B2 · Student lesson · 60–90 minutes

Same Money. Smaller Basket.

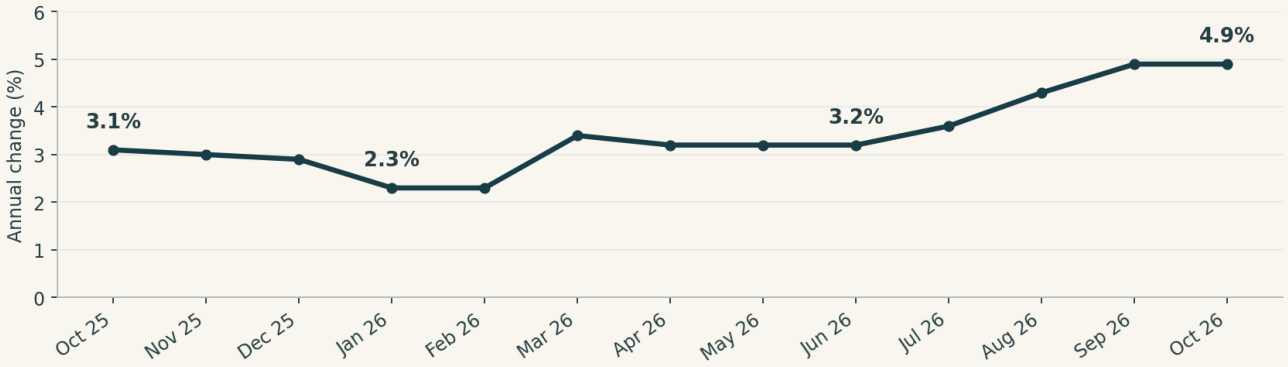
Interpret price evidence, weigh the hidden costs of saving and evaluate measures to protect purchasing power.

Talk first

1. If a pay rise is below inflation, is calling it a pay rise misleading?

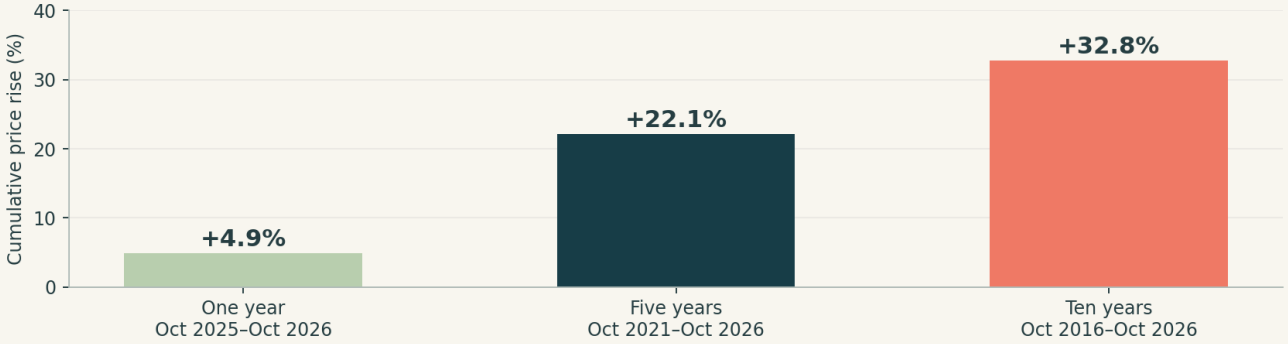
2. Which would you protect in a tighter budget: convenience, quality, social life or savings?

Inflation changed. Prices kept rising.



Spain · annual CPI rate, each month compared with the same month a year earlier. These are not month-on-month increases. INE; October 2025–October 2026. Latest release: 13 November 2026.

Same endpoint. Different starting prices.



Spain · national general CPI, same-month comparisons ending October 2026. One year: +4.9%; five years: +22.1%; ten years: +32.8%. The periods overlap: do not add them. Illustrative equivalent of a €100 basket: €104.90, €122.10 or €132.80, respectively. Not the prices of a specific grocery list.

Notice the difference: a slowing positive inflation rate still means the price level is rising.

Did pay keep up?

Spain, April–June 2026 compared with April–June 2025: average gross wage cost per worker rose 4.0%. General consumer prices rose about 3.2%. That average comparison does not mean every worker received a raise. Sources: INE wage-cost release and monthly CPI series.

The economy at the checkout

Original source-informed classroom reading · Research snapshot: 13 November 2026

An economy can look healthier in a national report than it feels at the checkout. That does not automatically mean the figures are wrong. Gross domestic product, or GDP, measures production; inflation measures changes in prices; a household budget reveals whether one particular set of commitments is affordable. These measures answer different questions. Confusing them makes it harder to understand why some people feel squeezed while others are comfortable.

Start with the difference between the inflation rate and the price level. If annual inflation falls from 6% to 3%, prices are still rising overall. They are simply rising less quickly. The earlier increase has not disappeared. A family trying to make ends meet may care much more about the total increase since its last substantial pay rise than about this month’s headline rate.

The data cards compare Spain’s general CPI over matching months and OCU’s supermarket findings over its own study period. They should not be merged into a single ranking. A supermarket basket covers different products from a general index, and selected dramatic price rises are not an average. Nor does the broad housing category tell us how much buying a home has increased. Asking what was measured is part of understanding the story.

People respond by shopping around, cutting back and making do. Some choices reduce waste with little loss of enjoyment; others reduce comfort or social participation. Switching brands can be sensible, but the cheapest item may not offer the lowest unit price or the best fit for someone’s needs. Bulk buying ties up cash, while a cheaper store can involve a longer journey. Savings have costs in time, effort and access as well as money.

The comparison with pay is equally important. Nominal wages are measured in money; real wages adjust for price changes. A national average can improve without restoring earlier losses, and it can hide differences between sectors or workers. Someone earning more because they work additional hours has not necessarily gained a better hourly rate. The figures should prompt questions rather than dismiss people’s experiences.

Government action involves tradeoffs. A carefully designed temporary price cap might cushion a shock, but an unsustainable ceiling could reduce the incentive to supply a product. Targeted support can help those most exposed, although application rules may exclude people who need it. Tax reductions may ease costs if businesses pass them on, but they also reduce public revenue. Competition measures can address market power, while offering limited immediate relief.

The most useful question may be less “Why don’t people budget better?” and more “Which costs can they realistically change?” Protecting one small pleasure can be a deliberate choice, not evidence of irresponsibility. A credible response should make room for both practical household decisions and the wider conditions that shape them.

Language worth keeping

make ends meet — cover necessary living costs with available income

make do with — manage with an available, less-than-ideal alternative

tighten your belt — reduce spending because less money is available

trade down — choose a cheaper product or option

false economy — a saving that leads to greater cost or difficulty later

disposable income — income available after direct taxes and similar compulsory payments

real wages — wages adjusted for changes in prices

price ceiling — a legal maximum price

pass on a saving — give customers the benefit of a lower cost

squeezed — under pressure because resources are limited

Use two expressions to describe different spending choices. Give enough context to show their meaning.

Useful language

• Although ___ has improved, ___ remains a problem.

• The headline figure conceals differences between ___.

• The saving needs to be weighed against ___.

• A cap could help in the short term, but ___.

• I would prioritize ___, even if that meant ___.

Find the evidence

1. Why can GDP and a difficult household budget coexist?

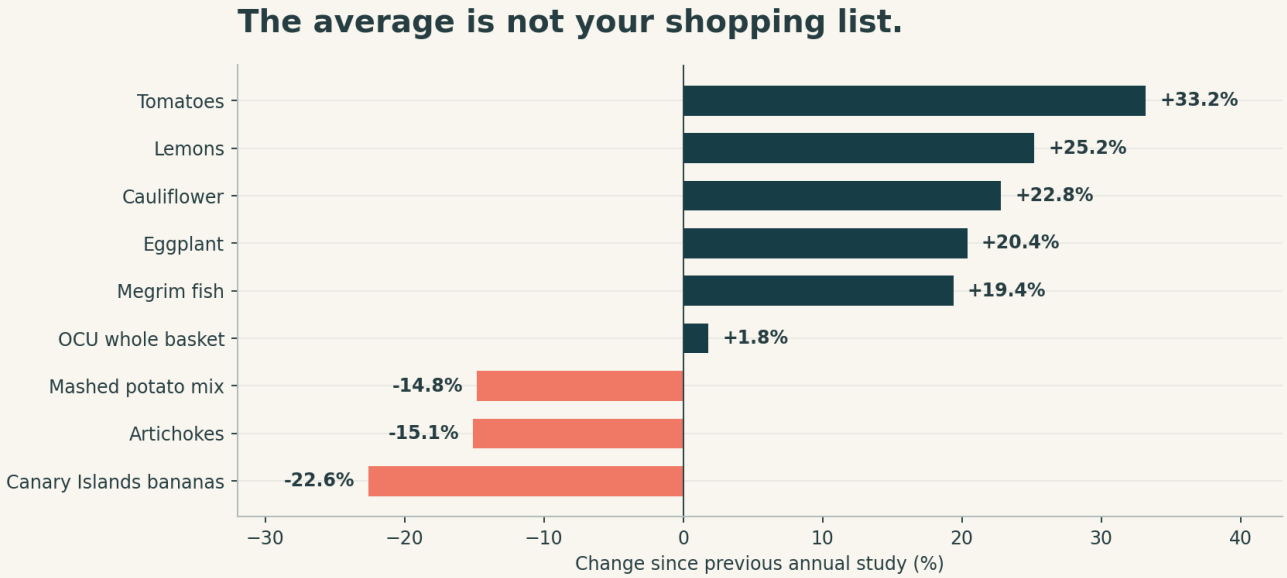
2. Does inflation falling from 6% to 3% reverse earlier increases?

3. Why might bulk buying fail to help?

4. What condition affects whether a tax cut helps shoppers?

Discuss your answers and point to a supporting sentence. Opinion questions can have more than one defensible answer.

The average is not your shopping list



Selected products from OCU's 2026 annual supermarket study compared with its previous study. Prices collected April–May 2026. Percentage changes, not euro prices; selected examples are not a representative average. The whole basket also includes household and hygiene products.

1. Describe the change in the annual CPI rate without claiming prices fell when the rate fell.

2. Compare the OCU result with October CPI. Give two reasons this is not a like-for-like comparison.

3. Why would a €100 basket example be misleading if described as everyone's grocery bill?

Budget food, with a side of economics

Hamburger Helper is a US boxed pasta-and-sauce mix, cooked with added ingredients such as ground beef and milk to make the meat go further. Along with the familiar student staple of instant ramen, it offers a lighthearted way into budget meals. A 2025 Daily Economy opinion article interprets demand for cheaper meals as a clue to pressure missed by headline growth. The "index" is informal: sales alone cannot establish why people buy something. What do you eat on a budget?

What people report cutting

ONS, Great Britain, August 2026: 59% of adults reported spending less on non-essentials because of higher living costs; 43% shopped around more; 38% spent less on food shopping and essentials. Multiple actions were possible. This is not a Spanish survey.

Optional listening · opening excerpt, maximum 3 minutes

Federal Reserve Education: Inflation. Use the official video and transcript; preview playback. If unavailable, your teacher can read the short original fallback.

1. What is the difference between a low nominal price and affordability?

2. What can a basket show that a single product cannot?

Open official video and transcript

A conversation worth having

Choose questions that interest you. Ask a follow-up, respond to a different view and use an expression from the language page. Fictional answers are welcome.

Daily tradeoffs

1. What meal stretches a budget without feeling like a sacrifice?
2. When does convenience justify paying more?
3. How can someone reduce food waste without buying unnecessary gadgets?
4. Which purchases are most likely to be a false economy?

Quality of life

1. Would you protect a small regular treat or an occasional expensive experience?
2. Which cutback might increase isolation?
3. How should couples or housemates negotiate different priorities?
4. When is it reasonable to reduce savings instead of current spending?

Pay and evidence

1. What can average wage growth hide?
2. Should inflation-linked pay rises be a legal right or a bargaining goal?
3. How should part-time work and hours be handled in comparisons?
4. What is missing from a headline saying consumers are spending more?

Policy and responsibility

1. When could a temporary price cap be justified?
2. What would make a targeted payment fair and accessible?
3. How could we test whether a tax reduction reached shoppers?
4. Where should household responsibility end and public responsibility begin?

Decision challenge

Redesign the fictional budget to absorb an €80 rise in essential costs. Calculate savings, identify two hidden costs and protect one quality-of-life priority. Then choose one public policy that would help this household and explain one possible downside.

30-minute extension

Create two accurate headlines for the same chart: one reassuring and one concerning. Identify what each highlights and what readers still need to know.

Exit ticket: one useful expression, one evidence-based claim and one idea you reconsidered.

Make the plan work

Fictional monthly budget	Amount
Housing and bills	€1050
Food and household goods	€420
Transport	€160
Health and essential care	€90
Phone and internet	€60
Social life and subscriptions	€120
Savings / emergency buffer	€100

Income €2,100. Current spending €2,100. Essential costs rise €80.

Possible monthly change	Saving
Switch some brands / reduce food waste	€25
Cancel one subscription	€15
Two fewer takeout meals	€30
Walk or use an existing bus pass for suitable trips	€20
Renegotiate phone plan	€10
Delay a non-urgent purchase	€30
Reduce the savings contribution this month	€40

Illustrative estimates only. Do not double-count food savings. Discuss time, transport and access; protect essential care and adequate food.

Should the government step in?

Temporary price ceiling: Set a legal maximum for selected essential goods. It may provide immediate relief; if set below a viable supply price without support, it can discourage supply or create shortages. Define the product, duration and enforcement.

Targeted support: Give eligible households cash or vouchers. This can focus help on need; eligibility rules, missed applicants, funding and price effects need attention.

Tax relief and competition: Reduce selected consumption taxes or improve competition and price transparency. Benefits depend on how much reaches shoppers; tax cuts cost public revenue and competition measures can take time.

Who benefits, who pays, what might go wrong, and what evidence would justify changing the plan?

Full source links, chart data and student activities online

Keep the conversation going.
Scan for this version’s free student lesson, source links, charts and student PDF. No account needed.