

Explain influenced
how our society
works, saves,



Explain the underlying and immediate causes of the Great Depression. The causes of the Great Depression are all important and mostly interrelated. The distribution of wealth was far outbalanced as much more money was acquired by the rich.

Oversupply and the inability of consumers to buy products caused several more problems. The declining demand was receding long before 1929. The coal, railroad, and textile industries were all losing money. Major industries' such as automobiles, construction, and mechanized agriculture, consumption levels stayed the same. However, when the demand began to level, the supply surpassed demand. Many unsold products were stored and many workers were laid off.

Wages soon decreased and so did the purchasing power of the employed. People borrowed money from many sources. When the stock market crashed, the loans were expected to be paid back. Many withdrew their savings to payback the loans.

This caused several banks to collapse. Upper classes grew richer and middle and lower class's income did not increase. International economic problems also influenced or were influenced by the depression.

American imports and exports declined. Foreigners' money flow to buy American products decreased because they did not receive money from selling their goods to us and they profited less by selling their goods here because of tariffs. Europeans withdrew their investments in the United States to cope with their economic problems.

The Great Depression will always be reminder to the public and the government of what can happen to the economy. It was a great time of change and development for our country. It influenced how our society works, saves, and spends to this very day. History