

**ECO 313, Fall 2019, Required Homework Assignment #1**  
**Due by the start of class on September 17, 2019**

While doing the readings for this class, you are interrupted by a phone call. It is Federal Reserve Chairman Jerome Powell. He is calling from a pay phone at a reststop outside Reno, Nevada. He is crying. "Everyone is mad at me. Just tell me what to do."

**Instructions:** For this assignment, you are to help Jay out. Write a policy memo of 1000-1500 words addressing the following:

- i. Describe the current condition of the U.S. housing market and compare it to the 2007-2008 period.
- ii. Describe the current U.S. debt outlook and compare it to the 2007-2008 period.
- iii. Describe the current U.S. inflation, growth, and unemployment outlook.
- iv. Provide a policy recommendation for where the FOMC should set the Federal Funds rate following its September 17-18 meeting.