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# Stock Market Crash of 1929

On October 29, 1929, Black Tuesday hit Wall Street as investors traded some 16 million shares on the New York Stock Exchange in a single day. Billions of dollars were lost, wiping out thousands of investors. In the aftermath of Black Tuesday, America and the rest of the industrialized world spiraled downward into the Great Depression (1929-39), the deepest and longest-lasting economic downturn in the history of the Western industrialized world up to that time.

## 1929 Stock Market Crash

During the 1920s, the U.S. stock market underwent rapid expansion, reaching its peak in August 1929, after a period of wild speculation. By then, production had already declined and unemployment had risen, leaving stocks in great excess of their real value. Among the other causes of the eventual market collapse were low wages, the proliferation of debt, a struggling agricultural sector and an excess of large bank loans that could not be liquidated.

*Did you know?* The New York Stock Exchange was founded in 1817, although its origins date back to 1792 when a group of stockbrokers and merchants signed an agreement under a buttonwood tree on Wall Street.

Stock prices began to decline in September and early October 1929, and on October 18 the fall began. Panic set in, and on October 24, Black Thursday, a record 12,894,650 shares were traded. Investment companies and leading bankers attempted to stabilize the market by buying up great blocks of stock, producing a moderate rally on Friday. On Monday, however, the storm broke anew, and the market went into free fall. Black Monday was followed by Black Tuesday (October 29), in which stock prices collapsed completely and 16,410,030 shares were traded on the [New York](https://www.history.com/topics/us-states/new-york) Stock Exchange in a single day. Billions of dollars were lost, wiping out thousands of investors, and stock tickers ran hours behind because the machinery could not handle the tremendous volume of trading.

## 1929 Stock Market Crash and the Great Depression

After October 29, 1929, stock prices had nowhere to go but up, so there was considerable recovery during succeeding weeks. Overall, however, prices continued to drop as the United States slumped into the [Great Depression](http://www.history.com/topics/great-depression), and by 1932 stocks were worth only about 20 percent of their value in the summer of 1929. The stock market crash of 1929 was not the sole cause of the Great Depression, but it did act to accelerate the global economic collapse of which it was also a symptom. By 1933, nearly half of America’s banks had failed, and unemployment was approaching 15 million people, or 30 percent of the workforce.

Relief and reform measures enacted by the administration of President [Franklin D. Roosevelt](https://www.history.com/topics/us-presidents/franklin-d-roosevelt) (1882-1945) helped lessen the worst effects of the Great Depression; however, the U.S. economy would not fully turn around until after 1939, when [World War II](https://www.history.com/topics/world-war-ii) (1939-45) revitalized American industry.