Fed Prepares for Rate Cuts Amid Uncertain Post-Election Landscape

Description

WASHINGTON (AP) — No one knows who will win Tuesday's presidential election. However, two days later, the Federal Reserve will likely lower interest rates. This is because inflation is going down.

The Federal Reserve will meet on Thursday. They will probably cut the interest rate by a quarter-point to around 4.6%. They had already cut it before, in September. Lower interest rates help people and businesses borrow money more easily.

Usually, the Fed lowers rates to help a weak economy. But today, the economy is strong. The unemployment rate is low at 4.1%. So the Fed is lowering rates to adjust to lower inflation, which is now at 2.4%.

Some people worry that if Donald Trump wins the election, he might bring back high tariffs. This could make prices go up again. If prices go up, the Fed might have to raise rates again.

Powell, the Fed Chair, will answer questions about the election on Thursday. He will say that the Fed makes its decisions based on the economy, not politics.

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Vocabulary List:

1. **Federal Reserve** /ˈfɛd.ər.əl rɪˈzɜrv/ (noun): The central banking system of the United States.
2. **Inflation** /ɪnˈfleɪʃən/ (noun): A general increase in prices and fall in the purchasing value of money.
3. **Tariffs** /ˈtær.ɪf/ (noun): Taxes on imported goods.
4. **Economy** /ɪˈkɒn.ə.mi/ (noun): The system of production distribution and consumption of goods and services in a country.
5. **Unemployment** /ˌʌn.ɪmˈplɔɪ.mənt/ (noun): The state of not having a job despite being willing to work.
6. **Adjust** /əˈdʒʌst/ (verb): To change something slightly to achieve the desired fit appearance or result.

Comprehension Questions

Multiple Choice

1. What is the main reason the Federal Reserve is likely to lower interest rates?

Option: To boost the economy
Option: To prepare for a recession
Option: To combat high inflation
Option: To adjust to lower inflation

2. What is the current unemployment rate mentioned in the text?

Option: 2.4%
Option: 4.1%
Option: 4.6%
Option: 5.2%

3. What could happen if Donald Trump wins the election according to the text?

Option: Lower interest rates
Option: High tariffs leading to price increase
Option: Decreased inflation
Option: Unemployment rate increase

4. What factor is NOT mentioned as a reason for the Federal Reserve to lower rates?

Option: Strong economy
Option: High inflation
Option: Low unemployment rate
Option: Adjusting to lower inflation

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5. Who will answer questions about the election according to the text?

Option: Donald Trump
Option: Powell
Option: Federal Reserve Chair
Option: Economic Analyst

6. What do lower interest rates help people and businesses with?

Option: Savings
Option: Investment
Option: Borrowing money more easily
Option: Increased taxes

True-False

7. The Federal Reserve is lowering rates due to concerns about a weak economy.

8. The unemployment rate is 2.4% according to the text.

9. If Donald Trump wins, he might bring back high tariffs according to the text.

10. Powell is the Federal Reserve Chair.

11. Lower interest rates make borrowing money more difficult.

12. The Fed makes decisions based on politics according to the text.

Gap-Fill

13. The Federal Reserve will likely cut the interest rate to around _____.

14. Powell will answer questions about the election on _____.

15. The Fed might have to raise rates again if prices go up due to high _____.

16. The unemployment rate is currently at _____ according to the text.

17. Lower interest rates help people and businesses borrow money more _____.

18. The economy is strong, so the Fed is lowering rates to adjust to lower _____.

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Answer

Multiple Choice: 1. To adjust to lower inflation 2. 4.1% 3. High tariffs leading to price increase 4. High inflation 5. Powell 6. Borrowing money more easily
True-False: 7. False 8. False 9. True 10. True 11. False 12. False
Gap-Fill: 13. 4.6% 14. Thursday 15. tariffs 16. 4.1% 17. easily 18. inflation

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. Which term describes something having great worth or significance?
   Option: Unemployment

Option: Volatile
Option: Valuable
Option: Earnings

2. What term is used to refer to activities related to the production of goods in factories?

Option: Strike
Option: Artificial
Option: Industrial
Option: Unemployment

3. Which term is defined as a general increase in prices and fall in the purchasing value of money?

Option: Confidence
Option: Inflation
Option: Consumer
Option: Economy

4. What term refers to the action or process of investing money for profit or material result?

Option: Tariffs
Option: Investment
Option: Confidence
Option: Consumer

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5. Which term describes the wealth and resources of a country in terms of the production and consumption of goods and services?

Option: Economy
Option: Disrupt
Option: Nondairy
Option: Premarket

6. What term describes products that do not contain any dairy ingredients?

Option: Earnings
Option: Necrotizing
Option: Nondairy
Option: Volatile

7. Which term refers to the belief in the reliability truth or ability of someone or something?

Option: Important
Option: Confidence
Option: Adjust
Option: Reckitt

8. Which term describes the quality of being committed to a task or purpose?

Option: Nutritionally

Option: Dedication
Option: Tariffs
Option: Earnings

9. What are substances added to something in small quantities to improve or preserve it?

Option: Exports
Option: Additives
Option: Strike
Option: Economy

10. Which term is likely associated with a company or brand name in the context of business or industry?

Option: Economy
Option: Reckitt
Option: Volatile
Option: Important

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

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11. _____ is the state of being without a job.

12. Employees may go on a _____ to protest against workplace conditions.

13. _____ are taxes imposed on imports or exports.

14. A _____ is a person who purchases goods and services for personal use.

15. _____ refer to the amount of money a company makes from its business activities.

16. A product that is tested before its official release is said to be in the _____ phase.

17. The government often implements policies to boost the _____ and encourage growth.

18. _____ can erode the purchasing power of consumers over time.

19. Investors may lack _____ in the market during times of uncertainty.

20. Some food labels highlight the _____ content of a product to appeal to health-

conscious consumers.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Artifacts from ancient civilizations are often considered for their historical significance.
22. The company its financial forecast to reflect the changing market conditions.
23. The Industrial Revolution had a profound impact on the way goods were manufactured.
24. The of education in society cannot be understated.
25. Making a long-term can help secure one's financial future.
26. The global relies on a delicate balance between supply and demand.
27. Understanding the needs and preferences of the is vital for successful marketing.
28. Central banks monitor rates to ensure stable economic growth.
29. The country's main source of revenue comes from the sale of to foreign markets.
30. A positive outlook can instill among investors and businesses.

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Answer

Multiple Choice: 1. Valuable 2. Industrial 3. Inflation 4. Investment 5. Economy 6. Nondairy 7. Confidence 8. Dedication 9. Additives 10. Reckitt
Gap-Fill: 11. Unemployment 12. Strike 13. Tariffs 14. Consumer 15. Earnings 16. Premarket 17. Economy 18. Inflation 19. Confidence 20. Nutritionally
Matching sentence: 1. Valuable 2. Adjusted 3. Industrial 4. Importance 5. Investment 6. Economy 7. Consumer 8. Inflation 9. Exports 10. Confidence

CATEGORY

1. Business - LEVEL1

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