

★ Reteaching Activity 11

The Great Depression Begins, 1929-1932

The stock market crash set off a chain reaction of economic failures that impacted the entire nation. Few government officials, including President Hoover, initially recognized the severity of the Depression. Public works projects and relief acts came too late to prevent the tidal wave of business failures and unemployment from devastating the nation.

DIRECTIONS: Use the four terms below to fill in the missing links in the chain reaction of economic failures that swept the nation. Then write a brief explanation of how each link contributed to the start of the Great Depression. The first one is completed for you.

- hobos • Bank runs • Speculation • installment debt

1. **Bull Market:** Enticed buyers to buy on margin and pushed prices up without regard to value.



2. _____ :



3. **Stock Market Crash:**



4. _____ :



5. **Bank Failures:**



6. _____ :



7. **Mass Layoffs:**



8. _____ :

9. **Critical Thinking** The Great Depression demonstrated how interconnected a free market economy is. Write the name of your local grocery store. If this business were to fail, how would other businesses be affected? How would the people in your community be affected?