Did It Work?

Weighing the New Deal's gains and limits

SS24.US2.4b "Critique the effectiveness of the New Deal in managing problems of the Great Depression through relief, recovery, and reform programs; expansion of the executive branch; and the application of Keynesian economic theory."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline one New Deal benefit and circle one limit in each paragraph. Label each underlined benefit R for relief, C for recovery, or F for reform.

A Paycheck, a Bank, and a Bigger Government

1 Imagine a family in 1935: one parent finds a job building a public library through the Works Progress Administration (WPA). That paycheck provides relief, or immediate help, and buys groceries from local businesses. The spending may support recovery, a return to economic activity, but one job cannot end a national collapse. Many workers, especially Black workers and women, faced discrimination in New Deal programs. Relief reached millions, yet unemployment remained high.

2 Bank customers had another worry: losing their savings if a bank failed. Roosevelt declared a national bank holiday in 1933, and Congress passed emergency legislation before sound banks reopened. Congress also created federal deposit insurance through the FDIC to protect eligible deposits. This reform sought to prevent future bank runs, not put unemployed people to work immediately. These measures restored some trust, but deposit insurance could not guarantee jobs or equal access to credit.

3 These actions expanded the president's role: Roosevelt directed emergency responses and oversaw new agencies carrying out laws passed by Congress. Economist John Maynard Keynes argued that when private spending falls, government spending can boost demand and employment. New Deal job programs partly fit that idea, but Roosevelt did not consistently pursue large deficit spending. In 1937, federal spending cuts and higher payroll taxes reduced demand, and unemployment rose again. Critics therefore question whether the New Deal produced full recovery, even as it changed government's role.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could a WPA job provide both relief and recovery? What limits its effectiveness?

2. Why was federal deposit insurance more effective as reform than as immediate relief?

3. How did the response to the banking crisis expand presidential power, and what role did Congress retain?

4. How does the 1937 downturn complicate a claim that the New Deal fully applied Keynes's idea?

3 YOUR TURN

Your own words

It is 1938, and Congress must choose whether to expand job-program funding or cut it. Write a recommendation that weighs relief and recovery against one long-term reform, considers presidential power, and uses the passage's 1937 evidence to explain your choice.

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PART 1 · READ AND MARK

Underline one New Deal benefit and circle one limit in each paragraph. Label each underlined benefit R for relief, C for recovery, or F for reform. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could a WPA job provide both relief and recovery? What limits its effectiveness?	**The paycheck helped a worker immediately, while purchases at local businesses supported economic activity. One job could not end widespread unemployment, and some workers faced discrimination.**
2	Why was federal deposit insurance more effective as reform than as immediate relief?	**It protected eligible savings and helped prevent bank runs, but it did not directly provide jobs to unemployed people.**
3	How did the response to the banking crisis expand presidential power, and what role did Congress retain?	**Roosevelt declared a bank holiday and directed emergency responses. Congress passed banking legislation and created deposit insurance.**
4	How does the 1937 downturn complicate a claim that the New Deal fully applied Keynes's idea?	**Keynes argued that government spending could support demand when private spending fell. Federal spending cuts and higher payroll taxes reduced demand in 1937, and unemployment rose again.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Congress should expand job-program funding. A public job would give a worker immediate relief, and the worker's spending could help businesses recover. Deposit insurance remains important reform because it protects savings, but it cannot replace a paycheck. The president could direct agencies to carry out an expanded program, while Congress would decide whether to fund it. Lawmakers should watch how fairly agencies distribute jobs, since some workers faced discrimination. Keynes's argument also supports expansion: government spending can strengthen demand when private spending is weak. In 1937, spending cuts and higher payroll taxes reduced demand, and unemployment rose again. Cutting funding now risks repeating that mistake.

Accept other recommendations if they use passage evidence to weigh relief, recovery, and reform, address the roles of the president and Congress, and explain the 1937 downturn using demand.