

# Viewing the Video

This section provides numerous pause points that allow for short discussions, the opportunity for students to complete Handout 1, and to encourage active interest while viewing the video. You can follow along in the Video Transcript (page 19) for the pause points. Please be sure to keep the lights on as well.

8. Distribute a copy of Handout 1 to each student and instruct them to answer the questions as they watch the video. State that by the conclusion of the video, the benefit of a well-functioning central bank should be clear. Set the VCR counter to zero and push play.
9. Pause at 1:28. Allow students a moment to record their response to question 1 and then ask students to speculate on what is happening in the frame. (This represents a bank panic.) Resume video.
10. Pause at 3:04. Ask why people need faith in their financial institutions during times of crisis. (To minimize the risk of a panic and all the associated problems.) Resume video.
11. Pause at 5:21. Why is it that the public, wants to get their hands on as much money as possible during a crisis ? (They are afraid that if they wait, there won't be any money left in the bank.) Resume video.
12. Pause at 7:45. Define the term "float" and allow a few moments to answer question 7a and 7b on Student Handout 1. Resume video.

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13. Pause at 11:02. Allow students a moment to consider the purpose of the Discount Window. (The Fed makes loans on an overnight basis to banks.) Ask students why the Fed loaned so much more on September 12. (Banks needed to meet the increased demand for funds due to the crisis. This was a cumulative problem that grew every day as the float grew and funds were not being cleared.) Ask students what the technical term is for the availability of funds? (Liquidity.) Resume video.
14. Pause at 12:54. Allow students a moment to record the amount of injected funds. Ask students what those dollar amounts represent? (Liquidity-meeting the need for cash.) Also discuss with students that during open market operations the Fed often buys and sells securities. Resume video.
15. Allow students a few moments to finish up the worksheet and discuss the following:
  - So what are your thoughts on the video? (Answers will vary.)
  - What strikes you as the most important thing the Federal Reserve did during the 9-11 crisis?
  - Do you remember any worry about your own access to money?
  - What do we call the availability of money? (Liquidity.)
  - What do you think are the main benefits of a well-functioning central bank?
  - To complete today's discussions, you will utilize your information from Handout 1 to develop a summary statement about the Federal Reserve's actions following September 11.