

## Student Worksheet

### DIRECTIONS

Read the following news story and answer the reading comprehension and discussion questions. Use additional paper if necessary.

### STORY

#### **Stagflation Threatens U.S. Economy**, 02/25/08

[http://www.pbs.org/newshour/extra/features/us/jan-june08/stagflation\\_2-25.html](http://www.pbs.org/newshour/extra/features/us/jan-june08/stagflation_2-25.html)

### READING COMPREHENSION QUESTIONS

1. What is stagflation?

2. What is a recession?

3. What are some indicators that might point to a recession?

4. What can the government do about a recession?

5. What has happened to the price of food and medicine?

6. How did inflation or stagflation affect the presidential elections of 1952, 1960, 1980?

DISCUSSION QUESTIONS (more research might be needed)

**1. Does stagflation concern you? Why or why not?**

**2. How does inflation affect your family? Who does it affect the most? Ask the person who buys food for the household if they've noticed any changes? What would they do differently if prices rose quickly and dramatically?**

**3. Would you notice if the price of your favorite snack went up by 5 cents? 20 cents? A dollar? Think about items such as clothing, music, school supplies. If the prices of everything went up, which things would you stop buying first? Which items would you still buy? What do your answers say about the economy? Compare your answers to the rest of the class. Which parts of the economy are most vulnerable if the price of everything goes up?**

**4. Visit your local mall or grocery store and talk to the store owners about prices. Are prices going up or down? What are the business owners' explanations for the price changes of their specific products?**

**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](mailto:extra@newshour.org)). Exceptional essays might be published on our Web site.