The Federal Reserve System (The FED)

Fed Targets
1. Growth
2. Employment
3. Inflation
4. Stability

Taylor’s Rule

Money Supply
M1, M2, Loans.

Interest Rates
and
Spending Levels

Interest Rates
and
Spending Levels

Banks

The Federal Reserve System (The FED)

Asset Markets

Government Spending
Exports/Imports
Labor Markets
Productivity

Economy
1. Output
2. Prices
3. (Un)Employment
4. Interest rates
5. Exchange Rates
6. Growth
7. Inflation

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Money and Banking
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