

Teaching Fiscal and Monetary Policy



September 19, 2017

Welcome

Logistics

- Call-in number: **888-625-5230**
- Participant code: **8160-5833#**
- Registration link:

https://join.onstreammedia.com/register/52256613/4_15pmct_classroom_econnections

- Once registered, you will receive a confirmation email with a unique link to join the webinar.
- This call is being recorded and will be available at a later date.
- You can listen through your PC or dial in to the phone.
Remember: your specific connection matters; if PC audio diminishes, dial in to the toll-free line.

How we'll take questions

- Type your question in the field in the lower left corner of the webinar page and click the "Ask" button.

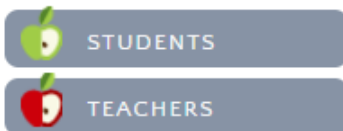


<https://www.stlouisfed.org/education>

/

Economics and Personal Finance Education Resources

ONLINE COURSE LOGIN



econlowdown[®]
click. teach. engage.

EVENTS

SUBSCRIBE

ENDORSEMENTS

TEACHER ED

PARTNERS

CONTACT US

GLOSSARY

FLASH CARDS

Whether your students are 4, 10, 16, or 22, you can use award-winning and free videos, lessons, and online courses to teach about economics, personal finance, and money. We have great resources for consumers and parents, too.

Check out our Econ Lowdown materials and see what teachers have to say about us. Explore opportunities for teacher education and for becoming a school partner with the Federal Reserve Bank of St. Louis.

What's your economic IQ? *Take our quiz now.*

Log In

Email Address

Password

Submit

[Forgot Password?](#)
[Privacy Notice & Policy](#)

New to the site? Let's get you started!

Register

Are you a student?

Go to the Student Portal

Sign up for the [ECON Lowdown Newsletter!](#)



Welcome to econlowdown[®] home to award-winning FREE online courses and videos for use in K-12 and college classrooms. Register as an instructor to use these FREE resources:

- Create classrooms
- Add students
- Assign online courses and videos
- Monitor student progress
- Upload student scores to your gradebook

And, there's MORE! If you'd like to build your own economic content knowledge econlowdown[®] has free online professional development for teachers!

Features

Discussion Board

Students and teachers may discuss key economic concepts in this virtual classroom. Discussion board questions are included on specific pages within the courses. Teachers

Online Polling

Similar to classroom response systems, teachers may virtually send questions to their students to check comprehension, gain attention and generate discussion. Summaries of

Assessment Reporting

You may use the student data section to determine what parts of the course students have completed. You may also view the pre-and post-test scores. These data may be used



MY CLASSROOMS

RESOURCE GALLERY

PROFESSIONAL DEVELOPMENT

FREDCAST®

Hi, Eva.

Another day, another dollar.

Click **My Classrooms** to check your students' progress and grades, assign a written assessment, or perform a number of other classroom management tasks.

Preview over 150 resources and assign them to students in our **Resource Gallery**.

Sign up for CPDU credit or FRB certification through **Professional Development**.

Play the **FREDcast®** game in your classroom.

New Features

Check Out the Classroom Syllabus!




Going forward, all newly created classrooms will have a syllabus. You can organize resources to be accessed in a given order, and you can set dates for resources to be “active” and “inactive” throughout the term. In addition, you can add your own “custom content,” such as directions or section headings for sets of resources. Finally, don’t forget to **Publish** your syllabus each time you make additions or changes so that your students can see them.

Thank you,
The Econ Lowdown Team

 My Classrooms

 Resource Gallery

 Professional Development

 FREDcast®



MY CLASSROOMS

RESOURCE GALLERY

PROFESSIONAL DEVELOPMENT

FREDCAST®

Active

Archived

CLASSROOM NAME

Economic Forces in U.S. History- Let's Hear
from the People Workshop June 27-29,
2017

Missouri Personal Finance

New Missouri Personal Finance Standards

Personal Finance 1st Period

 Add New Classroom

Add New Classroom

Classroom Name

ex. A New Classroom

Begin Date

M/D/YYYY



End Date

M/D/YYYY



 Create

Active Archived

CLASSROOM NAME

Monetary and Fiscal Policy

Student Board of Directors 2017-2018


 Add New Classroom


Monetary and Fiscal Policy

SYLLABUS STUDENTS STUDENT PROGRESS EDIT CLASSROOM WRITTEN ASSESSMENTS

EDIT SYLLABUS PREVIEW SYLLABUS EMAIL SYLLABUS DOWNLOAD SYLLABUS

- Your syllabus will be auto saved as you make changes.
- Use the **Publish** button below to make syllabus changes visible to students and in the Resource Gallery as My Resources.


 Resources

 Custom Content

☒ Show in My Resources

 Saved

 Publish

Active Dates: Aug 31, 2017 - Sep 23, 2017 



You haven't added any content yet.

Use the **Resources** and **Custom Content** (welcome, instructions, etc.) buttons above.

Reset all filters

Showing 52 resources

View: Brief

Sort: Alphabetical

- ☐ Demand (+7)
- ☐ Economic Fluctuations (+17)
- ☐ Economic Growth (+8)
- ☐ Employment and Income (+9)
- ☐ Entrepreneurship (+3)
- ☐ Federal Reserve System (+5)
- ☐ Financial Decision Making (+4)
- ☐ Financial Investing (+11)
- ☒ **Fiscal and Monetary Policy**



Economic Lowdown Audio Series: Episode 20—Monetary Policy



• 15 minutes • Middle School - College

Fiscal and Monetary Policy, Federal Reserve System, Inflation,...



Economic Lowdown Audio Series: Episode 21—Fiscal Policy



• 15 minutes • Middle School - College

Fiscal and Monetary Policy, Business Cycle, Economic Fluctua...

⬆ ⬆ This is the syllabus for our monetary and fiscal policy course



Aug 31, 2017 - Sep 23, 2017 ✎



Economic Lowdown Audio Series: Episode 20—Monetary Policy



Aug 31, 2017 - Sep 23, 2017 ✎



Monetary Policy



Aug 31, 2017 - Sep 23, 2017 ✎



Fiscal Policy



Aug 31, 2017 - Sep 23, 2017 ✎



Feducation: Episode 1—Money and Inflation



Aug 31, 2017 - Sep 23, 2017 ✎



Feducation: Episode 2—Traditional and Non-Traditional Monetary Policy Tools



Aug 31, 2017 - Sep 23, 2017 ✎



Economic Lowdown Audio Series: Episode 21—Fiscal Policy


Active

Archived

CLASSROOM NAME




Monetary and Fiscal Policy

Student Board of Directors 2017-2018

 Add New Classroom

Monetary and Fiscal Policy

[SYLLABUS](#) [STUDENTS](#) [STUDENT PROGRESS](#) [EDIT CLASSROOM](#) [WRITTEN ASSESSMENTS](#)

 All Course Progress  All Audio Q&A Progress  All Video Q&A Progress

Show

25

 entries

Search:

FIRST NAME	LAST INITIAL	AUDIO Q&A	# OF TIMES LISTENED	QUIZ ATTEMPTS	QUIZ SCORE	DATE COMPLETED	
Economic Lowdown Audio Series: Episode 20—Monetary Policy							 Make Certificates
Mary	S	Economic Lowdown Audio Series: Episode 20—Monetary Policy	0	0	-	-	
Economic Lowdown Audio Series: Episode 21—Fiscal Policy							 Make Certificates
Mary	S	Economic Lowdown Audio Series: Episode 21—Fiscal Policy	0	0	-	-	

Showing 1 to 2 of 2 entries

Previous

1

 Next



Preview Resource

Monetary Policy

 • 2 hours • High School - College • 657 classes this year

Fiscal and Monetary Policy

Unemployment

Money

Inflation

Interest Rates

Federal Reserve System

Inflation, unemployment, recession, economic growth—these economic concepts affect people in very real ways. In this course containing three interactive, thought-provoking lessons, students will learn about monetary policy, the avenue by which the Federal Reserve System attempts to influence the economy. Four other courses that would further students understanding of related content are *GDP and Pizza*, *The Story of Unemployment*, *The Great Inflation*, and *Fiscal Policy*.

Estimated Completion Time: 2 hrs

[View Voluntary National Content Standards in Economics](#)

[View Common Core Standards for this lesson.](#)

[View Additional Resources](#)

Select

Preview

Monetary Policy

[Glossary](#)

Welcome

[Pre-Test](#)[Lesson 1](#)[Lesson 2](#)[Lesson 3](#)[Course Conclusion](#)[Post-Test](#)[Survey](#)[Post Test Results](#)

Monetary Policy



Have you heard of the **Federal Reserve**? Perhaps you have seen a news report about the Fed and heard references to interest rates, **inflation**, and **unemployment**. What have you heard about **monetary policy** and how it affects interest rates, inflation, and unemployment?

In an effort to provide the nation with a safer, more flexible, and more stable monetary and financial system, Congress created the Federal Reserve in 1913. The Fed has two primary goals for the economy—price stability and maximum employment. The Fed uses monetary policy to help achieve these goals. The structure of the Fed allows it to implement monetary policy with minimal political pressures to its day-to-day operations. In this course, you will learn how the Fed uses its monetary policy tools to promote the economic goals of price stability and maximum employment.



Monetary Policy

 Glossary

Welcome

Lesson 1

Introduction

The Role of Money in the Economy

The Equation of Exchange

What Do You Think?

Know Your Ps & Qs

Knowledge Check #1

The Economy in the Short Run

More About the Economy in the Short Run

The Economy in the Long Run

More About the Economy in the Long Run

Knowledge Check #2

Lesson 2

Lesson 3

Course Conclusion

Survey

The Equation of Exchange

To learn more about variables in the equation of exchange, let's first watch this short video.

Equation of Exchange



Proceed to the Next Page



Monetary Policy

[Glossary](#)

Welcome

Pre-Test

Lesson 1

Introduction

The Role of Money in the Economy

The Equation of Exchange

What Do You Think?

Know Your Ps & Qs

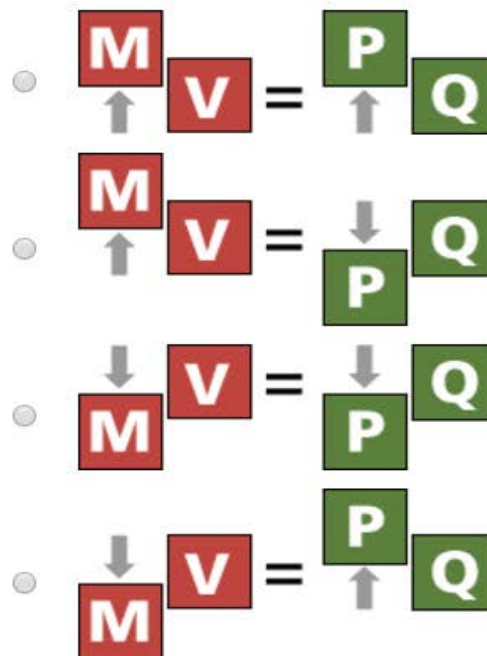
Knowledge Check #1

The Economy in the Short Run

More About the Economy in the Short Run

What Do You Think?

1. Based on what you have learned so far, which image correctly shows what is likely to happen if the money supply is increased? To keep things simple, assume we are holding velocity and quantity constant.



2. Based on what you have learned so far, which image correctly shows what is likely to happen if the

Monetary Policy

[Glossary](#)

Welcome

Pre-Test

Lesson 1

Introduction

The Role of Money in the Economy

The Equation of Exchange

What Do You Think?

Know Your P's & Q's

Knowledge Check #1

The Economy in the Short Run

More About the Economy in the Short Run

The Economy in the Long Run

More About the Economy in the Long Run

Knowledge Check #2

Lesson 2

Lesson 3

More About the Economy in the Short Run

Let's take another look at our equation and think about an expanding or contracting economy.

$$MV = PQ$$

Use the arrow to advance through this activity. Read the information and watch the equation change for each step.



So, in our milk and cookies economy, when there are many unemployed resources, an increase in the money supply would result in an increase in the demand for milk and cookies. As suppliers respond to an increase in demand, they would increase milk and cookie production or increase their prices—an increase in quantity (Q) and/or prices (P) of milk and cookies. As the demand for resources continues to increase, and the milk-and-cookie-producing resources become more fully utilized in fully operating factories, a further increase in the money supply could result in a higher price level (P) for milk and cookies. In the broader economy, a further increase in the money supply could result in a higher price level for all goods and services throughout the economy—a rising inflation rate.

Up to this point, our milk and cookies economy has considered an increase or decrease in the money supply only. In reality, a constantly growing economy needs a constantly growing money supply to keep prices stable. So, from this point on we will discuss the money supply in terms of an increase or decrease in the growth rate of the money supply. Do you see the difference?

Fiscal Policy

 Glossary[Welcome](#)[Pre-Test](#)

Lesson 1

Introduction

[Economics in Our
Everyday Lives](#)[The Basics of Fiscal
Policy: Taxation and
Government Spending](#)[Active vs. Passive Fiscal
Policy](#)[Knowledge Check #1](#)[Active Fiscal Policy and
the Economy](#)[Recession or Depression?](#)[Knowledge Check #2](#)[Lesson 2](#)[Course Conclusion](#)[Post-Test](#)[Survey](#)[Post Test Results](#)

Introduction

Congress and the president are responsible for fiscal policy, which is laws on taxation and government spending designed to influence the **economy**. Fiscal policy is always in place; that is, there are always laws in effect that determine tax levels and government spending. Passive fiscal policy includes laws that remain in effect for extended periods, when the economy is strong and deliberate intervention isn't considered. Active fiscal policy, on the other hand, can be used by government in response to an ailing economy. In the first part of this course, you will learn the key concepts of fiscal policy.

After completing this lesson, you will be able to

- define the following terms:
 - revenue,
 - expenditure,
 - expansion and contraction as phases of the business cycle,
 - recession,
 - depression,
 - real gross domestic product (GDP), and
 - inflation.
- explain how the terms expand and contract are used to describe fluctuations in the economy.

[Proceed to the Next Page](#)

Fiscal Policy

[Glossary](#)[Welcome](#)[Pre-Test](#)[Lesson 1](#)**[Lesson 2](#)****Introduction**[Fiscal Policy in a Contracting Economy](#)[Lower Income Taxes](#)[Increased Government Spending](#)[Knowledge Check #3](#)[Stimulus Packages](#)[Fiscal Policy in an Expanding Economy](#)[Knowledge Check #4](#)[Are the Textbooks Right About Fiscal Policy?](#)[Knowledge Check #5](#)[Knowledge Check #6](#)[Policy Lags](#)[Knowledge Check #7](#)

Introduction

Now that we have defined some basic terms, let's go back to our discussion of fiscal policy—taxation and government spending.

Usually, as noted earlier, the levels of taxation and government spending don't change much from one budget to the next. This consistency helps maintain stability in the economy. However, if the economy contracts, that is, enters a recession, the Congress and the president may decide to pursue active fiscal policy and take actions they think will stimulate the economy. In the second lesson of this course, you will learn about the tools of fiscal policy.

After completing this lesson, you will be able to

- identify when the tools of fiscal policy might be used,
- recognize the factors that create policy lags,
- identify the potential results of policy lags in implementing fiscal policy, and
- identify automatic stabilizers in the economy.

[Proceed to the Next Page](#)

Lesson 2

Introduction
Fiscal Policy in a Contracting Economy
Lower Income Taxes
Increased Government Spending
Knowledge Check #3
Stimulus Packages
Fiscal Policy in an Expanding Economy
Knowledge Check #4
Are the Textbooks Right About Fiscal Policy?
Knowledge Check #5
Knowledge Check #6
Policy Lags
Knowledge Check #7
Automatic Stabilizers: Fiscal Policy that Happens on Its Own
With Automatic Stabilizers, Is Fiscal Policy Necessary?
Knowledge Check #8

Course Conclusion

spend the additional income made available to them because of tax cuts, policymakers can choose to have the government spend more money, for example, to buy more pens, computers, and planes or build more bridges and highways.

The most widely known historical example of government spending in an attempt to affect the economy is the New Deal during the Great Depression. President Franklin Roosevelt and Congress implemented a series of government spending programs. For example, the Works Progress Administration (WPA) employed millions of workers in various projects around the country, including those for roads and public buildings as well as works of art. The Civilian Conservation

Corps (CCC), employed single, 17- to 23-year-old males in various projects related to **natural resources** and conservation. The CCC completed projects that involved building parks, planting trees, and constructing trails and roads. The WPA and CCC are only two of the many New Deal spending programs used in the Great Depression, and economic historians still debate the success of these programs.

Click the play arrow for a visual depiction of how increased government spending can help jump start an ailing economy.

Note: There is no audio.



The New Deal Was a Big Deal

To learn more about Roosevelt's New Deal and other government actions during the Great Depression, visit EconLowdown's Great Depression website.

[Learn more](#) ↗

For more information on Roosevelt, visit the White House web site.

[Learn more](#) ↗

What happens when policymakers increase government spending?



Proceed to the Next Page



Econ Lowdown Video Q & A:

The Fed Explains Monetary Policy & The Classroom Economist – Monetary Policy

The views expressed in the presentation are mine and not the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

Amy Hennessy
Director, Education & Community Outreach
Federal Reserve Bank of Atlanta
amy.hennessy@atl.frb.org
404-498-7478


Video Q & A

econlowdown
My Classrooms
Professional Development
FAQ

Reset all filters
Showing 50 resources
View: Brief
Sort: Alphabetical

Resource Authors
Resource Types
Subjects
Topics


☐ Business Cycle (+7)
☐ Buying Goods and Services (+24)
☐ Credit (+32)
☐ Decision Making (+44)
☐ Demand (+7)
☐ Economic Fluctuations (+17)
☐ Economic Growth (+8)
☐ Employment and Income (+9)
☐ Entrepreneurship (+3)
☐ Federal Reserve System (+5)
☐ Financial Decision Making (+4)
☐ Financial Investing (+11)
☒ **Fiscal and Monetary Policy**



Economic Lowdown Audio Series: Episode 4—Inflation

15 minutes • Middle School - College


Fiscal and Monetary Policy, Federal Reserve System...



Economic Lowdown: Episode 9—Inflation

15 minutes • Middle School - College


Fiscal and Monetary Policy, Federal Reserve System...



Fed Explained: Episode 1 — Inflation

15 minutes • High School


Fiscal and Monetary Policy, Federal Reserve System...



Fed Explained: Episode 4 — The Central Bank

15 minutes • High School


Fiscal and Monetary Policy, Federal Reserve System



Fed Explained: Episode 5 — Regional Banks

15 minutes • High School


Fiscal and Monetary Policy, Federal Reserve System



Fed Explained: Episode 9 — Monetary Policy

10 minutes • High School - College


Fiscal and Monetary Policy, Federal Reserve System



Fed FAQ: Fiscal and Monetary Policy

5 minutes • Middle School - College


Fiscal and Monetary Policy



Fed FAQ: Why Do Interest Rates Matter?

5 minutes • Middle School - College

Fiscal and Monetary Policy, Interest Rates



Feduction: Episode 1—Money and Inflation

15 minutes • High School - College

Fiscal and Monetary Policy, Federal Reserve System...

My selected resources 11
Edit
Clear
Add to Classroom

Video Q & A

econlowdown

My Classrooms Professional Development FAQ

Reset all filters

Showing 50 resources

View: Brief Sort: Alphabetical

Resource Authors

Resource Types

Subjects

Topics

- ☐ Business Cycle (+7)
- ☐ Buying Goods and Services (+24)
- ☐ Credit (+32)
- ☐ Decision Making (+44)
- ☐ Demand (+7)
- ☐ Economic Fluctuations (+17)
- ☐ Economic Growth (+8)
- ☐ Employment and Income (+9)
- ☐ Entrepreneurship (+3)
- ☐ Federal Reserve System (+5)
- ☐ Financial Decision Making (+4)
- ☐ Financial Investing (+11)
- ☒ Fiscal and Monetary Policy

Classroom Economist: The Fed and the Great Depression

15 minutes • High School

Fiscal and Monetary Policy, Employment and Inc...

View Details

Classroom Economist: The Panic of 1907

15 minutes • High School

Fiscal and Monetary Policy, Role of Government...

View Details

Classroom Economist: How Can Monetary Policy Affect the Economy?

15 minutes • High School

Fiscal and Monetary Policy, Federal Reserve System

View Details

Classroom Economist: Lender of Last Resort

5 minutes • High School

Fiscal and Monetary Policy, Federal Reserve System

View Details

Classroom Economist: Three Basic Tools

15 minutes • High School

Fiscal and Monetary Policy, Federal Reserve System

View Details

Classroom Economist: Two Components of Monetary Policy

10 minutes • High School

Fiscal and Monetary Policy, Federal Reserve System

View Details

Classroom Economist: Why Monetary Policy is Important for Everybody.

10 minutes • High School

Fiscal and Monetary Policy, Federal Reserve System

View Details

Economic Lowdown Audio Series: Episode 14—Getting Real about Interest Rates

15 minutes • Middle School - College

Fiscal and Monetary Policy, Federal Reserve System...

View Details

Economic Lowdown Audio Series: Episode 18—The Business Cycle

15 minutes • Middle School - College

Fiscal and Monetary Policy, Business Cycle, Econo...

View Details

Economic Lowdown Audio Series: Episode 4—Inflation

View Details

Economic Lowdown: Episode 9—Inflation

View Details

My selected resources 3

Edit Clear Add to Classroom

Infographics



FEDERAL RESERVE BANK of ATLANTA

RESEARCH & DATA

ECONOMY MATTERS

BANKING & PAYMENTS

NEWS & EVENTS

EDUCATION

COMMUNITY DEVELOPMENT

ABOUT THE FED

CLASSROOM ECONOMIST

CLASSROOM TOOLS

EXTRA CREDIT

KATRINA'S CLASSROOM

LESSONS

PROFESSIONAL DEVELOPMENT

TOURS

CONTACT US

CLASSROOM TOOLS

Infographics



To obtain a print copy of an infographic below, go to our [poster order form](#).



Arts & Economics | 2/4/2015

Highlights the vital role the arts play in our economy using key economic concepts like gross domestic product and employment. Incorporating data from a variety of primary sources, this infographic strives to capture the economic relevance of the arts in American society.



Budgeting | 8/4/2016

Illustrates the difference between sources of income and fixed versus variable expenses through a simple budget plan.



Developing Human Capital | 9/3/2014

Helps students see clearly the strong connection between education level and subsequent earning potential.



Economic Systems: How Do Countries Organize Economic Activity? | 7/15/2015

Helps students discover the three basic economic questions and how each system answers these questions, identify several key advantages and disadvantages for each economic system, recognize some economic indicators that can measure performance on broad social economic goals, and see how specific countries rank on a measure of economic freedom.

goo.gl/WV4C3h

THE FEDERAL RESERVE BANK OF ATLANTA

Fiscal & Monetary Policy



How do policymakers stabilize the economy?

MACROECONOMICS

Fiscal Policy

The spending and taxing policies used by Congress and the president

WHO?





Congress
President

Monetary Policy

The tools used by the Federal Open Market Committee to influence the availability of credit and the money supply

WHO?



Federal Open Market Committee

- 7-Nonvoting members
- 4-Rotating votes-district presidents
- 1-New York Fed President
- 7-Board of Governors

goo.gl/ZUVAdz

Activity

Real-World Connections: Fiscal and Monetary Policy

This activity connects fiscal and monetary policy actions to the real economy. Students will interpret the following headlines and scan the corresponding articles or op-eds to identify whether the topic relates to fiscal or monetary policy actions, then will fill in the corresponding tables.

- Headline: "Fed's Kaplan Says Monetary Policy Has Reached Limits for Bolstering Growth"
Article: <http://www.marketwatch.com/story/feds-kaplan-says-monetary-policy-has-reached-limits-for-bolstering-growth-2016-07-29>

What policy?	What is policy goal?	Who conducts policy?	Write a brief description
Fiscal or monetary	Expansionary or contractionary	U.S. Congress and president or Federal Reserve	Explain the tools or actions being used

- Headline: "Economy Will Suffer 'Slowing Pains' Said Necessary to Future National Prosperity"
Article: <http://cdnc.ucr.edu/cgi-bin/cdnc?a=d&d=DS19700131.2.11>

What policy?	What is policy goal?	Who conducts policy?	Write a brief description
Fiscal or monetary	Expansionary or contractionary	U.S. Congress and president or Federal Reserve	Explain the tools or actions being used



goo.gl/XcVJwE

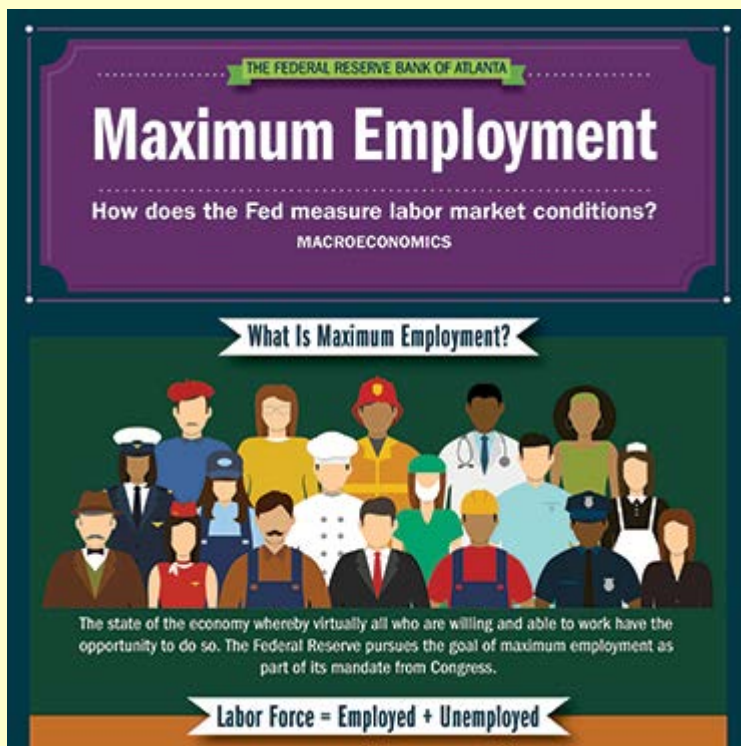


Price Stability Infographic Activity

How does the Fed measure price level changes? Explore the Federal Reserve Bank of Atlanta's new Price Stability infographic to learn what price stability means, how inflation is measured, how it affects purchasing power, and who gains and loses when there is unanticipated inflation. Answer the following questions to evaluate information found on the infographic.

- Open the [Price Stability infographic](#) and answer the following questions:
 - What is price stability?
 - How is the price level defined?
 - When there is inflation, what happens to purchasing power?
 - Why do borrowers gain when there is unanticipated inflation? Why do lenders lose?
- Scroll to the "Inflation Indices" section of the infographic and fill in the chart below:

Price index	Who calculates it?	Measures changes in prices of:	Survey or GDP?	FOMC's inflation measure? (Yes/No)
Consumer price index (CPI)				
Personal consumption expenditures (PCE)				



goo.gl/Z7xUSH



Maximum Employment Infographic Activity

The Federal Reserve System has a mandate from Congress to maximize employment and maintain price stability. Maximum employment is the state of the economy in which virtually all individuals who are willing and able to work have the opportunity to do so. In this activity, you will explore some methods the Federal Reserve uses to measure the health of the labor market.

Understanding the labor force

For each of the following people described, identify who is in the labor force and who is out of the labor force. Provide a reason to validate each of your responses. Use the "Labor Force" section of the infographic to help you.

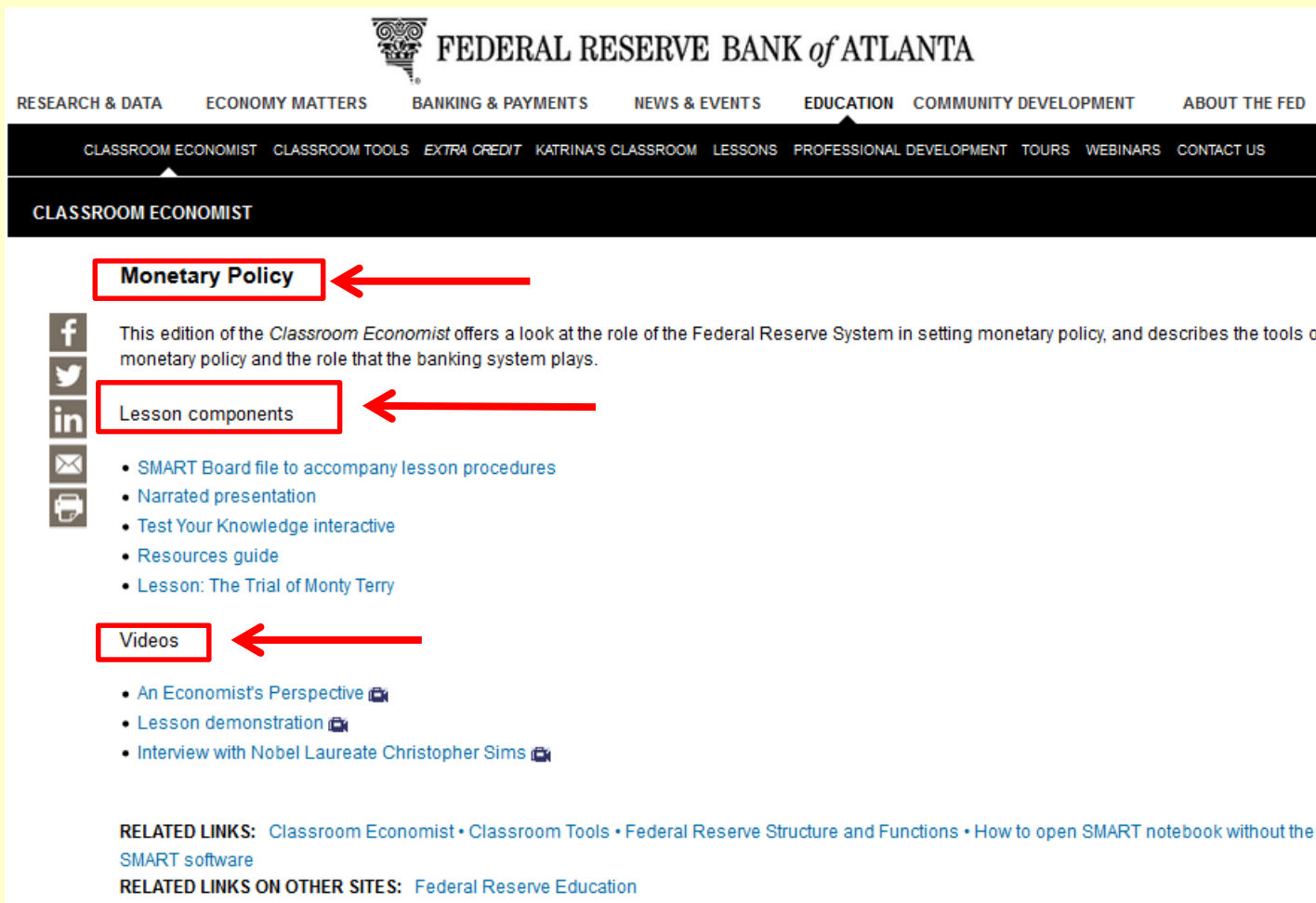
- Jordan's friends are amazed when they find out he has a summer job at a local fast-food restaurant. Most employers do not hire 14-year-olds, but Jordan got lucky.
Is Jordan **IN** or **OUT** of the labor force? _____ Explain your choice: _____

- Chloe sustained a serious knee injury two days ago while teaching her dance classes. She will not be able to go back to work for at least four weeks.
Is Chloe **IN** or **OUT** of the labor force? _____ Explain your choice: _____

- Alice joined the Marines after high school. In her new career, she enjoys training canine units to find explosives.
Is Alice **IN** or **OUT** of the labor force? _____ Explain your choice: _____

- Kory graduated from college last month. He has spent the last few weeks sending résumés to

Monetary Policy Module



The screenshot shows the Federal Reserve Bank of Atlanta's Classroom Economist website. The header includes the bank's name and a navigation menu with categories like Research & Data, Economy Matters, Banking & Payments, News & Events, Education, Community Development, and About the Fed. A secondary menu lists specific resources like Classroom Economist, Classroom Tools, Extra Credit, Katrina's Classroom, Lessons, Professional Development, Tours, Webinars, and Contact Us. The main content area is titled 'CLASSROOM ECONOMIST' and features a 'Monetary Policy' section highlighted with a red box and an arrow. Below this, there is a description of the module and a list of lesson components, also highlighted with a red box and an arrow. A 'Videos' section is highlighted with a red box and an arrow, listing three video resources. At the bottom, there are links for related content and other sites.

FEDERAL RESERVE BANK of ATLANTA

RESEARCH & DATA ECONOMY MATTERS BANKING & PAYMENTS NEWS & EVENTS EDUCATION COMMUNITY DEVELOPMENT ABOUT THE FED

CLASSROOM ECONOMIST CLASSROOM TOOLS EXTRA CREDIT KATRINA'S CLASSROOM LESSONS PROFESSIONAL DEVELOPMENT TOURS WEBINARS CONTACT US

CLASSROOM ECONOMIST

Monetary Policy

This edition of the *Classroom Economist* offers a look at the role of the Federal Reserve System in setting monetary policy, and describes the tools of monetary policy and the role that the banking system plays.

Lesson components

- SMART Board file to accompany lesson procedures
- Narrated presentation
- Test Your Knowledge interactive
- Resources guide
- Lesson: The Trial of Monty Terry

Videos

- An Economist's Perspective
- Lesson demonstration
- Interview with Nobel Laureate Christopher Sims

RELATED LINKS: [Classroom Economist](#) • [Classroom Tools](#) • [Federal Reserve Structure and Functions](#) • [How to open SMART notebook without the SMART software](#)

RELATED LINKS ON OTHER SITES: [Federal Reserve Education](#)

goo.gl/s8Fie1

Teaching
Fiscal and
Monetary
Policy



Princeton Williams

Federal Reserve Bank of Dallas

princeton.williams@dal.frb.org

A Day in the Life of the FOMC

An Inside Look at the Federal Reserve's Monetary Policymaking Body

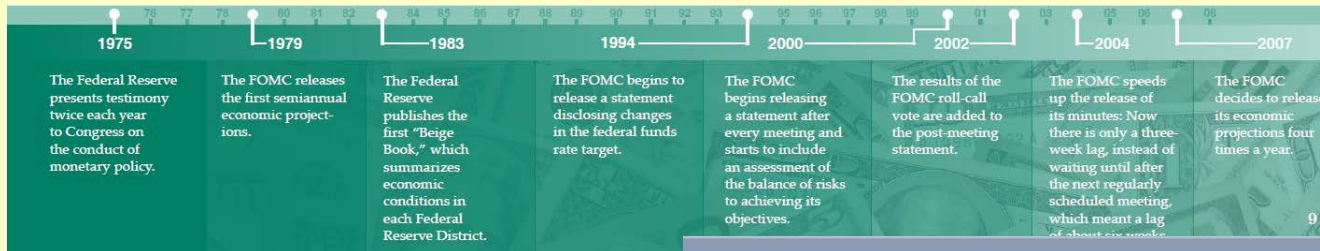


[https://www.philadelphiafed.org/education/teachers/resources/
day-in-life-of-fomc](https://www.philadelphiafed.org/education/teachers/resources/day-in-life-of-fomc)



*An inside look at the Federal Reserve's
monetary policymaking body*

Other Features



President Roosevelt signs the Banking Act of 1933

A Bit of Background: Monetary Policy

So, what is monetary policy? Simply put, it refers to the actions taken by the Fed to influence the supply of money and credit in order to foster price stability and maintain maximum sustainable economic growth, which are the key objectives established by Congress for monetary policymakers in the U.S. The Federal Reserve issues the nation's currency (Federal Reserve notes) and manages the amount of funds the banking system holds as reserves. Currency and reserves make up what is called the monetary base.

The Fed's instrument for implementing monetary policy is the FOMC's target for the federal funds rate

— the interest rate at which banks lend to each other overnight. By buying and selling U.S. government securities in the open market, the Fed influences the interest rate that banks charge each other. Movements in this rate and expectations about those changes influence all other interest rates and asset prices in the economy.



THE MONEY CIRCLE



- **Theme One: Money Fundamentals**
- Theme Two: Money Principles
- Theme Three: Money Management
- **Theme Four: Money Flow**

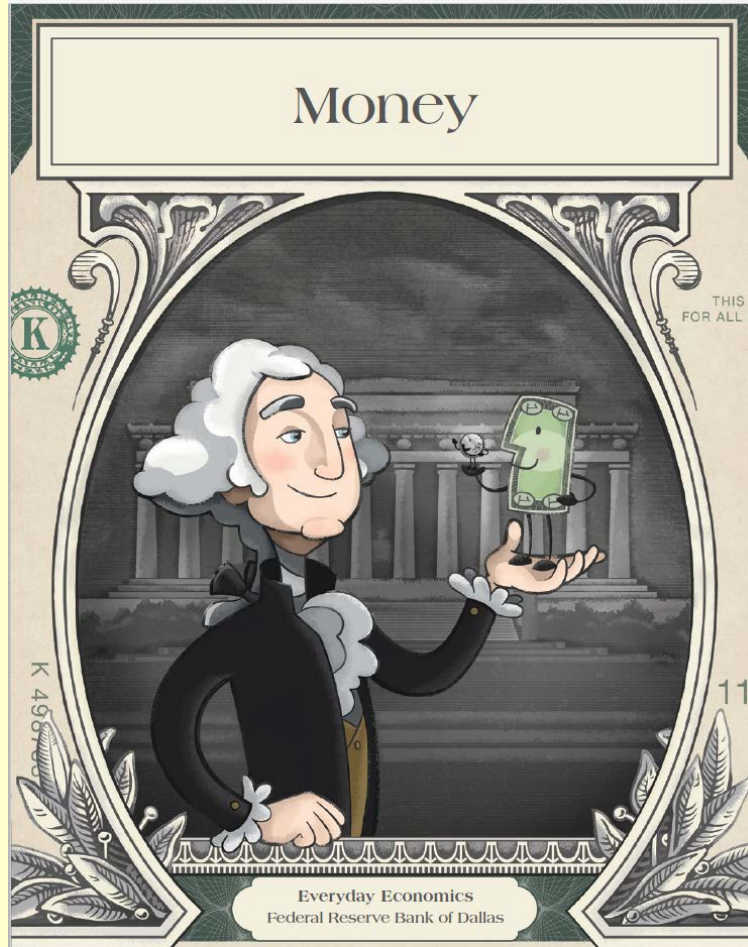
[https://www.kansascityfed.org/education/
resources/money%20circle](https://www.kansascityfed.org/education/resources/money%20circle)

THE MONEY CIRCLE



- Theme One: Money Fundamentals
 - Lesson One: Money is What Money Does
 - Lesson Two: Evolution of Money
- Theme Four: Money Flow
 - Lesson One Monetary Policy Basics
 - Lesson Two: The Economy and Me

Money is What Money Does



The Evolution of Money

American Currency Exhibit

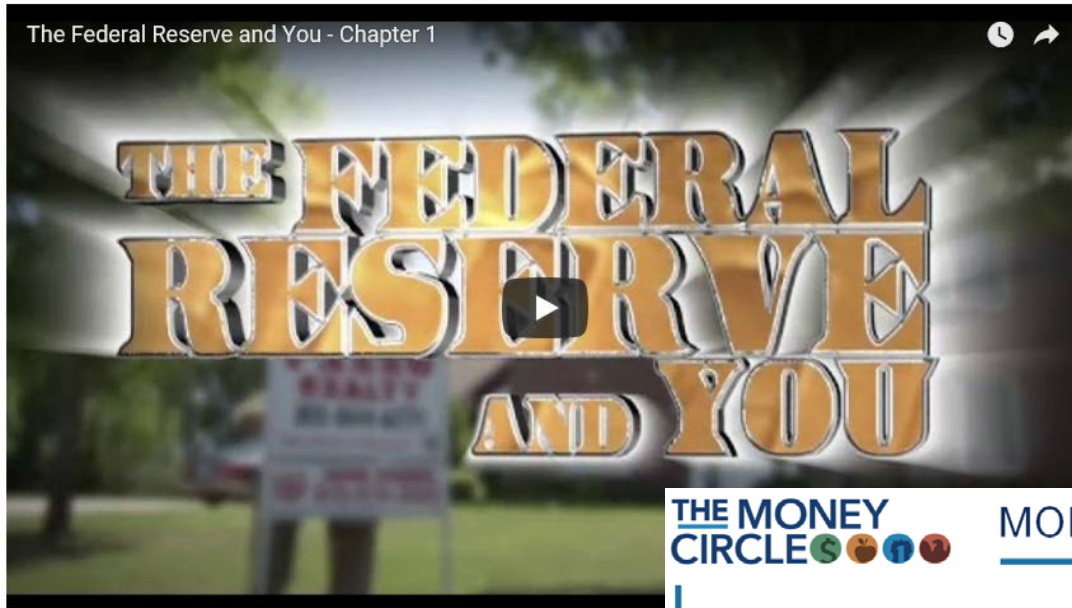


Explore the Federal Reserve Bank of San Francisco's American Currency Exhibit online, a truly priceless collection that brings history alive and shows you how currency actually shaped our country's history. View the [Showcase of Bills](#) to examine highlights from the collection. Tour the Exhibit Galleries to follow the historical evolution of U.S. currency and gain a fascinating, colorful, and reflective glimpse into the growth of our nation.

Monetary Policy Basics

The Federal Reserve and You, Version 2.0

The Federal Reserve and You - Chapter 1



ORDER THE DVD

THE MONEY
CIRCLE

MONETARY POLICY QUIZ

Choose a Question:

- | | | | | |
|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 |

The Economy and Me

The Fed Explains Inflation

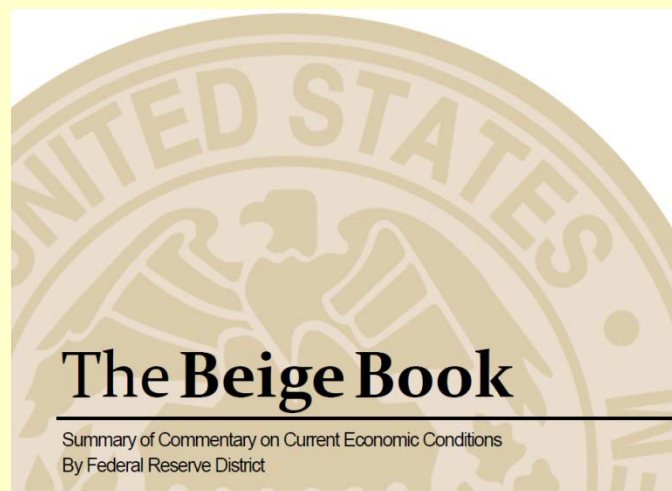
The first in the Atlanta Fed's video series on economic issues and the Federal Reserve focuses on inflation. In an engaging animated format, this brief video defines inflation and the price level and explains the difference between inflation and cost-of-living price increases.



Have you ever heard someone say "Back in my day, a gallon of gas cost a quarter!" Comparing today's prices with prices "back in the day" can be misleading. Both inflation and deflation between then and now have to be taken into account. Read the August 2013 issue to learn more about the effects



Making Sense of the Ups and Downs of Prices (Page One Economics)



Beige Book in the Classroom

Beige Book in the Classroom

Search Over 500+ Economic Education Resources

Resource by audience

Economic Education

Educators ▾

For Bankers

For Consumers

Money Museum Tour

Bite-Size Economics

Write and perform a rap highlighting one or two of the principles you've discussed from the Guide to Economic Reasoning. Give examples explaining the principles in your lyrics.

[View More Tips](#)

 **New Tip**

Eight times per year, the Federal Reserve issues The Summary of Commentary on Current Economic Conditions by Federal Reserve District, or the Beige Book, as it is more commonly known. The publication offers a snapshot of business conditions in each of the Fed's 12 regional Reserve Bank Districts. Students will participate in this project-based learning activity as they collect economic information to write their own Beige Book.

Beige Book in the Classroom Lesson

This lesson will introduce students to the Federal Reserve's Beige Book and explain to them how the report reflects economic conditions as perceived by local businesses and other contacts. Student groups will survey their community's businesses within their assigned economic sector, analyze their survey results, and develop their own Beige Book showing the economic conditions of their area.

- [Beige Book in the Classroom Lesson Plan](#)

Beige Book in the Classroom Handouts

- [Handout 3: Sector Survey Format](#)
- [Handout 5: Mock Data](#)

If students do not receive a strong response in a particular sector, the mock data may be used. Some of the data are completed surveys, while others are memos or emails that students need to decipher to complete the information for the survey. The mock data is based on real data that has been received to fill in gaps with few responses so that students have meaningful data.

- [Recent Beige Book Survey](#)

Beige Book in the Classroom Videos

Use these short videos by Maria Akers, associate economist at the Federal Reserve Bank of Kansas City, Omaha Branch. She discusses the importance of the survey and diffusion index.

<https://www.kansascityfed.org/education/resources/beige%20book%20in%20the%20classroom>

Exploring Economic Sectors

Exploring Economic Sectors

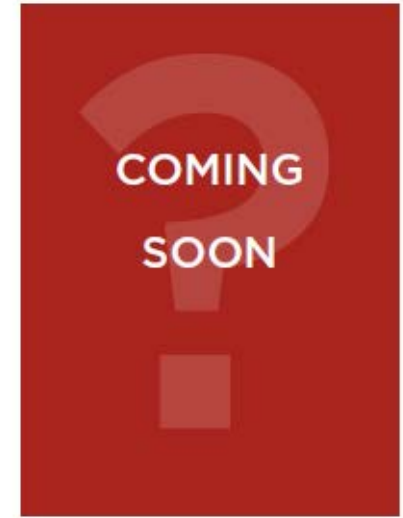
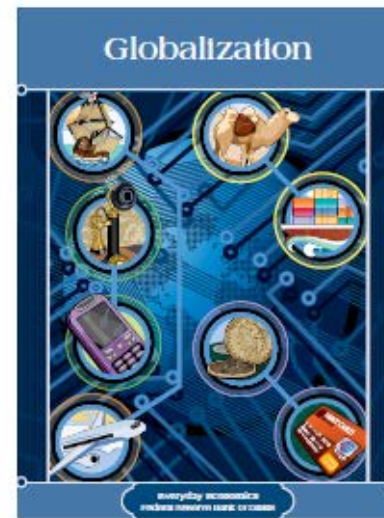
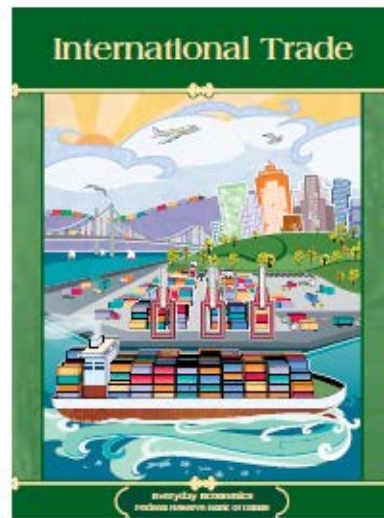
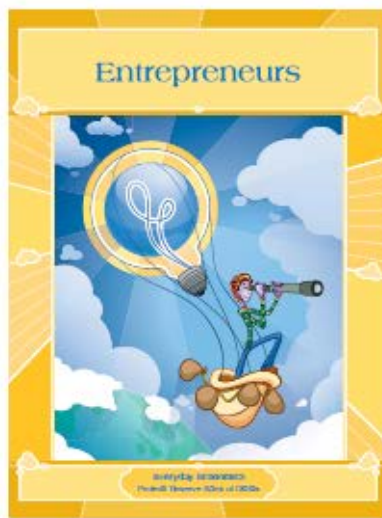
Students are introduced to the Federal Reserve's Beige Book and how this report assesses economic conditions in the U.S. by looking at changes in different economic sectors. Sector descriptions and discussion questions to apply information to students' everyday lives are included.

Grade levels:	9-12
Content keywords:	beige book, economic conditions, economy, sectors
Key Concepts:	Economics, Federal Reserve System
Resource type:	Lesson Plans
Time requirement:	30-60 minutes



<https://www.kansascityfed.org/education/resources/exploring%20economic%20sectors>

Everyday Economics



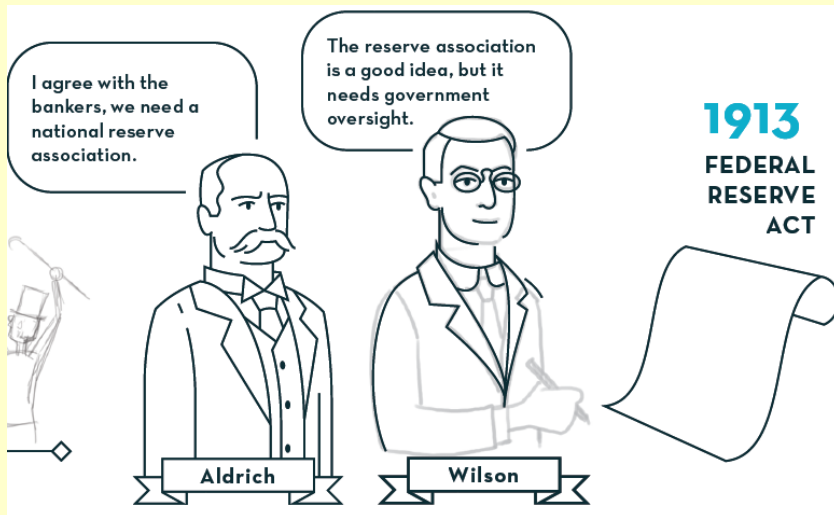
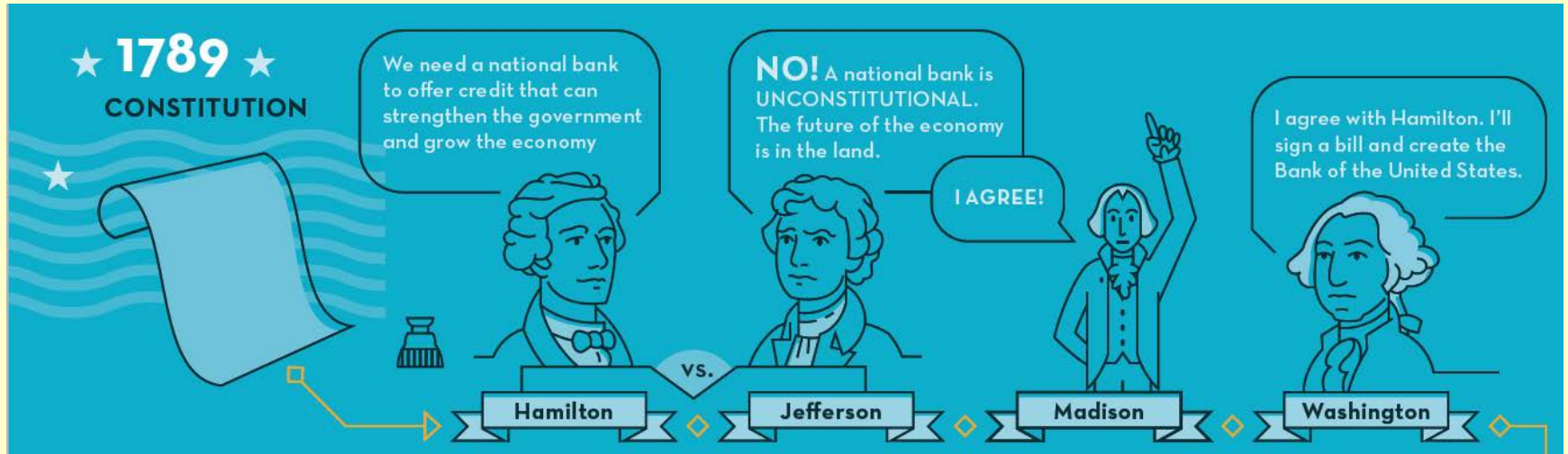
www.dallasfed.org/educate/everyday

Coming Soon...

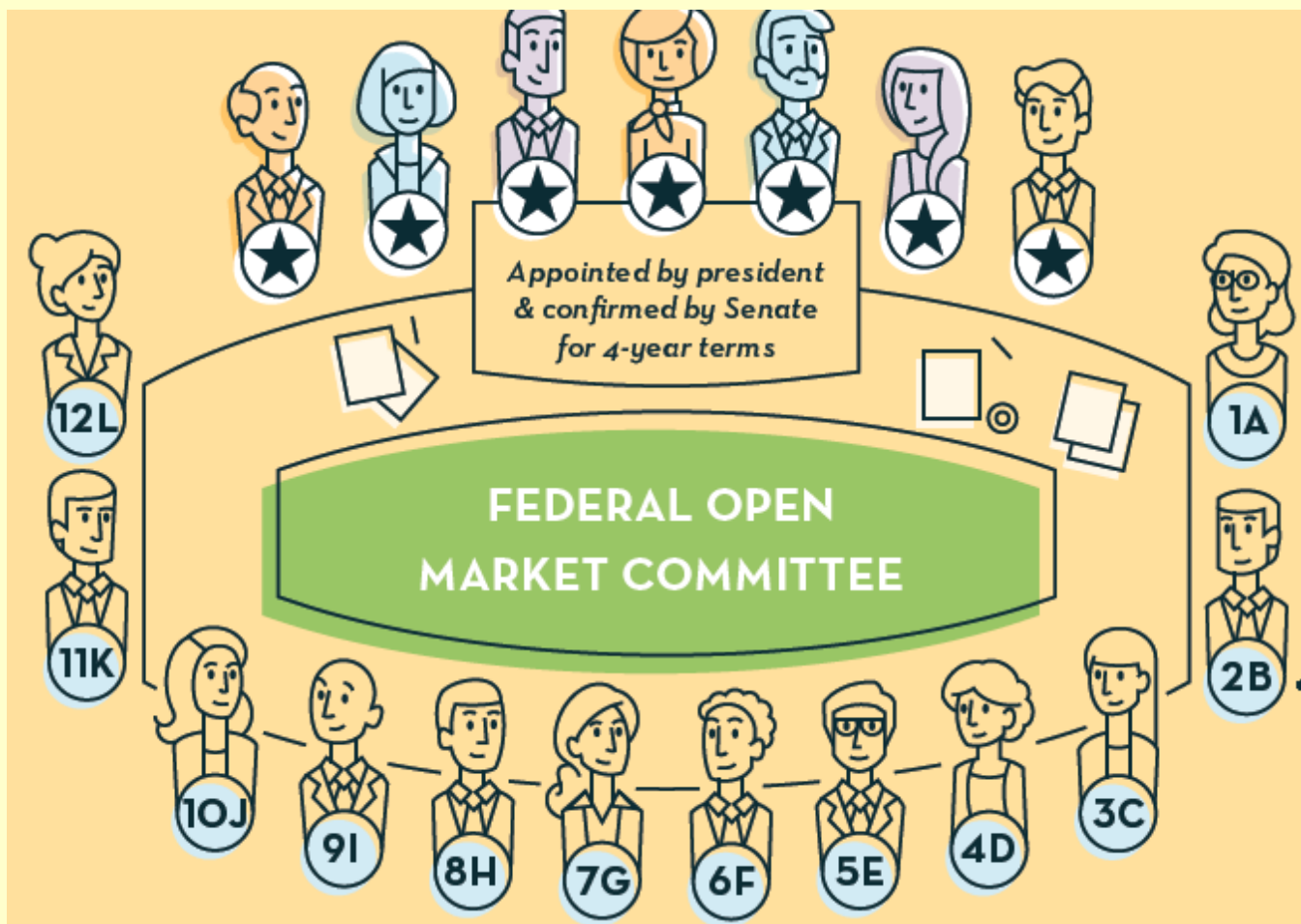
Everyday Economics: The Federal Reserve

- New publication will be available in late 2017
- Lesson plans will be available online
 - Fed 101
 - Take a Seat at the Table: An FOMC Simulation
 - Measuring the Economy: Inflation
 - Measuring the Economy: Unemployment
 - Measuring the Economy: GDP

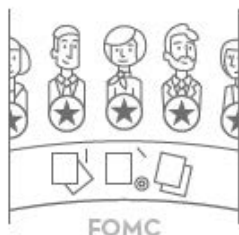
Everyday Economics: The Federal Reserve



Everyday Economics: The Federal Reserve



Open Market Operations

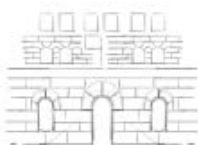


decides to increase availability of money and credit to boost spending in the economy.



FOMC

announces a reduction in the target federal funds rate and instructs the New York Fed to purchase government securities.



purchases government securities through its open market desk from approved primary dealers.



pays for securities by depositing money in the primary dealer's bank.



has new deposits and new reserves, so it can make more loans to businesses and individuals. With more loans available, interest rates fall.

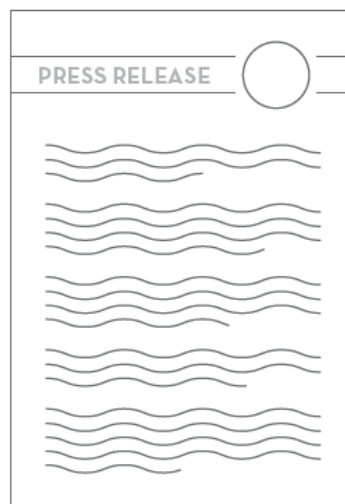


have new incentives to borrow and expand their business or make purchases.

Coming Soon...

FOMC Communications

(Need help with a name Maybe...Keeping the Public Informed?)



On Feb. 4, 1994, the FOMC issued its first statement about its monetary policy decision following a meeting. Today, the press release issued following a regular FOMC meeting usually contains:

— A summary of the committee's view of economic conditions

— An assessment of the risks to stable prices and maximum employment observed in the economy

— A specific target for the federal funds rates, along with any change from the previous target

— Information about the factors that could cause the committee to make future changes to the target rate

— A record of the vote of the committee, along with information about dissenting votes

Besides the press release, the FOMC posts minutes three weeks after its meetings. Transcripts and other materials are released after five years.

Questions?

- Type your question in the field in the lower left corner of the webinar page and click the “Ask” button.

