



May Jobs Report Highlights Inflation's Impact on Economy

Description

The U.S. economy added 172,000 jobs in May, showing strong resilience in the labour market despite ongoing inflation and an energy crisis related to the war with Iran. The unemployment rate held steady at 4.3%, according to the Bureau of Labor Statistics.

However, concerns are growing as wage growth is not keeping pace with rising prices. Average hourly earnings increased by 3.4% from last year. In April, inflation jumped to 3.8%, the highest in three years, driven by a surge in gasoline prices. This week, the government will release the inflation report for May.

Since the conflict with Iran began on February 28, retail gasoline prices have climbed over 40%, and U.S. crude oil prices have risen more than 35%. Given the strength of job growth, many expect the Federal Reserve to raise interest rates to control inflation.

After the job report was released, U.S. Treasury yields rose, and stock futures fell. There is now over a 60% chance of a rate increase in October, and more than 98% chance by December.

May saw job growth mainly in education and healthcare, while there were surprising gains in leisure and hospitality. However, the financial services sector lost 22,000 jobs. Previous months also saw job numbers revised upward by 93,000 combined for March and April.

Fed officials remain cautious about inflation, which has sharply raised the price of diesel fuel, affecting various industries. They warn that if inflation remains high for long, more drastic measures may be needed.

Vocabulary List:

1. **resilience** //rɪ'zɪliəns// (noun): ability to get better after problems
2. **labour** //ˈleɪbər// (noun): work done by people for pay
3. **inflation** //ɪn'fleɪʃən// (noun): rise in general prices for goods and services
4. **surge** //sɜːdʒ// (noun): a sudden large increase in something
5. **yields** //jiːldz// (noun): amount of return from an investment or bond
6. **revised** //rɪ'vaɪzd// (verb): changed to correct or update information

Comprehension Questions



Multiple Choice

1. How many jobs did the U.S. economy add in May?

- Option: 172,000
- Option: 150,000
- Option: 200,000
- Option: 100,000

2. What was the unemployment rate in May?

- Option: 4.3%
- Option: 4.5%
- Option: 5.0%
- Option: 3.8%

3. By what percentage did average hourly earnings increase from last year?

- Option: 2.5%
- Option: 3.0%
- Option: 3.4%
- Option: 4.0%

4. What was the highest inflation rate recorded in April?

- Option: 3.5%
- Option: 3.6%
- Option: 3.8%
- Option: 4.0%

5. By what percentage have retail gasoline prices climbed since the conflict with Iran began?

- Option: 30%
- Option: 35%
- Option: 40%
- Option: 45%

6. What is the projected chance of a rate increase by the Federal Reserve in October?

- Option: 50%
- Option: 60%
- Option: 70%
- Option: 75%



True-False

7. The unemployment rate dropped to 4.3% in May.
8. The average hourly earnings increased by 4.0% from last year.
9. U.S. crude oil prices have risen more than 35% since the conflict with Iran began.
10. Job growth in May was primarily seen in the financial services sector.
11. Fed officials are optimistic about inflation remaining low.
12. Stock futures rose after the job report was released.

Gap-Fill

13. The U.S. economy added 172,000 jobs in May, showing strong resilience in the labour market despite ongoing inflation and an energy crisis related to the war with Iran. The unemployment rate held steady at _____
14. Average hourly earnings increased by _____ from last year.
15. In April, inflation jumped to _____, the highest in three years.
16. Since the conflict with Iran began on February 28, retail gasoline prices have climbed over _____ %.
17. The financial services sector lost _____ jobs in May.
18. If inflation remains high for long, more drastic measures may be _____ by Fed officials.

Answer

Multiple Choice: 1. 172,000 2. 4.3% 3. 3.4% 4. 3.8% 5. 40% 6. 60%

True-False: 7. False



8. False 9. True 10. False 11. False 12. False

Gap-Fill: 13. 4.3% 14. 3.4% 15. 3.8% 16. 40 17. 22,000 18. needed

Vocabulary quizzes

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

1. What economic phenomenon occurs when general price levels rise?

Option: Deflation

Option: Inflation

Option: Recession

Option: Stagnation

2. What do we call the income generated from an investment?

Option: Expenses

Option: Yields

Option: Assets

Option: Liabilities

3. What term describes the ability to recover quickly from difficulties?

Option: Fragility

Option: Stability

Option: Resilience

Option: Vulnerability

4. What is the act of allocating resources, usually money, to generate income or profit?

Option: Savings

Option: Production

Option: Investments

Option: Consumption

5. What do we call the basic physical systems of a business or nation, including transportation and communication systems?

Option: Infrastructure

Option: Operators

Option: Facilities

Option: Services

6. What term refers to the amount of money borrowed by one party from another?

Option: Equity

Option: Wealth



- Option: Debt
- Option: Credit

7. What term is used to describe something related to the way something is built or organized?

- Option: Functional
- Option: Structural
- Option: Aesthetic
- Option: Cultural

8. What do we call the process of adjusting errors in financial markets?

- Option: Revisions
- Option: Corrections
- Option: Inflations
- Option: Surges

9. What unit is commonly used to measure the power output of large-scale energy projects?

- Option: Watts
- Option: Kilowatts
- Option: Megawatts
- Option: Gigawatts

10. What word describes an event or situation that has never happened before?

- Option: Ordinary
- Option: Common
- Option: Unprecedented
- Option: Traditional

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

11. After the disaster, the community focused on the necessary rebuilds to restore normalcy and life.

12. There was a sudden surge in demand for essential goods during the pandemic.

13. The central bank implemented new monetary policies to combat inflation.

14. The overall economy showed signs of recovery after several challenging years.

15. The incident raised concerns about safety protocols in manufacturing facilities.

16. Smart investments can lead to increased revenue and profits over time.



17. The company's earnings report exceeded analysts' expectations this quarter.
18. The new facilities are designed to improve production efficiency and worker safety.
19. After reviewing the finances, the budget was adjusted to reflect current needs.
20. Economic uncertainty can lead to increased caution among investors and consumers.

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

21. Investments in renewable energy have skyrocketed in recent years.
22. The government announced a major initiative to improve infrastructure across the nation.
23. Rising inflation has affected purchasing power for consumers everywhere.
24. Structural adjustments are often needed to improve organizational efficiency.
25. High levels of debts can restrict a country's financial flexibility.
26. Higher yields on bonds can attract more investors to the market.
27. The community's resilience after the disaster was inspiring.
28. Market corrections can be a natural part of the economic cycle.
29. The pandemic led to unprecedented challenges for businesses worldwide.
30. There was a surge in online shopping during the holiday season.

Answer

Multiple Choice: 1. Inflation 2. Yields 3. Resilience 4. Investments 5. Infrastructure 6. Debt 7. Structural 8. Corrections 9. Gigawatts 10. Unprecedented

Gap-Fill: 11. rebuilds 12. surge 13. monetary 14. economy 15. incident 16. investments 17. earnings 18. facilities 19. adjusted 20. uncertainty

Matching sentence: 1. investments 2. infrastructure 3. inflation 4. structural 5. debts 6. yields 7. resilience 8. corrections 9. unprecedented 10. surge

CATEGORY

1. Business - LEVEL3



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