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| AP MacroeconomicsMrs. ShackettReal-World Connections: Fiscal and Monetary Policy | Name |

This activity connects fiscal and monetary policy actions to the real economy. Interpret the following headlines and scan the corresponding articles or op-eds to identify whether the topic relates to fiscal or monetary policy actions. Then fill in the corresponding tables.

1. Headline: “Fed’s Kaplan Says Monetary Policy Has Reached Limits for Bolstering Growth”

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| Which policy? | Policy goal? | Who conducts policy? | Description of tools/actions |
| FiscalMonetary  | ExpansionaryContractionary | Congress & PresidentFederal Reserve |  |

1. Headline: “Economy Will Suffer ‘Slowing Pains’ Said Necessary to Future National Prosperity”

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| Which policy? | Policy goal? | Who conducts policy? | Description of tools/actions |
| FiscalMonetary  | ExpansionaryContractionary | Congress & PresidentFederal Reserve |  |

1. Headline: “Philly Fed Chief: Taming Inflation Is Key to Economy”

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| Which policy? | Policy goal? | Who conducts policy? | Description of tools/actions |
| FiscalMonetary  | ExpansionaryContractionary | Congress & PresidentFederal Reserve |  |

1. Headline: “Recessions Hard for Presidents to Remedy”

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| Which policy? | Policy goal? | Who conducts policy? | Description of tools/actions |
| FiscalMonetary  | ExpansionaryContractionary | Congress & PresidentFederal Reserve |  |

1. Headline: “Who Beat Inflation?”

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| Which policy? | Policy goal? | Who conducts policy? | Description of tools/actions |
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Read the following excerpts. Identify whether the policy action is fiscal or monetary and expansionary or contractionary. Draw and label the change that would occur on the AD/AS graph as a result of the policy action described in each. Identify what will happen as a result of the policy to the price level, emplo9yment, and real GDP.

       