1) The Age of Oil & the Roaring '20s

Foundations

The previous era, the Age of Oil, was a period of **economic growth** both in Texas and the United States. The economy grew due to **industrialization**. There were new technologies such as automobiles and home appliances becoming widely available to more people.

In Texas, **the discovery of oil at Spindletop** led to an incredible boom in the oil industry and the rapid urbanization of the Lone Star state.

People who migrated from rural farming communities into large cities found **new opportunities,** new forms of entertainment, and new social freedoms.

Many people worked for **social improvements** during the Age of Oil. The **Progressive movement** successfully achieved higher wages, worker protections, and reforms in healthcare, housing, education, and women's suffrage rights.

The decade of the 1920s experienced so much **economic growth** and **social activity** that it came to be known as the **"Roaring '20s."**

Although the 1920s was a period of **prosperity**, there were still many in Texas who did **not** share in the economic growth of the decade. This was especially true for Texas **farmers**. More than 60% of Texas agricultural laborers struggled to make a living as tenant farmers across the state.

2) The Stock Market Crash of 1929

Foundations

In the 1920s, the **stock market** also experienced incredible growth. A **small percentage** of Americans took part in the stock market, often **borrowing large amounts** of money from banks to buy more and more stocks. This is called **buying on margin**. While investors can make a lot of money buying on margin, **they can lose a lot of money as well.**

After a decade of growth, the economy began to **slow down** in 1929. As a result, a lot of people who took part in the stock market to **panic** and **sell their stocks**. The value of stocks quickly fell, until on **October 29, 1929, the stock market crashed**. On that single day, people sold more than 16 million shares of stocks and **billions of dollars were lost.**

Banks had also invested in the stock market and **lent large amounts** of money to people buying stocks on margin. After the stock market crashed, people ran to their banks to withdraw money, but **the banks did not have enough money** on hand for all the withdrawals. **Nine thousand banks** across the country were **forced to close**. At that time, there were **no protections** for the money people deposited in banks like there is today, **so millions of people lost their entire life savings**.

Businesses were also affected by the stock market crash, and **many businesses across the U.S. closed.** This caused a massive spike in **unemployment**. By 1933, **25%** of workers in the U.S. were unemployed.

This period of financial hardship is known as the **Great Depression**. It was the **worst** economic depression in U.S. history. The Great Depression caused financial hardship not only in Texas and the U.S., but also around the entire world.

3) The Great Depression in Texas

Foundations

When the stock market crashed in 1929, initially most Texans were not worried. After all, most Texans did not take part in the stock market. In fact, some Texans did not even know what the stock market was! Despite this, **the stock market crash of 1929 had widespread effects** on everyone in the U.S., including Texas.

Banks closed across the state and many Texas families lost their life savings. **Prices dropped**, including prices for key Texas products like oil and cotton. As a result, **businesses closed** and **thousands of Texans lost their jobs**. For most Texas cotton farmers who had already experienced decades of hardship, this was especially devastating.

Unemployment in Texas rose significantly, as in the rest of the country. Typically, relief organizations and churches offered help to those in need, but they were unable to keep up with the needs of so many struggling people. Many Texans found themselves **without basic necessities like food, clothing, and shelter**.

Black and Hispanic Texans experienced **additional hardships** and higher rates of unemployment during the Great Depression due to discriminatory **Jim Crow laws**.

Though most Texans initially believed the stock market crash would not affect them, many in the state experienced significant challenges during the Great Depression.

4) Franklin D. Roosevelt & the "New Deal"

Foundations

In 1932, **Franklin Delano Roosevelt** was elected president of the United States. His campaign had promised a "**new deal** for the American people." He stated he would work to provide relief and support to the millions of struggling Americans.

Roosevelt's administration established a series of **federal programs** to **provide relief, recovery, and reform** to help struggling Americans.

The **Securities and Exchange Commission** (SEC) regulated the stock market, and the **Federal Deposit Insurance Corporation** (FDIC) protected the money that people deposited in banks.

Programs such as the **Civilian Conservation Corps** (CCC) and **Works Progress Administration** (WPA) provided employment through community improvement projects.

The **Agricultural Adjustment Act** (AAA) set limits on crop production to prevent harmful boom and bust cycles. The **Rural Electrification Act** (REA) made affordable electricity available to rural communities across the U.S. In 1935, **only about 2% of Texas farms had electricity**. With the help of the REA, that number climbed to **70-80%** in the following decades.

While Roosevelt's "New Deal" programs provided essential relief and support for many Texans, the challenges of the Great Depression carried on throughout the 1930s.

5) The Dust Bowl

Foundations

The **tall grasses** of the Great Plains are an essential part of the Plains ecology. They provide a **habitat** for wildlife, **filter rain water**, and promote soil health. Their long roots also help **keep the soil anchored to the ground**, which **prevents erosion** from wind and water.

In the decades leading to the 1930s, many farmers had **removed the Plains grasses** to establish their farms, and ranchers had **used the grasses** to feed their livestock. The steady removal of Plains grasses **disrupted the ecosystem** of the Great Plains. This led to one of the **worst ecological disasters in U.S. history.**

Beginning in 1930, the Great Plains suffered a long period of severe **drought** that lasted most of the decade. As a result of the **drought** and the **removal of native grasses**, the **high winds** in the Plains kicked up soil into the atmosphere. **Winds often carried the Plains soil thousands of feet in the air for up to 2,000 miles.** The skies would be blacked out for hours or even days at a time, and towns were left covered in dust. This period of storms is known as the **Dust Bowl**.

In Texas, the Dust Bowl severely affected the state's **Great Plain's region**, specifically in the **Panhandle**. The dust storms caused long blackouts and numerous health problems. **Widespread crop failures** also led to poor nutrition in the Texas Great Plains region.

Between 1935 and 1937, over **34% of farmers in the Panhandle fled the region.** At least 250,000 Texans migrated west in search of safety and new opportunities because of the Dust Bowl.

6) The Legacy of the Great Depression

Foundations

Roosevelt's **"New Deal" programs** were highly **popular** among most Americans. He was reelected president three more times, **serving for 12 years**! Before, presidents had followed the example set by President George Washington by not serving more than two terms. During Roosevelt's four terms in office, his administration **expanded the federal government** in a number of ways and instituted many programs essential to the U.S. today, including **Social Security** payments for retirees.

There were a number of important Texans who played a key role in carrying out Roosevelt's New Deal. **John Nance Garner** of Uvalde served two terms as Roosevelt's **vice president** and helped pass significant New Deal legislation. **Sam Rayburn**, who moved with his family to Texas from Tennessee when he was 4 years old, was a U.S. representative who helped pass key programs including the **Rural Electrification Act**. A young Texan named **Lyndon B. Johnson** served on the **National Youth Administration** in Texas, helping provide job training to more than 30,000 young Texans.

While many Americans supported Roosevelt's recovery programs, some were **worried about how much the federal government had grown.** This increased the divide between progressives and conservatives in the Texas Democratic Party. Finally, though the New Deal addressed the many challenges of the Great Depression**, for many Americans, economic hardship continued.**