

ECON

We are very excited about this new newsletter to help provide resources and information to educators throughout our District. Our goal is to highlight new Federal Reserve teaching materials and resources, including websites, classroom ideas, programs, and other information for educators. We hope you discover some new teaching ideas and resources.

Please share this copy with anyone you think may be interested, and be sure to join our mailing list at www.frbsf.org/education/newsletter to receive future copies.

In our next issue, we want to include a column on new ideas to try in classrooms. If you have some creative ideas to share, we'd like to hear from you. You can contact our Branch Public Information staff or write directly to the editor at sharon.strahm@sf.frb.org.

If you would like to receive this free newsletter in the future, be sure to sign up at:

www.frbsf.org/education/newsletter

The Federal Reserve Bank of San Francisco

ED & THE FED

Resources and Information for Educators

Inaugural Edition/Fall 2001

NEW from the Fed . . . FED 101:

A Website Dedicated to Economic Education!

By Sharon Strahm

To help you explain some of the mystery of the Federal Reserve System, we are excited to announce a new comprehensive educational website. Designed as a learning tool for educators and students, it offers a variety of interactive activities that are easy to integrate into the classroom and apply to everyday economics.

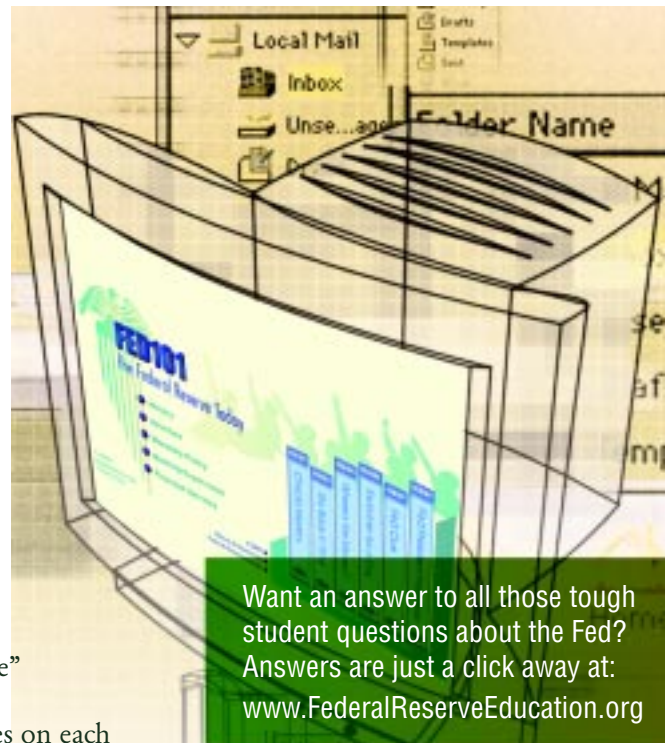
Our new website www.FederalReserveEducation.org provides an excellent way to learn about the Fed, its purposes and functions, its role in the financial system, and much more. More specifically, you and your students can access many unique educational web activities by clicking **FED 101**, including:

- How the Fed creates money
- Interviews with the twelve Federal Reserve Bank Presidents
- A historical timeline of central banking in the U.S.
- The path of a check
- A virtual bank exam
- An interactive game called "Fed Clue"

There are also a variety of built-in quizzes on each topic. Everything can also be printed quickly or simply read online.

For teachers, there are some additional lesson plans and links to websites that will enhance understanding of the Federal Reserve. Some links offer ways to order Fed materials, including *The Fed Today* video that is shown to many student tour groups who visit the Fed.

Please check out our new website and let us know what you think. Comments can be made directly to the webmaster on the new site at staci.d.motsinger@kc.frb.org.



Bring Your Students to See the Cash!

By Andrea Rohrke

Have you been searching for a way to connect abstract economics concepts to your students' daily lives? Consider one option that's popular with teachers throughout the Twelfth Federal Reserve District: bring your students on a tour of the Federal Reserve Bank of San Francisco or one of its four branches.

What Happens on a Typical Tour?

Our friendly staff members specialize in knowing interesting stories about the Bank, and are delighted to host you and your students on a memorable visit to the center of our Bank's operations. On your tour, you may discover a witty film on the Federal Reserve that features television and radio personality Charles Osgood, currency from the Colonial days, stunning silver certificates featuring famous historical figures, and more. Regardless of which Bank location you visit, you will enjoy observing the breathtaking speed of check processing and the wall-to-wall currency stored in our Bank vaults.

What Else Should You Know?

Since tour content is targeted toward high school and college students, group tours are only available for the high-school level and above and are limited to 30 persons per group. Although all locations require advance notice, we recommend that you book your

tour as far in advance of your planned fieldtrip as possible—tours are very popular and fill up quickly!

How Can You Schedule a Tour?

Contact your local Federal Reserve Bank or Branch.

San Francisco

Contact Andrea Rohrke at (415) 974-3252 or andrea.rohrke@sf.frb.org.

Los Angeles

Contact Ethel Belcher at (213) 683-2900 or ethel.belcher@sf.frb.org.

Salt Lake City

Contact Paul Morley at (801) 322-7926 or paul.morley@sf.frb.org.

Portland

Contact Lorraine Thayer at (503) 221-6070 or lorraine.thayer@sf.frb.org.

Seattle

Contact Public Information at (206) 343-3638.

Upcoming Calendar of Events

Workshop on Problem-Based Economics, October 1-2 or November 29-30, Buck Institute for Education, Novato, CA. Learn engaging ways to capture students' interest in economics. www.bie.org. (415) 883-0122. Cost: \$250.

Oregon In-Service Bulletin, October 12-13, various locations in OR. Review listings of professional development programs, including teaching strategies, classroom problem solving, language skills, and personal finance. www.willamette.edu/~oic. Fees vary.

Oregon Business and Management Educators Fall Conference, October 12, Florence, OR. Find new teaching ideas for business, technology, personal finance, economics, and accounting courses. www.obme.org. (541) 744-5157. Registration fee.

National Council on Economic Education (NCEE) Annual Conference, October 24-27, Chicago, IL. Seven conference "tracks" offer presentations on economics topics. www.nationalcouncil.org. (212) 730-1792. Registration fee.

National Council for the Social Studies (NCSS) Annual Conference, November 16-18, Washington, DC. Join educators from around the world to focus on history, geography, economics, civics, and government. www.ncss.org. (301) 588-1800. Registration fee.

The Federal Reserve and Monetary Policy, November 29, Phoenix, AZ. Learn about the Federal Reserve System and a variety of free educational materials. www.azecon.org. No cost.

Association for Career and Technical Education (ACTE) Annual Convention, December 13-16, New Orleans, LA. Network with teachers, school administrators, policymakers, exhibitors, and business leaders and attend sessions on preparing students for their careers. www.acteonline.org. (800) 826-9972. Registration fee.

To add something to our Spring 2002 Calendar of Events, please submit your program information to the editor by December 21, 2001. Space is limited.

Q&A on the Economy-August 20, 2001



By Gary C. Zimmerman, Economist

With increasing interest in the economy, the following Q&A will help address some of the most popular questions on many people's minds.

Q. National economic growth has slowed down in 2001. What effect has this slowing had on the Twelfth Federal Reserve District?

A. The Twelfth District job growth rate for the first seven months of 2001 fell sharply according to recently released payroll employment data. In the first seven months of 2001, the District added jobs at only a 0.3 percent annual rate, as the chart shows, far below the 3.5 percent rate of growth recorded for the entire year 2000.

Q. How are the western states faring compared to the rest of the nation?

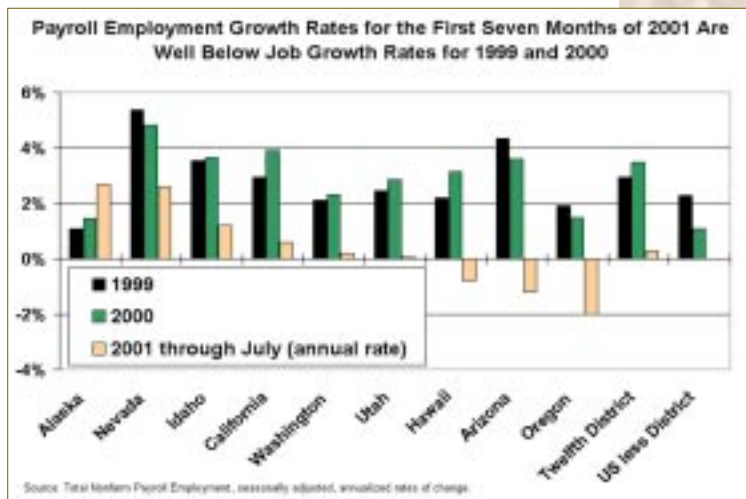
A. District job performance in 2001 was only slightly better than that of the rest of the nation (subtracting the Twelfth District from the U.S.). As the chart shows, the nation recorded essentially no job growth over the first seven months of 2001.

Q. Which western states have recorded the strongest performance this year?

A. Over the first seven months of 2001, Alaska and Nevada have been the strongest performers, as the chart shows. Alaska was the only state in the District to add jobs at a faster pace in the first seven months of 2001 than for the year 2000. High oil prices over the past two years appear to have helped boost Alaska's current level of economic activity. Nevada's tourism-oriented economy has experienced some recent slowing, but the state remains the fastest growing in the nation over the 12-month period ending in July 2001.

Q. Are there any common factors affecting the slower growing states?

A. Weakness in high-tech manufacturing and services appear to be common factors. The two western states that lost payroll jobs in the first seven months at rates of 1 percent or faster, Oregon and Arizona, both have important high-tech sectors. Both states reported losses in employment categories that include high-tech manufacturing and business services; the latter category



includes computer software, Internet, and e-commerce employment.

Q. Does the District-wide weakness extend beyond the high-tech manufacturing and services?

A. Yes, through the first seven months of 2001, the Twelfth District lost jobs in several sectors: manufacturing, mining, construction, transportation, communications, public utilities, and services. Job losses in the service sector were reported in lodging and recreational services, as well as in business services. Weakness in the service sector is noteworthy. Service job growth rates typically fluctuate less than overall employment. Service jobs also account for nearly 32 percent of all payroll jobs in the District.

Q. How has slower growth affected the national outlook for the remainder of 2001?

A. In August our forecast for the national economy, available from our website (see below), projects that real gross domestic product (GDP) will expand at about a 1 percent annual rate in the third quarter of 2001 and just over 2 percent in the fourth quarter. Both figures are down slightly from the prior forecasts.

Need Economic Information on the Western States? Log on to www.frbsf.org and you'll find:

- **National Forecasts** www.frbsf.org/publications/economics/fedviews/index.html
- **Current Economic Topics** www.frbsf.org/publications/economics/letter/index.html
- **Economic Questions and Answers** www.frbsf.org/education/activities/drecon/askecon.html
- **Easy-to-use Curriculum** www.frbsf.org/education/curriculum/index.html

The American Currency Exhibit:

A Monetary Journey through Time

By Ron Weiss

Ask your students to imagine what it must have been like during the Free Banking Era from 1836 to 1866. Money and banking had insufficient government regulation, resulting in the issuance of over 8,000 different types of currency. Just as the bill pictured above was issued by a women's clothing store, private notes were also printed by hotels, restaurants, and even bridge authorities. The evolution of paper money took

many twists and turns during the Civil War, the Industrial Revolution, and the Great Depression. After the historical attack at Pearl Harbor during World War II, paper money circulating in Hawaii was specially marked—in case the money supply fell into the wrong hands.

The U.S. government has struggled to inspire faith in paper notes; this is an enduring theme in the history of American currency. Today we take for granted that our money will be accepted, but it hasn't always been this way. As you journey through the collection of American currency you can identify the significance of our currency's patriotic symbols and historical images. A close examination of the Bank's American Currency collection of over 400 notes will reveal historical battles, political conflicts, and cultural taboos. Hang on to your wallets and enjoy the ride.

Peabody Ladies Furnishings, 1862-1863

Three Ways to Tour the American Currency Exhibit

- Explore the exhibit online by visiting the Bank's website at: www.frbsf.org/currency/index.html
- Explore the American Currency Exhibit CD-ROM. Free for educators. Order online at: www.frbsf.org/education/curriculum/index.html
- Visit the exhibit in San Francisco at 101 Market Street from 9:00 a.m. to 4:30 p.m., Monday through Friday.

Econ Ed & the Fed is a new biannual publication of the Federal Reserve Bank of San Francisco. Reaching approximately 15,000 educators throughout the Western U.S., it is provided as a free service as part of the Fed's commitment to economic and financial education.

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Comments and questions are welcomed by contacting the editor. To be added to our newsletter mailing list, please sign up at www.frbsf.org/education/newsletter

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