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Case Studies – MACROECONOMICS

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Name of theme block: MACROECONOMICS

INFLATION

(is it linked to a handbook subchapter - if so, please insert the appropriate one)

1. How does inflation affect youth savings?

Description of the problem:

How does inflation affect youth savings?

Firstly, with a reduction in the real value of savings. It is colloquially said that money set aside in accounts loses value as inflation increases. This means that less goods and services can be bought with the same savings than before.

This can result in a disincentive to save. High inflation makes saving less attractive, so young people may feel that their efforts are being undone as the value of their savings melts away.

Incidentally, rising inflation makes it more difficult for young people to achieve long-term goals such as buying a home, a car or building up capital for retirement, while at the same time pushing up the price of everyday goods - food, energy, rent and other necessary expenses, limiting the ability to save.

Case Study:

Although inflation is a phenomenon that affects us all, the younger generation is particularly vulnerable to its negative effects. However, there are some practical tips on how young people can minimise the impact of inflation on their finances:

Financial education

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Education is the bark of the fight against inflation because the better you understand how it works and its consequences, the better you can protect yourself against it. In addition to theoretical knowledge, it is also useful to observe trends in the financial market and read articles on economics to keep up to date with the situation. Many trade journals offer clear and comprehensible content free of charge or can be accessed by students or young people free of charge.

Budgeting

Being able to accurately plan your expenditure allows you to identify areas where you can cut costs. Comparing prices, taking advantage of promotions, and cooking at home - these are just some ways to save money.

Saving

Setting up automatic transfers to a savings account makes saving a habit. It can also be useful to use different types of savings accounts (e.g. with variable and fixed interest rates) can help protect your capital.

Consult a financial adviser - investing doesn't have to be difficult. If you are thinking of putting your savings into an investment you have no experience of investing, it may be worth getting help from a professional.

Additional sources of income

Increasing your income allows you to achieve your financial goals faster and create a greater safety cushion.

Remember that protection against inflation requires long-term planning and consistency. There is no one-size-fits-all solution that will work for everyone. It's worth experimenting and finding strategies that best suit your individual needs and financial situation.

Connected links

1. https://www.forbes.com/advisor/investing/how-to-hedge-against-inflation/

2. https://www.investopedia.com/articles/investing/081315/9-top-assets-protection-against-inflation.asp

3. https://www.unfcu.org/financial-wellness/protect-your-money-during-high-inflation/

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4. https://fee.org/articles/4-ways-young-people-can-hedge-against-inflation/

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2. https://www.investopedia.com/articles/investing/081315/9-top-assets-protection-against-inflation.asp
3. https://www.unfcu.org/financial-wellness/protect-your-money-during-high-inflation/
4. https://fee.org/articles/4-ways-young-people-can-hedge-against-inflation/

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Name of theme block: MACROECONOMICS

EXCHANGE RATES

(is it linked to a handbook subchapter - if so, please insert the appropriate one)

1. How to reduce the impact of exchange rates?

Description of the problem:

In the simplest terms - Exchange rates are defined as the price of one country's currency to another country's currency. It means that exchange rates are the prices at which different currencies are traded. They are determined by a variety of factors, including economic conditions, political stability, and market sentiment.

Exchange rates can fluctuate significantly, impacting everything from travel expenses to international trade. There are some strategies that can help manage exchange rates and save.

Case Study:

There are strategies to reduce the impact of exchange rates on the costs of, among others, travel or running a business.

For Travelers:

Before the trip, research the exchange rate trends from recent weeks and potential fluctuations. Consider using a prepaid travel card or a credit card with favourable foreign transaction fees.

Exchange currency at banks or currency exchange bureaus before you travel. Avoid airport exchange points their rates are often higher. Consider Local ATMs, using ATMs in the country you're visiting can often provide better exchange rates than currency exchange kiosks.

Stay updated on global economic news and how it might affect exchange rates. If you need to exchange currency, try to do so when the exchange rate is favourable.

You can use a Currency Converter these online tools can help you track exchange rates and calculate conversions. If you frequently deal with a particular foreign currency, you can consider a Foreign Currency

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Account opening an account in that currency can simplify transactions. Remember exchange rates can fluctuate rapidly. If you're not in a hurry, waiting for a more favourable rate might be worthwhile.

Connected links

1. https://www.investopedia.com/terms/e/exchangerate.asp

2. https://budgetbakers.com/get-best-exchange-rates-while-travelling/

3. https://www.forbes.com/advisor/money-transfer/money-transfer-where-to-exchange-currency/

4. https://www.washingtonpost.com/business/2024/05/11/how-save-money-abroad-by-avoiding-sneaky-fees-pointless-charges/

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1. https://www.westernunion.com/blog/en/us/what-causes-exchange-rates-to-change

2. https://www.forbes.com/advisor/money-transfer/money-transfer-where-to-exchange-currency

3. https://www.investopedia.com/articles/personal-finance/022415/worst-place-exchange-currency.

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Name of theme block: MACROECONOMICS

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1. **The impact of unemployment on young people on a macroeconomic scale**

Description of the problem:

Unemployment, especially on a large scale, has a very significant impact on the young generation. Although it may seem like a more general problem, its consequences are particularly severe for those starting their professional careers.

Case Study:

Entering the job market in a situation of high unemployment is almost always a difficult situation. It is caused by a greater demand for work than you can provide, which means that more people are looking for work than employers are offering. This is especially difficult for young people with no experience.

The consequences of a high unemployment rate on the job market for young people are mainly:

- Difficult start on the job market: High unemployment means greater competition for available jobs. Young people, who often have no professional experience, have a smaller chance of finding employment.

- Delay in realizing life plans: Without work, it is more difficult to gain financial independence, buy a flat, move out of your parents' house, start a family or pursue other life goals.

- Deterioration of the financial situation: Unemployment means a lack of income, which can lead to financial problems for both young people and their families.

- Reduced motivation to learn and develop: If the prospects of finding a job are poor, young people may lose motivation to learn and acquire new qualifications.

- Increased risk of social exclusion and mental illness: Long-term unemployment can lead to social isolation, and health problems such as depression or low self-esteem.

- Increased social inequalities: Unemployment most often affects people with low qualifications and from less privileged backgrounds, deepening existing inequalities.

What can a young person entering the job market do in a situation of high unemployment?

- Using programs to support their own entrepreneurship: such as one-off grants to open their first company or related tax relief.

- Training and professional activation programs: participating in training and programs offered to young people that will help them gain new skills and increase their chances of finding a job.

- Using flexible forms of employment: such as part-time work, other forms of legal work or participation in internships or apprenticeships.

- Specialization: Think about what field you would like to develop in and gain knowledge and specialist skills.

Courses and training: Supplement your education with practical

- Foreign languages: Knowledge of foreign languages, especially English, is increasingly desirable by employers.

Mentoring: Find a mentor to support you in your career development.

- Volunteering: Engage in volunteer activities to gain new experiences and develop your social skills.

- Student networks: Take advantage of resources offered by the university, such as career offices, job fairs, and mentoring programs.

Connected links

1. https://laboriq.co/news/how-does-the-unemployment-rate-affect-hiring

2.https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Beginners:Labour_market_-_unemployment

3. https://anderson-review.ucla.edu/recession-graduate/

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1. https://www.forbes.com/sites/jackkelly/2024/08/08/how-to-find-a-new-job-during-difficult-times/

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3. https://www.cnbc.com/2024/02/16/finding-a-job-is-getting-harder-even-in-a-strong-labor-market-heres-why.html

Name of theme block: MACROECONOMICS

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2. Sustainable Growth and Ethical Consumer Choices

Description of the problem:

Consumer choices are a powerful tool that can shape business ethics. When consumers make conscious purchasing decisions based on values such as sustainability, social justice, and environmental protection, they send a strong signal to businesses.

Case Study:

Ethical choices affect the quality of our lives - they can affect the state of the environment globally and our surroundings. In addition, thanks to ethical choices we can shape the labour market by choosing locally produced and fairly paid products. Thus improving our situation and influencing the quantity and quality of the local labour market.

Consumer choices influence business ethics by:

- As consumers increasingly choose responsibly produced products, companies see a growing demand for such goods and services. This motivates them to change their production processes and supply chains to meet customer expectations.

- Consumers can express their dissatisfaction with business practices through boycotts, social media campaigns or petitions. This forces companies to review their operations and make changes to avoid losing customers.

- Increased demand for ethical products stimulates the development of new technologies and solutions that are more environmentally and socially friendly.

- Companies that want to succeed in the long term must adapt their business models to the challenges of sustainable development. This means investing in research and development, building transparent supply chains and engaging with the local community.

- Companies that operate responsibly gain a better reputation, which translates into greater customer loyalty and investor trust.

But how does this work in practice in specific industries?

Clothing industry:

Consumers are increasingly concerned about working conditions in clothing factories, the origin of materials and the impact of production on the environment. This has forced many companies to introduce more transparent supply chains and use more sustainable materials, eliminate certain chemicals and be more sensitive to workers' rights.

Food industry:

Consumers increasingly choose organic, fair trade and local products. This in turn has influenced the development of local, organic and fair-trade agriculture.

Energy industry:

Consumers increasingly choose energy from renewable sources, which in turn accelerates the development of this sector.

How to recognize ethical products?

Recognizing ethical products can be challenging, but there are a few key things to look for:

1. Certifications: Look for products that have certifications such as:
    - Fair Trade: ensures fair working conditions and wages for producers in developing countries.
    - Organic: means the product was produced without the use of synthetic fertilizers or pesticides.
    - FSC: certifies products made from wood sourced from sustainably managed forests.
    - B Corp: certifies companies that meet high standards of social and environmental performance.
2. Ingredients: Read labels carefully and avoid products containing ingredients that may be harmful to your health or the environment.
3. Manufacturer information: Look for information about the manufacturer on the website or packaging. Check if the company publishes sustainability reports and is transparent about its practices.
4. Reviews from other consumers: Look for reviews from other consumers who have already tried the product. You can find them on online forums, blogs, and social media.

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5. Trusted brands: Choose products from well-known brands that have a good reputation for ethical business practices.

6. Biggest challenges for consumers making conscious choices

Remember, every conscious choice you make matters! Even small changes in our daily habits can contribute to a more sustainable world.

Connected links

1. https://leavingalegacy.co/blog/how-to-spot-ethical-and-sustainable-products/

2. https://friendsoftheearth.uk/sustainable-living/how-can-i-tell-if-product-ethical

3. https://www.tearfundusa.org/how-to-tell-if-your-products-are-ethically-sourced

4. https://humaneeducation.org/10-tools-help-find-ethical-products/

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1. https://medium.com/@lukedylan2233/consumer-power-how-informed-choices-drive-ethical-business-practices-eeb5de106e78

2. https://openstax.org/books/principles-marketing/pages/3-4-ethical-issues-in-consumer-buying-behavior

3. https://www.ncl.ac.uk/business/research/showcase/publications/2021/ethical-consumer/

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1. **The European Union and the European Common Market - Opportunities for Young People**

Description of the problem:

The European Union and the European Common Market are a huge opportunity for young people who want to develop and achieve their goals. They open doors to new possibilities that would be unattainable if each country acted alone.

Case Study:

The basic benefits that young people can enjoy thanks to the European Union and the European Common Market include:

1. Freedom of movement

- The ability to study at any university in the European Union, which allows you to gain knowledge and qualifications in the most prestigious scientific centres.

- The ability to freely seek employment in any EU country, which opens the door to an international career.

- The ability to travel throughout Europe without restrictions, which allows you to get to know new cultures and people.

2. Diversity of professional opportunities

- The Common Market is a huge economic area that offers many different employment opportunities in various sectors.

- Young people can more easily start their own company and run a business throughout the European Union.

- The Erasmus+ program allows students and young graduates to gain professional experience abroad through internships and apprenticeships.

3. Personal development

- Living and working in different cultural contexts promotes the development of language, intercultural and adaptation skills.

- By studying and working abroad, young people can establish international contacts that may prove useful in the future.

- The common market requires skills such as flexibility, openness to change, and the ability to work in international teams.

4. Financing education and entrepreneurship

-Many programs finance education, vocational training, and entrepreneurship development for young people.

5. Higher living standards

- Thanks to the common market, young people have access to high-quality public services, such as health care and education.

- Competition in the common market leads to lower prices for many products and services.

Opportunities

Young people can also make use of the EURES network of public employment services and other labour market organisations. The network supports mobile employment in EU countries as well as Norway, Iceland and Switzerland. Its goal is to facilitate the free movement of workers within the European Economic Area (EEA).

The Eures network provides information about living and working conditions in member countries and assists job seekers and employers who want to hire workers from other member countries.

EURES is also the European Job Mobility Portal, which makes it possible to find information about job opportunities and educational opportunities in Europe. It provides useful news and advice about the European labour market. At the disposal of interested parties is a database of job offers and, for employers, a database of CVs of potential employees. Services within the EURES network in Poland are provided by advisors and assistants from provincial and district labour offices.

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It is also free to use Europass, a European Union project aimed at presenting professional skills and competencies clearly and transparently in all countries of the European Union. Through the portal, you can create:

-Curriculum Vitae

-Language Passport

-Diploma Supplement confirming professional qualifications

-Diploma Supplement

-Europass Mobility

The first two documents can be completed independently, while the others are issued by authorized institutions

Connected links

1.https://op.europa.eu/webpub/com/eu-and-me/en/HOW_IS_THE_EU_RELEVANT_TO_YOUR_DAILY_LIFE.html

2. https://euyouth2024.be/stories/future-oriented-youth-presidency

3. https://globaleurope.eu/europes-future/2022-the-european-year-of-youth-what-do-young-europeans-think-about-the-eu/

4. https://diplomatie.belgium.be/en/policy/policy-areas/highlighted/european-union-how-does-it-benefit-us

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