Matewan Pk-8
NTI

Grade Level: 6-8 **May 19** **Teacher's email: cameron.smith@k12.wv.us** **Another way to contact me is: livegrades**	**Content Area: Social Studies** **Teacher: Cameron Smith**

Note from Teacher:

I sure do hate that I will not be seeing you for the remainder of the school year. I miss all of you and please keep contacting me with your questions through email or livegrades!

Today's Lesson:

During the 1920s stock prices rose rapidly. Many people bought stocks by buying on margin, hoping to sell them later at a large profit. In 1929 stock prices began to drop. Frightened investors sold stocks to pay off their loans, but there were few buyers. On October 29, known as Black Tuesday, the stock market crashed. Investors lost everything. THE ECONOMY COLLAPSES The stock market crash caused a banking crisis as banks lost their investments. People tried to withdraw all of their money and many banks went out of business. This crisis contributed to losses by businesses, which then needed fewer workers. Normally when businesses produce more than they can sell, they have to cut back production. As people are laid off, the demand for goods drops. This can cause a severe recession called a depression. When the economy bounces back, more people are hired, and demand increases. This pattern of ups and downs in the economy is called a business cycle. The economy was slow to recover after the crash in 1929. This period, the Great Depression, had several causes. One was overproduction of goods as the market was shrinking. Other factors were the uneven division of wealth and limited world trade.

Assignment:

Why did many banks go out of business after the stock market crash?

What normally happens in the business cycle after a recession?