



Chapter 13: Economic Challenges Opener

Prentice Hall

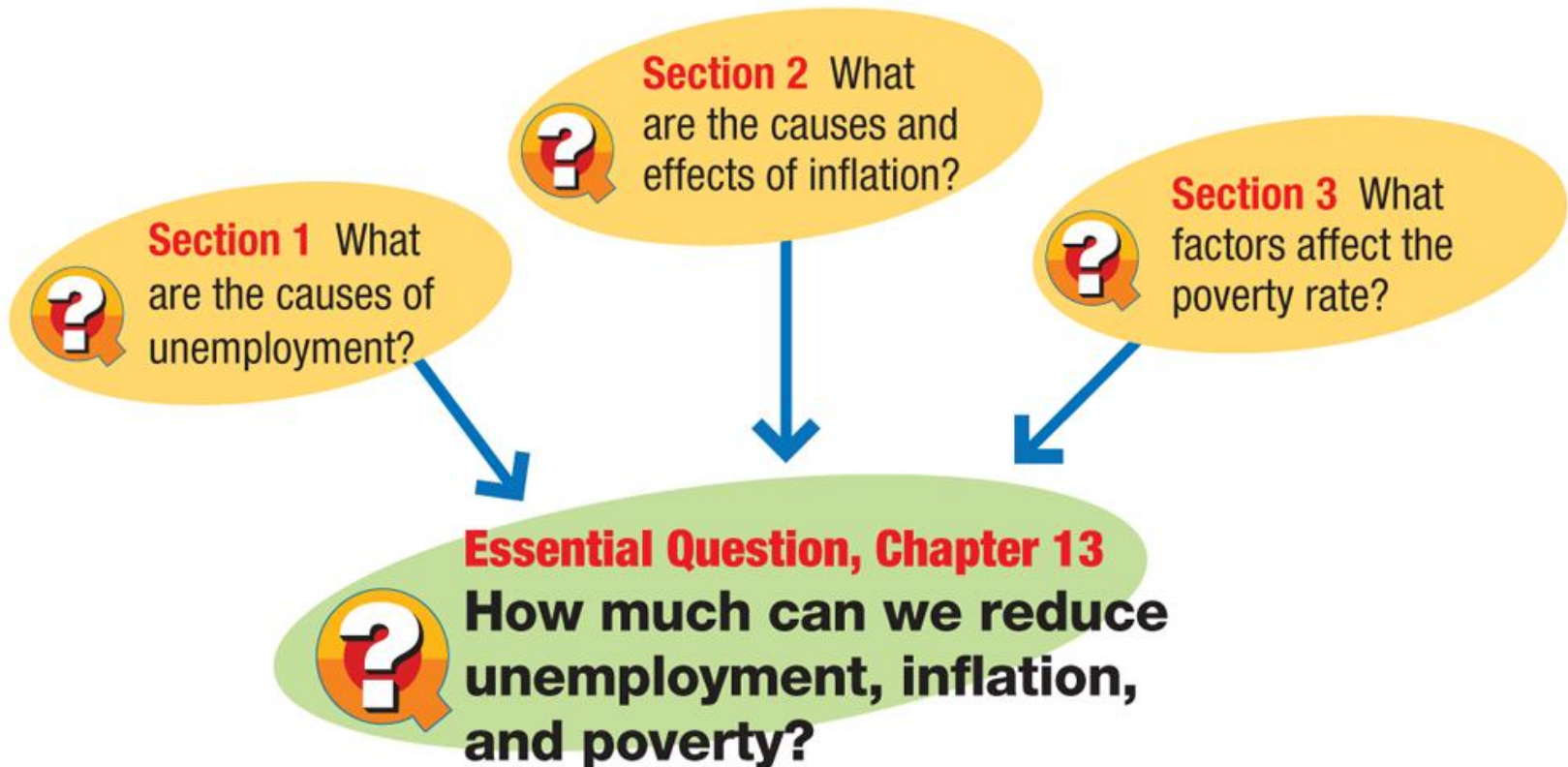
ECONOMICS

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Essential Question

- How much can we reduce unemployment, inflation, and poverty?



Guiding Questions

- Section 1: Unemployment
 - What are the causes of unemployment?
 - Unemployment is caused by people being between jobs, workers' skills not matching those needed for the available jobs, seasonal trends, and economic downturns.



Guiding Questions

- Section 2: Inflation
 - What are the causes and effects of inflation?
 - Inflation is caused by the growth of the money supply, changes in aggregate demand, and changes in aggregate supply. Inflation can lead to a decrease in people's purchasing power, it can erode income, and it cause interest rates to decrease.



Guiding Questions

- Section 3: Poverty
 - What factors affect the poverty rate?
 - Unemployment, shifts in family structure, location, racial and gender discrimination, the growth of low-skill service jobs, and the lack of education can all affect the poverty rate.

