

Has the FED been able to fulfill the mandate given to it by Congress?

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Feds goals

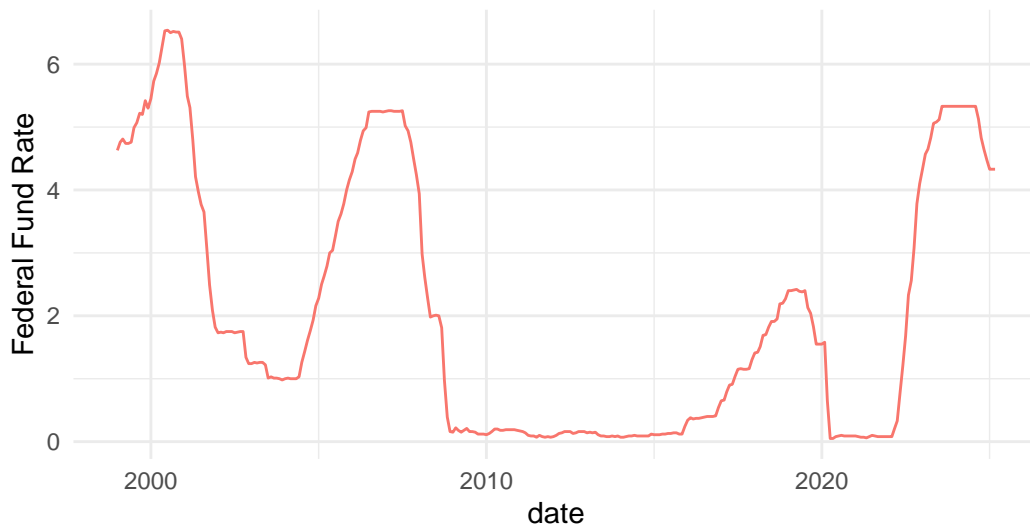
- Keep price stability (low Inflation rate)
- Keep Unemployment Low
- Use interest rates to control the inflation and unemployment

Federal Fund Rate

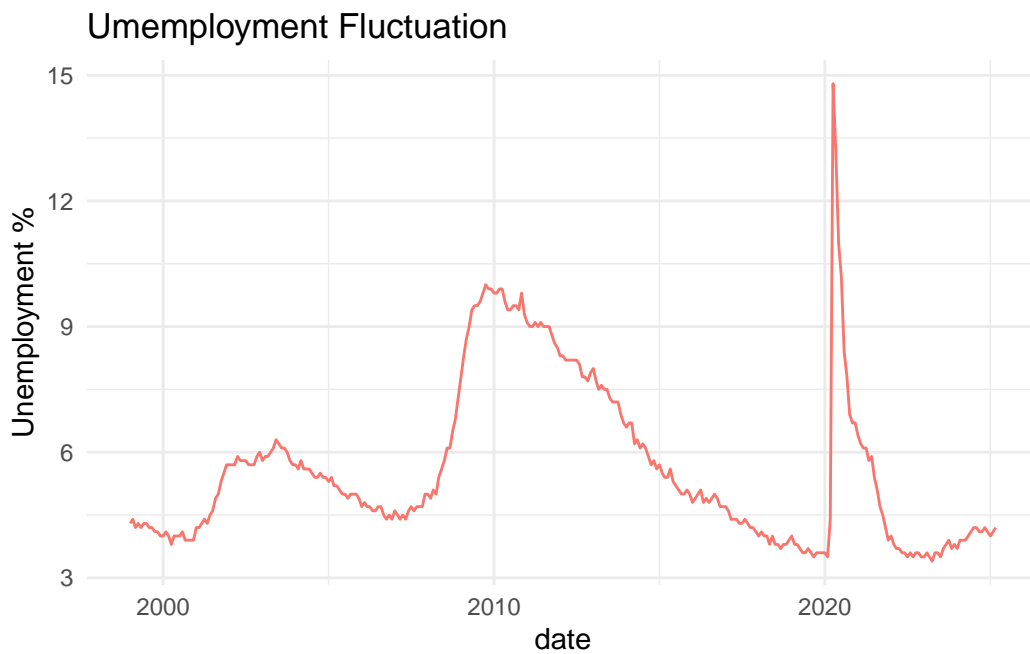
Warning: The `<scale>` argument of `guides()` cannot be `FALSE`. Use "none" instead as of ggplot2 3.3.4.

Federal Fund Rate.

We will explore the relationship between itself,
CPI, and Unemployment

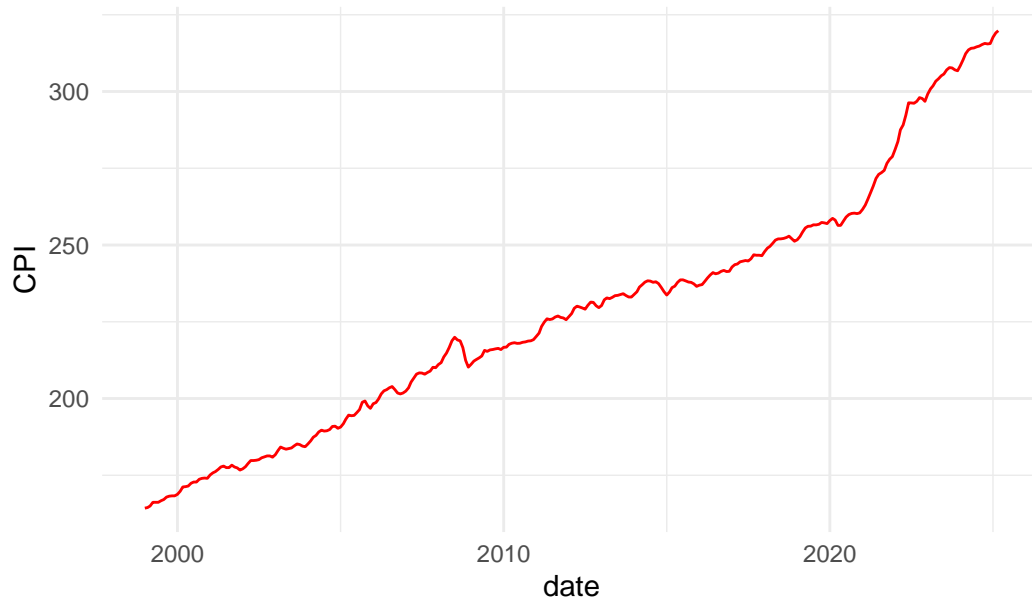


Unemployment %

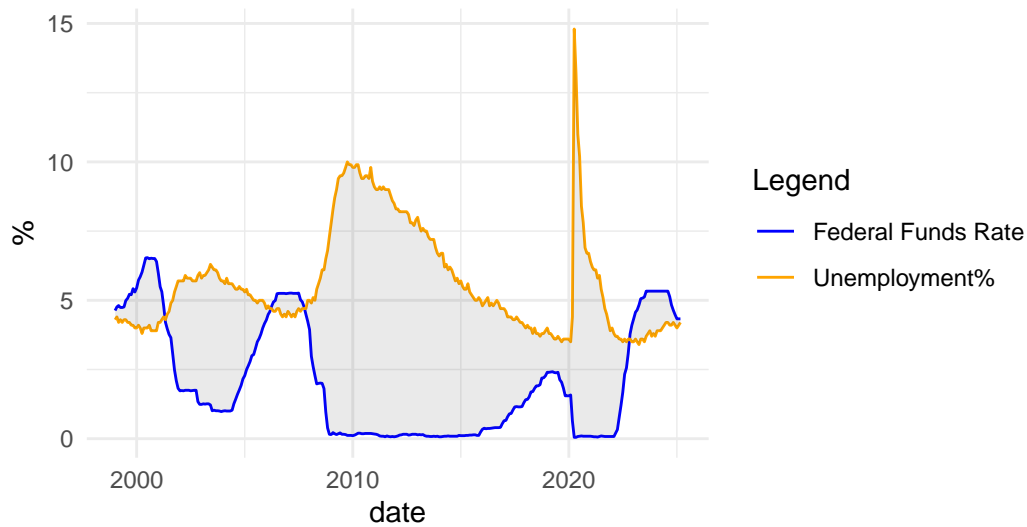


Consumer Price Index

Consumer Price Index Keeps Increasing at different rates

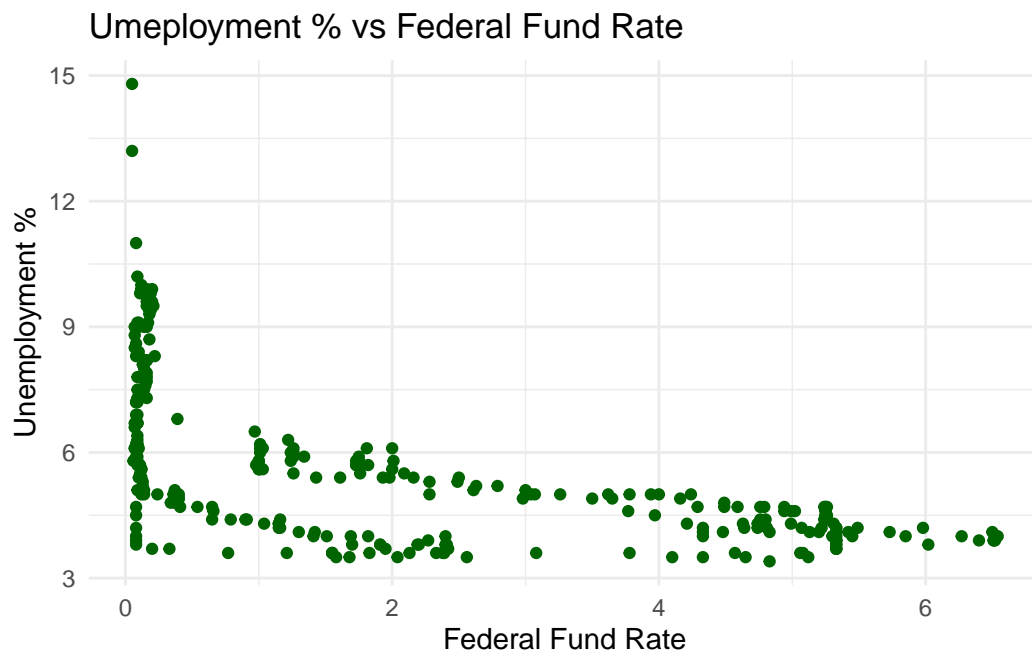


Federal Fund Rate decreases when Unemployment % increase
During periods when employment % is decreasing
the Federal Fund Rate may increase.



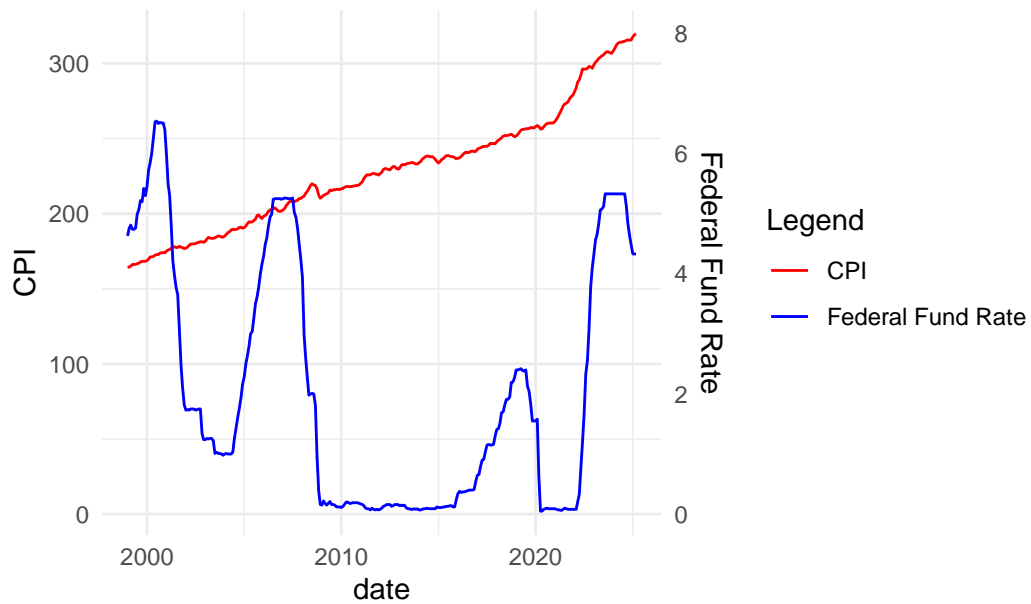
Ideally the area between is minimized near zero %

Federal Fund rate is low when Unemployment is High



CPI and Federal Fund Rate

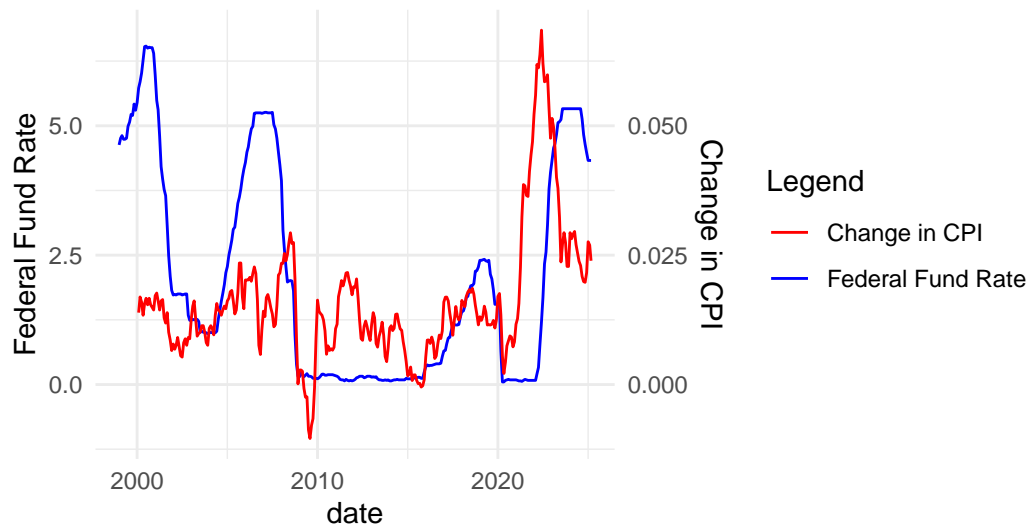
At first, The Federal Fund Rate does not depend on CPI



CPI change rate and Federal Fund Rate

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CPI will react to the Federal Fund Rate.
The federal Fund Rate will increase as a reaction to
an increase to the CPI rate



The increases in the federal fund rate as a reaction to the increasing CPI rate are more apparent after 2015.

The federal fund rate does react to the % unemployment and CPI.