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# Inflation Gauge Hits Three-Year High as Mortgage Rates Rise

## Description

The economy and rising prices are important topics in the US right now. People feel the effects when shopping for groceries and fuel. Costs are making it hard for families and businesses.

In May, a measure of inflation, which shows how prices change, went to its highest point in three years. Gas prices increased significantly. This increase might create problems for President Donald Trump as elections approach. Consumer prices went up by 4.1% compared to last year. This is the largest rise since April 2023.

Apple has announced higher prices for its products. This is due to a shortage of memory chips needed for making technology like computers. The price for a basic MacBook Neo is now \$699, which was \$599 before.

In January to March, the US economy grew by 2.1%. This is better than the last month of 2025 when the economy only grew by 0.5%. However, people are spending less because of the high prices for gas.

The average mortgage rate in the US is also rising, which means people will pay more for loans on houses. Lastly, fewer people applied for jobless aid last week, showing some stability in jobs despite economic challenges.

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## Vocabulary List:

1. **inflation** //ɪnˈfleɪʃən// (noun): when prices go up over time
2. **economy** //iˈkɒnəmi// (noun): how money and jobs work in a country
3. **measure** //ˈmeɪʒə// (noun): a number or value that shows amount
4. **shortage** //ˈʃɔːrtɪdʒ// (noun): not enough of something people need
5. **mortgage** //ˈmɔːrɡɪdʒ// (noun): a loan to buy a house
6. **stability** //stəˈbɪləti// (noun): when things do not change much

## Comprehension Questions

### Multiple Choice

1. What measure of inflation reached its highest point in three years in May?

Option: Consumer Price Index

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- Option: Producer Price Index
- Option: Core Inflation Rate
- Option: Annual Inflation Rate

2. By how much did consumer prices increase compared to last year?

- Option: 2.1%
- Option: 4.1%
- Option: 3.5%
- Option: 5.2%

3. What is the new price for a basic MacBook Neo?

- Option: \$599
- Option: \$699
- Option: \$749
- Option: \$799

4. What was the US economy growth rate from January to March?

- Option: 0.5%
- Option: 1.0%
- Option: 2.1%
- Option: 3.0%

5. What has caused Apple to announce higher prices for its products?

- Option: Increase in demand
- Option: Shortage of memory chips
- Option: Rise in labor costs
- Option: Increase in tariffs

6. What does a rising average mortgage rate imply for borrowers?

- Option: Lower monthly payments
- Option: Higher monthly payments
- Option: No effect on payments
- Option: More applications for loans

### True-False

7. Gas prices have decreased significantly.



8. Consumer prices have risen by 4.1% compared to last year.
9. In January to March, the US economy grew by 0.5%.
10. Apple's price increase is due to a surplus of memory chips.
11. Fewer people applied for jobless aid last week.
12. The last month of 2025 saw significant economic growth.

### Gap-Fill

13. The economy and rising prices are important topics in the US right now. People feel the effects when shopping for groceries and fuel, as costs are making it hard for families and \_\_\_\_\_ .
14. In May, a measure of inflation showed prices at their highest point in three \_\_\_\_\_ .
15. The price for a basic MacBook Neo is now \$699, which was \$ \_\_\_\_\_ before.
16. The US economy grew by 2.1% from January to \_\_\_\_\_ .
17. The average mortgage rate in the US is rising, meaning people will pay more for \_\_\_\_\_ on houses.
18. People are spending less because of high prices for \_\_\_\_\_ .

### Answer

**Multiple Choice:** 1. Consumer Price Index 2. 4.1% 3. \$699 4. 2.1% 5. Shortage of memory chips 6. Higher monthly payments

**True-False:** 7. False 8. True 9. False 10. False 11. True 12. False

**Gap-Fill:** 13. businesses 14. years 15. 599 16. March 17. loans 18. gas

### CATEGORY

1. Business - LEVEL1

### POST TAG



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