy really improved because of the New Deal or if it was helped mostly by preparations for World War II, which started in Europe in 1939.*

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### **SS5H5c. Discuss important cultural elements of the 1930's; include Duke Ellington, Margaret Mitchell and Jesse Owens.**

*The 1930's were not a busy time for cultural activities like the 1920's, because people were more careful with their money and most didn't have money to spend on entertainment. However, **Duke Ellington**, along with Louis Armstrong kept jazz popular throughout the 1930's. **Margaret Mitchell**, a famous Georgia author, wrote her famous best selling Novel "Gone with the Wind." The novel is about life in the south during and after the Civil War and in 1939 it was turned into one of the top selling movies of all time.*

*In athletics, one of the most notable achievements was made by track star **Jesse Owens**. The 1936 Olympics were held in Berlin Germany where Owens became the first athlete to win 4 gold medals. Adolf Hitler, Germany's leader, was very racist and believed that the German race (Aryan) was far superior to other races such as Africans or Jews. It was rather embarrassing for Hitler when Owens, an African American, won gold in four events over Hitler's "superior" race. He refused to shake Owens hand as he had done for other athletes. Unfortunately for Owens, despite his success, African Americans were still treated unfairly in the U.S.*

### **SS5E2 The student will describe the functions of the four major institutions in the U.S. economy in each era in U.S. history.**

#### **a. Describe the household function in providing resources and consuming goods and services.**

*Individuals and households (families) consume (buy) billions of dollars in goods every year. How much individuals buy determines a large part of how the economy does. If individuals are consuming a lot, then businesses are making more money and the government makes more in taxes. Individuals also provide a very important resource to the economy—labor. Individuals work because they need to make money and this labor allows businesses to make and sell their products, which helps the economy continue to function. Individuals also can become entrepreneurs and start their own businesses, which can create jobs and improve the economy.*

#### **b. Describe the private business function in producing goods and services.**

*Businesses produce goods and services that people need. People spend money to buy those goods or services allowing the businesses to make more money and pay their workers. When a business makes more money it also means more money goes to the government in taxes. If businesses are doing well then the government also has more money to work with. Businesses also provide jobs for individuals.*

#### **c. Describe the bank function in providing checking accounts, saving accounts and loans.**

*Banks are also very involved in the economy. They help people keep and invest their money. They also provide loans to people who don't have enough money for something that they need. Banks are much safer now than they were in the 1920's and 1930's because they must be insured, so you can't lose your money, like what happened when hundreds of banks closed during the Great Depression.*

#### **d. Describe the government function in taxation and providing certain goods and services.**

*The government taxes individuals and businesses and uses this money to pay for programs and services that it provides for Americans. Some of the major programs that are paid for with tax money include: public schools, roads, police departments, fire departments, parks and the military. The amount that people get taxed is a very debated issue, and there are also many different views on how much money the government should spend on programs.*