Overview:
Students will examine datasets to see how the Fed uses interest rates to fulfill its dual mandate.

Length:
One class.

Materials:
- [What Is a Central Bank and What Does It Do For You? (World101)](#)
- [Federal Reserve Economic Data (FRED) website](#)

Instructional Plan
1. Review with students the Fed's dual mandate (low inflation and low unemployment) and the tools at their disposal (mainly increasing or shrinking the money supply to manipulate the federal funds rate).
2. Show students data charts related to the Fed's mandate:
    - [Unemployment](#)
    - [Inflation](#)
3. Ask students to examine the graphs and predict when in the past the federal funds rate was raised or lowered. (Keep them focused on when and in which direction the rate was changed, not on whether it was high or low.)
4. Have students examine the chart of the [federal funds rate](#) (note that this is the actual rate, not the target rate set by the Fed). Do their predictions match the actual rate trends?

Extension and Additional Resources:
The FRED website has datasets for a number of other things discussed in the module, including the reserve requirement, personal savings rate, GDP growth, and the discount rate.