**BBC Sounds - Understand: the economy**

[Understand - The Economy - The Economy: 1. Inflation - BBC Sounds](https://www.bbc.co.uk/sounds/play/m001dwr0)

**1: Inflation**

What is inflation, why does it matter, and is someone to blame if it goes up? Understanding inflation will help you understand why your shopping is getting more and more expensive and why prices rarely seem to come down. Tim Harford explains why the inflation figure you see on the TV might not reflect the price rises you’re experiencing, and economic historian Victoria Bateman tells us why having a boat load of silver coins isn’t always a good thing.

Define inflation.

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How is inflation calculated?

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Why are changes made to the basket of goods and services on a regular basis?

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Why do individuals have different inflation rates?

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Why did the discovery of silver lead to inflation in the Spanish economy?

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What are the causes of inflation? Give examples from the programme.

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How does the Bank of England use quantitative easing (QE) to hit its target inflation rate of 2%?

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Why don’t the Bank of England target an inflation rate of 0%?

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Keep abreast of UK and global inflation rates here:

[Inflation Rate Forecast 2023/2024 (tradingeconomics.com)](https://tradingeconomics.com/forecast/inflation-rate)