

Student Worksheet

STORY

Sliding U.S. Dollar Packs a Wallop to Wallets Worldwide, 12/18/07

http://www.pbs.org/newshour/extra/features/july-dec07/dollar_12-18.html

READING COMPREHENSION QUESTIONS

1. What has happened to the value of the U.S. dollar?

2. How has the value of the dollar affected U.S. citizens and businesses?

3. Why is the dollar losing value?

4. What is wrong with the housing market?

5. How is the Federal Reserve trying to relieve the housing crisis?

6. How did the Federal Reserve changes affect the dollar?

7. What are economists afraid might happen in the international marketplace to further decrease the value of the dollar?

DISCUSSION QUESTIONS (more research might be needed)

1. Pick the role of either a U.S. business owner, a parent in charge of purchases for a household, or a musician who works both in the United States and overseas. How does the falling value of the dollar affect you? What actions would you take or what do you want to see happen to improve your situation?

2. Explain how the problem with subprime loans is changing the value of the dollar.

3. Should the Federal Reserve have cut the interest rate and released more currency? Why or why not? What are the pros and cons of each decision?

4. How do economists judge the health of the economy? What debates are there between different schools of economics?

Extension Activity

Have students write a 300-500 word essay on this topic providing clear examples. Send your completed editorial to NewsHour Extra (extra@newshour.org). Exceptional essays might be published on our Web site.