How did the Great Depression affect the lives of urban and rural Americans?

The stock market crash signaled the end of boom times and the economy staggered into the Great Depression. Desperate poverty gripped the nation leaving a permanent impression on those who lived through it.

Tested by extreme hardship, this generation forged a strong character and will to restore prosperity.

The homeless lived in empty railroad cars, in cardboard boxes, or in shacks built on public land or empty lots. Hoovervilles appeared in major cities across the country.

Few Americans understood the causes of the Great Depression, but everyone felt the impact. Between 1921–1929, the unemployment rate never rose above 4%. By 1933, however, it was near 25%.

Those who managed to keep their jobs had their wages and hours cut. Between 1930 and 1934, nearly a million farmers lost their farms, homes, and farm equipment because they could not pay their mortgages.

Bankers sold the land and equipment at auction. Some farmers became tenant farmers, working for bigger landowners. Others decided to leave in search of work elsewhere in the U.S.

For many, the only food available came from public soup kitchens or bread lines run by charitable organizations.

People sold their property to buy food. The remaining farmers on the Great Plains suffered a terrible drought, which led to the Dust Bowl.

Dust storms destroyed millions of acres of farmland.
Chapter

The Cold War Begins

In old trucks, they moved

Farmers who had lost their land, called Okies regardless of where they were from, were forced to leave.

In old trucks, they moved west or to northern cities. 800,000 Okies left Texas, Oklahoma, Missouri, and Arkansas alone. Rural states lost population during the 1930s. Those who could afford it bought distressed neighbors' farms at low prices to build expanded commercial farms.

Family life was hurt by the Great Depression.

Herbert Hoover did not cause the Great Depression, but Americans looked to him to solve the crisis.

Why did Herbert Hoover’s policies fail to solve the country’s economic crisis?

As the Great Depression spread misery across America, Herbert Hoover struggled unsuccessfully to respond to the nation’s problems.

As a result of Hoover’s failed response, in 1932 Americans would turn to a new leader and increased government intervention to stop the depression.

Those who still had jobs lived in fear that their next paycheck would be their last.

Those who were still working felt guilty because friends and relatives were unemployed.

America’s birthrate fell to its lowest level on record.

Some teens ran away and families broke up.
At the start of the economic downturn, Hoover took a hands-off approach.

Like most economists of the day, he believed that up and down swings in the economy were a natural part of the business cycle. It was thought that strong businesses would weather storms without the support of the government.

In 1932, Hoover urged Congress to create the Reconstruction Finance Corporation (RFC). The RFC employed a policy known as trickle down economics.

The RFC gave billions of dollars to banks and large businesses. The idea was that they would lend to, and invest in, struggling businesses who would hire workers and thus end the depression. The RFC failed when businesses did not hire more workers.

Hoover saw that he must do something:

- Asked businesses to keep wages, employment, and prices at current levels
- Called for tax cuts, lower interest rates, and public works
- Asked wealthy to donate more money to charity

But volunteerism failed:

Hoover put his faith in localism, a policy whereby problems are best solved at the local and state levels.

- Towns and states didn't have the necessary resources to deal with the depression.
- Hoover did not support direct federal aid to individuals.

One policy that did succeed was the construction of Boulder Dam (later renamed Hoover Dam) across the Colorado River.

Started in 1930, the huge dam provided power for millions and irrigation for farm land, and put thousands to work.

Many grew disillusioned during the Great Depression.

- Some blamed Hoover and some blamed capitalism.
- Some were World War 1 veterans who wanted a bonus that was promised to them.
- In 1932, those veterans formed the Bonus Army and marched on Washington.
Hoover ordered General Douglas MacArthur to remove the veterans. He used tear gas, cavalry, tanks, and troops with fixed bayonets. 
Press photos of troops using excessive force angered the American public.

The eviction of the Bonus Army doomed Hoover’s bid for re-election. 
Americans were ready for new leadership and a greater role for the government in solving problems.