Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Monetary Policy/Federal Reserve**

**Read the article about the Federal Reserve’s latest Monetary Policy:**

<http://www.nytimes.com/2015/12/17/business/economy/fed-interest-rates.html>

**Answer the following questions**

1. What did the Federal Reserve do with interest rates?
2. Who is Janet Yellen?
3. Why did the Federal Reserve take this action (what does this say about their opinion of the current economy)?
4. Why was the Federal Reserve keeping the interest rates low since the last recession?
5. Typically, the Federal Reserve only raises interest rates if there is high inflation, but we don’t currently have high inflation. What did Janet Yellen say about this?
6. In economics, there is always an uncertainty about the results of any intervention in the economy. Explain the two dangers the Fed is trying to “tiptoe” between.
7. What does Bernie Sanders say about the Fed’s decision?
8. What does Republican Jeb Hensarling say about the Fed’s past practice of keeping interest rates low?
9. What will the nation’s largest bank do with interest rates on loans? What will it do with interest on savings accounts?
10. Draw the Macro graph that represents what could happen if the Federal Reserve raises interest rates too high.
11. Create a clever hashtag # regarding the Fed’s decision to raise interest rates. (#FedRaisesRates is not creative).