Relief and Limits

Weighing what New Deal programs changed and what they could not

9-12.US2.13 "Evaluate the effectiveness of New Deal programs in addressing economic issues underlying the Great Depression."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline evidence showing how each of two programs addressed an economic problem. Circle one limit for each of those programs so you can weigh their effectiveness.

What Could the New Deal Fix?

1. On a rainy morning in 1933, a bank customer might find a locked door instead of her savings. Thousands of banks had failed, and fear led people to withdraw money from banks that were still open. The New Deal attacked this crisis by creating the Federal Deposit Insurance Corporation (FDIC), which insured deposits at member banks. Insurance reduced the risk that ordinary savers would lose their deposits if an insured bank failed. It also gave people a reason to leave money in banks, helping prevent runs. Yet insurance did not replace the jobs and wages lost during the Depression.

2. For a worker without a paycheck, safer banks were not enough. The Works Progress Administration (WPA) hired unemployed people to build roads, repair schools, and create other public projects. Wages helped families buy food and helped local businesses find customers, while the projects supplied services communities could use. The WPA employed millions over its lifetime, but its jobs depended on federal spending rather than a lasting rise in private hiring. Some workers, especially women and Black Americans, faced unequal access to jobs and pay. The program eased immediate hardship without fixing every weakness in the labor market.

3. Farm income had collapsed as crop prices fell. The Agricultural Adjustment Administration (AAA) paid farmers to reduce production, aiming to raise prices and farm income. Some landowners benefited, but fewer planted acres could mean less work for tenant farmers and sharecroppers, who sometimes lost their homes. The Social Security Act of 1935 set up old-age benefits and unemployment insurance to soften future income losses, but it initially excluded many farm and domestic workers. These programs addressed different problems, not the whole crisis: unemployment remained high through the 1930s. Wartime production later helped bring the Depression to an end.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the FDIC address a cause of bank failures, and what major hardship did it leave untreated?

2. Was the WPA a lasting solution to unemployment? Support your judgment with one benefit and one limit from the passage.

3. Did the AAA help all farming households equally? Weigh its intended benefit against an effect on tenant farmers or sharecroppers.

4. How fully did the Social Security Act protect workers from income loss at first? Include both a protection and a gap.

3 YOUR TURN

Your own words

Choose two programs from the passage. In one paragraph, recommend a specific change to one program, explain how both programs tackled different economic problems, and judge what problem your change would address that the original programs left unresolved.

ANSWER KEY

Relief and Limits

HIGH SCHOOL · 9-12.US2.13

PART 1 · READ AND MARK

Underline evidence showing how each of two programs addressed an economic problem. Circle one limit for each of those programs so you can weigh their effectiveness. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the FDIC address a cause of bank failures, and what major hardship did it leave untreated?	**Insuring deposits gave savers less reason to rush to withdraw money, helping prevent bank runs. It did not restore lost jobs or wages.**
2	Was the WPA a lasting solution to unemployment? Support your judgment with one benefit and one limit from the passage.	**No. It paid millions of unemployed workers, but its jobs depended on federal spending rather than lasting private hiring.**
3	Did the AAA help all farming households equally? Weigh its intended benefit against an effect on tenant farmers or sharecroppers.	**No. Reducing production aimed to raise crop prices and farm income, but reduced planting could cost tenant farmers and sharecroppers work or their homes.**
4	How fully did the Social Security Act protect workers from income loss at first? Include both a protection and a gap.	**It established old-age benefits and unemployment insurance, but initially excluded many farm and domestic workers.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would keep the WPA and change the AAA so tenant farmers and sharecroppers receive payments directly when landowners reduce planting. The AAA tried to raise crop prices and farm income, but fewer planted acres could cost tenants their work and homes. Direct payments would help protect those families from losing their income. The WPA provided wages to unemployed workers and supported local spending, but its jobs depended on federal funds. Together, these programs could address low farm income and joblessness, though they would not by themselves create lasting private employment.

Accept other evidence-based judgments about effectiveness. For Part 3, look for two distinct economic problems, a specific proposed change, and a clear explanation of a remaining gap.