

NOT BORING MEDIA

THE SQUIRREL THAT CAUSED A STOCK MARKET CRASH

High-Interest Nonfiction Reading Passage

WHAT'S INCLUDED

- ✓ Reading Passage ✓ Comprehension Questions
- ✓ Answer Key ✓ Teacher Guide

GRADES 4-6 • LEXILE ~750L • DOK LEVELS 1-4

Reading they'll actually do.

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WHAT'S INCLUDED

- ✓ High-interest nonfiction reading passage (300-400 words)
- ✓ 6 comprehension questions spanning DOK levels 1-4
- ✓ Complete answer key with explanations
- ✓ Teacher guide with standards, pacing, and extensions

Questions or feedback? Leave a review or message us through TPT!

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THE SQUIRREL THAT CAUSED A STOCK MARKET CRASH

In 1987, an ordinary gray squirrel in Connecticut did something extraordinary: it contributed to one of the worst stock market crashes in American history. By chewing through a power line near a critical computer facility, this tiny rodent helped demonstrate how interconnected and vulnerable modern financial systems had become—and how a small failure in the right place at the wrong time can cascade into catastrophe.

The squirrel's misadventure knocked out electrical power to a key computer facility in Trumbull, Connecticut. This particular facility processed a significant portion of the transactions for NASDAQ, one of America's major stock exchanges. When the computers suddenly went offline, trades couldn't be processed or confirmed normally, creating confusion and uncertainty.

The timing of this outage could not have been worse. October 19, 1987—a day that would become known as 'Black Monday'—was already shaping up to be a disastrous day for financial markets. Stock prices had been declining for weeks, and investors were increasingly anxious about economic conditions. When computer systems started failing and trades couldn't be completed as expected, the existing nervousness transformed into outright panic.

By the end of that single day, the stock market had fallen 22.6 percent—the largest one-day percentage decline in the history of the Dow Jones Industrial Average. Billions of dollars in value simply evaporated as investors rushed to sell. While economists continue to debate exactly how much the squirrel-caused computer outage contributed compared to other economic factors, the timing of the power failure certainly didn't help calm already terrified investors.

The incident exposed critical vulnerabilities in the financial system's technological infrastructure. In the years following Black Monday, stock exchanges invested heavily in backup computer systems, redundant power supplies, and circuit breakers designed to automatically halt trading during periods of extreme volatility. The squirrel had inadvertently revealed dangerous weaknesses that needed immediate attention.

Animals causing damage to electrical infrastructure is actually more common than most people realize. Squirrels alone are responsible for thousands of power outages across America every year. Crows drop hard objects onto transformers. Snakes slither into electrical junction boxes. Each incident is usually minor and quickly repaired, but when such failures affect critical systems at vulnerable moments, the consequences can cascade far beyond the initial damage.

Word Count: 365 | Lexile: ~750L | Grades 4-6 | Source: Wall Street Journal

COMPREHENSION QUESTIONS

Name: _____ Date: _____

1 How much did the market fall on Black Monday?

- A) 5.6%
- B) 12.6%
- C) 22.6%
- D) 50%

2 What did the squirrel chew through?

- A) A computer cable
- B) A power line
- C) A telephone wire
- D) A fence

3 Why was the timing particularly bad?

- A) It was a holiday
- B) The market was already nervous and falling
- C) The squirrel was rare
- D) No one was at work

4 What changes did exchanges make after?

- A) They banned squirrels
- B) They invested in backup systems and circuit breakers
- C) They moved computers underground
- D) They stopped using computers

5

What does the incident reveal about infrastructure?

- A) Squirrels are the biggest threat
- B) Complex systems can be vulnerable to small unexpected failures
- C) Power lines should be underground
- D) Stock markets should close

6

What lesson about system design does this offer?

- A) Animals should be eliminated
- B) Critical systems should have redundancy against unlikely failures
- C) The stock market is unimportant
- D) Connecticut is dangerous

ANSWER KEY

The Squirrel That Caused a Stock Market Crash

- 1.** C) 22.6%

DOK 1 — Recall.

- 2.** B) A power line

DOK 1 — Recall.

- 3.** B) The market was already nervous and falling

DOK 2 — Inference.

- 4.** B) They invested in backup systems and circuit breakers

DOK 2 — Inference.

- 5.** B) Complex systems can be vulnerable to small unexpected failures

DOK 3 — Analysis.

- 6.** B) Critical systems should have redundancy against unlikely failures

DOK 4 — Extended Thinking.

TEACHER GUIDE

The Squirrel That Caused a Stock Market Crash

STANDARDS ALIGNMENT

- CCSS.ELA-LITERACY.RI.4.1 — Refer to details and examples in a text
- CCSS.ELA-LITERACY.RI.5.4 — Determine meaning of words and phrases
- CCSS.ELA-LITERACY.RI.5.8 — Explain how author uses evidence
- NGSS — Connections to scientific practices
- C3 Framework — Historical thinking skills

PACING OPTIONS

- Quick Read (10-15 min): Passage + questions 1-4
- Standard (20-25 min): Full passage + all questions
- Deep Dive (35-40 min): Add discussion + extension

DISCUSSION QUESTIONS

- Should critical infrastructure be better protected from animal interference?
- The crash affected millions of people. Who is 'responsible' when a random event causes huge damage?
- How dependent is modern society on systems that can fail unexpectedly?

EXTENSION ACTIVITIES

- Research other examples of animals causing infrastructure failures.
- Design a redundant system that could prevent a single point of failure.
- Calculate how many squirrel-caused outages happen annually in your state.

DIFFERENTIATION

- Struggling: Pre-teach vocabulary, partner reading
- Advanced: Add research, compare to related events
- ELL: Visual supports, pre-teach context

SOURCE

- Wall Street Journal / CyberSquirrel1 project