

DEBATE: What Should the Federal Reserve Do With Interest Rates?

⌚ 60+ min

In this activity, students will be divided into groups, each representing a distinct approach to monetary policy. Each group will explore and defend various strategies to address economic challenges such as inflation, employment, and GDP growth. Students will do some research on the topic and then formulate an opinion:

What should the Federal Reserve do with interest rates?

Part I: Become Familiar With the Arguments

1. We recommend viewing the most recent FOMC press conference video from the [Federal Reserve's YouTube channel](#). They typically provide two versions: the shorter version with only the chairperson's introductory statement and the longer version that includes media Q&A. Follow your teacher's directions to find out which video you should watch.
2. Below is a list of other resources you might find helpful in informing your arguments in this debate. This list is by no means exhaustive, so feel free to find more resources to inform your arguments.
 - a. [How Does Raising Interest Rates Control Inflation?](#)
 - b. [The Impact of Interest Rate Changes by the Federal Reserve](#)
 - c. [Effect of Raising Interest Rates](#)
3. As you're conducting your research, record your notes in the table below.

The Fed should RAISE interest rates	The Fed should DECREASE interest rates

Part II: Assign Students an Argument & Find Additional Resources

- After you have familiarized yourself with both sides of the argument, follow your teacher's directions to find out which argument you'll be defending.

- ☐ **The Fed should RAISE interest rates**
- ☐ **The Fed should DECREASE interest rates**

Once you know which argument you'll be defending, find at least **three** additional resources online that you can use to expand your understanding and increase the evidence you have to support your argument. List the resources below.

Additional Resources

Part III: Formulate Points & Counterpoints

5. Complete this chart with five high quality, hard-to-argue “points” for your debate. Include enough detail to speak convincingly during the debate. Rank them in order of how persuasive or important each point is.

Point to Back Up Your Position	Rank

6. Now, try to anticipate at least **three** points your opponents will make and create a counterpoint that you would use as a response.

Guess your opponent's points	What will be your counterpoints?

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Part IV: Debate!

5. Follow your teacher's instruction for the debate format and rules of engagement.

❖ **Teacher Tip:** Here are some debate format suggestions using a class of 24 students.

- Split the students in half with 2 teams of 12 each debating as a whole class.
- Split the students into 4 teams of 6 each, and run two debates concurrently. This works well if you're co-teaching or have a teacher's aide and your classroom has adequate space and sound dynamics. Smaller teams allow more students to actively participate in the debate.
- Split the students into 2 teams of 4 each, while the other 16 students serve as the audience, taking notes, and then voting on which team wins.
- Pair students up and have them debate one-on-one; then do a whole group share-out at the end.
- Create 8 teams of 3, with one student for, one against, and one judge. Conduct 8 concurrent debates with the judges keeping the debate on-task and on-time.

Part V: Reflection Questions

Take some time to reflect on what *both sides* said during the debate. Then, *regardless of your original position*, answer the questions below.

6. Which arguments or points made during the debate did you find most compelling or persuasive? Why?
7. How did representing a specific monetary policy stance challenge or change your understanding of economic decision-making?