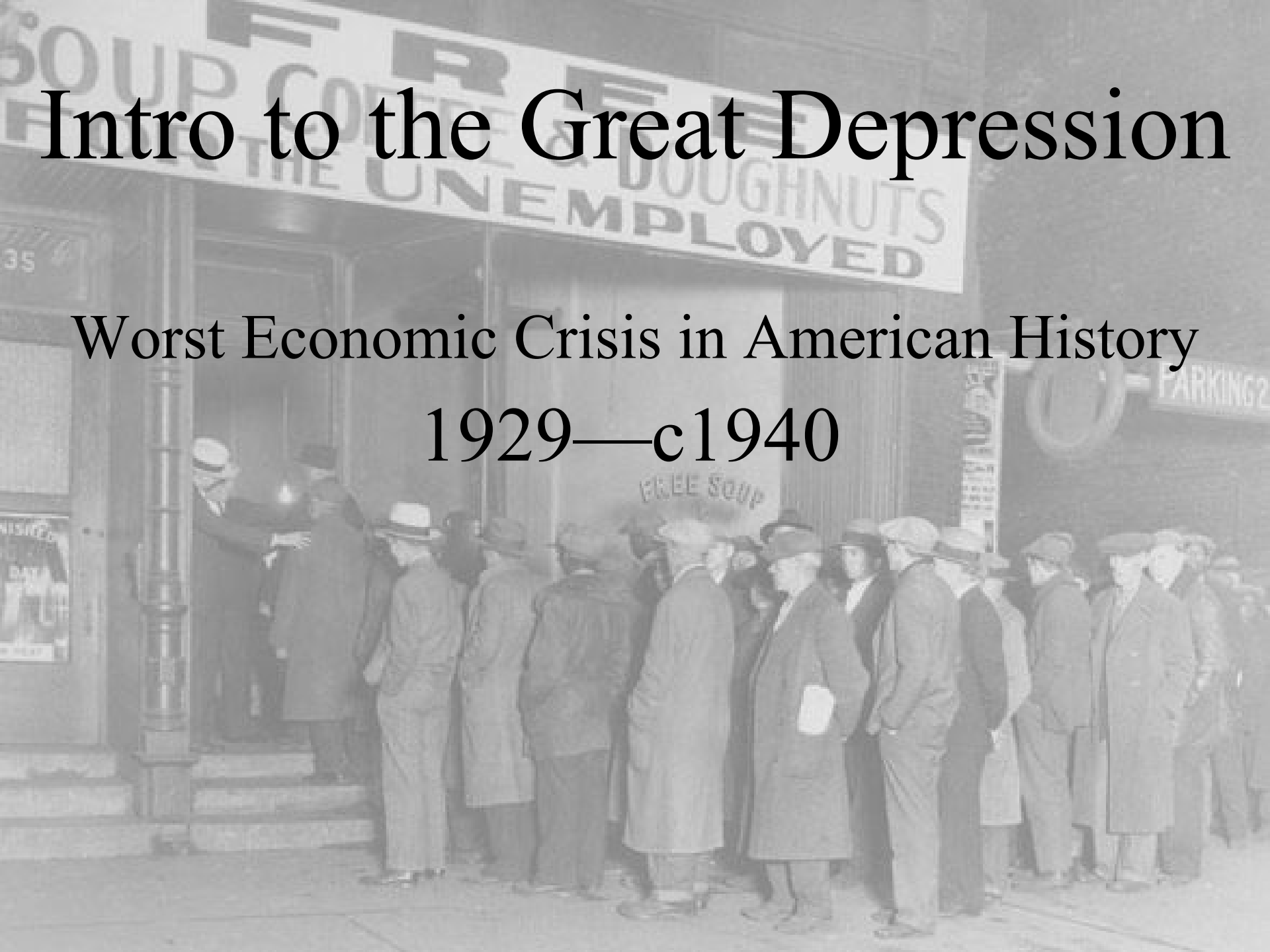
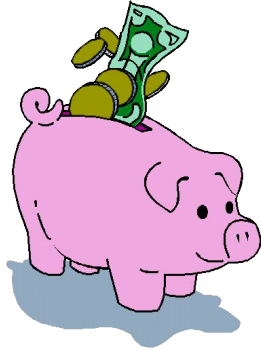


# Intro to the Great Depression

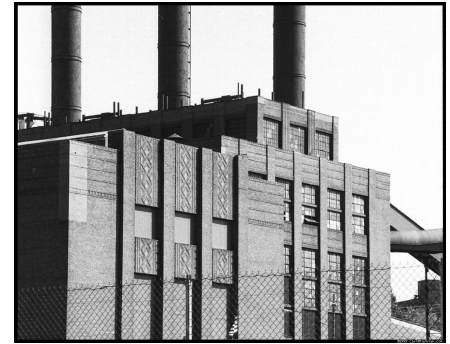
Worst Economic Crisis in American History  
1929—c1940



**BANKS**



**Market**



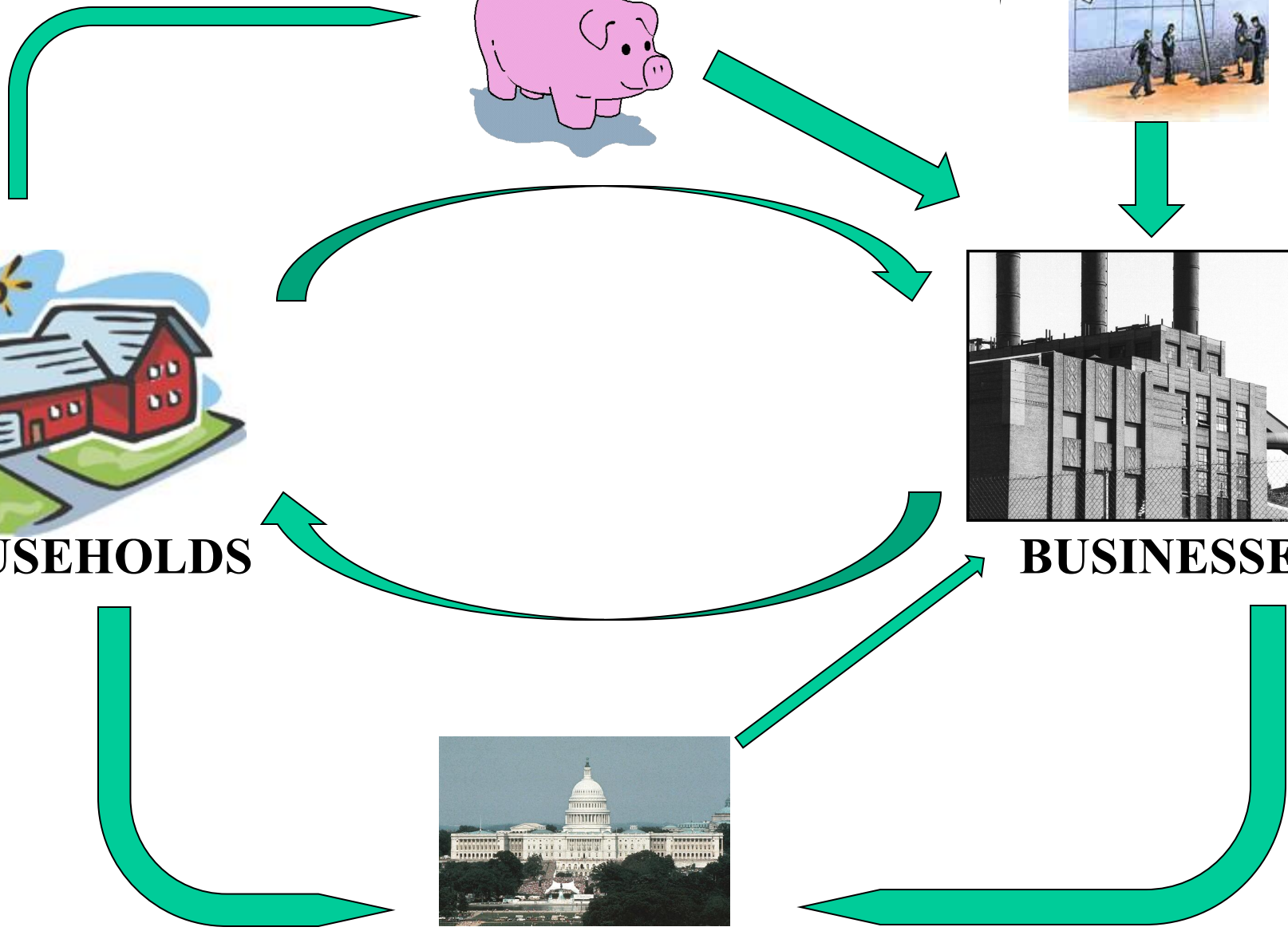
**BUSINESSES**



**GOV'T**



**HOUSEHOLDS**



# Key Economic Terms

Economy: How we get what we want or need

- Make it (Production)
- Take it (Theft)
- Trade for it (Commerce or Trade)

Capitalism: Economic system emphasizing private property & free market

- Private Property: Exclusive rights to use
- Free Market: Trade based economy where individual owners buy/sell based on individual choice

# Key Economic Terms (cont.)

Gross Domestic Product (GDP) or Gross National Product (GNP):

- Measure of the size of the economy
- Measure how much is **produced** in a year

Good Economy: Growth

- GDP/GNP increasing = more stuff being produced = we're richer

Bad Economy: Stagnation or Contraction (worse)

- GDP/GNP staying the same or decreasing
- Less stuff to go around = we're poorer

# Key Economic Terms (cont.)

Recession: (Bad Economy)

- Economy shrinking for several months

Depression: (Really Bad Economy)

- Economy shrinks a lot and for a long time

The Great Depression: (worst economy in US history)

- GDP/GNP shrunk 40% in 3 years (1929-1932)
- GDP/GNP didn't fully recover for at least 10 years (not until 1940 or 1941)

# Unemployment

## Unemployment:

- % of people who want to work but aren't working
- A low percentage (3-4%) is normal & ok
- 1932 (worst year of GD), UE ~ 25%
- A higher percentage is a bad sign

WHY IS A HIGH UNEMPLOYMENT  
RATE BAD?