

Name _____

Economics

Unit 7 –Government’s Role in the Economy

The Fed’s Current Monetary Policy

Assignment: Research the Fed’s current use of its monetary policy tools (buying/selling bonds, reserve requirement, discount rate) to determine their current stance on monetary policy.

Part 1: Research the Federal Open Market Committee’s operations as they relate to buying and selling bonds

Using the [Monetary Policy News Releases](#) link

<http://www.federalreserve.gov/newsevents/press/monetary/2015monetary.htm>

find and open the most recent FOMC Statement.

1. Is the FOMC currently buying or selling securities? In what quantity (total dollar amount)?

Part 2: Research the current Reserve Requirement

Using the [Reserve Requirement](#) link

<http://www.federalreserve.gov/monetarypolicy/reservereq.htm>

research the current Reserve Requirement.

2. What is the current Reserve Requirement (use the percentage for deposits over \$79.5 million)?

Part 3: Research the Discount Rate

Using the [Fed Discount Window](#) link <https://www.frbdiscountwindow.org/Home>

research the current Discount Rate.

3. What is the Fed’s current Interest Rate for Primary Credit?

Part 4: Evaluate of the Fed’s current stance on monetary policy

4. Based on the Fed’s current actions/stance on buying/selling government securities (bonds), the reserve requirement, and the discount rate, is the Fed’s current stance on monetary policy **TIGHT** or **LOOSE**?