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

RN 4.6: Causes of Depressionp. 570-576

**Prosperity Hides Troubles**

1. Who were the three Republican presidents of the 1920s?

 **Warren Harding, Calvin Coolidge, and Herbert Hoover**

2. How can you generalize life in America during the 1920s?

 **It seemed like an era of endless prosperity! (But not for everyone…)**

3. What problems did farmers face?

 **Debts from WWI, prices of crops fell; they lived mostly on credit**

4. How did the lifestyle of rural Americans differ from urban Americans?

 **Urban Americans experienced much more financial prosperity**

5. What does **uneven distribution of wealth** mean?

 **A small amount of people own a HUGE part of the wealth**

6. Describe how buying on the **installment plan** works?

 **Someone pays a small amount up front, and makes payments for the**

**rest over a period of months or years**



7. What was the result of Americans increasingly buying on credit?

 **Every year, Americans accumulated more debt!**

**The Stock Market Crashes**

 8. What happened on **Black Tuesday**?

 **The stock market collapsed → People lost entire fortunes in**

**a few hours!!**

**The Great Depression Begins**

9. **Great Depression:**

 **A period from 1929-1941 when the economy faltered and**

**unemployment soared**

 10. What were three consequences of the stock market collapse?

 **- Many banks failed**

 **- Businesses closed**

**- Workers lost their jobs (nearly 25% of all workers!!)**

11. What effect did tariffs like the **Hawley-Smoot Tariff** have on the depression?

 **European countries responded by passing their own tariffs → destroyed**

**international trade!!**