Test Tuesday! Complete and STUDY your Test Review Sheet!
Homework # 19 – Due Wednesday

Aim: How did economic practices of the 1920's lead to the Great Depression?

Do Now: How did buying on credit and installment plans set the stage for future economic problems?

The Twenties "Crash" to an End

- All that glittered, was not gold…
- **Superficial prosperity** while many suffered
- **Farmers** especially suffered due to **loss of demand** for crops after WWI ended (led to overproduction)

- Let's examine the causes for the Great Depression and consider the role of **1920's events** and **practices** that contributed to the "crash".

Reading: Understanding the Stock Market

1. Why do companies sell stock?
2. Why do people become **stockholders**? What are the potential **benefits**? The potential **drawbacks**?
3. Describe the stock market of the early 1920's in **three or more sentences**.
4. What are the dangers of **buying on margin** (or "*margin buying*")?
5. How did these economic practices of the 1920's contribute to the Stock Market Crash of 1929?

Causes of the Great Depression

- Overproduction of crops - loss of demand after WWI
- Stagnant wages
- **Uneven distribution of income** (1% had most of the wealth)
- Buying using credit
- Stock market speculation
- Buying on margin
- **The Stock Market Crash of 1929** This is like the spark that ignited the powder keg.**

Reading:
 The Great Depression

1. Read through the **six factors** that contributed to making the Great Depression the worst of all.
2. For each factor, **summarize in two to three sentences** how that factor added to making the Depression so bad.
3. Which two were the STRONGEST causes for the Great Depression? Why were they the worst?

Final Summary

- Answer today's Aim Question in your notebook.
- Cite information from the notes today and previous homework.