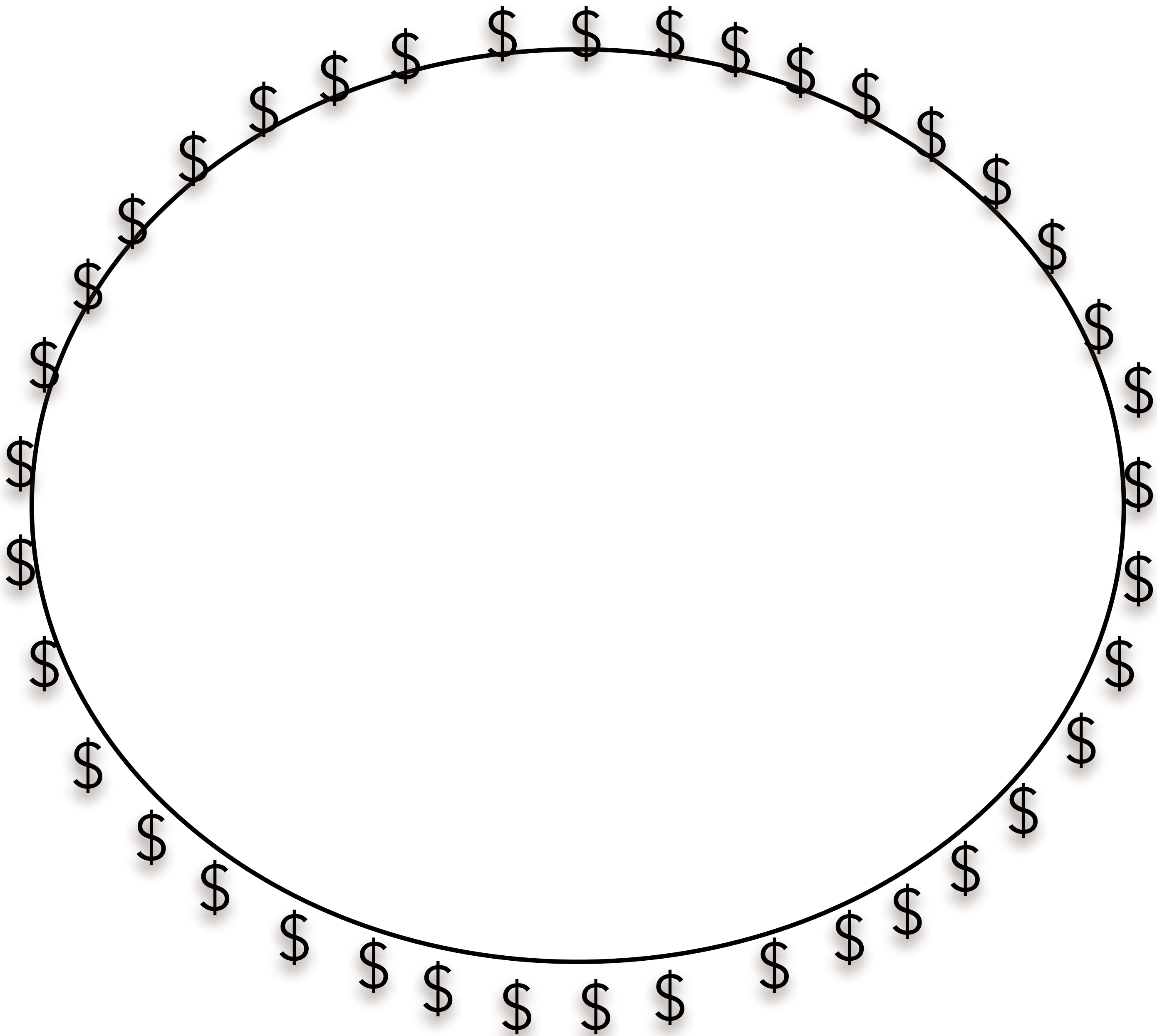


Households

Firms

Government


Rest of
the
World



Money Supply

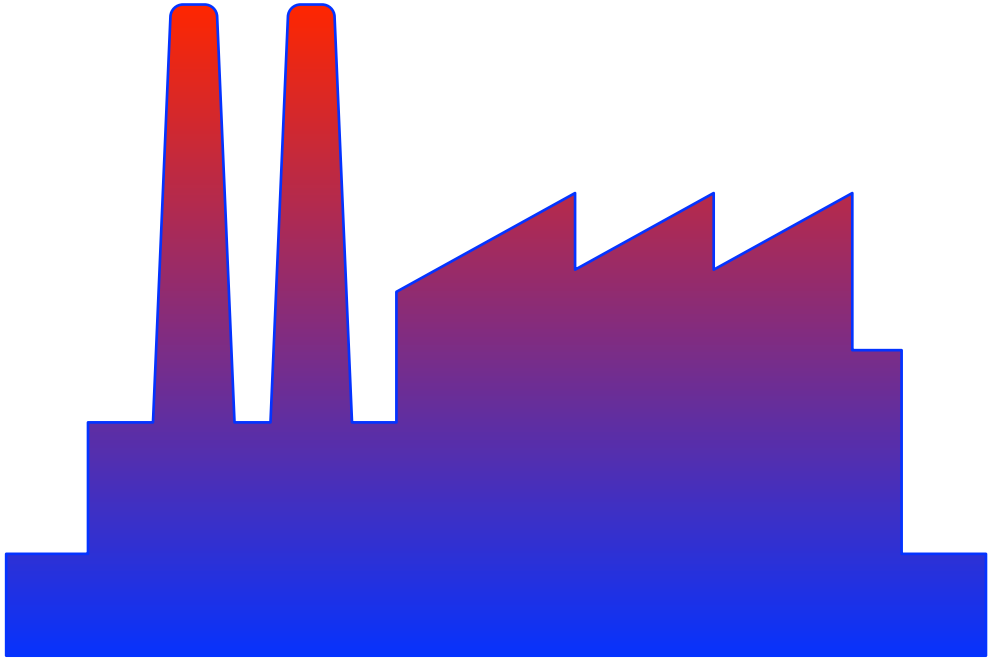
Total Amount of Money

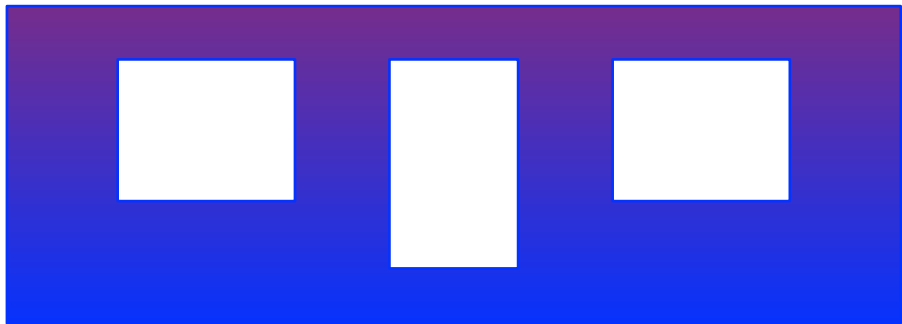
available to make payments to
each other



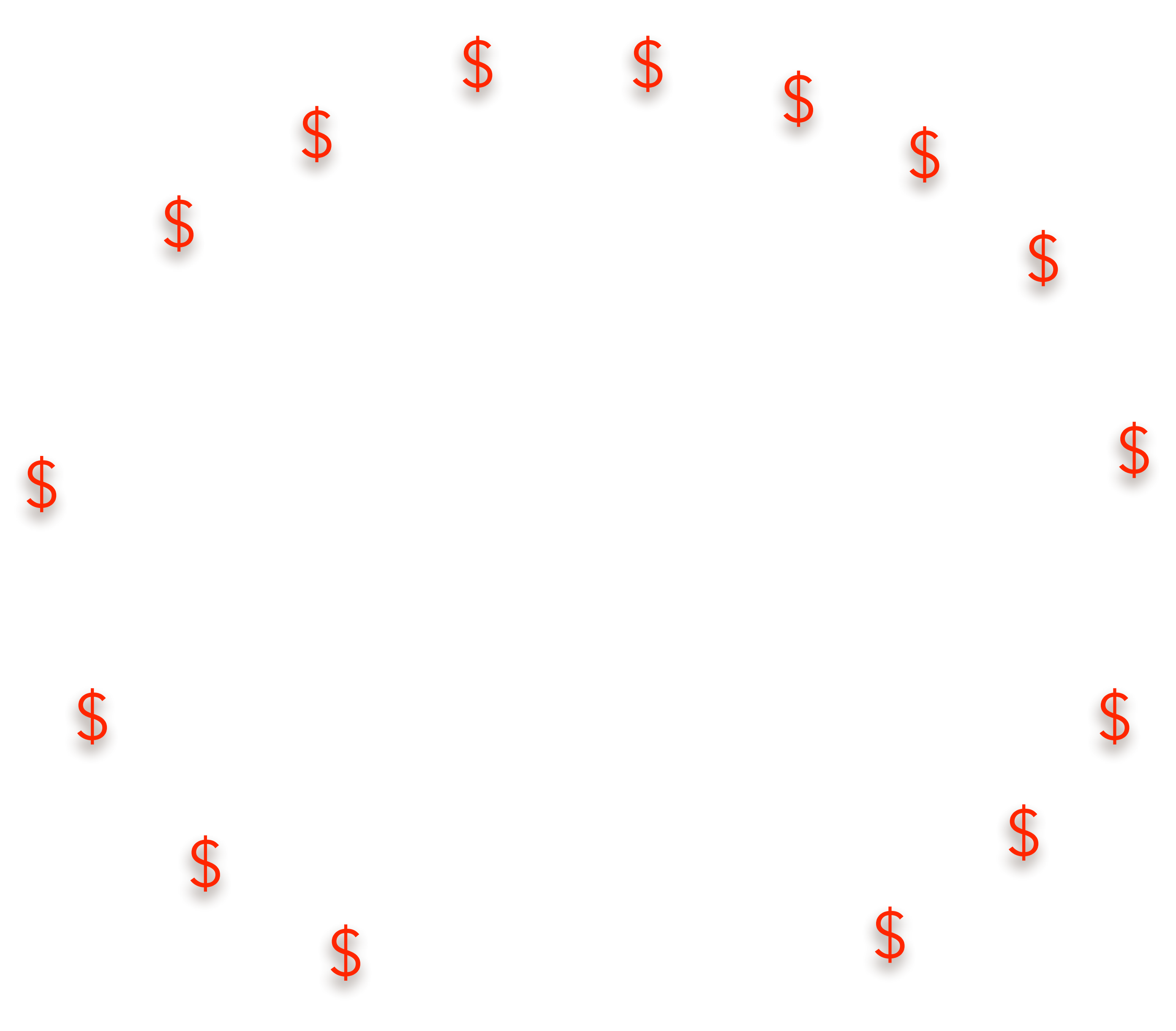
Where does
new money
come from?







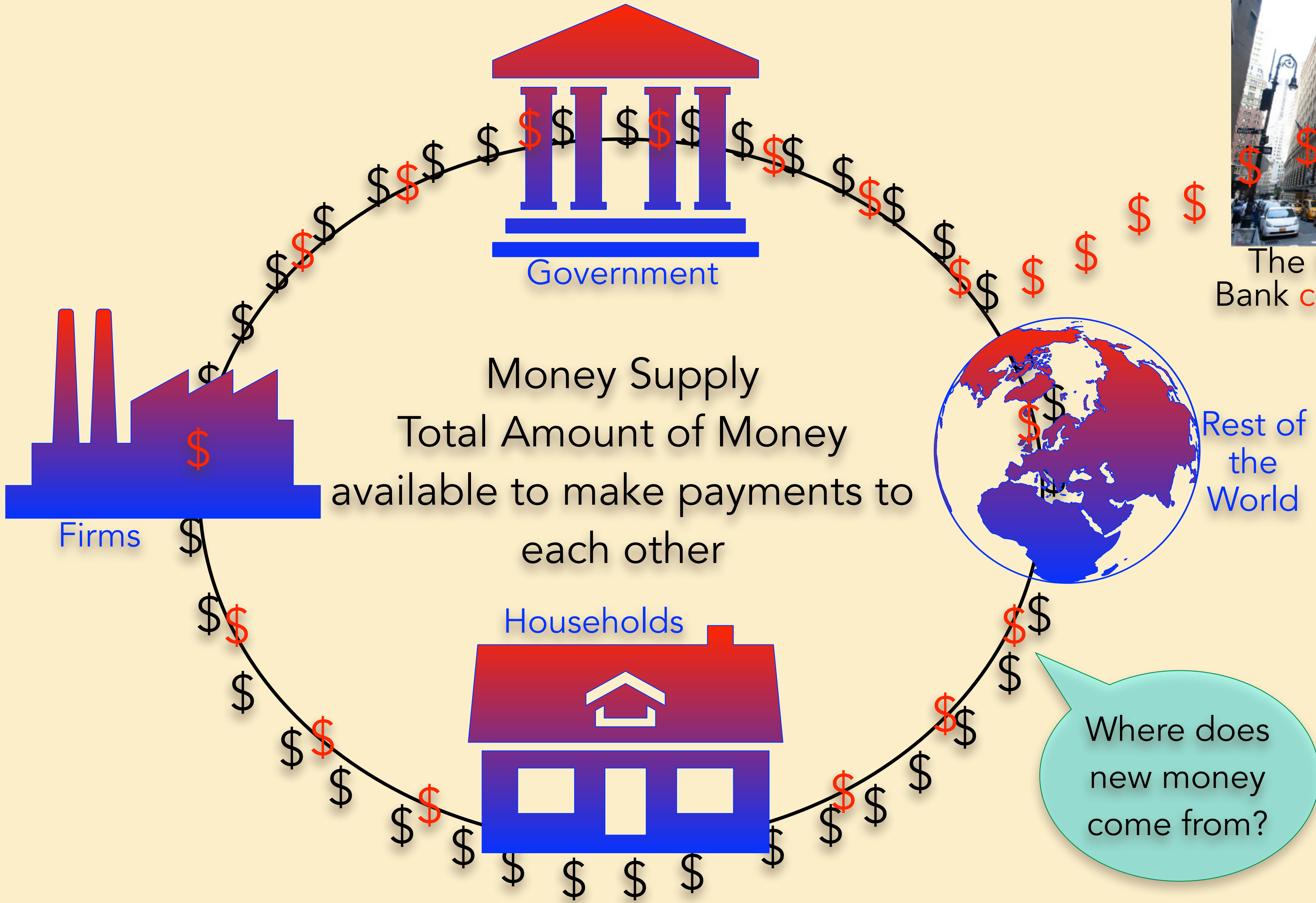




\$ \$ \$ \$



The Federal Reserve
Bank creates new money



The Federal Reserve Bank **creates new money**

Where does
new money
come from?

Fed works through 12 District Branches