

## The 1930s Great Depression

Explain the cause(s) or the story behind the recession.

The Great Depression was the worst economic downturn within the history of the industrialized world, lasting from 1929 to 1939. It began after the securities market crash of October 1929, which sent Wall Street into a panic and fired various investors. Over the following several years, consumer spending and investment dropped, causing steep declines in industrial output and employment as failing companies laid-off workers. By 1933, when the great depression reached its lowest point, some 15 million Americans were unemployed and nearly half the country's banks had failed. The main causes are unequal distribution of income means the rich got richer, the poor got poorer. Also living on credit, most people think when they want something they will buy it for now and pay later. Moreover, stock market crash due to buying stock on margin, agricultural overproduction.

What happened to GDP (or growth rate), unemployment, and inflation of affected counties?

It is uncertain whether these changes would have eventually occurred within U.S. without the Great Depression. Many European countries had experienced significant increases in union membership and had established government pensions before the 1930s.