# Aim: What caused the Great Depression?

### **Do Now**:

- What is the economy?
- How do we know if the economy is doing well or doing poorly? What data do we look at?

- Thursday 3/22 Exam The 1920s and The Great Depression
- Wednesday 3/21 Review Sheet Due

## **Economy**:

How a society provides the goods and services that people want and need.

## **Depression**

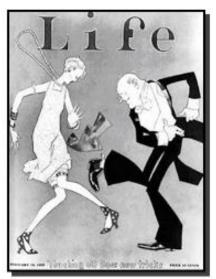
• A prolonged period of high unemployment, large numbers of bank and business failures, stagnant wages and low profits. (the society is having a lot of trouble providing wants and needs).

## FROM BOOM TO BUST

- 1920s Economy
  - Economic Boom (except for agriculture) driven by
    - New Products
    - Easy Credit
    - Government Policies (Harding "return to normalcy")
      - Lower taxes, less regulation







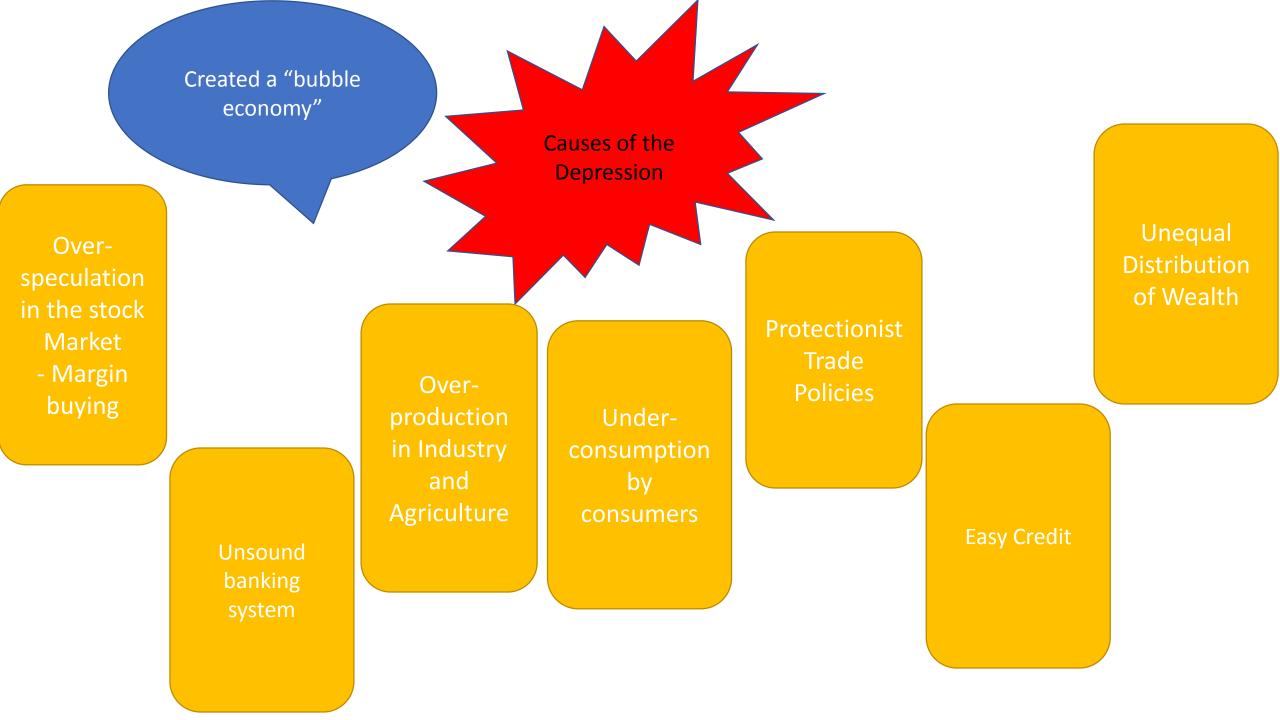
### **OVER-PRODUCTION**

Businesses produced too much

### **UNDER-CONSUMPTION**

People didn't have the money to buy.

Consumption- the ability of people to buy goods.



# Business Cycle Boom and Bust

