



THE GREAT DEPRESSION

According to one Detroiters, the Great Depression taught her “about survival.” The Depression of the 1930s was a desperate time. Millions of Americans lost their jobs, went hungry, and were forced to give up their homes.

The Depression started because Americans lived beyond their means in the 1920s. They bought cars, homes, and businesses by borrowing money. In 1929, prices and wages began to fall. Americans could not pay their bills or buy new things. Factories made fewer products and workers lost their jobs.

Few Americans escaped the effects of the Depression. Among the hardest hit were autoworkers. In 1929, Americans produced more than five million vehicles. By 1932 that figure dropped to 1.3 million. Falling auto sales left autoworkers without jobs. Detroit soon had the nation’s highest unemployment rate. One out of every two workers was without a job.

Because there was no unemployment insurance, the unemployed turned to private charities and local government agencies for help. Soup kitchens opened to feed the hungry. The city of Detroit fixed up an empty warehouse for the homeless. The efforts could not keep up with the growing number of people who needed help. A desperate Frank Murphy, mayor of Detroit, asked the federal government to help, but with little success. President Herbert Hoover feared that helping the unemployed would discourage them from seeking a new job. Hoover also claimed prosperity was just around the corner.

The Depression entered its third year with no sign of ending. Banks closed and thousands of investors lost their life savings. In Detroit, about 150 families lost their homes each day because they could not afford their house payments. At the same time, one doctor estimated that four Detroiters died every day from starvation.

In November 1932, voters elected Franklin Delano Roosevelt, the governor of New York, as president of the United States. In his inaugural speech, Roosevelt promised “to wage war against the emergency.” He introduced a plan called the New Deal. The New Deal used the power of the federal government to stabilize the economy, help the unemployed, and restore hope that better times lay ahead.