

WWI & the Great Depression

The Great Depression

After World War I, in the 1920s, the United States economy was booming. The nickname for the 1920s is the “Roaring Twenties” because wealth seemed to be everywhere. The wealth was really just an **illusion**.¹

Black Tuesday

On October 29, 1929, the United States **stock market**² crashed. The prices of companies on the stock market had skyrocketed to unrealistic amounts. Companies just weren’t worth that much. When people wanted to get their money out of the stock market, the companies had nothing to give them. Money no longer had the same value. People that had once been working class citizens were now poor. Soon, many people lost their jobs. The day became known as Black Tuesday. It was the first day of the Great Depression.

Scarcity

To most Americans, the Great Depression was a time of **scarcity**.³ All of a sudden, the economic boom of the 1920s ended. In 1929, all of this wealth collapsed and people had trouble finding work and even finding food. Banks had to close because they just did not have enough money to give people. When banks closed, several people lost their entire life savings. By 1932, one out of every four Americans was unemployed. By 1933, the money value of the New York Stock Exchange was only one fifth of what it had been in 1929. The United States did not fully recover from the Great Depression until the beginning of World War II.

¹ **illusion** – an idea or vision that is not real

² **stock market** – A market that involves trading parts of companies instead of other goods. Individuals can buy part of a company and then share in the profit that the company makes. But if the company loses money, the individual will lose his money too

³ **scarcity** – lack, not having enough

Franklin D. Roosevelt

In 1932, Franklin D. Roosevelt ran against Herbert Hoover, the president of the United States. Franklin remained determined, realistic, and **optimistic**.⁴ In his campaign speeches around the country, he promised to use all of the government's power to draw the country out of the depression. Roosevelt received 22,800,000 votes to Hoover's 15,700,000.

Roosevelt promised to put people back to work. People wanted jobs and he promised to supply them. His plan was called the New Deal. He was going to use the government's money to make jobs for people. For example, he hired photographers to capture images of people around the country in their daily life. First of all, their photographs would become part of a national archive, or library, of photographs. Secondly, the photographers now had a job and an income. The government would pay the photographers and then they would spend their money. They could buy food and clothing. Money would keep changing hands. If the photographers bought something at a store, then the storekeeper would now have some money to spend. Roosevelt hoped to spark the economy by giving people money to spend. He started many new government programs to put people back in jobs and to give them a way to provide food, housing, and clothing for themselves and their families.

⁴ **optimistic** – having a positive outlook

Name: _____ Date: _____

1. The Great Depression started when
 - a. Roosevelt won the election over Hoover.
 - b. World War I ended.
 - c. World War II began.
 - d. the stock market crashed.

2. Why does the author describe the government hiring photographers?
 - a. as an example of the booming economy of the 1920s
 - b. as an example of a New Deal program
 - c. as an example of why banks ran out of money
 - d. as an example of spending that caused the depression

3. Based on the passage, the biggest issue for voters in 1932 was probably
 - a. how each candidate would try to avoid World War II.
 - b. whether Hoover had the experience necessary to be president.
 - c. the candidates' plans for ending the Great Depression.
 - d. whether or not to continue the New Deal programs.

4. Read the following sentences: "The prices of companies on the stock market had skyrocketed to unrealistic amounts. Companies just weren't worth that much."

The word **skyrocketed** means

- a. traveled internationally
 - b. crashed on the ground
 - c. suddenly increased a lot
 - d. moved in a straight line
-
5. This passage is mostly about
 - a. the causes, effects, and solutions of the Great Depression.
 - b. how people lived during the economic boom of the 1920s.
 - c. the lessons we can learn from the stock market crash.
 - d. how the stock market works in the United States of America.

6. Identify three ways that life was difficult during the Great Depression.

7. Based on the passage, explain why unemployed people not having money to spend would affect other people who were employed.

8. The question below is an incomplete sentence. Choose the answer that best completes the sentence.

The Great Depression was difficult, _____ for people who were already poor.

- a. especially
- b. only
- c. somewhat
- d. while

9. Read the following sentence.

Herbert Hoover was the president of the United States when the Great Depression started.

Answer the questions below based on the information provided in the sentence you just read. One of the questions has already been answered for you.

- 1. Who? Herbert Hoover
- 2. What was Herbert Hoover? _____
- 3. When? _____

10. **Vocabulary Word:** illusion: a vision or idea that is not real.

Use the vocabulary word in a sentence: _____

Teacher Guide and Answers

Passage Reading Level: Lexile 790

Featured Text Structure: Descriptive – the writer explains, defines or illustrates a concept or topic

Passage Summary: The Great Depression started when the stock market crashed in 1929. Many people lost their jobs and their life savings, and were suddenly poor. Franklin D. Roosevelt was elected President and promised to put people back to work.

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 - a. Roosevelt won the election over Hoover.
 - b. World War I ended.
 - c. World War II began.
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 - a. as an example of the booming economy of the 1920s
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- a. **the causes, effects, and solutions of the Great Depression.**
- b. how people lived during the economic boom of the 1920s.
- c. the lessons we can learn from the stock market crash.
- d. how the stock market works in the United States of America.

6. Identify three ways that life was difficult during the Great Depression.

Suggested answer: Answers will vary but students could state that banks closed, people could not find work, people lost their life savings, people could not find food, or that the value of the Stock Exchange decreased to one fifth of what it had been.

7. Based on the passage, explain why unemployed people not having money to spend would affect other people who were employed.

Suggested answer: If many people were unemployed and had no money to spend, they could not buy things. The stores and other businesses would not have customers so they would not be getting money either.

8. The question below is an incomplete sentence. Choose the answer that best completes the sentence.

The Great Depression was difficult, _____ for people who were already poor.

- a. **especially**
- b. only
- c. somewhat
- d. while

9. Read the following sentence.

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- 1. Who? Herbert Hoover
- 2. What was Herbert Hoover? **the president of the United States**
- 3. When? **when the Great Depression started**

10. **Vocabulary Word:** illusion: a vision or idea that is not real.

Use the vocabulary word in a sentence: answers may vary.