

Great Depression

At the end of the 1920s what had been an era of prosperity ended abruptly. In 1929 the stock market crashed so drastically that soon the entire economy collapsed. Times turned grim with the deep-seated pervasive unemployment and destitution known as the Great Depression.

“Stocks on the New York Stock Exchange lost 50 percent of their value. [As stocks continued to fall during the early 1930s, businesses failed, and unemployment rose dramatically.](#) By 1932, one of every four workers was unemployed. Banks failed and life savings were lost, leaving many Americans destitute. With no job and no savings, thousands of Americans lost their homes. The poor congregated in cardboard shacks in so-called Hoovervilles [named after then President of the U.S. Herbert Hoover] on the edges of cities across the nation; hundreds of thousands of the unemployed roamed the country on foot and in boxcars in futile search of jobs. Although few starved, hunger and malnutrition affected many.

In a country with abundant resources, the largest force of skilled labor, and the most productive industry in the world, many found it hard to understand why the depression had occurred and why it could not be resolved. Moreover, it was difficult for many to understand why people should be hungry in a country possessing huge food surpluses. Blaming Wall Street speculators, bankers, and the Hoover administration, the rumblings of discontent grew mightily in the early 1930s. By 1932, hunger marches and small riots were common throughout the nation....

However, not all citizens were caught up in the social eruptions. Many were too down-trodden or busy surviving day to day to get involved in public displays of discontent. Instead, they placed their hope and trust in the federal government, especially after the election of Franklin D. Roosevelt to the presidency in 1932.”]

Michigan was even more adversely affected economically than much of the rest of the country in the Great Depression. Between 1930 and 1933 unemployment in Michigan was 34 percent, compared to 26 percent for the nation as a whole. Employment in the auto industry, which had become a key industry for Michigan, declined precipitously in only a few years. Between 1928 and 1932 employment at GM, for example, was cut in half.