

Macroeconomics Aligned to Econlowdown

Percentage Goals of Exam

Content Area (multiple-choice section)

I. Basic Economic Concepts (8–12%)

A. Scarcity, choice, and opportunity costs

Page One Economics Classroom Edition- Choices Are Everywhere: Why Can't We Just Have it All?

As the Rolling Stones song says, "You can't always get what you want." So we make choices. Every day, governments and individuals choose how much money to spend and what to purchase. The January 2013 issue discusses opportunity costs and scarcity and how they effect our spending decisions.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/choices-are-everywhere-why-cant-we-just-have-it-all>

Volume 1, Episode 1 (5:43)

In this first episode of *The Economic Lowdown*, we will introduce three topics in economics: choice, scarcity and opportunity cost.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-1-opportunity-cost>

In **under 12 minutes**, your students can complete this course which points to an important concept in economics—**every choice we make has a cost**—an opportunity cost. Some costs are small and relatively short-term. Others are significant. Recognizing the opportunity costs of your decisions can help you make more informed choices. This short course is designed to help you apply the idea of opportunity cost to the decisions you make.

To register your students for one or more of our online courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/opportunity-cost-online-course-for-teachers-and-students>

B. Production possibilities curve

Students develop the production possibilities frontier model while discussing the value of models in general in explaining complex ideas. They see what movement along the production possibilities curve entails—on both the constant-cost curve and a bowed curve indicating increasing costs. They discuss ways a society can consume beyond the limits of its production

possibilities through specialization and trade, as well as through an increase in resources, capital investment, and technological advance.

[lesson](#) (.pdf)

[SMART/.notebook](#)

[lesson](#) (.pdf)

[PowerPoint](#)

<https://www.stlouisfed.org/education/production-possibilities>

C. Comparative advantage, specialization, and exchange

This series of slides presents the production possibilities frontiers for Alphatown and Omegaville and illustrates their comparative advantage in the production of apples and potatoes, leading to specialization and trade.

[whiteboard](#) (SMART/.notebook)

<https://www.stlouisfed.org/education/comparative-advantage>

In this course, you will meet Jack Of All Trades, a most awesome superhero. In all tasks, Jack can do everything better and faster (he has absolute advantage), but does that mean he must do everything while the rest of the people stand around helplessly? Find out if justice is served when a formerly idle citizen, Andy, wades through the depths of opportunity cost and the benefits of comparative advantage.

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/comparative-advantage-online-course-for-teachers-and-students>

Page One Economics Classroom Edition- Is a Strong Dollar Better than a Weak Dollar?

"Strong" is usually preferred over "weak." But for the value of a country's currency, it's not that simple. "Strong" isn't always better, and "weak" isn't always worse. Learn more about foreign exchange rates in the March 2015 newsletter—"Is a Strong Dollar Better than a Weak Dollar?"

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/is-a-strong-dollar-better-than-a-weak-dollar>

Page One Economics Classroom Edition- The Global Economy: It's a Small World After All

To understand why people trade, suppose you were limited to consuming only items you could find within walking distance of your house. Or, perhaps even worse, only items you could produce yourself. For most of us, this restriction would severely diminish the variety of goods

and services we enjoy on a daily basis. Therefore, the simplest answer to the question is that people (or entire countries) trade because they will enjoy a wider variety of goods.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/the-global-economy-its-a-small-world-after-all>

D. Demand, supply, and market equilibrium

Volume 1, Episode 6 (6:57)

The sixth podcast in this series examines the law of demand. Those who love candy bars will find this lesson especially easy to digest. A demand curve is simply defined, as are the sorts of changes that might affect that curve—all in less than seven minutes.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-6-demand>

In the second episode of the Economic Lowdown Video Series, economic education specialist Scott Wolla explains the concept of demand. Viewers will learn how a change in the price of a good affect the quantity of the good consumers will buy and how changes in market conditions affect the demand for a good.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-2-demand>

Upon completion of this lesson, students will be able to list the determinants of demand and supply, recognize which factors will cause demand curves or supply curves to shift, determine equilibrium using a demand/supply graph, and show the effects on price and quantity when equilibrium changes. From the *Inside the Vault* article, "[What Is Driving Oil Prices?](#)"

<https://www.stlouisfed.org/education/oil-prices-demand-and-supply>

Students create a graph of gasoline supply and demand and identify the market-clearing price, then graph a decrease in demand for gasoline and a decrease in supply of gasoline to understand how those factors affect prices. From the *Inside the Vault* article, "[Why Do Gasoline Prices React to Things That Have Not Happened?](#)"

<https://www.stlouisfed.org/education/shifting-curves-demand-and-supply-shifts-in-the-gasoline-market>

This series of slides aids students in reviewing the determinants of supply and demand, provides an exercise for them to choose which of the curves shift and why, and allows them to determine which curve will shift given a market event.

<https://www.stlouisfed.org/education/supply-and-demand>

Volume 1, Episode 7 (6:17)

The seventh episode of our podcast series discusses the supply side of the market - the law of supply, slope of the curve and the difference between a change in supply and a change in quantity supplied.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-7-supply>

Economic Education Specialist, Scott Wolla, explains the concept of supply in the first episode of the Economic Lowdown Video Series. Students will learn how changes in the price of a good affect the quantity of the goods produced and how changes in market conditions will affect the supply curve.

<https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-1-supply>

Volume 1, Episode 8 (8:08)

The eighth episode of our podcast series answers a crucial economic question: Where do prices come from? Listeners discover that supply and demand work together like the two blades of a scissors to determine the market equilibrium - and the prices of the things you buy.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-8-market-equilibrium>

In the third episode of the Economic Lowdown Video Series, economic education specialist Scott Wolla explains the concept of equilibrium. Viewers will get a refresher on the laws of supply and demand before they learn about market equilibrium - the point at which there is no shortage or surplus of a good or service.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-3-equilibrium>

E. Macroeconomic issues: business cycle, unemployment, inflation, growth

Volume 1, Episode 13 (9:35)

GDP data are among the most important economic data available for measuring economic growth, but measuring the output of a large, dynamic economy is a complex task. In this [Economic Lowdown podcast](https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-13-gross-domestic-product), hear what GDP measures, how it is calculated, how it is useful in determining whether and how quickly the economy is growing, and how GDP can be used as indicator of standard of living.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-13-gross-domestic-product>

GDP data are among the most important economic data available for measuring economic growth, but measuring the output of a large, dynamic economy is a complex task. In the seventh episode of the [Economic Lowdown Video Series](https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-7-gross-domestic-product), economic education specialist Scott Wolla explains what GDP measures, how it is calculated, how it is useful in determining whether and how quickly the economy is growing, and how GDP can be used as indicator of standard of living.

To provide students with online questions following each video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-7-gross-domestic-product>

How is the total value of all the goods and services produced in a country's economy measured? Gross domestic product (GDP) is one common and fairly comprehensive measure. The May 2013 issue explains GDP components and how GDP is calculated. It also describes what GDP does—and does not—measure.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/gdp-does-it-measure-up>

Volume 1, Episode 5 (9:02)

The fifth episode covers the basics of unemployment—how it is defined, how it is measured, and how it is categorized into three types. A "gameshow" quiz winds up the nine-minute lesson.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-5-unemployment>

How do we know how many people are unemployed? Why are they unemployed? What can be done to get people back to work? Students get the answers to these and other questions in The Story of Unemployment, including why education might be the best way to avoid unemployment in their futures.

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/the-story-of-unemployment-online-course-for-teachers-and-students>

In this lesson, students read and interpret choropleth maps, which contain unemployment data. They compare verbal descriptions of the labor market from the Federal Reserve's [Beige Book](#) with the mapped data. In addition, students compare unemployment data for different years. Students access or observe how to access this data online, using [GeoFRED®](#).

<https://www.stlouisfed.org/education/what-is-unemployment-how-is-it-measured-and-why-does-the-fed-care>

Why Scarce Resources Are Sometimes Unemployed (Page One Economics Classroom Edition)

The unemployment rate always seems to be in the news, but did you know there are different kinds of unemployment? There is the natural rate of unemployment; cyclical, frictional, and structural unemployment; plus underemployment. Read the October 2013 issue to learn the differences.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/why-scarce-resources-are-sometimes-unemployed>

Take a look at the St. Louis Fed's Econ Ed Mobile Learning app for the iPad, iPhone and iPod Touch. The app allows you to visualize and understand how inflation and the cost of credit can affect your spending and saving decisions. What you find may surprise you!

As you may have learned, economics is all about making wise choices as citizens, workers and consumers.

<https://www.stlouisfed.org/education/econ-ed-mobile-learning-app>

Volume 1, Episode 4 (8:18)

The fourth episode of our podcast series, *The Economic Lowdown*, discusses three aspects of inflation: what it is, what causes it and how it is measured. The episode also addresses related topics such as deflation, disinflation and the role of the Federal Reserve in monitoring inflation.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-4-inflation>

A lesson on measures of inflation to be used in conjunction with [FRED® \(Federal Reserve Economic Data\)](#), a database of thousands of U.S. and international economic time series.

<https://www.stlouisfed.org/education/fred-in-the-classroom-measures-of-inflation>

Making Sense of the Ups and Downs of Prices (Page One Economics Classroom Edition)

Have you ever heard someone say “Back in my day, a gallon of gas cost a quarter!” Comparing today’s prices with prices “back in the day” can be misleading. Both inflation and deflation between then and now have to be taken into account. Read the August 2013 issue to learn more about the effects of inflation on prices.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/making-sense-of-the-ups-and-downs-of-prices>

What impact does inflation have on saving? Would you prefer that your friend repay you the \$50 he owes you today or a year from today? To make an informed decision, you need an understanding of inflation.

To register your students for one or more of our online courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/inflation-online-course-for-teachers-and-students>

Students will compare the price of goods from one time period to another and through discussion and role play interpret the effects of inflation on consumers. They will categorize goods and services according to the eight major groups of the consumer price index and be able to determine the difference between the Consumer Price Index (CPI) and the core CPI.

<https://www.stlouisfed.org/education/market-basket>

Money and Inflation: A Functional Relationship (*Page One Economics Classroom Edition*)

They say that "money makes the world go round." Just imagine a world without money as our method of payment for everyday transactions. Without money, we would all need to barter for necessary goods and services. For example, suppose an accountant needs to have her car fixed. Under a barter system, she would have to find someone who needed some tax advice in exchange for car repairs. The search to find a barter partner is time consuming and wasteful. Money solves this problem and many others. Read more about the three main functions of

money and the damaging effects of too much inflation on these functions in the March 2013 issue.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/money-and-inflation-a-functional-relationship>

In this course, superhero Jack of All Trades and his sidekick Andy are confronted by a villain that threatens to disrupt society and rob the world of the certainty people have come to expect. And this dastardly villain is...Inflation. Jack and Andy time travel to the period known as The Great Inflation to discover the truth about inflation. With the help of Dr. Equilibrium, professor of economics, they learn that inflation is the result of too much money chasing too few goods and that the Federal Reserve System plays a key role in maintaining stable prices.

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/the-great-inflation-online-course-for-teachers-and-students>

The Great Inflation: A Historical Overview and Lessons Learned (*Page One Economics Classroom Edition*)

All inflation isn't bad—a moderate amount can signal a healthy economy. But high inflation, such as that during the Great Inflation, can lead to a vicious cycle where expectations of higher inflation lead to further increases in the price level. Read the October 2012 issue to find out what caused the Great Inflation, how tough (and painful) policy brought it to an end, and two key lessons learned.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/the-great-inflation-a-historical-overview-and-lessons-learned>

The Output Gap: A “Potentially” Unreliable Measure of Economic Health? (*Page One Economics Classroom Edition*)

The output gap is one (of many) economic indicators used by economists to measure the strength of the economy. What exactly is the output gap, and how accurately does it predict the state of the economy? Read the November 2012 issue for an explanation of the output gap and answers to these questions.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/the-output-gap-a-potentially-unreliable-measure-of-economic-health>

Volume 1, Episode 15 (12:39)

Have you encountered mobile payment systems like mobile credit card readers? Pretty cool—and this kind of innovation can be good for the economy. From micro to macro, in this episode

of [The Economic Lowdown Podcast Series](#), we'll take a look at economic growth—how innovation and technological progress can make things happen for the economy over time by organizing the factors of production to be, well, more productive.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-15-economic-growth>

Fractile versus Equal

Students work with data that represent the ages of 24 people to learn the difference between categorizing data in fractile intervals and equal intervals. Students discuss dividing bonus points among class members to understand what per capita means. Then students look at per capita personal income by state using the [GeoFRED®](#) mapping tool. They compare per capita personal income displayed with data in equal intervals and with data in fractile intervals.

<https://www.stlouisfed.org/education/fractile-v-equal>

What Are the “Ingredients” for Economic Growth? (*Page One Economics Classroom Edition*)

Is there a recipe for economic growth? Perhaps some Miracle-Gro for the economy? If only it were that easy. While the exact recipe is a mystery, economists have identified some of the key ingredients. The September 2013 issue discusses the role that economic institutions play in fostering long-term economic growth.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/what-are-the-ingredients-for-economic-growth>

Students will compute real Gross Domestic Product (GDP) and GDP per capita for three fictional countries. The Index of Economic Freedom will be used to compare and contrast the relationship between the degree of a country's economic freedom and the total output of that country and its standard of living. From the *Inside the Vault* article, "[Which Came First - Democracy or Growth?](#)"

<https://www.stlouisfed.org/education/which-came-first-democracy-or-growth>

II. Measurement of Economic Performance (12–16%)

A. National income accounts

1. Circular flow

In the sixth episode of the [Economic Lowdown Video Series](#), economic education specialist Scott Wolla explains the circular flow model. Viewers will learn how households and businesses interact in the market for resources and in the market for goods and services, and see how money keeps the whole process moving.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/economic-lowdown-video-series/episode-6-circular-flow>

2. Gross domestic product

“Dewey Defeats Truman”: Be Aware of Data Revisions (*Page One Economics Classroom Edition*)

The famous "Dewey Defeats Truman" headline illustrates the importance of timely and accurate data. Agencies that compute economic indicators for the \$14 trillion U.S. economy face a tough challenge: providing up-to-the minute results and ensuring the reliability of the data. This issue explains why there is often a trade-off between these two factors and discusses the importance of data revision.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/dewey-defeats-truman-be-aware-of-data-revisions>

Volume 1, Episode 13 (9:35)

GDP data are among the most important economic data available for measuring economic growth, but measuring the output of a large, dynamic economy is a complex task. In this [Economic Lowdown podcast](#), hear what GDP measures, how it is calculated, how it is useful in determining whether and how quickly the economy is growing, and how GDP can be used as indicator of standard of living.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-13-gross-domestic-product>

A lesson on the U.S. deficit, debt and debt to GDP ratio to be used in conjunction with [FRED® \(Federal Reserve Economic Data\)](#), a database of thousands of U.S. and international economic time series.

<https://www.stlouisfed.org/education/fred-in-the-classroom-debt-and-deficit>

GDP and Pizza: Economics for Life is designed to help students in civics, economics and other social studies classes grasp the challenging economic content—and to explain why these topics are important for citizens to understand.

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/gdp-and-pizza-online-course-for-teachers-and-students>

3. Components of gross domestic product

4. Real versus nominal gross domestic product

B. Inflation measurement and adjustment

1. Price indices

Students will compare the price of goods from one time period to another and through discussion and role play interpret the effects of inflation on consumers. They will categorize goods and services according to the eight major groups of the consumer price index and be able to determine the difference between the Consumer Price Index (CPI) and the core CPI.

<https://www.stlouisfed.org/education/market-basket>

2. Nominal and real values

Volume 1, Episode 14 (11:14)

Do you know the difference between nominal and real interest rates? If you're not sure, then it's time to "get real" about interest rates. In this episode of [The Economic Lowdown Podcast Series](#), you will learn how inflation influences the real return on your deposits, how it impacts borrowers and lenders differently, and why price stability—a responsibility of the Federal Reserve System—is important.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-14-getting-real-about-interest-rates>

3. Costs of inflation

C. Unemployment

1. Definition and measurement

Deflation: Who Let the Air Out? (*Page One Economics Classroom Edition*)

Inflation, deflation, disinflation. They affect the prices of everything we buy. To find out how and what's happening in today's economy, see the February 2011 issue.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/deflation-who-let-the-air-out>

Have you ever heard someone say "Back in my day, a gallon of gas cost a quarter!" Comparing today's prices with prices "back in the day" can be misleading. Both inflation and deflation between then and now have to be taken into account. Read the August 2013 issue to learn more about the effects of inflation on prices.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/making-sense-of-the-ups-and-downs-of-prices>

A lesson on employment and the labor force to be used in conjunction with [FRED® \(Federal Reserve Economic Data\)](#), a database of thousands of U.S. and international economic time series.

<https://www.stlouisfed.org/education/fred-in-the-classroom-employment-and-the-labor-force>

2. Types of unemployment

Volume 1, Episode 5 (9:02)

The fifth episode covers the basics of unemployment—how it is defined, how it is measured, and how it is categorized into three types. A "gameshow" quiz winds up the nine-minute lesson.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-5-unemployment>

How do we know how many people are unemployed? Why are they unemployed? What can be done to get people back to work? Students get the answers to these and other questions in [The Story of Unemployment](#), including why education might be the best way to avoid unemployment in their futures.

<https://www.stlouisfed.org/education/the-story-of-unemployment-online-course-for-consumers>

Volume 1, Episode 5 (9:02)

The fifth episode covers the basics of unemployment—how it is defined, how it is measured, and how it is categorized into three types. A "gameshow" quiz winds up the nine-minute lesson.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-5-unemployment>

3. Natural rate of unemployment

Why Scarce Resources Are Sometimes Unemployed(*Page One Economics Classroom Edition*)

The unemployment rate always seems to be in the news, but did you know there are different kinds of unemployment? There is the natural rate of unemployment; cyclical, frictional, and structural unemployment; plus underemployment. Read the October 2013 issue to learn the differences.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/why-scarce-resources-are-sometimes-unemployed>

III. National Income and Price Determination (10–15%)

A. Aggregate demand

1. Determinants of aggregate demand

2. Multiplier and crowding-out effects

Crowding Out

Students learn that the loanable funds market is a virtual clearing house matching borrowers and savers. They participate in an activity to demonstrate crowding out in the loanable funds market. They use demand and supply analysis to graphically represent the results of crowding out.

<https://www.stlouisfed.org/education/crowding-out>

B. Aggregate supply

1. Short-run and long-run analyses

2. Sticky versus flexible wages and prices

3. Determinants of aggregate supply

C. Macroeconomic equilibrium

1. Real output and price level

2. Short and long run

3. Actual versus full-employment output

4. Business cycle and economic fluctuations

IV. Financial Sector (15–20%)

A. Money, banking, and financial markets

1. Definition of financial assets: money, stocks, bonds

Volume 1, Episode 9 (8:38)

Money has taken many forms through the ages: shells, wheels, beads and even cows. All forms, though, have always had three things in common. Find out what in this eight-

minute podcast. You will also learn how commodity money differs from representative money and how both differ from today's fiat money.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-9-functions-of-money>

Get Into Stocks” is the third video in the Federal Reserve Bank of St. Louis series, ["No-Frills Money Skills."](#) Through the story of a local ice-cream cart owner trying to expand her business, students learn about the process by which companies become publicly owned and traded by issuing stock. Students learn key terms, such as capital gains and dividends, and discover how the prices of stocks are affected by how successful a company is in its respective industry.

<https://www.stlouisfed.org/education/no-frills-money-skills-video-series/episode-3-get-into-stocks>

The average saving rate for the typical American household before the recession started in 2007 was 2.9 percent; since then it has risen to 5 percent. Uncertainty about the future was the primary driver for the increase. More saving is a good thing, right? Well, some economists argue it might be detrimental to the overall economy. Given the benefits to individuals, how could this be? The May 2012 issue explores this "paradox of thrift."

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/wait-is-saving-good-or-bad-the-paradox-of-thrift>

2. Time value of money (present and future value)

Time Value of Money is designed to help students in economics, math and personal finance classes through what is often dry, mathematical content by featuring student-oriented language, program interactions, checks for understanding and video. This course will enhance students' in-class study of present and future value and also serve as a tutorial for those students who struggle with the concepts.

<https://www.stlouisfed.org/education/time-value-of-money-online-course-for-teachers-and-students>

3. Measures of money supply

4. Banks and creation of money

5. Money demand

6. Money market and the equilibrium nominal interest rate

B. Loanable funds market

1. Supply of and demand for loanable funds

2. Equilibrium real interest rate

Volume 1, Episode 14 (11:14)

Do you know the difference between nominal and real interest rates? If you're not sure, then it's time to "get real" about interest rates. In this episode of [The Economic Lowdown Podcast Series](https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-14-getting-real-about-interest-rates), you will learn how inflation influences the real return on your deposits, how it impacts borrowers and lenders differently, and why price stability—a responsibility of the Federal Reserve System—is important.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-14-getting-real-about-interest-rates>

3. Crowding out

Students learn that the loanable funds market is a virtual clearing house matching borrowers and savers. They participate in an activity to demonstrate crowding out in the loanable funds market. They use demand and supply analysis to graphically represent the results of crowding out.

<https://www.stlouisfed.org/education/crowding-out>

C. Central bank and control of the money supply

Financial Crises, Reform, and Central Banking: Establishing the Federal Reserve (*Page One Economics Classroom Edition*)

Financial crises and recessions have often led to significant financial reform. Perhaps the most noteworthy financial reform of the past century was the formation of the Federal Reserve System in 1913. The January 2011 issue provides historical details of events leading up to the founding of the Federal Reserve.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/financial-crises-reform-and-central-banking-establishing-the-federal-reserve>

1. Tools of central bank policy

What monetary policy tools did the Federal Reserve use prior to the Great Recession? What did it do differently during and after the Great Recession? Episode 2 of the [Feducation Video Series](https://www.stlouisfed.org/education/feducation-video-series/episode-2-traditional-and-non-traditional-monetary-policy-tools) includes a simple demonstration of Open Market Operations and a discussion of non-traditional monetary policy tools.

<https://www.stlouisfed.org/education/feducation-video-series/episode-2-traditional-and-non-traditional-monetary-policy-tools>

2. Quantity theory of money

3. Real versus nominal interest rates

Volume 1, Episode 14 (11:14)

Do you know the difference between nominal and real interest rates? If you're not sure, then it's time to "get real" about interest rates. In this episode of [The Economic Lowdown Podcast Series](#), you will learn how inflation influences the real return on your deposits, how it impacts borrowers and lenders differently, and why price stability—a responsibility of the Federal Reserve System—is important.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-14-getting-real-about-interest-rates>

V. Stabilization Policies (20–30%)

A. Fiscal and monetary policies

Inflation, unemployment, recession, economic growth—these economic concepts affect people in very real ways. In two thought-provoking, interactive lessons, this course teaches students about fiscal policy, the avenue by which Congress and the president attempt to influence the economy.

Three courses that would further students' understanding of the content are: [“GDP and Pizza;”](#) [“The Story of Unemployment;”](#) and [“Monetary Policy.”](#)

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/fiscal-policy-online-course-for-teachers-and-students>

Fiscal and Monetary Policy in Times of Crisis (Page One Economics Classroom Edition)

To find out more about fiscal and monetary policy—who conducts them, how they work, and their roles during economic downturns—read the March 2011 issue.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/fiscal-and-monetary-policy-in-times-of-crisis>

Inflation, unemployment, recession, economic growth—these economic concepts affect people in very real ways. In this course containing three interactive, thought-provoking lessons, you will learn about monetary policy, the avenue by which the Federal Reserve System attempts to influence the economy.

To register your students for one or more of our online courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/monetary-policy-online-course-for-teachers-and-students>

How are the money supply and inflation related? And what does the Federal Reserve have to do with this relationship? Episode 1 of the Feducation video series reviews the functions of money, features an interactive auction that demonstrates the relationship between the money supply and inflation, then utilizes a simple equation to show how changes in the money supply affect the economy. The video also describes how the Fed uses monetary policy to achieve its dual mandate of maximum employment and price stability.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/feducation-video-series/episode-1-money-and-inflation>

This video in the [Feducation](#) series provides a basic overview of unemployment and how it's measured. It also provides an understanding of the FOMC's role in promoting maximum employment and price stability.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#). [More about the Video Q & A for Teachers and Students](#).

<https://www.stlouisfed.org/education/feducation-video-series/episode-3-monetary-policy-and-unemployment>

The fourth episode of the [Feducation Video Series](#) dissects an FOMC statement, assessing the changing communication strategy for transparency and clarity and demonstrating an activity that can be used in the classroom.

To provide students with online questions following this video, register your class through the [Instructor Management Panel](#).

<https://www.stlouisfed.org/education/feducation-video-series/episode-4-understanding-an-fomc-statement>

1. Demand-side effects

Government Spending and Taxes

Students engage in an activity that matches programs for low-income people with the type of economic inequity the program addresses and observe an activity simulating tax payments and transfers.

<https://www.stlouisfed.org/education/government-spending-and-taxes>

2. Supply-side effects

3. Policy mix

4. Government deficits and debt

FRED® in the Classroom: Debt and Deficit

A lesson on the U.S. deficit, debt and debt to GDP ratio to be used in conjunction with [FRED® \(Federal Reserve Economic Data\)](https://www.stlouisfed.org/education/fred-in-the-classroom-debt-and-deficit), a database of thousands of U.S. and international economic time series.

<https://www.stlouisfed.org/education/fred-in-the-classroom-debt-and-deficit>

The Legacy of the Olympics: Economic Burden or Boom? (*Page One Economics Classroom Edition*)

Competition, sportsmanship, and national pride are the foundations of the Olympics, but how much do the Olympics cost the host city and country? What are some of the economic benefits and deficits? Is the investment in the Olympics worth it in the end? Read about previous host experiences with the economic side of the Olympics in the August 2012 issue.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/the-legacy-of-the-olympics-economic-burden-or-boom>

B. The Phillips curve

1. Short-run and long-run Phillips curves

2. Demand-pull versus cost-push inflation

3. Role of expectations

VI. Economic Growth (5–10%)

A. Definition of economic growth

Volume 1, Episode 15 (12:39)

Have you encountered mobile payment systems like mobile credit card readers? Pretty cool—and this kind of innovation can be good for the economy. From micro to macro, in this episode of The Economic Lowdown Podcast Series, we'll take a look at economic growth—how innovation and technological progress can make things happen for the economy over time by organizing the factors of production to be, well, more productive.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-15-economic-growth>

B. Determinants of economic growth

Volume 1, Episode 2 (6:19)

The second episode of our podcast series, The Economic Lowdown, discusses the building blocks of the economy, the factors of production.

<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-2-factors-of-production>

What are the “Ingredients” for Economic Growth? (*Page One Economics Classroom Edition*)

Is there a recipe for economic growth? Perhaps some Miracle-Gro for the economy? If only it were that easy. While the exact recipe is a mystery, economists have identified some of the key ingredients. The September 2013 issue discusses the role that economic institutions play in fostering long-term economic growth.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/what-are-the-ingredients-for-economic-growth>

1. Investment in human capital

Investing in Yourself: An Economic Approach to Education Decisions (*Page One Economics Classroom Edition*)

"Human capital" may not be the first thing that comes to mind when we think about investments, but investing in education and training is an important economic decision. Learn about human capital and the return on such an investment in the February 2013 issue.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/investing-in-yourself-an-economic-approach-to-education-decisions>

Is a College Cap and Gown a Financial Ball and Chain? (*Page One Economics Classroom Edition*)

The cost of a college education continues to rise. The Project on Student Debt estimates that a typical 2009 college graduate accumulated \$24,000 in student loan debt. Is a college degree worth the cost? Read the August 2011 issue for the latest data on college versus high school graduates' earnings and employment prospects.

<https://www.stlouisfed.org/education/page-one-economics-classroom-edition/is-a-college-cap-and-gown-a-financial-ball-and-chain>

2. Investment in physical capital

3. Research and development, and technological progress

C. Growth policy

VII. Open Economy: International Trade and Finance (10–15%)

[Cletus Coughlin](#), senior vice president and policy adviser to the president of the St. Louis Fed, gave a presentation on "[The Great Trade Collapse and Rebound: A State-by-State View](#)" on July 1, 2014, as part of the Global Economic Forum held at the Federal Reserve Bank of St. Louis.

<https://www.stlouisfed.org/education/the-great-trade-collapse-and-rebound-a-state-by-state-view/exporting-firms-and-export-markets>

A. Balance of payments accounts

1. Balance of trade

2. Current account

3. Financial account (formerly known as capital account)

B. Foreign exchange market

1. Demand for and supply of foreign exchange

Jack of All Trades and his best bud, Andy, are traveling the world by cape, having a coffee at each stop. Andy learns that purchasing those coffees using the currencies of their host countries presents a minor complication - the relative value of currencies around the world can change and make those coffees more expensive or less expensive. How does that happen? Stay tuned and you'll learn how economic conditions affect exchange rates...and the price of coffee everywhere.

To register your students for one or more of these courses, [visit the Instructor Management Panel](#).

<https://www.stlouisfed.org/education/currency-crusaders-online-course-for-teachers-and-students>

2. Exchange rate determination

3. Currency appreciation and depreciation

C. Imports, exports, and financial capital flows

D. Relationships between international and domestic financial and goods markets