

SOL 13d

- The student will demonstrate knowledge of the role of government in the United States economy by explaining how the Federal Reserve System acts as the nation's central bank.

SOL CE.13d

- What is the role of the Federal Reserve System?

Guiding Question

- The Federal Reserve System is our nation's central bank.
- The Federal Reserve is commonly referred to as "the Fed"
- It is made up of 12 federal banks and 25 branches.

The Federal Reserve

- Act's as the Government's bank
 - The Fed issues "currency" of the paper money and coins, and it holds deposits for the government.
- Regulates Banks
 - Acts as the banks for other banks; most banks within the US are members of the Federal Reserve System
 - Set's the "reserve requirement," or the amount of deposits set aside for reserve.

Responsibilities of THE FED

- Manages the Money Supply
 - "Money supply," or the amount of money in the economy
 - Helps to manage and keep inflation under control by controlling the money supply (Remember Government Borrowing!)
- Maintains the Value of the Nation's Currency
 - By controlling inflation, the Fed maintains the value, or the worth, of the dollar
 - The Fed uses interest rates to keep inflation under control
 - **Raising** interest rates **slow** the economy
 - **Lowering** Interest rates **speeds** up the economy

Responsibilities of THE FED

SOL 13e

- The student will demonstrate knowledge of the role of government in the United States economy by describing the protection of consumer rights and property rights.

SOL CE.13e

- What is the role of the United States government in protecting consumer rights and property rights?

Guiding Question

- Private Property – property owned by an individual and not the government. Government protect private ownership from theft and damages by enforcing contracts and laws.
- Contract – a legal agreement between two or more people. Contains a promise to take or not take certain actions.
- Product recall – an order for manufacturers (producers) to call back products back from consumers and repair or replace it.

Vocab

- The United States government passes laws and creates agencies to protect consumer rights and property rights.
- The Food and Drug Administration (FDA)
- Consumer Product Safety Commission (CPSC)
- National Highway Traffic Safety Administration (NHTSA)

Agencies that Protect Consumers

- The FDA makes sure that foods, cosmetics, and drugs are safe and labeled correctly.
- It requires new medicines to be tested before they go to market.
- If a business does not follow safety laws, the FDA can take it to court (**LEGAL ACTION**)

Food and Drug Administration

- The CPSC makes safety rules for products such as toys, tools, children's clothes, and household appliances.
- CPSC rules ensure that clothing and other goods are unlikely to catch fire and injury consumers.
- The CPSC can ban hazardous products or order the manufacturer to recall them

**Consumer Product Safety
Commission**

- The NHTSA sets safety standards for cars.
- It requires car makers to install safety features such as air bags and seat belts.
- If a vehicle has safety problems, the NHTSA can order the manufacturer to recall and repair the vehicle.

**National Highway Traffic Safety
Administration**

- The FTC (Federal Trade Commission) helps protect consumers and promote free and fair trade.
- The FTC is a government agency that protects consumer rights!

Remember!

- The solution that has the biggest impact if a consumer's rights have been violated is taking legal action.
- Taking legal action means going to court.
- You have to follow what the court decides so it has the biggest impact.

Legal Action

- Private property is property owned by individuals and not the government.
- The government passes laws to protect property rights.
- The government protects property rights by enforcing contracts.

Private Property