

$$M^s = \text{Currency} + \text{Deposits}$$

January 2020

$M^s = 3,500b$

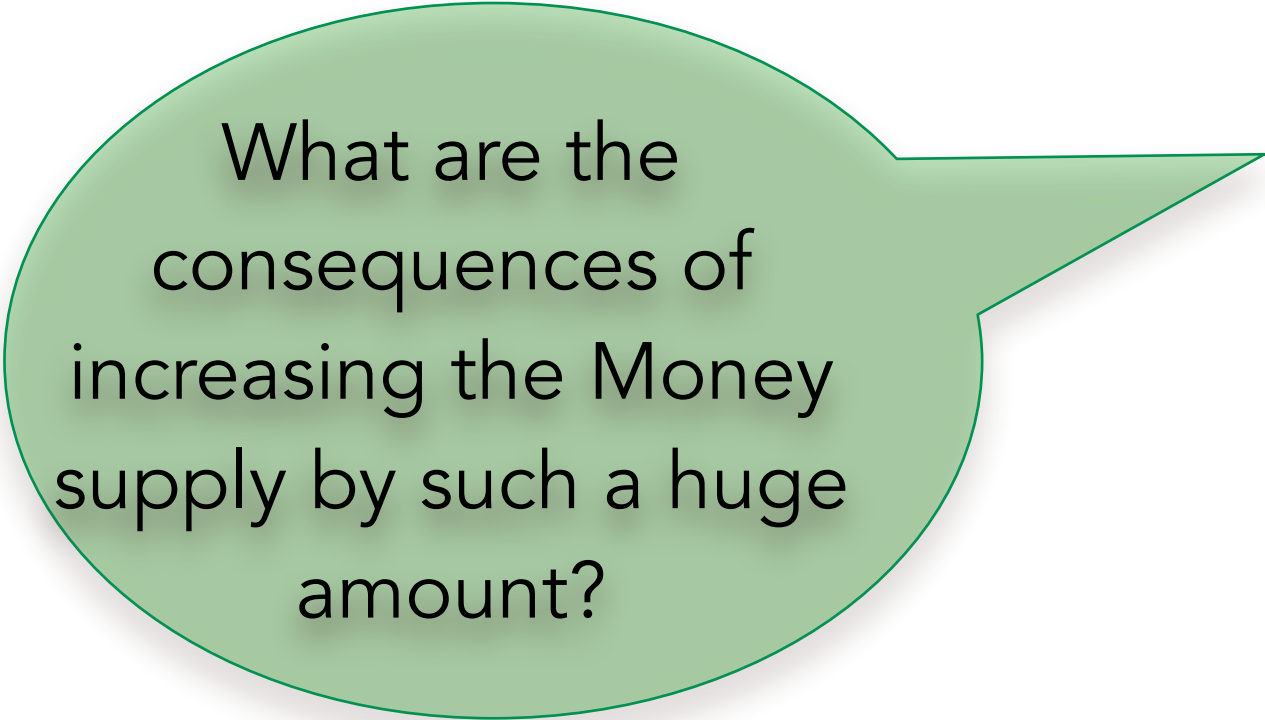
Currency 1,700b

Deposits 1,800b

A 3,000 injection of new money into the banking system, has the potential to increase Deposits by 30,000 billion



Is that a lot?



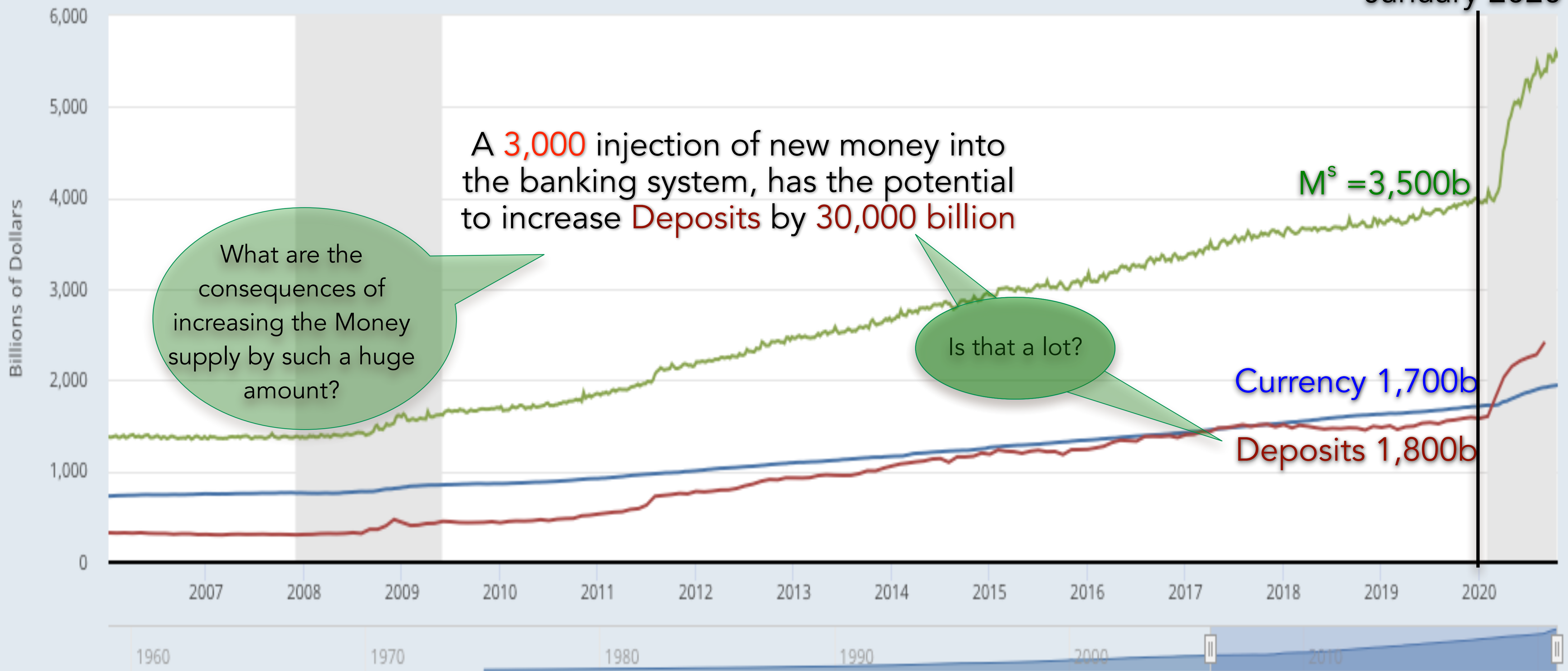
What are the
consequences of
increasing the Money
supply by such a huge
amount?



- Currency Component of M1
- Demand Deposits: Total
- M1 Money Stock

$$M^s = \text{Currency} + \text{Deposits}$$

January 2020



Shading indicates U.S. recessions; the most recent one is ongoing.

Source: Board of Governors of the Federal Reserve System (US)

fred.stlouisfed.org



Increase Money Supply Quarterly

