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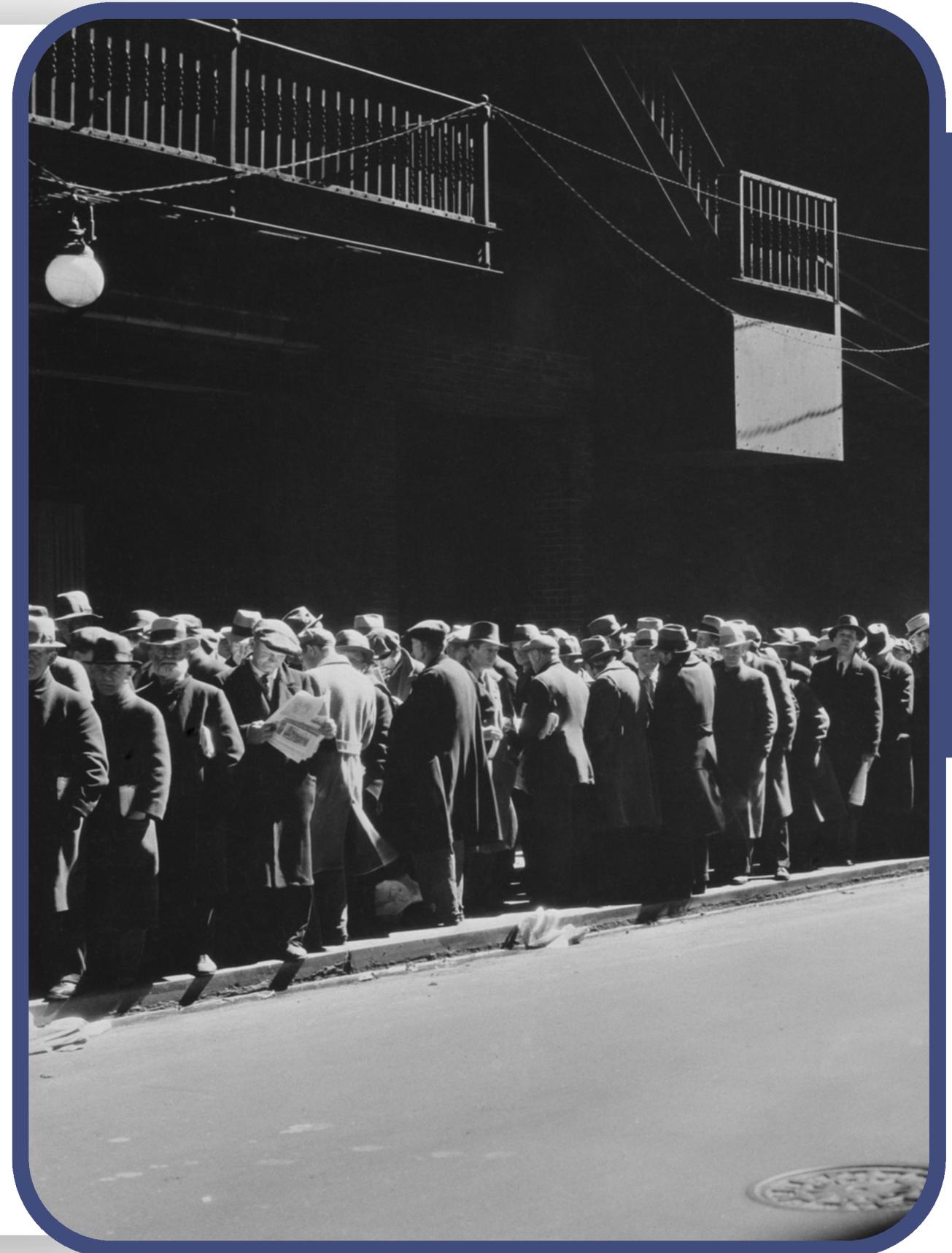
The Great Depression

Group 8



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- *Introduction*
- Main Cause & How It Happened?
- *Parties Involved*
- Consequences
- *Preventions*
- Moral of the Depression
- *Conclusion*





The Great Depression





The Great





The Depression





The Depression



What is a Depression?



How to be considered as an Economic Depression?

- A recession that lasts longer than 3 years
- The drop of an annual GDP of at least 10%
- Decrease of consumer confidence and investment that causes the economy to shut down
- Recession is much more common
- The U.S. experienced through 32 recessions from 1850 to 2008.



The Great Depression





What is it?



The Great Depression

[θə 'grāt di-'pre-shən]

The greatest and longest economic recession in modern world history that ran between 1929 and 1941.



- The worst downturn of the industrialized world.
- On October 24th, 1929, known as Black Tuesday, the stock market bubble burst.
- The end of it was the same year that the U.S. entered World War II (in 1941)
- A variety of economic contractions including the 1929 stock market crash and banking panics in 1930 and 1931.

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When & How

When?

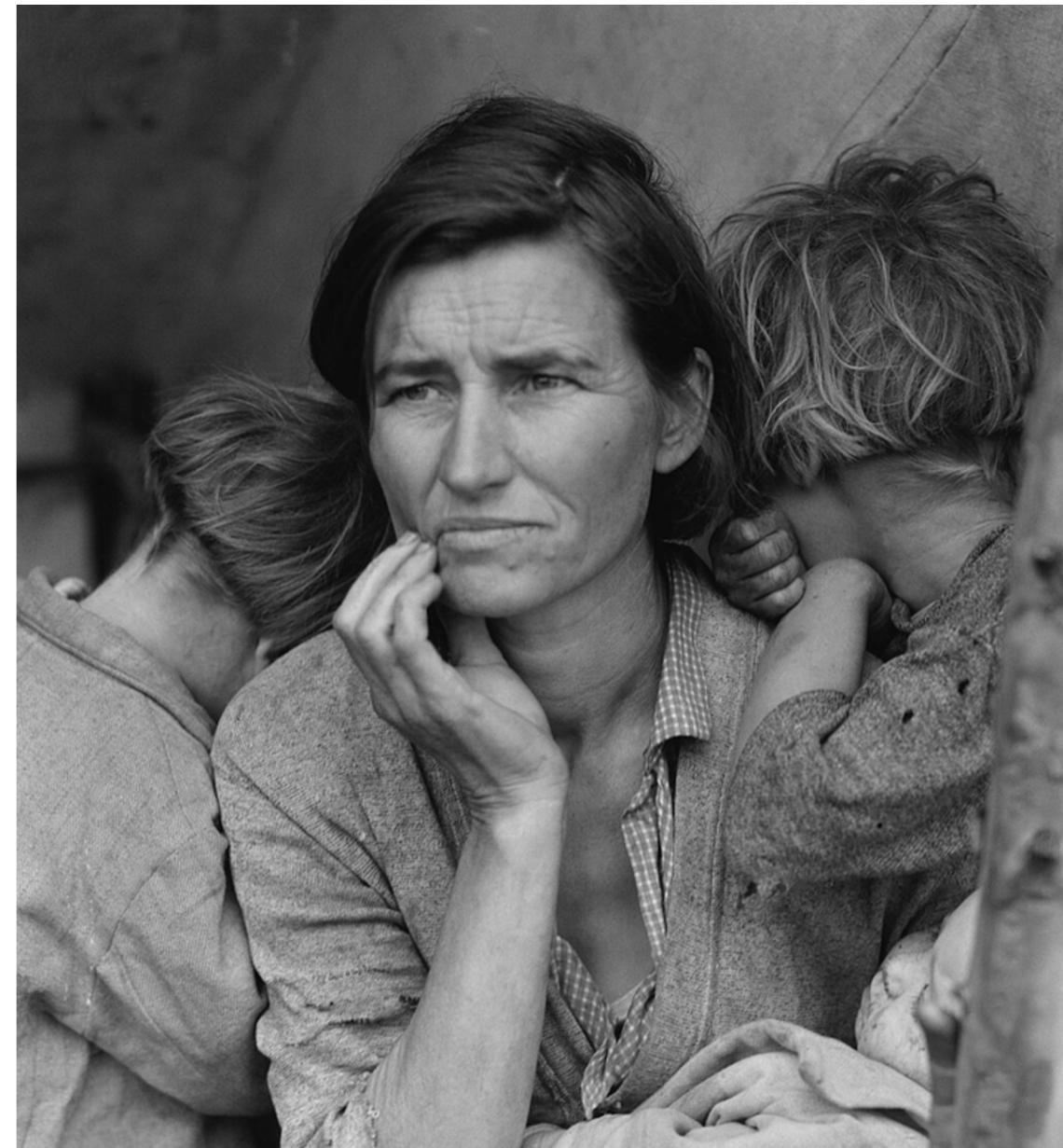
The Great Depression (1929-1939)

Noticable events:

- October 24th, 1929 (Black Thursday)
- October 29th, 1929 (Black Tuesday)

How?

Due to the overestimation of company growth & economic wealth --> economic shock --> stock market crash





How?

LIFE 1035

Xmas Cheer Every Day in the Year

ELECTRICITY is the servant that is always at command, and never shirks. It takes pay only for what it does. Many of your friends use it for lighting but some may have missed the many other phases of household helpfulness which come from the employment of the various articles of

Westinghouse Electric Ware

At this holiday time you have an opportunity of making gifts to your friends that will open their eyes to new labor savers and will delight them every day in the year.

Progressive women consider electrical household appliances absolute necessities in every home. Electric vacuum cleaners have made cleaning an easy task. Electric clothes dryers do the work of the sun. One of the most forms of household drudgery. The best makers of these appliances are driven by Westinghouse.

Electric cooking devices are in operation at the turn of a switch and will perfectly care for all forms of cooking.

All Westinghouse Electric Ware is designed especially for usefulness, durability and economy in operation and the very best materials are used in its construction. Notice the display of Westinghouse Electric Ware in the showrooms of Electric Light Companies and Electric Shops. In order to help you choose, send for catalog 429. Address Dept. F.V.

Westinghouse Electric & Mfg. Co.
East Pittsburgh, Pa.
Branch Offices in 45 American Cities
Representatives All Over the World

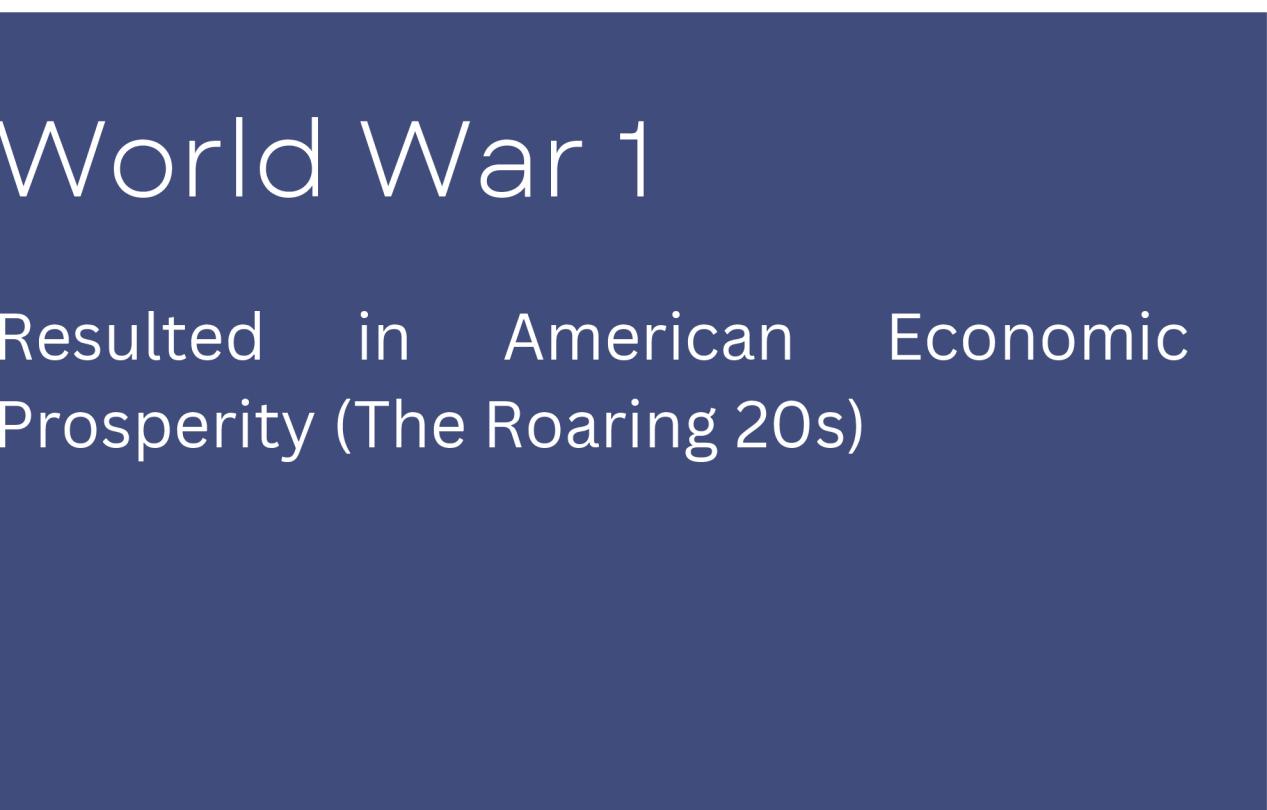
WATCH THE FORDS GO BY

FORD MODEL T TOURING CAR 2 Passengers + Driver \$780

FORD MODEL T TORPEDO RUNABOUT 4 Passengers + Driver \$725

RUSSELL MOTOR CAR CO.
2120-2130 CANAL STREET, NEW ORLEANS, LA.

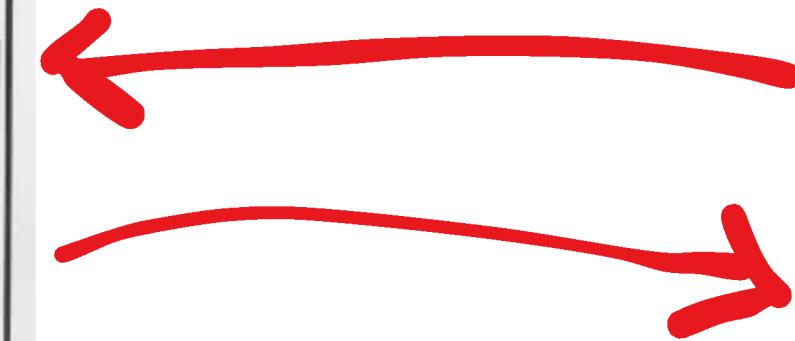
SEE OUR EXHIBIT BOOTH 15 AT SHOW.



How: The Roaring 20s



Spent their savings



Buy

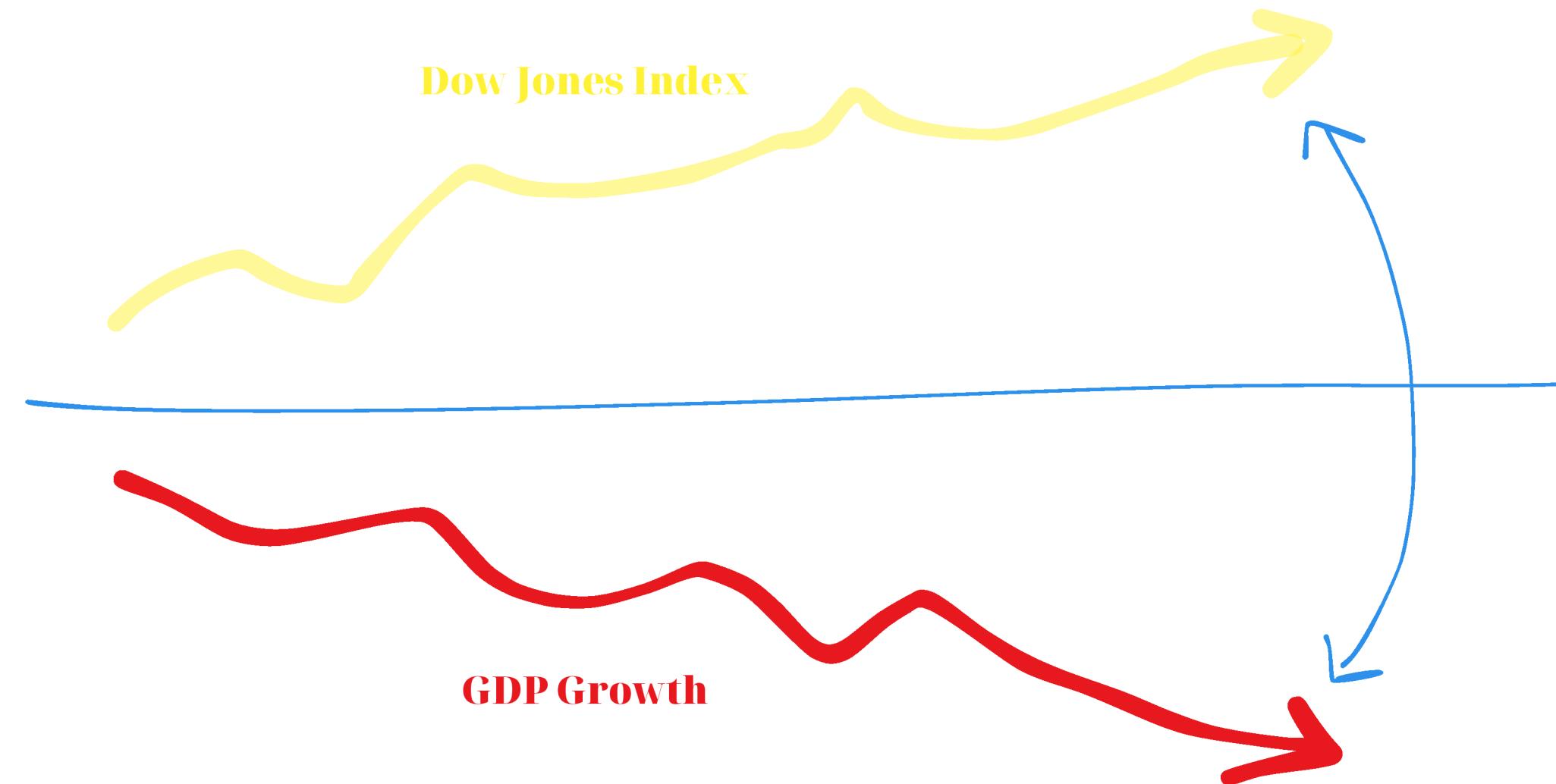


Buy

How: Economic Disparity



How: Economic Disparity



How: The Great Depression



Crash
↓
Invested Companies
↓
Banks
↓
Consumers



Which Parties Involved in The Great Depression



People

- Unemployment skyrocketed
- The Dust Bowl drought
- Confidence in unfettered capitalism was shaken
- A general shift left in American politics
- The rise of extremist ideologies around the world

Which Parties Involved in The Great Depression

Government

- The election of Franklin D. Roosevelt
- A general shift left in American politics
- The abandonment of the gold standard
- The preparation for World War II



Which Parties Involved in The Great Depression

The Great Depression affected almost every country of the world, but the severity and duration of the downturn varied substantially across regions.



which was closely tied to the United States economy, suffered a 42% decline in GDP, a 27% unemployment rate, a 40% drop in exports.

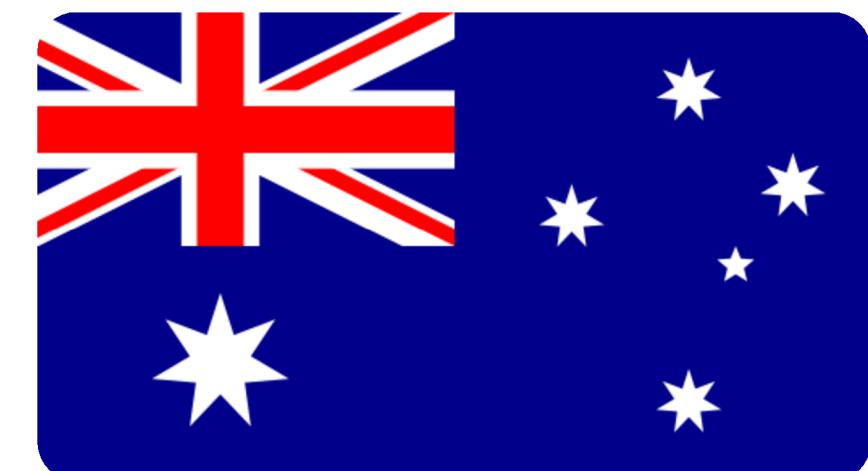


which was already burdened by the reparations of World War I and the hyperinflation of the early 1920s, experienced a 16% decline in GDP, a 30% unemployment rate, and a 40% drop in exports.

which was dependent on exports of wool and wheat to Britain and other countries, experienced a 10% decline in GDP, a 32% unemployment rate, a 50% drop in exports.

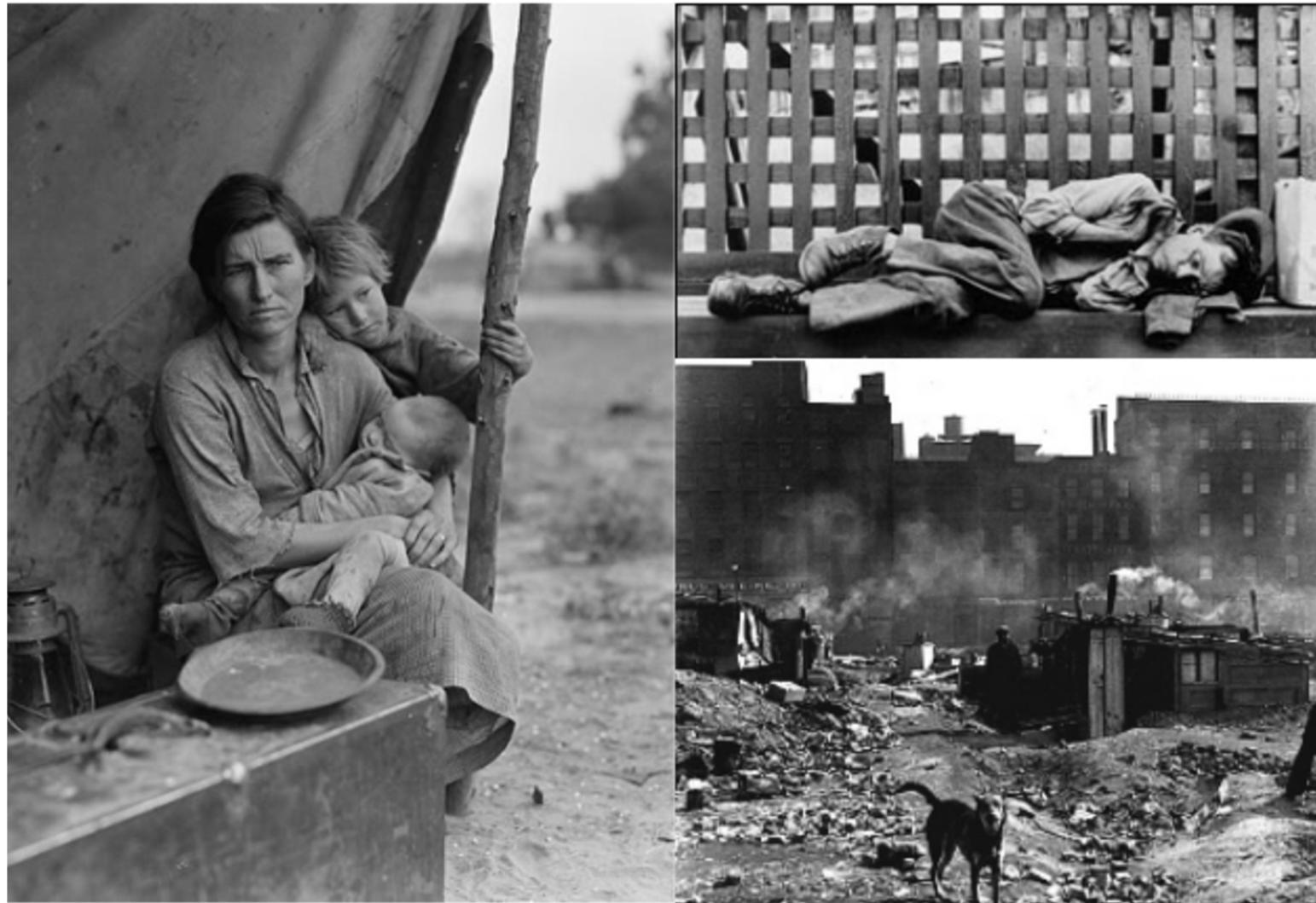


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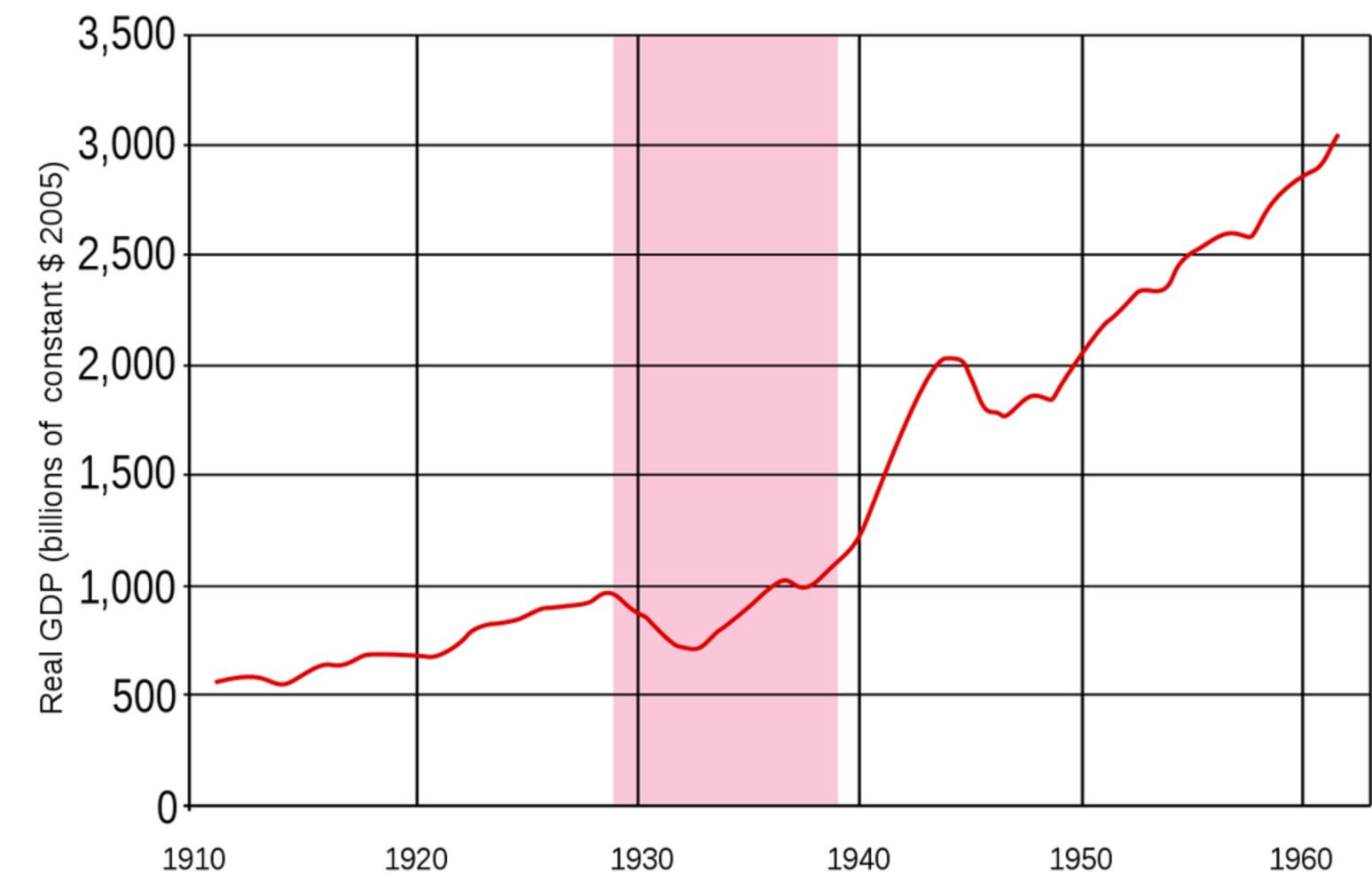
Consequences

Standards of living



One in four Americans was unemployed!
Hunger, Homelessness,...

Economic growth

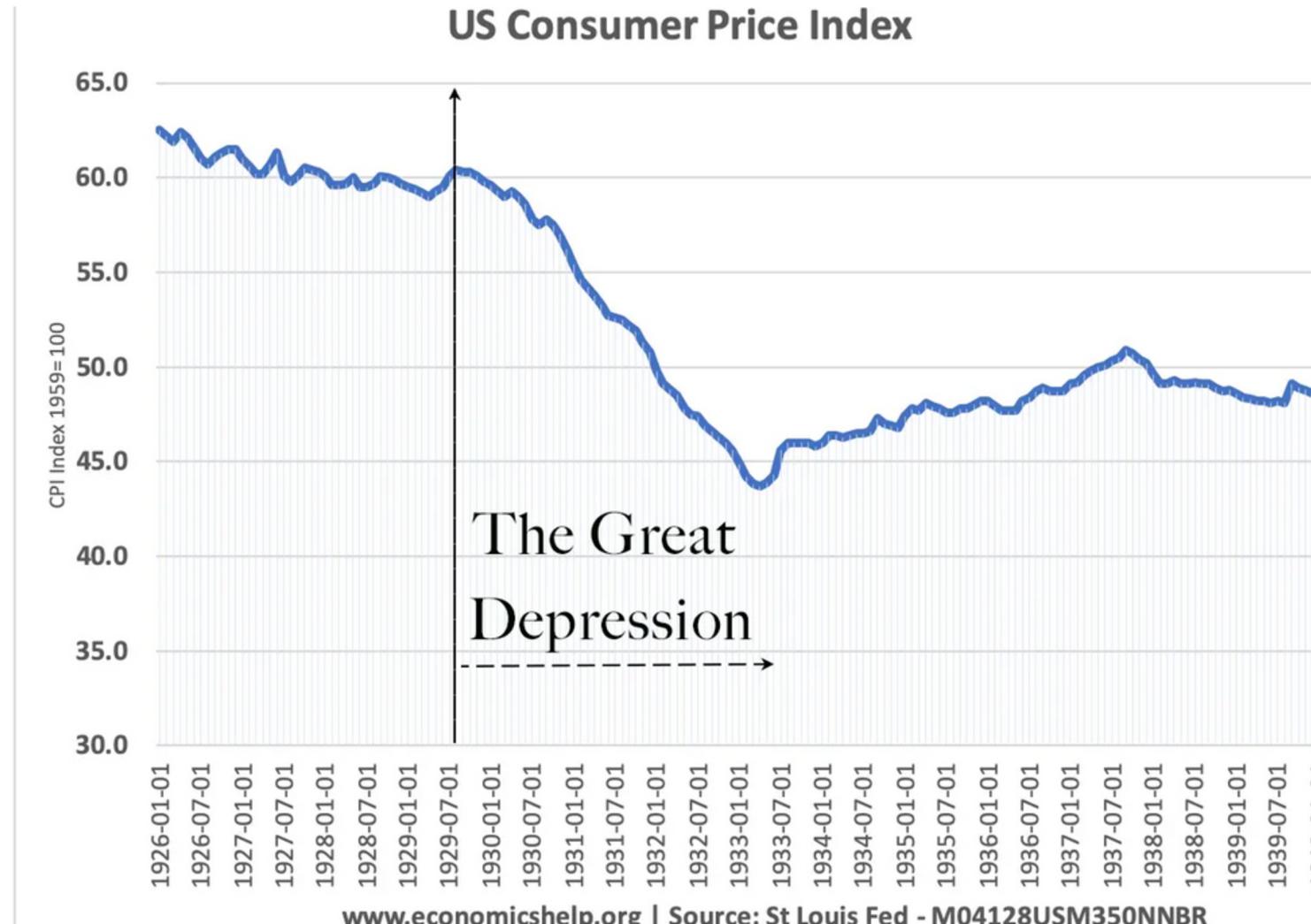


GDP decreased by around 30% and
product decreased a half.



Consequences

Deflation



The US Consumer Price Index fell approx. 20% by the shortages of the money supply.

Banking failure



People rushed to withdraw money from banks.
7,000 banks ~ 1/3 banking system failed.

How people prevent it from today's situation

The response to the dot-com bubble.

appear when invested excessively in **internet companies** in the late 1990s.

->To prevent this, the Federal Reserve **lowered** interest rates to **stimulate** borrowing and spending.

The response to the 9/11 attacks.

a series of **terrorist attacks** on the U.S. in 2001

->To prevent this, the federal government provided **financial assistance** to businesses, and individuals affected by the attacks, while the Federal Reserve **cut interest rates** further to boost liquidity and demand.

The response to the 2008 financial crisis.

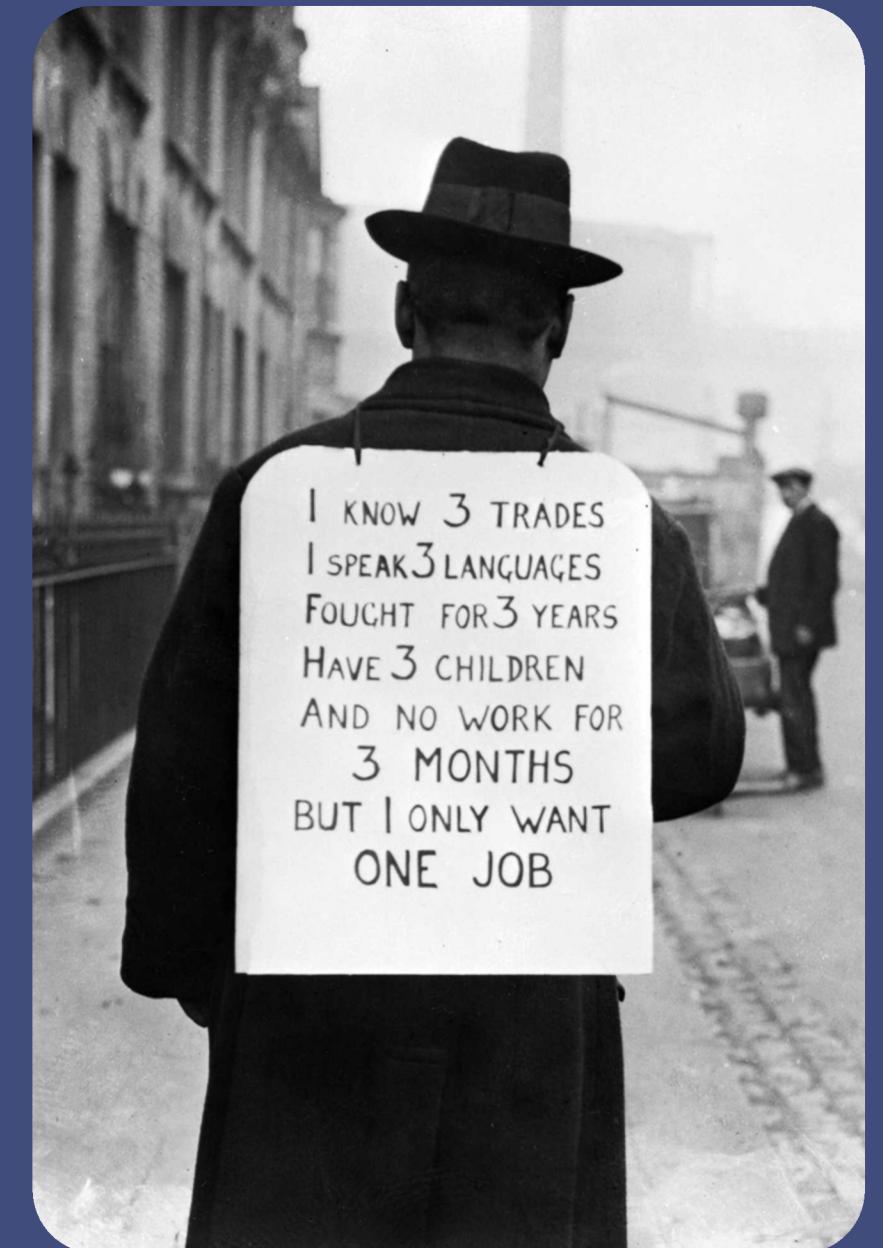
a **global meltdown** of financial markets and institutions

->To prevent this, governments and central banks implemented **unprecedented fiscal and monetary stimulus** measures (bailouts, guarantees, quantitative easing, tax cuts, spending increases, and international coordination.)



How to prevent

- Diversify your **portfolio** and avoid **excessive speculation** or leverage on risky assets
- Manage **cash flow**, maintain **adequate liquidity** and **capital reserves**
- Cooperate with **other** financial institutions and regulators
- Support **fiscal and monetary** policies that promote economic growth and prevent deflation or inflation
- Diversify markets and customers across different countries and regions



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What have we learned about The Great Depression?

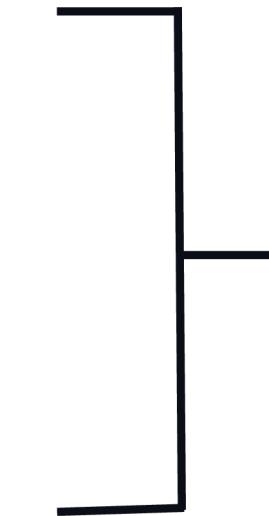




What did we learn ?

Importance of having a budget

- +) It's crucial to accurately track your spending when you lose your job or have a decrease in income.



| ITEM | DESCRIPTION | DATE | COST | BALANCE |
|-------------------|-------------|----------|------|---------|
| Levi's | Jeans | 28-01-18 | \$10 | |
| Woolworths | Light | 28-01-18 | \$2 | |
| Fiction | Lightning | 28-01-18 | \$10 | |
| Anthony West Type | - | 28-01-18 | \$10 | |
| Prints | Book | 28-01-18 | \$10 | |

AllAboutTheHouse
www.allaboutthehouseprintablesblog.com

Consumer debt

- +) Many people were burdened by their debt payments when the Depression struck.





What did we learn ?

The importance of investing

+) Assuming you have time and patience, it is likely that money invested in the market will appreciate. So, don't stop contributing to your 401(k) or your IRA – even if the market is down.

Resilience

+) Keep in mind that we have faced similar challenges in the past and have always triumphed if you are one of the people who has experienced significant financial losses as a result of the COVID-19 outbreak.



Industrial production between 1929 and 1933 fell by nearly 47%, GDP declined by 30%, and unemployment reached almost 25%.

20% of banks in existence in 1930 had failed by 1933 because of banking panics.

CONCLUSION



An unexpected combination of factors—including **questionable monetary policies, protectionist tariffs, and inconsistent government interventions**—caused the Great Depression

The American public believe that the government has a responsibility to guarantee the health of the economy as well as the welfare of its citizens.



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