

Data Visualization Project - Stage 1

Goal: *Visualizing the relationship between the federal funds rate and the unemployment rate since Q1 of 2022*

Introduction: We will investigate, using historical data, the link between the Federal Funds Effective Rate and the Unemployment Rate. My research will seek to learn more about how adjustments to the Federal Funds Rate may affect the labor market.

The Chosen Datasets

Federal Funds Effective Rate: This is the interest rate at which depository institutions lend reserve balances to other depository institutions overnight, as represented by historical data in this dataset. This information will be used to monitor the Federal Funds Rate's variations over time. The Federal Reserve Economic Data (FRED) is the dataset's primary data source.

Link to data: <https://fred.stlouisfed.org/series/FEDFUNDS>

Unemployment Rate: This dataset offers historical statistics on the United States' unemployment rate. It displays the proportion of the labor force that is both unemployed and looking for work right now. Additionally, the dataset was acquired from FRED.

Link to data: <https://fred.stlouisfed.org/series/UNRATE>

How does the Federal Funds Rate impact the unemployment rate?

For businesses and governments, knowing how these two variables interact is crucial.

Lowering the federal funds rate could boost the economy and hence lower the unemployment rate. An increase could, however, have the opposite result.