

13.15: Discussion- Impact of Low Interest Rates on Monetary Policy

Respond to the following prompts in a post with a minimum of 200 words, then comment on at least TWO other posts.

- Since the end of the Great Recession, interest rates have been at historic lows—in some cases, close to zero. How is expansionary monetary policy, or more specifically a open market purchase, supposed to work? How do near-zero interest rates limit the ability of expansionary monetary policy to work?
- How has the Fed responded to this quandary? That is, what policies has the Fed conducted?
- In your opinion, how effective has the Fed's policy been as a response to the Great Recession? What evidence can you suggest to support your position?

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