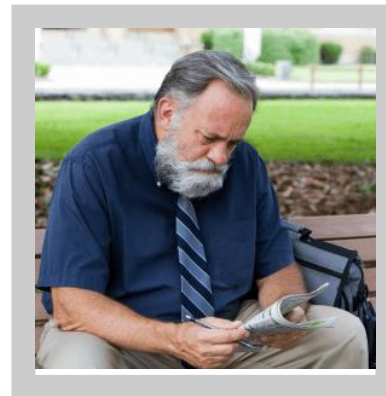


Name \_\_\_\_\_

Date \_\_\_\_\_

## The Economy

**UNEMPLOYMENT CONTINUES**—The fight to stem job losses continues in Washington today as demonstrators rally on Capitol Hill. The scene is alive with activists, many of whom boost signs and shout slogans voicing their frustrations. A woman holding a baby marches on the outskirts of the crowd chanting, "We want jobs! We need jobs!" while a man holding a megaphone echoes these words behind her. Nearby, a band of unemployed bankers wear artificially tattered business suits and stride through the crowd in unison. One of them wearing a red bandana on his arm climbs atop an abandoned streetcar and cries, "We want jobs, and I'm going to get them! Are you with me?" briefly working the crowd into a frenzy before they turn and continue marching.



Over the last three weeks, unemployment figures have persisted, and according to some analysts, have actually increased. This is certainly cause for alarm. Up from last month's average, the percentage of those unemployed has reportedly broken through its record high of 8.9%, and is now hovering just under 9.3%. While the reasons for this are somewhat sketchy, most analysts tag a slow in consumer spending as the primary culprit.

According to Jesse Arann, head economist for the Department of Statistical Analysis, the recent spike in unemployment comes from a lack of consumer confidence. "When consumers don't have enough confidence," argues Arann, "they typically spend less. Right now, consumers actually have an abundance of liquid assets, they simply don't want to spend them in fear that they may come to rely on them in the future."

Javier Soros of Mitchell and Mitchell corroborates this idea, stating that, "If I had enough money to buy a car, I would probably resist the temptation to do so for now." When asked about the impact that this approach will likely have on the working class, Soros wears a grave expression. "I feel sorry for the auto manufacturer," he says, "but you just don't know what the future may hold. It's better to be safe than sorry."

Of nearly ten financial analysts interviewed, only one harbors beliefs that run contrary to popular opinion. Ming Dow, chief correspondent for the National Investor, claims that the recent uptick in unemployment is unrelated to consumer spending. Rather, Dow asserts that an even more ominous cause is responsible: a declining economy. "Changes in the global economy will keep the U.S. economy shrinking for the foreseeable future, no matter what we do now," said Mr. Dow.

- 1) Which of the following statements best summarizes the contents of this passage?
- A. Demonstrators use questionable tactics to protest continued unemployment.
  - B. Consumer spending is isolated as the reason for continued unemployment.
  - C. Unemployment concerns grow as protestors take to the streets.
  - D. Amid protests, analysts present their reasons for continued unemployment.
- 2) The author most likely describes the protests before discussing the economists' opinions on unemployment because it
- A. is the most important information
  - B. grabs the reader's attention
  - C. excites the reader to take action
  - D. informs the reader about what to expect
- 3) Based on information in paragraph 3, it can be understood that someone who has "a lack of" something
- A. needs it badly
  - B. believes in it very strongly
  - C. is tired of it
  - D. doesn't have enough of it
- 4) Using information in the passage, it can be understood that Javier Soros agrees with
- I. Jesse Arann
  - II. Ming Dow
  - III. the street activists
- A. I only
  - B. I and II only
  - C. II and III only
  - D. I, II, and III
- 5) As used in the final paragraph, which is the best synonym for **ominous**?
- A. straightforward
  - B. immediate
  - C. complicated
  - D. threatening

6) Which of the following statements from the passage represents an opinion, rather than a fact?

A. "The scene is alive with activists, many of whom boost signs and shout slogans voicing their frustrations."

B. "Over the last three weeks, unemployment figures have persisted."

C. "This is certainly cause for alarm."

D. "Of nearly ten financial analysts interviewed, only one harbors beliefs that run contrary to popular opinion."

7) This passage would most likely be found in

A. a financial newspaper

B. an encyclopedia

C. a letter of correspondence

D. an autobiography

8) Using information from the passage, explain the connection between consumer confidence and unemployment.

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