
Inflation Revisited

Videos:

“Inflation Explained: The REAL Reason Prices Are Going Up | The Class Room Ep. 2”
https://www.youtube.com/watch?v=XzY_SHNxWXQ (7:07 minutes)

“Bad Government Brings Bad Inflation”
<https://www.youtube.com/watch?v=J6RVS2tXUxM> (5:13 minutes)

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
3. John Stossel said that government experts originally claimed that the ongoing inflation was “transitory.” What did they mean by this?
4. In the More Perfect Union video, John Catsimatidis said, “Why give away something when you don’t have to give it away, and you make more margin?” What did he mean by this?
5. John Stossel said, “Prices change because of supply and demand.” In basic terms, what is the law of supply and demand?
6. More Perfect Union argued that companies are using inflation as an excuse to raise prices, and used their increased profits as evidence of this. Can you think of any alternative explanation for this?
7. In the Stossel video, David Henderson said, “[I]f government’s spending more money, that’s more money chasing too few goods.” What did he mean by this?
8. More Perfect Union explained the business term “elasticity.” What is elasticity?
9. John Stossel said, “[B]ecause government has no money of its own, extra spending means politicians must borrow more, tax more, or create money out of thin air by printing it.” What did he mean when he said government has no money of its own?
10. More Perfect Union used the term “profiteering.” What is profiteering?

11. John Stossel explained that inflation devalues any money people have in savings. Why is this?
12. In regards to raising taxes on corporations, John Catsimatidis said that “corporations are just going to pass it on to the consumer.” What did he mean by this?
13. John Stossel said, “[P]rices are not just money; they’re information.” What did he mean by this?
14. If More Perfect Union is correct that businesses are raising prices simply because people will pay more, what can we do about this? Should we do anything about it? Is it a fair business practice? Why/Why not?
15. If John Stossel is correct that government spending is driving inflation, what can we do about this? Should we do anything about it? Is the cost of inflation worth the additional government spending?
16. Have you noticed inflation in your own life? Has it impacted you or your family? If so, how?
17. Both videos discuss price gouging. You can learn more about price gouging in these entries of our Both Sides of the Issue series:
<https://stosselintheclassroom.org/both-sides-is-price-gouging-immoral/>
<https://stosselintheclassroom.org/both-sides-price-gouging-revisited/>
18. Did you have an opinion of inflation before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from either video that affects your views of inflation?
19. What could you learn about inflation that might affect your view of this debate?
20. What else would you like to learn about inflation?