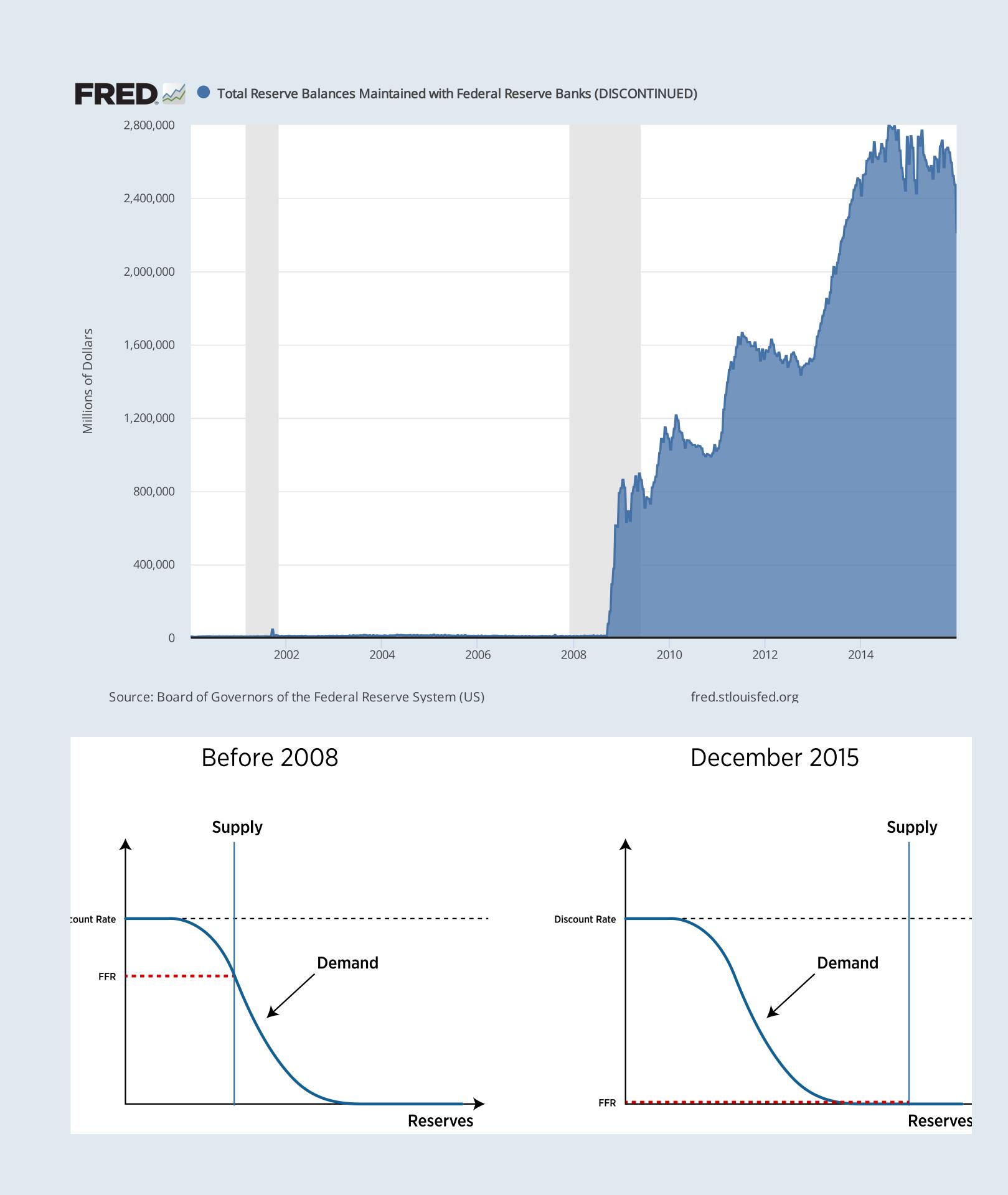
Monetary Policy Has Changed

During the Global Financial Crisis (2007-09) and subsequent recession, the Fed:

- Lowered the target range to 0 from 25 basis points.
- Conducted a series of large-scale asset-purchase programs to ease financial conditions and support economic activity.

These purchases increased reserves in the banking system to over \$2.8 Trillion.

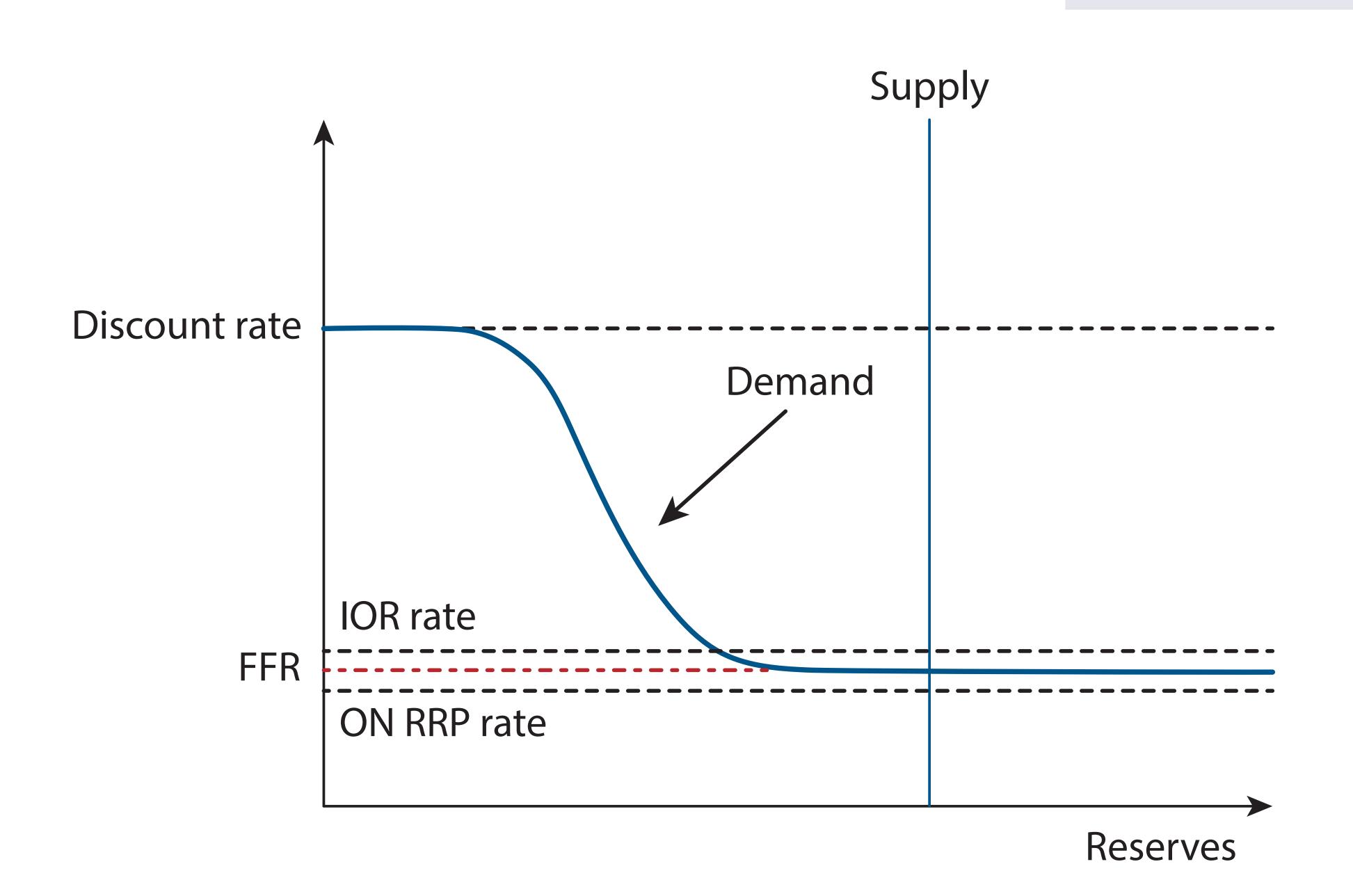


When it came time for "liftoff" the Fed would need new tools...

Monetary Policy with Ample Reserves

The Fed's New Toolbox*

Policy Implementation Tools	Administered Rates
Interest on reserve balances (IORB), is the primary tool.	IORB rate
Overnight reverse repurchase (On RRP) facility, is a supplementary tool, sets a floor for FFR.	ON RRP Rate
The Discount Window , with its Discount Rate, serves as a ceiling for FFR.	Discount rate
Open market operations , a supporting tool conducted periodically to maintain ample reserves.	





* Scan the QR code to learn about other monetary policy tools including the Standing Repurchase Agreement Facility.

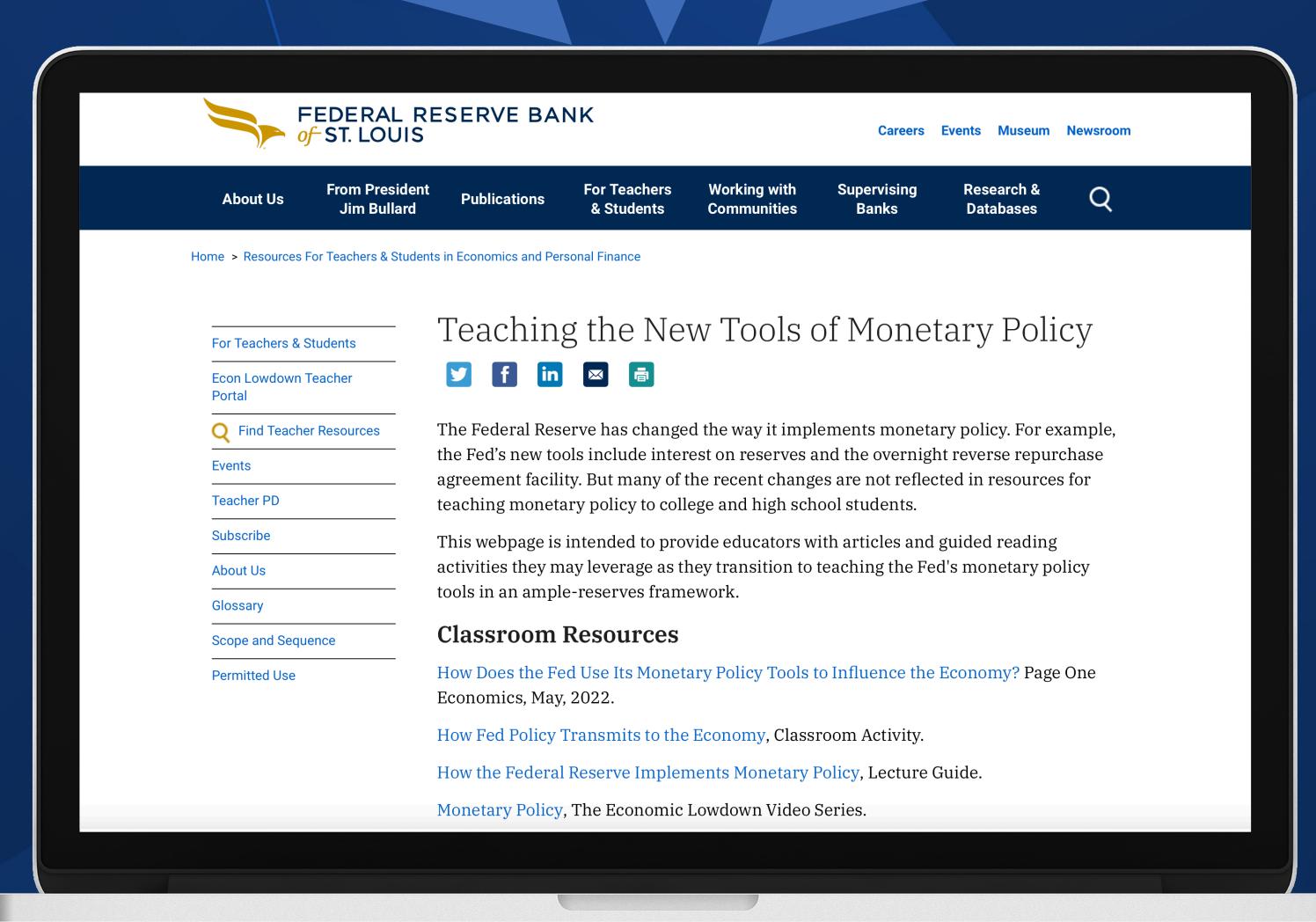
federalreserve.gov/monetarypolicy/policytools.htm



Teaching Resources

stlouisfed.org/education/teaching-new-toolsof-monetary-policy





The Teaching the New Tools of Monetary Policy webpage provides educators with videos, articles and lessons to use in the classroom.

