Unit 7 Quiz audio script

A **[Track 8] Listen to a news report. Then check the correct answers.**

Henry: And now to our business desk with Maxine Wall. Maxine?

Maxine: Thank you, Henry. Today's money report is about how consumers are spending more money and saving less than ever before. This week's news from the commerce department is bleak. Last month, as well as in the seven previous months, a great number of consumers spent more money than they earned. This means that the overall savings rate may turn out to be negative for the entire year. If this happens, it will be the first time since the Great Depression. Not good news, Henry.

Henry: Hmm. What does this mean for the economy?

Maxine: Good question. Now, in the short term, this *is* good news for the economy because the more people spend, the bigger the boost to the nation's growth in the goods and services sector. However, Henry, it's a temporary improvement. When people have spent all their money and borrowed more on top of that, you're going to see a slowing of the economy, as those people stop spending in order to pay off their debt.

Henry: Have we always been poor savers?

Maxine: Well, this is the first time in a long time that people have been irresponsible with their savings. The trend in the last 30 years seems to be a downturn in savings rates. Back in the 1980s, people were saving about eight percent of their income. In the 1990s, that decreased to about five percent. And now, as I said, it's next to nothing.

Henry: Sounds like it's time to start saving again, folks. Thank you, Maxine.

Maxine: Thank you, Henry.

