Step One

Causes of the Great Depression:

→ Stock Market Crash

→ Banking Crisis

→ Overproduction

→ Under-consumption

Step Two

Causes of the Great Recession:

→ The stock market plummeted, erasing wealth

→ Banks went into crisis

→ Housing prices increased, then fell, due to the subprime mortgage crisis

Step Three

	1933 (Great Depression)	What they share (similarities)	2008 (Great Recession)
Describe the state of the economy How was the economy? (think of unemployment rates, causes, effects)	Between 1929 and 1932, the GDP fell by an estimated 15%. A lot of people lost their jobs thanks to the crisis, the unemployment in the U.S rose to 23% and it affected the entire world.	Both crises were extremely bad for the U.S and had a huge impact on U.S economics. It both increased the unemployment rate and a lot of Americans lost their jobs, and it affected the entire world, not just the U.S.	It was the period of marked general decline around the world. It resulted in a serious disruption of normal international relations and impacted on homes and businesses. Around 8 million of Americans lost their jobs, 4 million homes foreclosed each year and 2.5 million businesses were closed.
How did the outgoing president deal with the challenges facing the economy	Hoover believed that the laissez-faire would be a good option for the U.S during the great depression. However, it wasn't effective against depression. Hoover's enduring legacy is tainted by economic near-collapse. Many of his achievements	Both of the proposals were very similar but none of them worked for the crisis that the U.S were facing. They both tried to get the U.S out of the crisis but they weren't successful.	Bush created an administration which also attacked the crisis almost entirely by focusing on the banking system. It made a huge loan and took equity stakes. And the Bush administration has been every bit as reluctant to help individual

	have gone unnoticed.		homeowners as the Hoover administration.
How did the incoming president promised to deal with the challenges facing the economy	FDR created a lot of government organizations to help people who were affected by the crisis. In the middle of 1933 the unemployment rate was 26% and in October the unemployment rate was 6.5%. He saved the country from the worst crisi that was ever seen by the U.S population.	Both of them (Obama and FDR) were able to win the crisis that the U.S were struggling to pass. However, both of them created plans to get the U.S out of the crisis.	Obama made a plan that the American auto industry would die. He wants to provide economic assistance to state and local governments that have been hurt by the financial crisis. And he promised a review of the bailout program "to ensure that the government's efforts are achieving their central goal of stabilizing financial markets while protecting taxpayers.

Citation:

"Why Hoover Couldn't End the Depression With Economic Policies." *The Balance*, www.thebalance.com/president-hoovers-economic-policies-4583019. Accessed 21 May 2021.

"What Caused the Great Recession in 2008—and What Can We Learn From It?" *Acorns*, www.acorns.com/money-basics/the-economy/what-caused-great-recession-of-2008.

“---.” *Encyclopedia Britannica*, www.britannica.com/story/causes-of-the-great-depression. Accessed 21 May 2021.

Step 4

In the U.S two big crises got very famous during the time, they were seen as the biggest crisis that the U.S has ever faced. The Great Depression started during the end of the 20s and it persisted during the 30s. Years later in 2008 the U.S faced a similar crisis, the Great Recession. A crisis can start in many ways, but both of them were the strongest crisis ever seen in the U.S territory.

During the early 20s the U.S was living a prosperous time, with a lot of demands for good and services but it all changed when the crash of the stock market in NY happened and it was the principal reason for the crisis, it impact the entire world but mostly the U.S. People started losing their jobs and getting less money to buy those demanded goods and services. Another reason for the crisis was the overproduction and the under-consumption. In the end of the Great Depression the world and the U.S saw the 2º world war and this time the U.S got involved and it wasn’t good for the economy.

In 2008 the U.S struggled with a similar crisis. However, this time the principal cause was the crisis in the real estate market. It happened because of the system of buying and selling properties in the U.S, the people with low income bought mortgages cheap and it was feeding the real estate market that grew more and more. It was a very common practice for a family to make more than one mortgage on the same house: that is, even before having paid off a mortgage, the resident made new financing giving that property as collateral and used the money to buy other goods, such as cars and appliances. The bubble started to burst when the Fed raised its basic interest rate, which raised mortgage payments and thereby caused debt default, especially for subprime customers. With the start of the crisis the estate market got in crisis so the banks. A lot of people got fired from both and started losing the money that they had invested creating also a hate feeling for the system.

In my point of view both crises could have been avoided if only people weren’t so desperate about money and were a little less ambitious. The government could also create measures to stop the crises that were clearly going to happen, by creating mechanisms for the stock market and the estate market at both times. In 1929 the U.S government could provide relief funds to the population that would be clearly affected by the crisis that was to come. Also in 2007 when the crisis was starting to show up. If it weren't for the government's regulatory errors and the mismanagement of Wall Street companies. the government commission that investigated the financial crisis launched a series of accusations to two main ones, the Fed and also to other regulatory agencies that allowed: the carelessness concession of mortgage loans, the excessive combination of financial instruments and the sale of loans to investors

Citation:

Floe, Anatolia. “Was There Any Way The Great Depression Could Have Been Avoided? – Gingers Have Souls.” *Gingers Have Souls*, 26 Jan. 2017, www.blog44.ca/anatoliaf/2017/01/26/was-there-any-way-the-great-depression-could-have-been-avoided/#:%7E:text=So%20I%20technically%20yes%2C%20the,people%20could%20afford%20to%20buy.&text=As%20a%20result%2C%20prices%20fell,and%20workers%20were%20laid%20off.

Amadeo, Kimberly. “Could the Financial Crisis Have Been Avoided?” *The Balance*, 24 Feb. 2021, www.thebalance.com/were-mortgage-crisis-and-bank-bailout-preventable-3305676#:%7E:text=Two%20things%20could%20have%20prevented,which%20used%20too%20much%20leverage.&text=Regulation%20could%20have%20softened%20the%20downturn%20by%20reducing%20some%20of%20the%20leverage.