
The Stock Market Crash, Bank Failures, and the Dust Bowl as the Causes of the Great Depression in America

On October 29, 1929, an event called the Great Depression began. It changed the world forever. It affected many lives because people could not afford food to put on the table, and daily living was a struggle. In 1933, 13 to 15 million Americans were unemployed. (A&E networks) The many Americans that were affected by these events encountered hard times. There were many causes of the Great Depression, including the stock market crash, bank failures, and the Dust Bowl.

There was a financial boom starting in August of 1921. The Dow Jones Industrial Average (DIJA) increased six-fold to from 63 to 381 in September of 1929. (K. A. Richardson Gary). The stock market crash ruined many people's stock and essentially started the Great Depression. How stocks work: they are part of a company which the public can buy, so people can own part of the company. If the stocks are high, it means that the economy is doing well. If the company is doing poorly, the stocks are low. Then the company won't make a profit.

The stock market crash happened while Herbert Hoover was President of the United States. It did not make him popular. It also brought something back called poverty. It was widespread in the prosperous 1920s. (E. a. Arnesen) The stock market crash caused businesses to close. The falling prices caused a collapse in consumer wealth. As the article said, "spiraled" growth occurred. Even after the depression ended, it left scars on many Americans born in that generation. What this tells us is that all the factors of the stock market crash were one of the many cause of the Great Depression.

Many families had to change their lifestyles. They started growing their own foods in gardens and ate whatever they could find. Many men had to take menial jobs that paid way less money than their previous positions. The numerous things we did tried to help the every day American try to survive, but there were still not many options for work. Many however, did end up finding jobs once World War 2 started because of the boom of construction jobs were needed. Also, many families went hungry because there was not enough food, which lead them into poverty. Many Americans did not make it through the Depression because a lot of them died trying to survive. Hopefully it would not wreck the economy if it were to happen again, but it is extremely unlikely. What happened in the Great Depression was horrible for the many families of America because they had trouble living the American dream. We should be thankful that we are better off now than in the Depression.

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The next cause of the Great Depression was bank failures. What we do know is that many banks failed, and there were many causes that attributed to the rise in bank failures, which snowballed into many other effects like unemployment. Peter Tamerin thinks that the bank failures of 1930 were caused by falling farm incomes. (Stauffer). In agricultural regions, the failure of banks was high because of lower cotton sales in some states. Over 8,000 banks did not belong to the Federal Reserve, which is the central bank of the United States. (Richardson Gary) The banks did not keep reserve money on hand, which made it difficult when there were emergencies. People rushed to the banks to withdraw their life savings. Banks across the country had to close and added to unemployment.

Another cause of the Great Depression was drought conditions. The Dust Bowl occurred because of lack of rain and dust storms. Richard Hornbeck says that “substantially and persistently reduced land values.” (Richard), basically explaining that the plains were eroded and not many resources (money) was present at the time. The farmers’ land was not good, so they had to start looking for other jobs because they lost their crops in 1932. Wind erosion and water erosion helped to worsen the conditions because the storms blew off top soil of the plains (Texas, Kansas, Oklahoma, New Mexico, and Colorado). The conditions of the dust were rough for many families, combined with the conditions of the Stock Market crash. It was difficult in the plains because everything was covered in dust. By 1940, near the end of the Dust Bowl, more than 2.5 million people from all the regions and 10% of the population moved to California. (A&E Networks) The families were called Okies because they were from the Southern Plains. (Bays) They had also brought their culture to California, dialects, denominations, politics, and attitudes, which inspired generations of musicians such as Woody Guthrie and Buck Owens. They took Route 66 to get to California.

In the end, not one thing caused the Great Depression. It was many combined factors, such as the Stock Market Crash, bank failures, and the Dust Bowl. Ever since the day the Stock Market crashed, it changed the world and established new banking regulations and the way we look at banking. We also have learned better ways to farm our land and how to prevent soil erosion, which would prevent another severe Dust Bowl. We certainly do not want to cause another Great Depression. It could happen again anytime, but we learned from our mistakes. But the many effects of the Depression have subsided, and America is a strong nation with great people in it. I believe that if we can all work together, we can have a great future and prosperous nation in the end, with a booming economy that will benefit us all.

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