

What is the Fed? So what is the Fed? What is the Fed? What is the Fed?

The Federal Reserve often referred to as “the Fed” is the central bank of the United States.

Congress created the Fed in 1913 to help promote a safe and sound monetary and financial system for our nation. The Fed includes the Board of Governors in Washington D.C. which has seven members including the Chairman and Vice Chairman. All of the members of the Board are appointed of the President of the United States and confirmed by the United States Senate. The Fed also includes 12 regional Federal Reserve Banks located in cities throughout the country.

The Reserve Banks serve as the central banks' operating arms and also gather economic information from all over the country to help the Fed both monitor the economy and get the broad input necessary to develop and implement effective U.S. monetary policy. Today, the Fed performs a number of important functions all with the ultimate goal of promoting a healthy U.S. economy. One of the Fed's more recognizable functions is conducting U.S. monetary policy.

Which involves influencing interest rates and the availability of money and credit in our economy. Congress has tasked the Fed with implementing monetary policies that promote maximum employment and stable prices. High levels of employment provide people with more economic opportunities and stable prices promote growth, by making it easier for households and businesses to plan for the future. Monetary policy decisions at the Fed are made by the Federal Open Market Committee, which includes all seven members of the Board of Governors and presidents from the reserve banks. This committee meets regularly to assess the conditions and outlook for the economy. In addition to conducting monetary policy, the Federal Reserve also helps to supervise and regulate the nation's banks and works to promote a stable financial system for consumers, communities, and businesses. The Fed also works with communities, non-profit organizations, and others across the nation to address housing problems, promote equal access to

credit, and advance economic and community development. The Fed also promotes stability in the financial system because instability in the financial system can pose a severe threat to the broader economy and communities across the nation. The Fed also acts as a bank to other banks by clearing checks, making electronic payments, and providing the currency that American's need and use every day. Our nation's economy and financial system face constant challenges. The Fed is working every day to address those challenges and is committed to helping foster good economic conditions and outcomes, employment opportunities, stable prices, and financial stability that benefit all Americans.

And we are also the Fed.

To learn more about the Federal Reserve, you'll find a wide range of resources on the Board of Governors website at [Federalreserve.gov](http://Federalreserve.gov).