

Your Connection to the Economy and the Federal Reserve Infographic Activity

Did you know households generate nearly 70 percent of economic activity in the United States? That means people like you have an important role to play in keeping our economy healthy. The Federal Reserve System has an important role, too. As the decentralized, central bank of the United States, the Fed fosters economic conditions to help your household thrive. In this activity, you will explore the interdependent relationship between households and the Federal Reserve as illustrated by the Richmond Fed's [new infographic](#), Your Connection to the Economy and the Federal Reserve.

A. Analyzing your role in the economy

The infographic illustrates eight different roles most individuals in an economy play. In each circle below, give a personal example of how you play the role. If you do not have an example from the past, use something you plan to do in the future.

BUY: What have you purchased recently?	SELL: What have you sold to someone else?	SAVE: How much have you saved? For what did you save? Where did you keep your savings?	BORROW: How much have you borrowed and for what? From whom did you borrow?
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WORK: Where have you worked? What did you do?	BILLS: What bills have you paid? To whom did you pay them?	DECISIONS: What major financial decisions have you made?	VOTING: What opportunity to vote for a person or a policy had an economic effect on you?
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Think about all the ways you are involved in the economy. How does your participation in these activities affect other people in your community? Give at least two examples and explain your answer.

B. Correlating the work of the Fed to your role in the economy

The Fed has three primary functions in the economy: conducting monetary policy (MP), supervising and regulating financial institutions (SR), and providing payment services (PS). For each of the roles you identified in part A., write the function of the Federal Reserve you think would affect that role. If you think the Fed would have no effect on a particular role, use (NA).

<p>Your Role</p> 	<p>Fed Function Affecting This Role</p> 	<p>Explain</p>
Buying things		
Selling things		
Saving money		
Borrowing money		
Working		
Paying bills		
Making major financial decisions		
Voting		

C. Differentiating between independence and accountability

The Federal Reserve is unique among the central banks of the world. Its design allows it to be independent within, yet accountable to, the government. Using the infographic, explain in few sentences how the Fed maintains its independence while still being subject to government oversight.

 <p>In what ways is the Fed independent from the U.S. government?</p>	
 <p>In what ways is the Fed accountable to the U.S. government?</p>	