

## Bank Failures Analysis Sheet

### *Urbana Courier* Article: “False Rumors Close Banks”

- 1) What factors caused First National Bank of Champaign to close on January 18, 1932?
- 2) What factors made First National Bank more unstable than other banks in the community?
- 3) Who does this article blame for the closing of the bank? Why did these people cause the bank to fail?
- 4) Who did the directors of the bank blame for its closing? What did they believe needed to be done to reopen the bank?

### **Critical Thinking Question:**

Suppose that you are the mayor of Urbana. Due to the current economic crisis, Busey Bank is Urbana runs out of money and is forced to close. As mayor, what solutions would you propose to (1) keep other banks and businesses open in the community and (2) prevent the citizens of Urbana from panicking and making the situation worse?

### *Champaign News-Gazette* Article: “Harmon Explains Proclamation for Business Holiday”

- 5) Why did Mayor Harmon decide to close all businesses in Urbana after First National Bank failed?
- 6) Why did Mayor Harmon believe that the business holiday would be successful?