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**

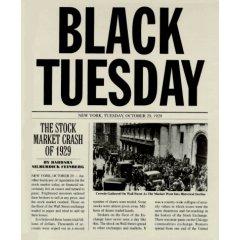
5. What does **uneven distribution of wealth** mean?

**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!!**