



IN THE WHITE NOISE  
OF RHETORIC,  
**SEEK SOUND  
FINANCIAL  
INFORMATION**

BY ROBIN HENAGER

Rhetoric. The media. Politicians. Friends. Family. Social media. With so many sources of information today, it is difficult to tease apart the truth from bluster, deflection, or fake news. It is up to each of us to choose who we are going to believe. I opt to listen to and read expert opinions, statements, and research. This may sound dry, but a textbook is a good place to start to find sound economic theory.

The following are some definitions from a *Principles of Microeconomics* textbook by N. Gregory Mankiw:

**INFLATION:** “an increase in the overall level of prices in the economy.”

**RECESSION:** “a period of declining real incomes and rising unemployment.”

**DEPRESSION:** “a severe recession.”

If those sound a bit vague to you, I tend to agree. How much of an

increase? How long of a period? How severe? Here’s another one:

**GROSS DOMESTIC PRODUCT (GDP):** “the market value of all final goods and services produced within a country in a given period of time.”

In an attempt to be more precise, I’d add that GDP fluctuations reflect our productivity as a society and are used to describe growth and/or decline in an economy. Often, two quarters of decline in GDP are associated with a recession. The first part of 2022 slowed with a 1.6% decline in the first quarter and a 0.9% decline in the second quarter.

The economy is interrelated, yet responses to various changes can be sluggish. A decline in jobs may follow a drop in GDP or may follow an increase in prices. No one can predict the future, but it is good to understand what is happening or what might follow.

I outline these definitions to suggest that we each educate ourselves about the economy. It impacts our daily lives, and we are better off if we understand how it is working. Go to your local library or a nearby university to find reliable information – then discern for yourself what is coming from the rhetoric.



**ROBIN HENAGER**, MBA, Ph.D. (Brenau University), is an award-winning researcher and associate professor of economics and finance and the assistant dean for the School of Business at Whitworth University in Spokane, Washington. She is a University of Georgia graduate who focuses on financial literacy, financial education, and student debt. She also leads a peer education program at Whitworth focusing on financial literacy for college students.