**Aim: What were the Causes of the Great Depression?**

**Topic: Causes of the Great Depression**

**Document #1 - Introduction**

Even though the economy was doing great in the 1920’s, there were many bad economic factors and practices that were slowly building up in the economy that were setting the stage for disaster. Unfortunately for America, all of these factors collided at the same time, in 1929; creating an economic situation known as **Depression -** A time when **EVERYONE** the nation is losing money (people, businesses and even the government), accompanied by high unemployment (people are not working from either being fired or new workers unable to find jobs). This time period in American history, starting form 1929 to 1941 was known as the **Great Depression**.

**Task: In pairs, complete each station:**

**Column A: Describe circumstances that led to the cause in 2-3 bullet points**

**Column B: How will each cause contribute to the definition of Depression?**

**Exit Ticket Questions:** Complete each question in one full paragraph (4-7 sentences, with at least 3 specifics, using T.E.A.L. method)

1. **What was the main cause of the Depression?**
2. **To what extent should the system of laissez-faire capitalism be to blame for the Depression?**

**A B**

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| --- | --- | --- |
|  | **Describe circumstances that led to the cause in 2-3 bullet points** | **How will each cause contribute to the definition of Depression? (2-3 bullet points)** |
| Station #1 – Stock Market Crash  **Stock – Partial ownership of company**  **Stock Market – Where people buy and sell stocks with each other**  **Buying on Margin – Taking out a loan to buy your stock** |  |  |
| **Station #2 – Dust Bowl** |  |  |
| **Station #3 – Bad Banking Practices**  **Credit – Money lent to people by banks**  **Interest Rate – Rate that the bank charges to pay back a loan** |  |  |
| **Station #4 – Unequal Distribution of Income** |  |  |
| **Station #5 – Bad Government Practices**  **Monopoly – One company controls entire industry**  **Trust** – **Several companies work together to control entire industry**  **Tariff** – **Tax on foreign goods coming into the country** |  |  |