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# Inflation Set to Reach Three-Year High Amid Iran War Fuel Surge

## Description

The Consumer Price Index is expected to reveal that inflation in the US has risen to its highest level in almost three years. This data will be released on Tuesday morning and is significant for understanding the economic situation.

The ongoing conflict involving Iran has led to rising prices, and economists predict inflation will reach 3.8%, an increase of 0.6% from March to April. This rise follows a sharp 0.9% jump from February to March, marking the largest monthly increase since 2022.

As prices increase, many Americans find that their wages are not keeping pace. Wage growth has slowed down over the last two years; it was nearly 4% in November but dropped to 3.4% by March. If inflation surpasses wage growth this April, it will be the first time this has happened since 2023.

If wages do not rise alongside inflation, the affordability crisis that consumers currently face could worsen. Economists also expect a 0.3% increase in core inflation, which excludes food and energy prices. Goldman Sachs has noted that travel service prices may jump due to rising oil costs linked to the conflict.

Last week, the US economy added 115,000 jobs in April, exceeding expectations. As of Tuesday, gas prices averaged \$4.50 per gallon, remaining close to this year's high. The effects of the Iran war continue to exert pressure on inflation and the overall economy.

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## Vocabulary List:

1. **inflation** //ɪn'fleɪʃən// (noun): when prices for goods and services rise
2. **core** //kɔːr// (adjective): not including food or energy price changes
3. **affordability** //ə,fɔːrdə'bɪləti// (noun): how easy it is to buy things or services
4. **surpass** //sə'r'pæs// (verb): to become higher or greater than something
5. **exert** //ɪg'zɜːt// (verb): to use force or influence on someone or something
6. **wages** //ˈweɪdʒɪz// (noun): money people earn from working for pay

## Comprehension Questions

### Multiple Choice



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1. What is the expected inflation rate in the US according to the Consumer Price Index?

Option: 2.5%

Option: 3.8%

Option: 4.2%

Option: 5.0%

2. When will the Consumer Price Index data be released?

Option: Monday morning

Option: Tuesday morning

Option: Wednesday afternoon

Option: Friday evening

3. What was the wage growth in the US in November?

Option: 2.5%

Option: 3.4%

Option: 4%

Option: 4.5%

4. How much did inflation increase from March to April?

Option: 0.3%

Option: 0.6%

Option: 0.9%

Option: 1.1%

5. How many jobs did the US economy add in April?

Option: 100,000

Option: 115,000

Option: 120,000

Option: 130,000

6. What is the average gas price per gallon as of Tuesday?

Option: \$4.00

Option: \$4.25

Option: \$4.50

Option: \$4.75

**True-False**



7. The inflation rate in the US is expected to rise by 0.9% from February to March.
8. Wage growth has increased over the last two years.
9. The current affordability crisis is expected to worsen if wages do not keep up with inflation.
10. Core inflation includes food and energy prices.
11. The Consumer Price Index data is significant for understanding the economic situation.
12. Gas prices have declined significantly and are far below this year's high.

### Gap-Fill

13. The inflation rate is expected to reach \_\_\_\_\_ this April.
14. Wage growth dropped from nearly 4% in November to \_\_\_\_\_ by March.
15. The Consumer Price Index data will be released on \_\_\_\_\_ morning.
16. The US economy added \_\_\_\_\_ jobs in April.
17. As of Tuesday, gas prices averaged \_\_\_\_\_ per gallon.
18. A 0.3% increase in core inflation is expected to occur, which excludes \_\_\_\_\_ prices.

### Answer

**Multiple Choice:** 1. 3.8% 2. Tuesday morning 3. 4% 4. 0.6% 5. 115,000 6. \$4.50

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

**Gap-Fill:** 13. 3.8% 14. 3.4% 15. Tuesday 16. 115,000 17. \$4.50 18. food and energy

### Vocabulary quizzes

**Multiple Choice ( Select the Correct answer for each question. )**

1. What term refers to the general increase in prices and fall in the purchasing value of money?



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- Option: Deflation  
Option: Inflation  
Option: Recession  
Option: Stagnation
2. In economics, what does the term 'core' typically refer to?
- Option: Core Curriculum  
Option: Core Inflation  
Option: Core Competencies  
Option: Core Values
3. What does 'affordability' most closely relate to?
- Option: High Income  
Option: Purchasing Power  
Option: Wealth Distribution  
Option: Economic Growth
4. Which of the following is a synonym for 'surpass'?
- Option: Fail  
Option: Exceed  
Option: Meet  
Option: Drop
5. What does the word 'exert' mean?
- Option: To decrease  
Option: To apply  
Option: To neglect  
Option: To escape
6. What term is used to describe payments made to workers for their labor?
- Option: Wages  
Option: Investments  
Option: Tax  
Option: Savings
7. What legal status is declared when an individual or organization can't repay their outstanding debts?
- Option: Insolvency  
Option: Foreclosure  
Option: Bankruptcy  
Option: Liquidation
8. What term is used for the money provided for a particular purpose?
- Option: Sponsorship



- Option: Investment
- Option: Funding
- Option: Donation

9. What does 'renovation' typically refer to?

- Option: Destruction
- Option: Restoration
- Option: New Construction
- Option: Financial Investment

10. What does it mean to 'invest'?

- Option: To spend money for profit
- Option: To save money
- Option: To borrow money
- Option: To lend money

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. The media has the power to \_\_\_\_\_ public opinion.
12. The \_\_\_\_\_ of voters supported the new policy in the election.
13. The \_\_\_\_\_ gathered for the international summit to discuss peace.
14. The \_\_\_\_\_ were crucial to achieving a consensus among the parties.
15. The company is \_\_\_\_\_ a new promotion for its customers.
16. The policy was criticized for \_\_\_\_\_ certain communities.
17. Employees will be \_\_\_\_\_ for any expenses incurred during the trip.
18. The new law aims to have a positive \_\_\_\_\_ on the environment.
19. The event was \_\_\_\_\_ due to unforeseen circumstances.
20. The department needs to stick to its \_\_\_\_\_ to avoid overspending.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. Every year, the town celebrates a festival that is part of its long-standing tradition.



22. The rising cost of living has become a significant issue of concern for many families.
23. A mediator played a vital role in facilitating the discussion between the two parties.
24. The company's expanding operations have led to increased job opportunities in the area.
25. The CEO met with her counterpart in Europe to discuss the merger.
26. Smart investors know how to manage their portfolios effectively to maximize returns.
27. Employees expect to benefit from the new health care plan introduced by the company.
28. The project faced criticism for not meeting the environmental standards.
29. The impact of climate change is becoming increasingly evident across the globe.
30. The affordability of housing has become a crucial topic in urban development discussions.

## Answer

**Multiple Choice:** 1. Inflation 2. Core Inflation 3. Purchasing Power 4. Exceed 5. To apply 6. Wages 7. Bankruptcy 8. Funding 9. Restoration 10. To spend money for profit

**Gap-Fill:** 11. influence 12. majority 13. diplomats 14. negotiations 15. offering 16. isolating 17. reimbursed 18. impact 19. canceled 20. budget

**Matching sentence:** 1. tradition 2. of concern 3. mediator 4. expanding 5. counterpart 6. invest 7. benefit 8. criticism 9. impact 10. affordability

## CATEGORY

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