The Role of Government Actions that Impact the Economy

What are the roles that government plays in the United States economy?
THE “FED”

- The Federal government has the ability to influence the United States economy.
- It bases its decisions on economic indicators such as Gross Domestic Product, exchange rates, inflation, and unemployment rates.
What are the roles that government plays in the United States economy?
FEDERAL RESERVE - MONETARY POLICY DECISIONS CONTROL THE SUPPLY OF MONEY AND CREDIT TO EXPAND OR CONTRACT ECONOMIC GROWTH
PRESIDENT AND CONGRESS - FISCAL POLICY DECISIONS DETERMINE LEVELS OF GOVERNMENT TAXATION AND SPENDING; GOVERNMENT REGULATES THE ECONOMY