



Jerome Powell Disrupts 75-Year Precedent Amid Market Concerns

Description

Jerome Powell's term as chair of the Federal Reserve's Board of Governors concludes on May 15, but he intends to remain on the board indefinitely. This decision marks a break from a 75-year tradition where the Fed chair vacates their position when their term ends.

Powell's decision is significant as his term on the board is not set to officially end until early 2028. This move may cause frustration for President Donald Trump, who has publicly disagreed with Powell on monetary policy, particularly regarding interest rates. Over the past year, Trump has increased pressure on Powell to lower rates, which can boost stock prices by making borrowing cheaper.

Tensions escalated when the U.S. Department of Justice (DOJ) initiated a criminal investigation into Powell over allegations of misleading Congress about a costly renovation at the Federal Reserve's headquarters. Following the investigation's announcement, Powell released a video asserting that the probe was retaliation from Trump for not meeting his demands on interest rates.

Outrage followed, particularly from Senator Thom Tillis of North Carolina, who threatened to block the appointment of Powell's successor unless the investigation was halted. Although the DOJ later dropped its inquiry into Powell, it referred the matter to the Federal Reserve's inspector general. Powell declared he would not leave the board until the investigation concluded transparently.

Some critics, including Senate Banking Committee Chair Tim Scott, expressed concerns about Powell breaking established precedent. He argued that continuity in leadership can help prevent conflicting philosophies.

The Fed's board plays a crucial role in determining the federal funds rate, which influences the economy. Current tensions have led to more divisions within the Federal Open Market Committee. While Powell's continued presence could limit the possibility of immediate policy changes, it remains uncertain how this will ultimately affect the market.

Vocabulary List:

1. **monetary** //ˈmɒnəˌtɛri// (adjective): related to money or a country's money system
2. **allegations** //ˌæliˈɡeɪʃənz// (noun): claims that someone did something wrong
3. **investigation** //ɪnˌvɛstəˈɡeɪʃən// (noun): a careful search to find facts about something
4. **retaliation** //rɪˌtæliˈeɪʃən// (noun): harm done in return for a perceived wrong
5. **successor** //səkˈsɛsər// (noun): person who takes a job or position next
6. **precedent** //ˈpreɪsɪdənt// (noun): an earlier action that guides later decisions



Comprehension Questions

Multiple Choice

1. When does Jerome Powell's term as chair of the Federal Reserve's Board of Governors conclude?
Option: May 15
Option: June 1
Option: April 30
Option: December 31
2. Until when is Powell's term on the board officially set to last?
Option: 2025
Option: 2027
Option: 2028
Option: 2029
3. Who has publicly disagreed with Powell on monetary policy?
Option: Barack Obama
Option: Joe Biden
Option: Donald Trump
Option: Bernie Sanders
4. What did Trump pressure Powell to lower?
Option: Taxes
Option: Spending
Option: Interest rates
Option: Inflation
5. What initiated a criminal investigation into Powell?
Option: Misleading Congress
Option: Unapproved expenditures
Option: Insider trading
Option: Mismanagement of funds
6. Who threatened to block Powell's successor's appointment?
Option: Senator Tim Scott



- Option: Senator Thom Tillis
- Option: Senator Elizabeth Warren
- Option: Senator Chuck Schumer

True-False

- 7. Jerome Powell's term as chair of the Federal Reserve is set to last until 2030.
- 8. The investigation into Powell was initiated by the Federal Reserve.
- 9. Powell intends to leave the board immediately after his term ends.
- 10. Tensions between Powell and Trump are related to monetary policy changes.
- 11. The DOJ later dropped its inquiry into Powell.
- 12. Senate Banking Committee Chair Tim Scott supported Powell's decision to remain on the board.

Gap-Fill

- 13. Jerome Powell's term as chair will conclude on May 15, but he intends to remain on the board _____ .
- 14. Powell's official term on the board is set to last until early _____ .
- 15. President Trump has increased pressure on Powell to lower _____ .
- 16. The investigation into Powell was over allegations of misleading Congress about a costly _____ at the Federal Reserve's headquarters.
- 17. Senator Thom Tillis threatened to block the appointment of Powell's _____ unless the investigation was halted.



18. Jerome Powell declared he would not leave the board until the investigation concluded

Answer

Multiple Choice: 1. May 15 2. 2028 3. Donald Trump 4. Interest rates 5. Misleading Congress 6. Senator Thom Tillis

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

Gap-Fill: 13. indefinitely 14. 2028 15. rates 16. renovation 17. successor 18. transparently

Vocabulary quizzes

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

1. What type of policy is concerned with the management of money supply and interest rates?

Option: Fiscal policy

Option: Monetary policy

Option: Trade policy

Option: Industrial policy

2. What is the term for a formal inquiry or systematic examination?

Option: Allegation

Option: Investigation

Option: Resolution

Option: Retaliation

3. What term describes an action taken in response to an injury or wrong?

Option: Retaliation

Option: Advancement

Option: Acquisition

Option: Ceasefire

4. Who is the person that follows another in a role or position?

Option: Predecessor

Option: Successor

Option: Colleague

Option: Peer



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5. What are military attacks carried out by aircraft called?
- Option: Bombings
 - Option: Airborne attacks
 - Option: Airstrikes
 - Option: Drones
6. What is a temporary stop to warfare called?
- Option: Truce
 - Option: Ceasefire
 - Option: Peace treaty
 - Option: Negotiation
7. What term refers to the ability to be maintained at a certain rate or level, especially regarding environmental practices?
- Option: Growth
 - Option: Sustainability
 - Option: Innovation
 - Option: Deficit
8. What is the term for the amount by which something, especially a sum of money, is too small?
- Option: Surplus
 - Option: Revenue
 - Option: Expenditure
 - Option: Deficit
9. What is the income generated from normal business operations called?
- Option: Revenue
 - Option: Expense
 - Option: Loss
 - Option: Asset
10. What term is used for a formal statement given in court?
- Option: Testimony
 - Option: Evidence
 - Option: Witness
 - Option: Allegation

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



11. The newspaper published several _____ against the politician, sparking public outrage.
12. The stadium has a seating _____ of 50,000 spectators.
13. The military used _____ for surveillance and targeted operations.
14. The company's annual _____ on marketing increased significantly last year.
15. The city witnessed a _____ population, leading to a greater demand for housing.
16. The funds were _____, leading to a scandal that threatened the organization.
17. The report _____ the need for immediate action on climate change.
18. The new laws were implemented to _____ cybercrime effectively.
19. A significant _____ of the audience expressed their approval of the proposal.
20. The new policy sparked considerable _____ among investors and stakeholders.

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

21. The court's ruling set a legal precedent that would influence future cases.
22. The team reached a resolution after hours of negotiation and discussion.
23. The technological advancement has revolutionized the way we communicate.
24. The new policy aims to accommodate the needs of all employees in the workplace.
25. Sustainable practices focus on reducing energy consumption and waste.
26. The government announced new fiscal policies to stimulate economic growth.
27. The witness provided crucial testimony that helped solve the case.
28. The author retracted his statement after realizing it was inaccurate.
29. The military conducted airstrikes against terrorist positions to weaken their influence.



30. It is essential to follow safety protocols in all laboratory experiments.

Answer

Multiple Choice: 1. Monetary policy 2. Investigation 3. Retaliation 4. Successor 5. Airstrikes 6. Ceasefire 7. Sustainability 8. Deficit 9. Revenue 10. Testimony

Gap-Fill: 11. allegations 12. capacity 13. drones 14. expenditure 15. burgeoning 16. misused 17. emphasised 18. combat 19. percentage 20. interest

Matching sentence: 1. precedent 2. resolution 3. advancement 4. accommodate 5. consumption 6. fiscal 7. witness 8. retracted 9. airstrikes 10. essential

CATEGORY

1. Business - LEVEL5

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1. C1
2. ESL learning
3. esl news
4. Fed chair
5. Jerome Powell
6. Level 5
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Author

aimeeyoung99