

Consumption fueled by

farm prices kept

hurt further by Dust Bowl

farm foreclosures

Weak _____ system

bank deposits invested in the market -> lost

When market collapsed, banks had no money

bank runs

no new investments

margin buying

Stock Market Crash "Causes"

OVERSPECULATION

investments made with borrowed money

buying stocks on credit = margin buying

Think about it

When prices drop, businesses _____ by laying off workers. Those workers now can't buy anything so inventory keeps building up (this is called supply).
=> More and more businesses go _____ because they aren't selling anything.
=> More unemployment => less products being bought => more bankruptcies.

Bankruptcies