The views expressed are my own and do not necessarily reflect official positions of the Federal Reserve System.
Dallas Fed Classroom Resources
Everyday Economics

[Images of various economic topics]

[Link to Everyday Economics - Dallasfed.org]
Navigate

Navigate: Exploring College and Careers - Dallasfed.org
Building Wealth

For Teachers - Building Wealth - Dallas Fed

Budget to Save
1. The Balance Sheet
2. Developing a Budget

Save and Invest
3. Put It in the Bank
4. Owning Versus Renting
5. The Role of Financial Markets
6. Bonds, Stocks and Mutual Funds
7. Risk and Return

Build Credit
8. Understanding Credit Reports and Scores

Take Control of Debt
9. Choosing the Right Loan (Under revision)

Protect Your Wealth
10. Insurance (Under revision)
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- Accessible language
- Virtual scavenger hunt & group activities

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Fed 101 Ambassador Virtual Presentations

- Introduction to central banking in the U.S., the Federal Reserve System, and the Eleventh Reserve District
- Grades 6-University
- Presentation by and Q&A with a Dallas Fed employee Ambassador

https://www.dallasfed.org/educate/classroom/resources
Bringing Current Issues Into the Classroom - Energy
High Fuel Prices in the U.S. May Crimp Oil Demand Soon

Garrett Golding
June 21, 2022

Oil prices have surged, with benchmark West Texas Intermediate (WTI) crude jumping from an average $71 per barrel in December 2021 to $109 in May 2022. U.S. inventories of gasoline and diesel are running low and refining capacity is strained, while export demand remains strong.
Discussion Questions

- What hinders increasing U.S. oil production? If you were a policy maker, what kind of policies would you implement to help increase investment for U.S. oil production?
- Has rising fuel prices impacted your choices?
- Who controls retail gas prices?
- Seasonal demand for fuel tends to increase as the weather warms. Using a supply and demand graph, show how this affects the price of fuel.
Teaching Inflation in the Classroom
Discussion Questions:

- What is inflation and how does it affect you?
- Does inflation impact your choices?
- Are there similarities between inflation and a regressive tax?
- How does inflation affect the economy and the people in it?
Inflation 101

This site is meant to give you a general understanding of basic inflation concepts. The Get Started (_staff) section explains basic inflation concepts in a nontechnical way and will give you a good understanding of what inflation is, why it’s important to pay attention to it, and how the Federal Reserve is involved. In the Get Technical (_staff) section you will find more detailed explanations on the same topics and answers to related questions that will give you a deeper understanding of inflation, its effects on people and the economy, and the Fed’s role in keeping it under control.

Robert Rich, director of the Center for Inflation Research and senior economic and policy adviser, discussed common inflation misconceptions on Marketplace. Read or listen to the interview ➤

At a time of heightened interest in inflation among people, businesses, and communities, the Center for Inflation Research is committed to providing timely answers to timely questions. Why has inflation surged over the past year? Our researchers respond to this question.

What is inflation?

Why should you care about inflation?

Why does the Fed care about inflation?

Inflation 101: Center for Inflation Research (clevelandfed.org)
When it comes to PB, what's your jam: Creamy or chunky? Skippy or Jif? With #inflation looking somewhat sticky, Senior Econ Writer @JeffHorwich pulls a jar of peanut butter out of "The Basket" and gets the lowdown on PB in the #CPI (with help from @RTPIV of @PeanutFarmers)

https://twitter.com/MinneapolisFed/status/1526600584236761091
Lesson 7

Save and Invest—Risk and Return
Types of risk

**Capital-loss risk**
The loss of part or all of an investment.

When a saver buys an asset hoping for a capital gain, the market price of the asset can fall, resulting in a capital loss.

**Default risk**
The borrower fails to make full and timely payments.

When a saver loans money or buys a bond, the borrower might not repay the original amount or the promised interest.
Types of risk

**Inflation risk**
The rate of return is less than the rate of inflation.

When a saver earns a rate of return that is less than the rate of inflation, purchasing power is lost.

**Liquidity risk**
An investment cannot be sold easily.

When a saver buys an asset for an investment, it must eventually be sold to realize the capital gain. Market conditions affect the saver’s ability to sell the asset.
What type of risk?

**Darius** 18, College Freshman

Darius spent every summer during high school mowing yards. He saved the money to pay for his living expenses during college. He decided to keep his money in a certificate of deposit at his bank. The deposits earned 1% interest. He anticipated that he would have enough money for two years of living expenses.

When he got to his college town, he realized that food, rent and many other costs were much higher than he had originally estimated. Prices rose faster than the value of his savings.

What type of risk does Darius face?

- **Capital-loss risk**
- **Default risk**
- **Inflation risk**
- **Liquidity risk**
Darius faces the risk of inflation.

*Inflation risk*

Since prices have risen and Darius has lost purchasing power, he faces the risk of inflation.
If Darius earned 1% interest (nominal interest rate) on his certificate of deposit and inflation was 2%, what was the real rate of interest Darius earned while keeping his money in a CD?

Use the formula below to solve for real interest rate:

Nominal interest rate - Inflation = Real interest rate
Answer

1% - 2% = -1%

Nominal interest rate - Inflation = Real interest rate
Additional Federal Reserve System and Dallas Fed Resources
Lecture Guide: How the Federal Reserve Implements Monetary Policy

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Scott Wolla, Ph.D., Federal Reserve Bank of St. Louis

Standards and Benchmarks (see page 24)

Lesson Description
The Federal Reserve (Fed) is the central bank of the United States. Its congressionally mandated objectives are to promote maximum employment and price stability. This lesson focuses on how the Federal Open Market Committee (FOMC) conducts monetary policy to achieve this dual mandate. The discussion begins by tracing out the transmission of monetary policy from the FOMC’s setting of its policy interest rate target to market interest rates and, ultimately, employment and inflation outcomes. Students then learn about the tools the Fed uses to ensure that market interest rates are aligned with the FOMC’s target interest rate. The economic concepts of reservation rate and arbitrage are taught. Finally, examples of how the FOMC responds to various economic shocks are presented to reinforce the key concepts covered in this lesson.
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Check out the Resource Gallery
www.econlowdown.org
Texas Economic Indicators

May 24, 2022

The Texas economy expanded further in April. Payroll employment growth increased, and initial unemployment claims remained at low levels. The Texas Business-Cycle Index rose but at a decelerating rate. The April Texas Business Outlook Survey (TBOS) indicated that perceptions of general business activity are waning. Growth in oil and natural gas prices was strong in mid-May. Consumer loan delinquencies ticked up in the first quarter.

Labor Market

Employment Growth Increases

Texas employment expanded an annualized 5.7 percent (61,300 jobs) in April after growing an upwardly revised 2.7 percent in March (Chart 1). Job gains accelerated in most major sectors, with growth in oil and gas employment outpacing other sectors by a wide margin. Texas payroll employment reached a new high and was 2.1 percent above prepandemic levels. The Dallas Fed's Texas Employment Forecast predicts 3.7 percent job growth this year (December/December).

Chart 1

Employment Growth
Dallas Fed Economics/How to subscribe
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