

The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols. These symbols, including the dollar sign (\$), euro (€), pound sterling (£), and yen (¥), are rendered in a three-dimensional, embossed style, creating a textured effect. The symbols are scattered across the entire background, with some appearing larger and more prominent than others.

Unit 7

Measuring the Economy

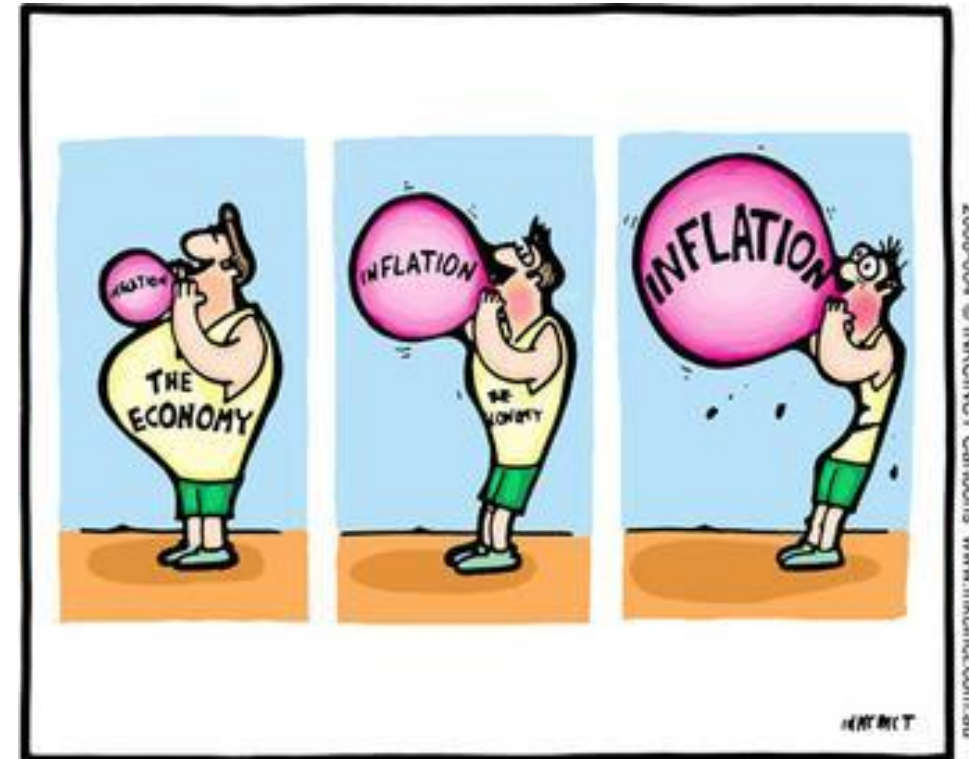
A decorative vertical bar on the left side of the slide, featuring a golden-yellow background with various currency symbols (dollar, euro, yen, pound, etc.) in a 3D, embossed style.

Measuring the Economy

- GDP = What is made in the country in a year
- Unemployment Rate
 - Full employment = When everyone who can works does work (4%-5%)
- Price Stability
 - The goal of manipulating the economy, helps economy stay healthy

Inflation & Deflation

- Inflation = Prices rise faster than salaries/wages
- Deflation = A substantial drop in the prices
- Consumer Price Index = Measurement of what is bought by the average household per month (i.e. toilet paper, milk)



Stock Market

- Financing Corporations
 - Stock – Part ownership in a large company (can be thousands)
 - Dividends – Profit from stock (divide the profit among shareholders, or owners)
 - Securities & Exchange Commission – Government regulatory agency that makes sure stocks are traded legally.
- Bonds – A loan to the government, guaranteed return on your investment
- Interest – The cost of borrowing money. You get interest when the institution your money is in uses it for others. You pay interest when you use others' money.

GDP

- What does it stand for?
 - Gross Domestic Product
- What is and is not included?
 - Is= BMW plant in South Carolina
 - Isn't = Apple factory in China
- What does it mean?
 - Shows how healthy the economy is and whether it is growing or not
- What about Per Capita GDP?
 - GDP per person (how much is being made for each individual)
- Debt Clock in real time
- <http://www.usdebtclock.org/>

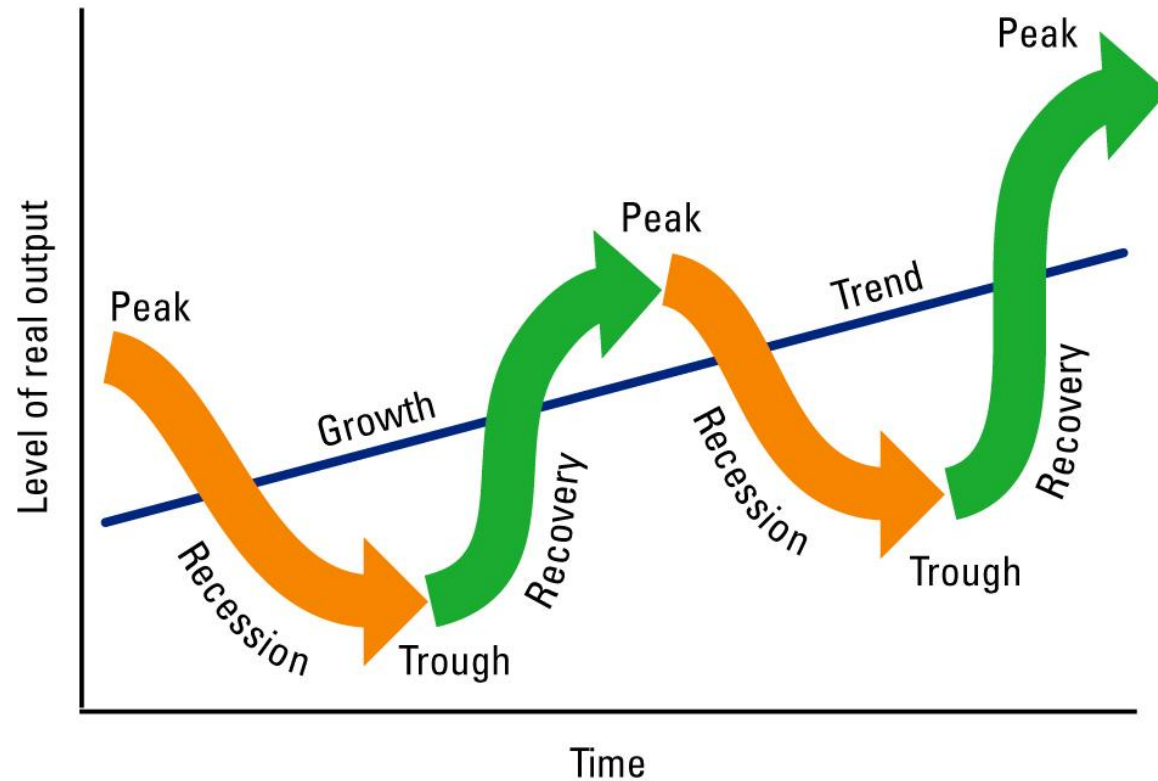


	GDP (dollars)	Per Capita GDP (dollars / person)	Standard of living (describe)
United States			
China			
Somalia			

Business Cycle

A contraction is when the economy is slowing down, a recession is a longer term of slow economic indications. A depression is when we have had recession for a minimum of two fiscal quarters.

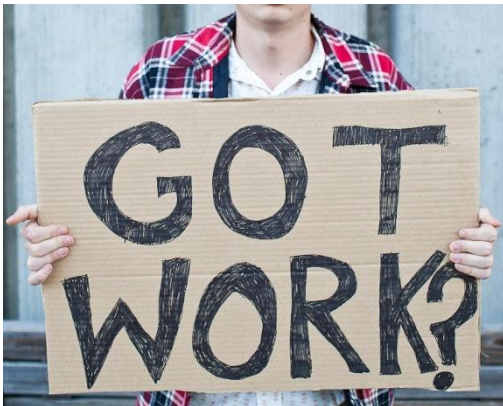
The Economic Cycle



Recovery is also known as Expansion. It starts when indicators show job growth and a rise in the GDP.

What would be happening during...

- A Contraction:
 - GDP is falling
 - Unemployment is rising



- A Trough:
 - GDP is at it's lowest
 - Unemployment is at its highest



What would happen during...

- Expansion:
 - GDP is rising
 - Unemployment is falling
- Peak:
 - GDP stops rising
 - Unemployment is at its lowest

