



NATIONAL

INFLATION HITS THE FAMILY BUDGET

– A LOONIE DOESN'T BUY WHAT IT USED TO

COMPREHENSION QUESTIONS

1. A continuing rise in the average level of prices over time is called:

2. What does **supply** mean? What does **demand** mean?

3. Explain why prices sometimes go down and why sometimes they go up.

4. What does **CPI** stand for?

5. What does the CPI measure and how does it do this?

6. What kinds of items are in the CPI "basket"? List three categories.

7. What is the 'ideal' inflation rate? Explain.

8. What was the annual rate of inflation in Canada in 2020 and in 2021?

9. In July, what was Canada's annual inflation rate predicted to be for 2022?

10. List at least two reasons why inflation rose so quickly in recent months.



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QUESTIONS FOR FURTHER THOUGHT

1. The article suggests three main reasons for higher inflation rates in North America: COVID-19, the Russia-Ukraine war, and more jobs than there are applicants to fill them.

Choose one of these reasons, and share your ideas on how it has contributed to higher inflation rates. Give examples to support your thinking.

2. The article states that higher inflation rates are "causing pain among Canadians living on pensions." What reasons can you suggest for this? Explain.

3. How have you or people you know been personally impacted by higher inflation rates? What has been the biggest adjustment? Explain.
