

Block grant	Federal funds given to a state in lump sums.
Census	An official count of the population.
Chronic inflation	Inflation that rises steadily from month to month over a long period.
Creeping inflation	Inflation that remains low for a long time.
Deflation	A sustained drop in the price level.
Discouraged worker	A person who wants a job but has given up looking.
Enterprise zone	Area where companies can locate free of certain local, state, and federal taxes and restrictions.
Fixed income	Income that does not increase even when prices go up.
Food stamps	Government-issued coupons that recipients exchange for food.
Frictional unemployment	Unemployment that occurs when people take time to find a job.

Full employment	The level of employment reached when there is no cyclical unemployment.
Hyperinflation	Inflation that is out of control; very high inflation.
Inflation	A general increase in prices.
Market basket	A representative collection of goods and services.
Poverty threshold	An income level below which income is insufficient to support families or households.
Price index	A measurement that shows how the average price of a standard group of goods changes over time.
Purchasing power	The ability to sell shares of stock at a specified time in the future.
Quantity theory	Theory that too much money in the economy causes inflation.
Unemployment rate	The percentage of the nation's labor force that is unemployed.
Wage-price spiral	The process by which rising wages cause higher prices and higher prices cause higher wages.

The unemployment rate

- a. is the number of people who are unemployed.
- b. is the percentage of the labor force that is unemployed.
- c. includes only discouraged workers.
- d. is the percentage of the labor force that is underemployed.

Inflation is

- a. the process by which rising wages cause higher prices.
- b. the price increase of a typical group of goods.
- c. a general increase in prices.
- d. the ability to purchase goods and services.

An income level below which income is insufficient to support a family or household is known as the

- a. income gap.
- b. poverty rate.
- c. poverty threshold.
- d. income inequality.

Too much money in the economy is the cause of inflation according to

- a. the quantity theory.
- b. the quantum theory.
- c. the demand-pull theory.
- d. the cost-push theory.

b. is the percentage of the labor force that is unemployed.

c. a general increase in prices.

c. poverty threshold.

a. the quantity theory.