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“1,000 Ideas & Activities For Language Teachers”

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## **Surprise upswing in US economy**

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**2 December, 2005**

## **THE ARTICLE**

### **Surprise upswing in US economy**

America's economy greatly surpassed all expectations in the third quarter of the year, despite calamitous hurricanes, record oil prices and interest rate rises. Economic growth surged to an annual rate of 4.3 percent in the three months from July to September, according to US Commerce Department figures. This is an upward revision from initial estimates of 3.8 percent and is the strongest growth since the first quarter of 2004. Analysts hailed the unexpected swing into more positive territory as "awesome". They said the performance was concrete proof that the US economic situation was on the rebound and moving towards more sustained growth. Republicans are hoping the good news will help revitalize President George W. Bush's sagging popularity.

Fears had been widespread among economists that the effects of hurricanes Katrina and Rita would have taken their toll on economic activity. Businesses were relatively hard hit, with profits falling by 3.7 percent. However, overall growth was boosted by consumer spending, the lifeblood of the US economy, and greater business investment. The US Federal Reserve also reported that economic activity increased during November. It said: "Consumer prices remained stable or experienced generally modest increases." Other indices reveal that inflation was lower than expected, although the rate used in the Commerce Department's figures is adjusted to take account of the more volatile food and energy prices. The Government has also raised interest rates a dozen times since mid-2004 to keep inflation in check.

## WARM-UPS

**1. ECONOMY ME:** You are an economy. Spend a minute writing down what kind of economy you are and what areas are strong and weak. Talk to the other “economies” in the classroom about the matters that affect you most. Give each other advice on how to improve. What fears do you have for the future?

**2. ECONOMICS:** Which of the things below interest you? Which of these things affect you? How much do they affect you? In pairs / groups, talk about them. What are their current levels, rates, outlooks, etc. in your country?

- Inflation
- Gasoline prices
- Economic growth
- Company profits
- Inflation
- Interest rates
- Unemployment
- Exchange rates

**3. CHAT:** In pairs / groups, decide which of these topics or words are most interesting and which are most boring.

*America’s economy / hurricanes / oil prices / interest rates / estimates / awesome / concrete / proof / profits / investment / Federal Reserve / inflation / food prices /*

Have a chat about the topics you liked. For more conversation, change topics and partners frequently.

**4. COMMENTS ON THE US ECONOMY:** What do you think of these comments on the US economy? Talk about them with your partner(s).

- a. It won’t always be number one.
- b. When the US economy sneezes, the world gets a cold.
- c. It’s a perfect model of capitalism at its best.
- d. There are too many barriers imposed on other countries.
- e. It’s the envy of the world.
- f. It’s helping to destroy the world.
- g. It is the American dream.
- h. It both produces billionaires and forces people into poverty and destitution.

**5. ECONOMIC GROWTH:** Spend one minute writing down all of the different words you associate with economic growth. Share your words with your partner(s) and talk about them. Together, put the words into different categories.

**6. QUICK DEBATE:** Have a quick debate with your partner. Which economy will be most important in ten years? Students A think America’s will be, Students B think China’s will be.

## BEFORE READING / LISTENING

**1. TRUE / FALSE:** Look at the article's headline and guess whether these sentences are true (T) or false (F):

- a. Recently announced U.S. economic indicators met all expectations. T / F
- b. Economic growth stagnated at 4.3 percent in the latest quarter. T / F
- c. Analysts hailed the swing into more positive territory as "awesome". T / F
- d. Analysts say the strong performance is great for concrete companies. T / F
- e. Economists had thought the hurricanes would not affect the economy. T / F
- f. Consumer spending is the lifeblood of the US economy. T / F
- g. Other indices reveal that inflation was lower than expected. T / F
- h. Interest rates have risen half a dozen times since mid-2004. T / F

**2. SYNONYM MATCH:** Match the following synonyms from the article:

- |                        |                    |
|------------------------|--------------------|
| a. surpassed           | altered            |
| b. calamitous          | definite           |
| c. surged              | vital part         |
| d. concrete            | beat               |
| e. sagging             | adversely affected |
| f. taken their toll on | climbed            |
| g. lifeblood           | indicators         |
| h. indices             | flagging           |
| i. adjusted            | unstable           |
| j. volatile            | catastrophic       |

**3. PHRASE MATCH:** Match the following phrases from the article (sometimes more than one combination is possible):

- |  |  |
|--|--|
| a. greatly surpassed all                 | into more positive territory           |
| b. Economic growth surged to             | more volatile food and energy prices   |
| c. This is an upward revision from       | expectations                           |
| d. Analysts hailed the unexpected swing  | among economists                       |
| e. revitalize President George W. Bush's | initial estimates of 3.8 percent       |
| f. Fears had been widespread             | experienced generally modest increases |
| g. boosted by consumer spending,         | in check                               |
| h. prices remained stable or             | sagging popularity                     |
| i. adjusted to take account of the       | an annual rate of 4.3 percent          |
| j. keep inflation                        | the lifeblood of the US economy        |

## **WHILE READING / LISTENING**

**WHOOPS:** Five of the ten words in bold are incorrect. In pairs / groups, delete them and find a good replacement.

### **Surprise upswing in US economy**

America's economy greatly **surpassed** all expectations in the third **half** of the year, despite calamitous hurricanes, record oil **prices** and interest rate rises. Economic growth surged to an **hourly** rate of 4.3 percent in the three months from July to September, according to US Commerce Department figures. This is an upward revision from **signature** estimates of 3.8 percent and is the strongest growth since the first quarter of 2004. Analysts **hailed** the unexpected swing into more **positive** territory as "awesome". They said the performance was **asbestos** proof that the US economic situation was on the rebound and moving towards more sustained growth. Republicans are **hoping** the good news will help revitalize President George W. Bush's sagging **polarity**.

Fears had been **widespread** among economists that the effects of hurricanes Katrina and Rita would have taken their **poll** on economic activity. Businesses were relatively hard **hit**, with profits falling by 3.7 percent. However, overall growth was **booted** by consumer spending, the **blue blood** of the US economy, and greater business investment. The US Federal Reserve also reported that economic activity increased during November. It said: "Consumer prices remained **table** or experienced generally **modest** increases." Other **indices** reveal that inflation was lower than expected, although the rate used in the Commerce Department's figures is adjusted to take account of the more **volatile** food and energy prices. The Government has also raised interest rates a dozen times since mid-2004 to keep inflation in **chuck**.

## **LISTENING**

Listen and fill in the spaces.

### **Surprise upswing in US economy**

America's economy greatly \_\_\_\_\_ all expectations in the third quarter of the year, despite calamitous hurricanes, record oil prices and interest rate rises. Economic growth \_\_\_\_\_ to an annual rate of 4.3 percent in the three months from July to September, according to US Commerce Department figures. This is an upward \_\_\_\_\_ from initial estimates of 3.8 percent and is the strongest growth since the first quarter of 2004. Analysts \_\_\_\_\_ the unexpected swing into more positive territory as "awesome". They said the performance was \_\_\_\_\_ proof that the US economic situation was on the \_\_\_\_\_ and moving towards more sustained growth. Republicans are hoping the good news will help \_\_\_\_\_ President George W. Bush's sagging popularity.

Fears had been \_\_\_\_\_ among economists that the effects of hurricanes Katrina and Rita would have taken their toll on economic activity. Businesses were \_\_\_\_\_ hard hit, with profits falling by 3.7 percent. However, overall growth was \_\_\_\_\_ by consumer spending, the lifeblood of the US economy, and greater business investment. The US Federal Reserve also reported that economic activity increased during November. It said: "Consumer prices remained \_\_\_\_\_ or experienced generally modest increases." Other \_\_\_\_\_ reveal that inflation was lower than expected, although the rate used in the Commerce Department's figures is adjusted to take account of the more \_\_\_\_\_ food and energy prices. The Government has also raised interest rates a dozen times since mid-2004 to keep inflation \_\_\_\_ \_\_\_\_\_.

## **AFTER READING / LISTENING**

**1. WORD SEARCH:** Look in your dictionaries / computer to find collocates, other meanings, information, synonyms ... for the words **'concrete'** and **'proof'**.

- Share your findings with your partners.
- Make questions using the words you found.
- Ask your partner / group your questions.

**2. ARTICLE QUESTIONS:** Look back at the article and write down some questions you would like to ask the class about the text.

- Share your questions with other classmates / groups.
- Ask your partner / group your questions.

**3. WHOOPS:** In pairs / groups, compare your answers to this exercise. Check your answers. Talk about the words from the activity. Were they new, interesting, worth learning...?

**4. VOCABULARY:** Circle any words you do not understand. In groups, pool unknown words and use dictionaries to find their meanings.

**5. STUDENT "ECONOMY" SURVEY:** In pairs / groups, write down questions about your country's or the world's economy.

- Ask other classmates your questions and note down their answers.
- Go back to your original partner / group and compare your findings.
- Make mini-presentations to other groups on your findings.

**6. TEST EACH OTHER:** Look at the words below. With your partner, try to recall exactly how these were used in the text:

- greatly
- surged
- upward
- awesome
- positive
- sagging
- widespread
- 3.7 percent
- lifeblood
- stable
- indices
- in check

## **DISCUSSION**

### STUDENT A's QUESTIONS (Do not show these to student B)

- a. Did the headline make you want to read the article?
- b. What are your thoughts on the American economy?
- c. How does a strong or weak U.S. economy affect the rest of the world?
- d. Has the U.S. economy strengthened or weakened under George W. Bush?
- e. Do you think the U.S. economy is a perfect model of free enterprise?
- f. What are the strongest areas of the American economy?
- g. Do you think the U.S. economy encourages people to be greedy and materialistic?
- h. If you did some fine-tuning to the U.S. economy (or the economy in your own country), what would you do?
- i. Would you like to be an economist?
- j. Are you good at handling your own financial affairs?

### STUDENT B's QUESTIONS (Do not show these to student A)

- a. Did you like reading this article?
- b. What do you think about what you read?
- c. Why is the American economy so strong?
- d. What lessons can other world economies learn from the U.S. economy?
- e. What kinds of things could cause the U.S. economy serious trouble?
- f. Do you think China's economy will be stronger than America's one day?
- g. Do you think the good economic news will revitalize President George W. Bush's sagging popularity?
- h. Do you think the American economy bullies other world economies?
- i. What will happen to the U.S. economy after Alan Greenspan retires?
- j. Did you like this discussion?

**AFTER DISCUSSION:** Join another partner / group and tell them what you talked about.

- a. What was the most interesting thing you heard?
- b. Was there a question you didn't like?
- c. Was there something you totally disagreed with?
- d. What did you like talking about?
- e. Which was the most difficult question?



## SPEAKING

**ECONOMICS TEACHER:** You are an economics teacher. It is your job to explain the economic terms in the table to students who know very little about economics. In pairs / groups, think of all the information the students need to know about these terms:

	YOUR EXPLANATION
Inflation	
GDP	
Budget deficit	
Economic growth	
Investment	
Interest rates	

- Change partners and compare and share your explanations.
- Give each other feedback on how to improve your explanations.
- Give presentations on your explanations to other groups. Were there any holes in the explanations?

## **HOMEWORK**

**1. VOCABULARY EXTENSION:** Choose several of the words from the text. Use a dictionary or Google's search field (or another search engine) to build up more associations / collocations of each word.

**2. INTERNET:** Search the Internet and find more information on the American economy. Share your findings with your class in the next lesson. Did you all find out similar things?

**3. NECESSARY MEASURES:** Make a poster outlining the measures that are necessary to boost your country's economy. Show your posters to your classmates in your next lesson. Did you all think of similar things?

**4. NEW WORLD ECONOMY:** Write a short report on how the world economy might look twenty years from now. Where will the strongest economies be? What will African economies be doing? What countries will be faring badly? Show what you wrote to your classmates in the next lesson. Did you all write about similar things?

## ANSWERS

### TRUE / FALSE:

- a. F      b. F      c. T      d. F      e. F      f. T      g. T      h. F

### SYNONYM MATCH:

- |                        |                    |
|------------------------|--------------------|
| a. surpassed           | beat               |
| b. calamitous          | catastrophic       |
| c. surged              | climbed            |
| d. concrete            | definite           |
| e. sagging             | flagging           |
| f. taken their toll on | adversely affected |
| g. lifeblood           | vital part         |
| h. indices             | indicators         |
| i. adjusted            | altered            |
| j. volatile            | unstable           |

### PHRASE MATCH:

- |  |  |
|--|--|
| a. greatly surpassed all                 | expectations                           |
| b. Economic growth surged to             | an annual rate of 4.3 percent          |
| c. This is an upward revision from       | initial estimates of 3.8 percent       |
| d. Analysts hailed the unexpected swing  | into more positive territory           |
| e. revitalize President George W. Bush's | sagging popularity                     |
| f. Fears had been widespread             | among economists                       |
| g. boosted by consumer spending,         | the lifeblood of the US economy        |
| h. prices remained stable or             | experienced generally modest increases |
| i. adjusted to take account of the       | more volatile food and energy prices   |
| j. keep inflation                        | in check                               |

### WHOOPS:

#### Surprise upswing in US economy

America's economy greatly surpassed all expectations in the third **quarter** of the year, despite calamitous hurricanes, record oil prices and interest rate rises. Economic growth surged to an **annual** rate of 4.3 percent in the three months from July to September, according to US Commerce Department figures. This is an upward revision from **initial** estimates of 3.8 percent and is the strongest growth since the first quarter of 2004. Analysts hailed the unexpected swing into more positive territory as "awesome". They said the performance was **concrete** proof that the US economic situation was on the rebound and moving towards more sustained growth. Republicans are hoping the good news will help revitalize President George W. Bush's sagging **popularity**.

Fears had been widespread among economists that the effects of hurricanes Katrina and Rita would have taken their **toll** on economic activity. Businesses were relatively hard hit, with profits falling by 3.7 percent. However, overall growth was **boosted** by consumer spending, the **lifeblood** of the US economy, and greater business investment. The US Federal Reserve also reported that economic activity increased during November. It said: "Consumer prices remained **stable** or experienced generally modest increases." Other indices reveal that inflation was lower than expected, although the rate used in the Commerce Department's figures is adjusted to take account of the more volatile food and energy prices. The Government has also raised interest rates a dozen times since mid-2004 to keep inflation in **check**.