



Federal Reserve Slashes Rates: How It Affects Your Money

Description

The Federal Reserve cut interest rates for the second time this year. The rate is now between 4.5% and 4.75%. This will help people who borrow money for things like homes and cars. The Federal Reserve wants inflation to stay around 2%. They are trying to make it easier for people to borrow money.

The Federal Reserve will probably keep cutting rates at future meetings. This could save people money. The next rate decision is on December 18. The Federal Reserve makes decisions based on data, not politics.

Mortgage rates have gone up recently, despite the rate cuts. This is because of other economic factors. Overall, borrowing costs may decrease in the future. The Federal Reserve is trying to help people save money.

Overall, the Federal Reserve is making changes to help people who need to borrow money.

Vocabulary List:

1. **Inflation** /ɪnˈfleɪ.ʃən/ (noun): The rate at which the general level of prices for goods and services is rising.
2. **Borrowing** /ˈbɔːr.əʊ.ɪŋ/ (noun): The action of taking and using something belonging to someone else with the intention of returning it.
3. **Mortgage** /ˈmɔːr.ɡɪdʒ/ (noun): A loan specifically for purchasing real estate where the property serves as collateral.
4. **Economic** /iː.kəˈnɔː.mɪk/ (adjective): Relating to the economy or finance.
5. **Factors** /ˈfæk.tə/ (noun): Circumstances facts or influences that contribute to a result or outcome.
6. **Decisions** /dɪˈsɪʒ.ən/ (noun): The act of making a choice or judgment after consideration.

Comprehension Questions

Multiple Choice

1. What is the current interest rate range set by the Federal Reserve?

Option: 3.5% - 4.0%

Option: 4.0% - 4.25%

Option: 4.5% - 4.75%



Option: 5.0% - 5.25%

2. What is the main goal of the Federal Reserve with the interest rate cuts?

- Option: Increase borrowing costs
- Option: Reduce inflation
- Option: Maintain inflation around 2%
- Option: Discourage borrowing

3. When is the next rate decision by the Federal Reserve scheduled?

- Option: November 30
- Option: December 18
- Option: January 1
- Option: February 14

4. What economic factors have influenced the recent rise in mortgage rates?

- Option: Federal Reserve decisions
- Option: Decreasing inflation
- Option: Other economic factors
- Option: Political interventions

5. What is the main purpose of the Federal Reserve cutting interest rates?

- Option: Increase borrowing costs
- Option: Help people save money
- Option: Reduce borrowing
- Option: Raise inflation rates

6. How often is the Federal Reserve mentioned to cut rates in the future?

- Option: At every meeting
- Option: Never again
- Option: Possibly at future meetings
- Option: Only during election years

True-False

7. The Federal Reserve wants inflation to be maintained at approximately 2%.

8. Mortgage rates have decreased following the Federal Reserve rate cuts.



9. The Federal Reserve considers political factors when making rate decisions.
10. The main aim of the Federal Reserve cutting interest rates is to increase borrowing costs.
11. The Federal Reserve primarily bases its decisions on data rather than politics.
12. The Federal Reserve is not concerned with helping individuals save money through rate cuts.

Gap-Fill

13. According to the text, the Federal Reserve aims to keep inflation around _____ percent.
14. In 2019, the Federal Reserve has cut interest rates _____ times.
15. Despite the recent rate cuts, mortgage rates have _____.
16. The main reason the Federal Reserve cuts interest rates is to help people _____ money.
17. The Federal Reserve is striving to make it easier for individuals to _____ money.
18. The Federal Reserve is expected to continue cutting rates at _____ meetings.

Answer

Multiple Choice: 1. 4.5% - 4.75% 2. Maintain inflation around 2% 3. December 18 4. Other economic factors 5. Help people save money 6. Possibly at future meetings

True-False: 7. True 8. False 9. False 10. False 11. True 12. False

Gap-Fill: 13. 2 15. gone up 16. save 17. borrow 18. future

Vocabulary quizzes

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

1. What economic term refers to the rate at which the general level of prices for goods and services is



rising?

- Option: Interest
- Option: Growth
- Option: Inflation
- Option: Investment

2. What action involves taking funds from a lender with the promise to pay it back at a later date?

- Option: Budgeting
- Option: Savings
- Option: Investing
- Option: Borrowing

3. Which financial product is used to purchase real estate by individuals who cannot pay the full price upfront?

- Option: Loan
- Option: Mortgage
- Option: Stock
- Option: Savings

4. What type of financial instrument represents ownership in a company and a claim on part of its assets and earnings?

- Option: Bonds
- Option: Stocks
- Option: Options
- Option: Mutual Funds

5. Which term refers to the large set of inter-related production and consumption activities that aid in determining how resources are allocated?

- Option: Economy
- Option: Investment
- Option: Profits
- Option: Taxes

6. What activity involves committing money or capital to an endeavor with the expectation of obtaining an additional income or profit?

- Option: Saving
- Option: Investing
- Option: Spending
- Option: Budgeting

7. Which term is used to describe the income that a business has from its normal business activities usually from sales of goods and services to customers?



- Option: Savings
- Option: Revenue
- Option: Profits
- Option: Assets

8. Who is a person who has been harmed injured or killed as a result of a crime accident or other event?

- Option: Criminal
- Option: Victim
- Option: Witness
- Option: Judge

9. What are tasks or situations that test a person's abilities resilience or patience often requiring creative solutions?

- Option: Rewards
- Option: Losses
- Option: Challenges
- Option: Successes

10. What is a feeling of worry interest or care about something important?

- Option: Joy
- Option: Concern
- Option: Excitement
- Option: Surprise

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

11. Various _____ influence the decision-making process in economics.
12. In uncertain times the stock market can be quite _____ experiencing rapid ups and downs.
13. When you invest in a company you acquire a certain _____ in its success or failure.
14. Financial _____ can be overwhelming and cause emotional distress to individuals.
15. The legal system aims to ensure that all individuals receive fair treatment and _____.
16. Employees should not be _____ or discriminated against in the workplace.
17. Investors can buy and sell shares of a company on the _____ market.



18. The perceived _____ of a product or service may vary among consumers.
19. It is essential to continuously _____ new skills to adapt to the changing job market.
20. Any form of physical or verbal _____ is unacceptable and should be reported.
21. It is necessary to investigate and verify any serious _____ before taking action.

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

22. Government policies greatly influence the stability of a country.
23. Investors hope to see significant _____ in their portfolios over time.
24. It is important to pay close to your finances to make informed decisions.
25. Inflation leads to the prices of goods and services in the market.
26. Businesses aim to maximize their _____ by increasing revenue and reducing costs.
27. The stock market is known for its nature making it a risky investment.
28. Investors have expressed _____ about the impact of new regulations on the industry.
29. Many individuals prefer to invest in _____ as part of their long-term financial strategy.
30. Companies generate _____ through the sale of goods and services to customers.
31. The stability of the global _____ is influenced by factors such as trade and geopolitics.

Answer

Multiple Choice: 1. Inflation 2. Borrowing 3. Mortgage 4. Stocks 5. Economy 6. Investing 7. Revenue 8. Victim 9. Challenges 10. Concern

Gap-Fill: 11. Factors 12. Volatile 13. Stake 14. Distress 15. Justice 16. Harassed 17. Stock 18. Value 19. Develop 20. Assault 21. Allegations

Matching sentence: 1. Economic 2. Gains 3. Attention 4. Rising 5. Profits 6. Unpredictable 7. Concern 8. Stocks 9. Revenue 10. Economy

CATEGORY

1. Business - LEVEL2



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