Hard Times, Close to Home

Trace how economic problems reached Indiana communities.

IS.1.20 "Analyze the causes of the Great Depression and explain how they affected Indiana society."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two causes of the Great Depression, circle two effects on Indiana people, and number the steps in one chain that connects a cause to a local effect.

How the Depression Reached Indiana

1. In 1929, a stock market crash wiped out wealth and shook confidence, but it did not cause the Great Depression by itself. During the 1920s, many Americans had bought goods on credit, while factories produced more than customers could keep buying. When spending fell, businesses cut production and dismissed workers. Those workers then had less money to spend, pushing sales down further. Banks had made risky loans and sometimes failed when borrowers could not repay them or worried depositors withdrew their savings. Because many bank deposits were not insured, families who lost savings could not easily buy necessities or start businesses.

2. Indiana farmers had been struggling even before the crash. During World War I, high demand encouraged them to borrow for land and equipment and to grow more corn and raise more hogs. When demand fell after the war, crop and livestock prices dropped, but loan payments remained. In the 1930s, low prices and shrinking city incomes made it harder for farmers to repay debts. Some lost their farms through foreclosure. Farm families bought fewer clothes, tools, and services in nearby towns. This meant a farm crisis could also reduce the earnings of storekeepers and other neighbors.

3. Indiana's industrial cities faced another chain of losses. Steel mills in Gary and automobile plants in South Bend depended on buyers across the country. When families and businesses postponed purchases, orders fell, hours were cut, and workers lost jobs. A laid-off mill worker might fall behind on rent, while a grocer lost a regular customer. Bank failures could deepen both rural and urban hardship by wiping out savings and making new loans scarce. In the 1930s, public relief and federal work programs helped some households, but they did not immediately restore steady jobs or erase debts.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could falling spending cause even more people to lose their jobs?

2. Why could Indiana farmers struggle to repay loans even though they kept producing corn and hogs?

3. Trace how fewer purchases across the country could hurt both a Gary steelworker and a local grocer.

4. How could a bank failure make it harder for an Indiana family to recover from lost farm or factory income?

3 YOUR TURN

Your own words

Write a 75 to 100 word museum label about two related fictional Indiana households in the 1930s, one on a farm and one in an industrial city. Explain how two different causes of the Depression reached them, show one effect spreading to another person or business, and include a historically plausible response.

ANSWER KEY

Hard Times, Close to Home

HIGH SCHOOL · IS.1.20

PART 1 · READ AND MARK

Underline two causes of the Great Depression, circle two effects on Indiana people, and number the steps in one chain that connects a cause to a local effect. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could falling spending cause even more people to lose their jobs?	**Businesses cut production and dismissed workers when sales fell. Those workers spent less, causing further losses in sales.**
2	Why could Indiana farmers struggle to repay loans even though they kept producing corn and hogs?	**Demand and prices fell after World War I, but farmers still owed payments on land and equipment.**
3	Trace how fewer purchases across the country could hurt both a Gary steelworker and a local grocer.	**Fewer purchases meant fewer steel orders, so the worker could lose hours or a job. With less to spend, that worker could buy less from the grocer.**
4	How could a bank failure make it harder for an Indiana family to recover from lost farm or factory income?	**The family could lose savings needed for necessities or debt payments, while scarce new loans made it harder to borrow money.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

The Miller cousins lived in different parts of Indiana in the 1930s. On their farm, prices for corn and hogs stayed low after wartime demand faded, but the payments on their equipment did not. They skipped purchases at the local hardware store, which then earned less. In Gary, a cousin at a steel mill lost hours when customers stopped ordering steel. Her family needed help with rent, even as a bank failure erased their small savings. A federal work program later brought the Gary cousin a temporary paycheck, but neither household quickly recovered.

Accept other accurate cause-and-effect chains supported by the passage. For the museum label, check for distinct causes affecting the farm and industrial-city households, a further effect on someone else, a plausible response, and 75 to 100 words.