

MAD SS 9/10

Economic Policies: Inflation Conversation

Sept 21, 2022

How this works: the assignment is actually a four-part project that is designed to create an informed conversation about inflation, economics and the reality of the cost of doing business and cost of living.

Part A: In this section, we need data! We need to understand how much everything is costing in relation to wages. An example is if I make \$12/hr for 35 hours a week, and my rent is \$2000/month, the question is whether I can pay rent or do I need a zillion roommates to afford my place.

Social Studies 10 (1914-Present)		
Standards	Re-write	Assignment
Assess the significance of people, places, events, or developments, and compare varying perspectives on their significance at particular times and places, and from group to group (significance)	You can show why people, places, events and developments matter when you compare their different perspectives	1. Inflation Conversation B: What things affect cost of living?
Compare and contrast continuities and changes for different groups at particular times and places (continuity and change)	You can show and compare how different groups can change or remain the same, over time	1. Inflation Conversation A: table of data
Explain and infer different perspectives on past or present people, places, issues, or events by considering prevailing norms, values, worldviews, and beliefs (perspective)	You can explain and give a good prediction of what the perspective is about people, places, issues or events by looking at what everyone considered normal, their values, views on the world and beliefs- now or in the past	1. Inflation Conversation D: The very British conversation
Make reasoned ethical judgments about actions in the past and present, and assess appropriate ways to remember and respond (ethical judgment)	You can decide what is right and wrong about actions in the past, as well as the present and find appropriate ways to remember and respond to them effectively in your work	1. Inflation Conversation C: The Right and Wrong of the Economy through history

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Economic Policies: Inflation Conversation: Part A

Assigned: Sept 21, 2022 - Due: Part A: Sept 26, 2022

Name: _____

Standards	Exceeding	Proficient	Developing	Emerging
Compare and contrast continuities and changes for different groups at particular times and places (continuity and change)	You can accurately comment on what kind of social changes can happen as cost of living goes up with inflation	You were able to comment on social changes due to cost of living, but there are some logic errors in your work	You have a number of errors in thinking in your logic	You have done very little accurate work on this scenario

How this works:

- Read the scenario below
- Take the data from the scenario and fill out the table
- Answer the quick questions
- Answer the three aspects of the big question

Scenario 1: Someone is buying a house

There is a couple, she's 45, and he's 50. They both make double the wages of someone doing the same jobs 20 years ago, but 10 years ago. They have a chance to buy a house for \$700,000 that 20 years ago cost \$350,000, but 10 years ago it would have sold for \$400,000. So, they take out the loan for 2% interest, and for the next 25 years, they would be paying \$2371 every month for the next 300 payments. They share the cost of the payments, and it seems to be going pretty good, but houses have gone up in value, because houses are hard to find, so houses in their area have gone up to \$850,000. The Bank of Canada ups the bank rate (which you borrow on) to slow down the crazy rise in house prices all the way to 5%. They hadn't really planned for the new payment amount, and had only made room in their budget for the 2% rate payment. The new payment every month has jumped up to \$3256/mo. As well, because of the war in Ukraine, the cost of oil to heat their house went from \$600 a tank, to \$890 a tank. This also means that the cost of gas has gone up, from \$90 to fill their car to \$110 to fill the car. Since it's much more expensive to ship food into town, grocery stores have had to up the cost of food. They used to spend \$200 a week in food, now it's \$260 a week.

What they pay for	Old costs	New costs

Quick Questions:

Looking at the age of our buyers, how many months can they work, if they stop working at 65?

Why did the new price of houses affect how much they pay for their house?

Why would the war in Ukraine affect the cost of oil, gas and food in Canada?

Big Question: (answer three paragraphs on another piece of paper and staple it to this one)

If people are borrowing too much money for things like houses, and the government needs to slow down all the borrowing by making it more expensive to pay off your loan (interest rates go up), we get a bigger **cost of living** for the borrowers. **Inflation** is when you pay more for things because other factors have made getting the same amount of something more expensive- so every dollar can't buy as much.

If we use this scenario as an example of inflation

- a) What does this mean for the worth of Canadian money ten years ago, twenty years ago and today?**
- b) Does this have anything to do with buying things in other countries**
- c) Why or why not?**

Make your best argument based on facts!