

Name:

US History II

**Causes of the Recession
and What it has to do with the Great Depression**

Use the reading to help you answer these questions.

1. What is the difference between a recession and a depression?

2. According to the cartoon on page 1, does it matter if we're currently in a recession or a depression? Why or why not?

3. Use the text "**Causes of the Great Depression vs. Causes of the Recession**" to complete this chart:

Causes of the Great Depression (1930s)	Causes of the 2008/2009 recession

4. What factor(s) helped cause both the Great Depression and the current recession?

Questions about Scene 1

5. Who was hurt by buying stocks on margin?

6. Whose fault is it? Why?

7. Think back to what we learned about the New Deal. What's something the government could do-- or did do-- to prevent these kinds of problems from happening again?

Questions about Scene 2

8. Who was hurt by the financial crisis in the 2000s?

9. Whose fault was it? Why?

10. How could this be prevented from happening again?

The “Meltdown” & the Government’s Reaction

11. What were the “toxic assets” that made banks unhealthy?

12. What happened to Bear Stearns?

13. What did Bear Stearns’ fate show about the financial industry?

14. What other companies failed in 2008?

15. Why did the failure of so many banks & mortgage lenders matter to people?

16. What did Federal Reserve Chairman Ben Bernanke do to try to save the economy?
Did it work?

17. What idea did Treasury Secretary Henry Paulson bring to Congress? Why didn’t they like it?

18. How did the US financial crisis impact the world?

19. What is “capital injection” and what did it have to do with banks?

20. What were the problems with Paulson’s “bailout bill” for the banks?

21. Look at the cartoon on the last page. According to this cartoon, who did the Fed save? And who should they have saved?

22. What did Obama do to try to fix the recession & improve the economy? (more than one answer)

23. What specific New Deal programs or laws might have given the Obama administration the ideas for the Recovery Act?