

## **The Great Depression: Causes and Effects Worksheet**

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

| <b>Cause</b>                                                                                 | <b>Effect</b>                                                                                    |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 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. |