**Video Title:** How the Federal Reserve works

**Video URL:** [http://content.time.com/time/video/player/0,32068,57544286001\_1948059,00.html](http://content.time.com/time/video/player/0%2C32068%2C57544286001_1948059%2C00.html)

**Running Time/Source:** 3:37, Time/Vimeo

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This video overviews the Federal Reserve (Fed). The Fed creates money, regulates financial institutions, and influences our economy. The Fed’s most important job is to preserve the value of dollar. It also has twin mandates to keep inflation down and keep employment up. The New York Fed buys and sells bonds from banks to control the money supply in the economy. It can raise or lower interest rates to affect business activity. Lately, interest rates are near zero so there is not much for the Fed to do with interest rates.

Questions:

1. What does the Fed do?
2. What is its number one role?
3. What else does the Fed do?
4. What does the New York Fed do?
5. How can it affect business activity?
6. What are interest rate levels lately?