

# GDP & Economic Indicators Word Search

Answer Key

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## ■ 10 Terms & Definitions

<p><b>GDP</b></p> <p>Gross Domestic Product (GDP) is the total monetary value of all goods and services produced within a country in a specific period — typically one quarter or year. It is the broadest measure of economic activity and the primary indicator of a nation's economic health. GDP growth is</p>	<p><b>INFLATION</b></p> <p>Inflation is the rate at which the general level of prices rises over time, eroding purchasing power. Central banks target around 2% annual inflation as healthy. High inflation reduces consumer purchasing power; deflation (negative inflation) can trigger economic stagnation.</p>
<p><b>UNEMPLOYMENT</b></p> <p>The unemployment rate measures the percentage of the labor force actively seeking work but unable to find it. The US Federal Reserve considers "maximum employment" one of its two mandates. Economists consider 4-5% to be "full employment" — some unemployment is natural as workers</p>	<p><b>CPI</b></p> <p>The Consumer Price Index measures the average change over time in prices paid by urban consumers for a representative basket of goods and services including food, housing, clothing, transportation, and medical care. It is the most widely used measure of inflation in the United States</p>
<p><b>OUTPUT</b></p> <p>Economic output refers to the total quantity of goods and services produced by an economy in a given period. Output is closely related to GDP but can also refer to the production of specific sectors. When output grows, jobs are created and incomes rise; when output falls, unemployment</p>	<p><b>GROWTH</b></p> <p>Economic growth refers to an increase in a country's production of goods and services over time, typically measured as the annual percentage change in GDP. Sustained economic growth improves living standards, creates jobs, and generates tax revenue. Most developed economies target</p>
<p><b>INDICATOR</b></p> <p>Economic indicators are statistics that economists use to measure and evaluate the health of an economy. Leading indicators (like building permits, stock prices) predict future economic activity. Lagging indicators (like unemployment) confirm trends that have already occurred. Co</p>	<p><b>TRADE</b></p> <p>International trade refers to the exchange of goods and services between countries. The trade balance — the difference between a country's exports and imports — is a key component of GDP. A trade deficit (more imports than exports) is subtracted from GDP; a trade surplus adds to</p>
<p><b>FISCAL</b></p> <p>Fiscal policy refers to government use of spending and taxation to influence the economy. Expansionary fiscal policy (increased spending, tax cuts) stimulates growth during recessions. Contractionary fiscal policy (spending cuts, tax increases) slows the economy to control inflation</p>	<p><b>RECESSION</b></p> <p>A recession is officially defined as two consecutive quarters of negative GDP growth, though the NBER considers broader factors. Recessions are characterized by falling output, rising unemployment, reduced consumer spending, and declining business investment. The average postwar</p>