

The Great Depression: Causes and Effects Worksheet

The optimism of the 1920s concealed problems in the American economic system.

Cause	Effect
People overspeculated on stocks, using borrowed money.	People could not pay the borrowed money back when stock prices began to go down.
The Federal Reserve System was not able to regulate banks or keep the value of money stable.	The banking system failed.
The United States placed high tariffs on goods coming into the United States.	Other countries put high tariffs on U.S. goods that they imported. International trade declined.