

Great Depression Exam I Study Guide

Vocabulary:

Depositor - A person that puts money into the bank.

Borrower - A person that borrows money from the bank.

Loan - When a person gets money from a bank and agrees to pay interest.

Interest - A fee that the bank charges or pays out.

Stock Market - A place where people buy and sell parts of a company. The stock market determines how much a business is worth.

Unemployment - The number of people that do not have jobs. A person who does not have a job is unemployed.

Depression - A time where the economy is bad. A lot of businesses close and people do not have jobs.

Debt - When a person owes more money than they have.

Soup Kitchen - A place a person goes to get free food.

Hooverville – A very cramped project like neighborhood outside of major cities where people that could not afford rent had to move to during the Great Depression. The neighborhoods were named after the very *unpopular* president during the Great Depression, President Herbert Hoover.

Dust Bowl - The area in the southern Midwest where farm land was destroyed by a drought and the depression.

Drought - A period of time without rain.

Migration - The movement of people from one place to another place

Short Answer Questions:

What caused the Great Depression?

When the stock market crashed on October 24, 1929, the Great Depression started quickly after that event.

What happened to a bank and the banking cycle when the borrowers did not pay their loans back to the bank before and during the Great Depression?

When the borrowers could not pay their loans back to the bank, the bank was not able to pay the depositors their money back. Therefore, the people that had put their money in that bank lost their money. Also, the banks went out of business. This is a big reason why the Great Depression started.

What day did the Stock Market Crash?

The stock market crashed on October 29, 1929. This day is known as Black Tuesday. It is called Black Tuesday because it was a dark day for businesses and people all over America?

What happened to a lot of businesses after the Stock Market Crashed?

After the stock market crashed, the value (how much a company is worth) of a company went down a lot. A lot of businesses had to close. The people that worked in those companies became unemployed (they did not have a job).

Why was unemployment so bad during the Great Depression?

Unemployment was so bad during the great Depression because many people lost their jobs when many businesses closed. The more the businesses closed, the higher the unemployment number went.

What happened to a lot of the unemployed people and their families?

People counted on their jobs to give them money to pay their bills and rent. When they no longer had a job, they were not able to pay their bills or their rent. Some people had to move out of their house or apartment and move to a *Hooverville* outside of the major cities.

Why did people have to move to Hoovervilles? What were conditions like in Hoovervilles?

People had to move to *Hoovervilles* because they could not afford to pay their rent or mortgage. The houses in *Hoovervilles* were mostly made out of tin, flimsy wood, and cardboard. There was no heat, electricity, or running water.

Where did many people get food during the Great Depression?

Many people had to get their food from soup kitchens. The soup kitchens would give out free food to those that could not afford to buy food. There were so many who needed help from the soup kitchen that there were usually really long lines outside. These lines were known as *bread lines* because they were lines and people were usually served bread once they got to the front.

Why was the Great Depression hard for farmers?

The Great Depression was hard for farmers because many farmers were not able to sell as many crops to the people in the city because the people in the city could not afford the food they used to buy. Since the farmers were not selling as many crops, they were not making a lot of money.

What was the Dust Bowl, how did it make the Great Depression worse for farmers in that area?

The Dust Bowl was an area in the Southern Midwest that experienced a really bad drought starting in 1930. This drought stopped crops from growing. A lot of the soil turned to dust because it was so dry. In the Dust Bowl there were horrible Dust Storms. The worst Dust Storm happened in 1935. It was called the *Black Blizzard*, because it looked like a giant black blizzard was eating the land up. The blizzard was over 150 feet tall and stretched for over a mile wide. While the storm started around Nebraska, by the time it was done, it had spread all the way to Washington D.C. in the east.

What did the farmers in the Dust Bowl have to do to survive?

Many of the farmers in the Dust Bowl decided to migrate to California to look for a better life as a farmer. They were starving on their lands in the Dust Bowl so they hoped for a better place to live.

What were the conditions like in California for the Dust Bowl Migrants?

The conditions were horrible for the migrants. The cities in California were experiencing the Great Depression just like everyone else. Also, a lot of the farms in California were not hiring people to work on them so the migrants were unable to get jobs.

