video note catcher

**Video 1:**

1. The “stuff” of the economy can be broken down into two main groups. What are they?
2. What is inflation?
3. What is the inflation rate?
4. What is the cost of living? Has the cost of living gone up or down over the years?
5. Has the value of the U.S. dollar gone up or down over the years? Why?

**Video 2:**

1. Do economists believe that inflation is a bad thing? Why or why not?
2. What happens to the price of goods and services when the value of the dollar goes down?
3. The video lists three causes of inflation. What is the first reason?
4. What is the second cause of inflation?
5. What is the third cause of inflation, which is described by the narrator as the “big kahuna?”
6. What is the nominal interest rate?
7. If you borrow $100, and the interest rate is 10%, how much are you paying to borrow that money?
8. Our money supply consists of two components. What are they?
9. What happens if more credit is created by the Federal Reserve? What impact does the creation of this credit have on the value of the dollar?
10. Why does the Federal Reserve need to create more money?