

Structure of the Federal Reserve System

Using the information on the Federal Reserve System, the Board of Governors, the Federal Open Market Committee, and all the lessons so far, fill in the blanks of the following paragraphs so as to accurately portray the structure of the Federal Reserve System.

The Federal Reserve Bank of Philadelphia is one of _____ regional Reserve Banks in the United States that, along with the _____ in _____, make up the Federal Reserve System—the nation’s _____ . The Federal Reserve System was established by Congress in _____. The Fed reports to _____ but carries out its responsibilities independently. The Fed typically remits _____ percent of its earnings to the U.S. Treasury. To ensure a sound financial system and a healthy economy, the Fed _____, _____, maintains the payments system, and serves as the _____ in a financial crisis.

The _____, led by its Chairman, is a federal government agency and the _____ component of the Fed. Located in Washington, D.C., the Federal Reserve Board consists of _____ members—called Governors—who are appointed by the President of the United States and confirmed by the Senate. A Governor’s term is _____ years, with appointments staggered to ensure Board continuity. The terms of the Chairman and Vice Chairman are _____ years.

The _____ (FOMC) is the Federal Reserve’s chief monetary policymaking body. The FOMC’s decisions ultimately affect _____.

The FOMC’s voting membership includes the _____ members of the Board of Governors, the president of the _____ Reserve Bank, and _____ of the other _____ Reserve Bank presidents, who serve in an annual rotation. But regardless of their voting status, all Reserve Bank presidents offer views on _____ in their regions and the nation at every FOMC meeting. The Board’s _____ also serves as FOMC Chairman, while the _____ Fed president serves as FOMC _____.