

# THE FED AND YOU

FEDERAL RESERVE BANK of KANSAS CITY

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## TEACHER INTRODUCTION

The DVD “The Fed and You” informs students about the Federal Reserve System and its role as our nation’s Central Bank. It discusses the three missions of the Bank - monetary policy, supervision and regulation, and financial services - as well as how these missions affect our economy. A special focus on the Tenth District, which includes the states of Kansas, Oklahoma, Nebraska, Colorado, Wyoming, and parts of Missouri and New Mexico, provides information on regional industries, banking and agriculture. This ten-minute video helps students understand how the policies of the Federal Reserve Bank affect their everyday lives.

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## LESSON DESCRIPTION

This lesson gives students an overview of the Federal Reserve System and its three central missions - monetary policy, supervision and regulation, and financial services. They will watch the “The Fed and You,” and take notes on important facts they learn about the functions of the Fed. After viewing the video, students will become reporters, using their notes to write an article for the school or local newspaper about their knowledge of the Fed.

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**GRADE LEVEL:** 9-12

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## CONCEPTS

Federal Reserve System, monetary policy, Federal Open Market Committee

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## CONTENT STANDARDS

National Voluntary Economic Content Standard #12 - Students will understand that federal government budgetary policy and the Federal Reserve System’s monetary policy influence the overall levels of employment, output and prices.

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**TIME REQUIRED:** 45-60 minutes

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## OBJECTIVES

Students will be able to:

1. Identify the three missions of the Federal Reserve System.
  2. Explain the importance of each mission to our economy.
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## MATERIALS

- “The Fed and You” (link to the video at <http://www.kansascityfed.org/aboutus/fed-and-you.cfm>)
  - Activity 1 (Sample news article)
  - Activity 2 (News notes)
  - Visual 1 (Sample news notes answers)
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### PREPARATION

1. Make copies of Activity 1 and 2 for all students.
  2. Before the lesson, watch “The Fed and You” to listen for key concepts about the Federal Reserve System that students will be introduced to during the viewing.
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### PROCEDURE

1. Introduce the topic of journalism and newspaper reporting by asking students the following questions:
  - Why is it important to know what is happening in the news? (*Answers may vary; possible answers include to become aware of events happening around the world; to know the weather forecast, sports scores, etc.*)
  - Where can we get out news information? (*Possible answers are TV, radio, internet and newspaper*)
  - What careers are connected to giving the news to the public? (*Possible answers are broadcasters, reporters and journalists.*)
2. Tell students that they will be learning more about newspaper reporting and how a news article is written. Hand out Activity 1 (Sample News Article) and introduce the “lead” as the beginning two to three paragraphs that give the main facts about the story. These facts should answer the five “W’s” of who, what, when, where and why. (These facts could also include an “H” for how.)
3. Ask students to find the five “W’s” and “H” in the Activity 1 article by using the following questions as a guide:
  - Who was the story about?
  - What happened in the story?
  - When did the event happen?
  - Where did the event happen?
  - Why did the event happen?
  - How did the event happen?
4. After students have answered the questions to uncover the main facts, discuss the middle of the article. Point out that this part of the story should contain the action and details of the story. Ask students to name several details related to the lead questions that they can find in this section of the story. (*Students answers will vary.*)
5. Look at the ending of the article, point out that this section brings the story to a conclusion and may contain an ending quote. Ask students to read the last sentences of the story and give their opinion on whether these sentences are a good ending point for the article. (*Students answers will vary.*)
6. Tell students that they will use their reporting knowledge to find out the facts and take notes on the Federal Reserve Bank through listening to “The Fed and You.” Hand out Activity 2 (News Notes) for students to record information about the five W’s (and H) as they watch the video. Review the “W” questions related to the Federal Reserve so students will be prepared to quickly jot down answers to these main facts. Any other information they feel is important can be written below in the “Additional Facts” section. Remind students to take brief notes so they can complete all the information needed.



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### PROCEDURE (CONTINUED)

7. Watch “The Fed and You” (approximately 10 minutes long) for students to watch and take notes on main facts. After students have seen the video, ask how many completed their note-taking on the five W’s and H. If several students missed information to answer W questions, you may want to watch a second time so that they can finish key questions.
8. Tell students that they will now become reporters with the assignment of writing an article about the Federal Reserve that answers all the W (and H) questions on their News Notes sheet. Remind them that the lead is the first section that includes the main facts and that they can make the article more exciting by including a “hook,” or sentence in the lead to increase interest in reading the article. For this article, the “hook” could be any reference to money that will interest the reader. (For example, “Want to see millions of dollars? The Fed’s financial services department handles that much and more on a daily basis.”) Ask students to brainstorm other possible sentences that may “hook” the reader. (*Students answers will vary.*)
9. Ask students to begin writing the article, incorporating all of the main facts and adding additional information as details. If you would like to give them an ending quote, you could give them a comment about the Fed to use in their article, such as “Hopefully, more students will understand how the Federal Reserve affects their lives as consumers and workers in our country.”
10. When students have finished writing, brainstorm ideas for titles that will draw the reader’s attention to their articles. Titles should be short and colorful if possible, such as “The Fed’s Role Packs a Financial Punch.”
11. Share completed articles orally or collect them to read. Use Visual 1 (Sample News Notes Answers) to evaluate each article on its content about the Federal Reserve Bank and to see that lesson objectives have been met.



## ACTIVITY 1 - SAMPLE NEWS ARTICLE

### THE FEDERAL RESERVE SYSTEM

Congress created the Federal Reserve System in 1913 to bring financial stability to our country after a number of banking panics.

With the Federal Reserve Act, Congress wanted to create a central bank that the public would be likely to support by making it “decentralized” with more local control.

The new central bank was a network of twelve regional Federal Reserve Banks, located throughout the country and under the leadership of local boards of directors, with oversight from the Board of Governors in Washington, DC, a government agency.

President Woodrow Wilson signed the Federal Reserve Act on Dec. 23, 1913, and the twelve regional Federal Reserve Banks opened on Nov. 16, 1914.



## ACTIVITY 2 - NEWS NOTES

### REPORTER INSTRUCTIONS:

Your assignment is to write an article to introduce the Federal Reserve System to your readers. To prepare, take notes to answer the following questions from “The Fed and You” DVD.

WHAT are the three missions of the Federal Reserve System?

- 1.
- 2.
- 3.

WHY are the Federal Reserve’s missions important to citizens?

HOW does each mission help our economy?

- 1.
- 2.
- 3.

WHO (what group) makes the decisions on monetary policy?

WHAT states make up the Tenth District?

WHERE is the Tenth District regional office?

WHERE are the branches of the Tenth District located?

- 1.
- 2.
- 3.

### ADDITIONAL FACTS



## VISUAL 1 - NEWS NOTES ANSWERS

WHAT are the three missions of the Federal Reserve System?

1. *Monetary policy*
2. *Supervision and regulation*
3. *Financial Services*

WHY are the Federal Reserve's missions important to citizens?

*The three missions provide a foundation for a healthy economy.*

HOW does each mission help our economy?

1. *Monetary policy sets the interest rate to give stability to the economy.*
2. *Supervision and regulation examines banks to look for sound loans and investments.*
3. *Financial services supply cash and move payments safely throughout the country.*

WHO (what group) makes the decisions on monetary policy?

*The Board of Governors and regional Federal Reserve presidents*

WHAT states make up the Tenth District?

*Missouri, Kansas, Oklahoma, Nebraska, Colorado, New Mexico, Wyoming*

WHERE is the Tenth District regional office?

*Kansas City, MO*

WHERE are the branches of the Tenth District located?

1. *Denver, CO*
2. *Oklahoma City, OK*
3. *Omaha, NE*

