



DATAPOST

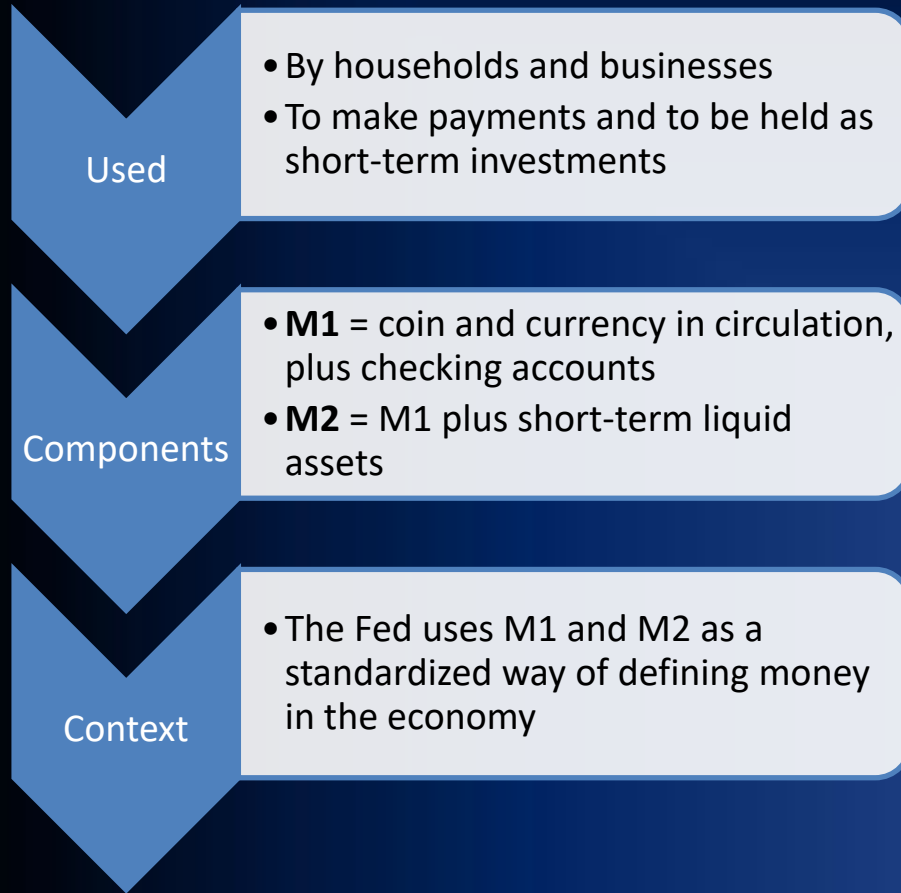
The Money Supply

Measuring M1 & M2

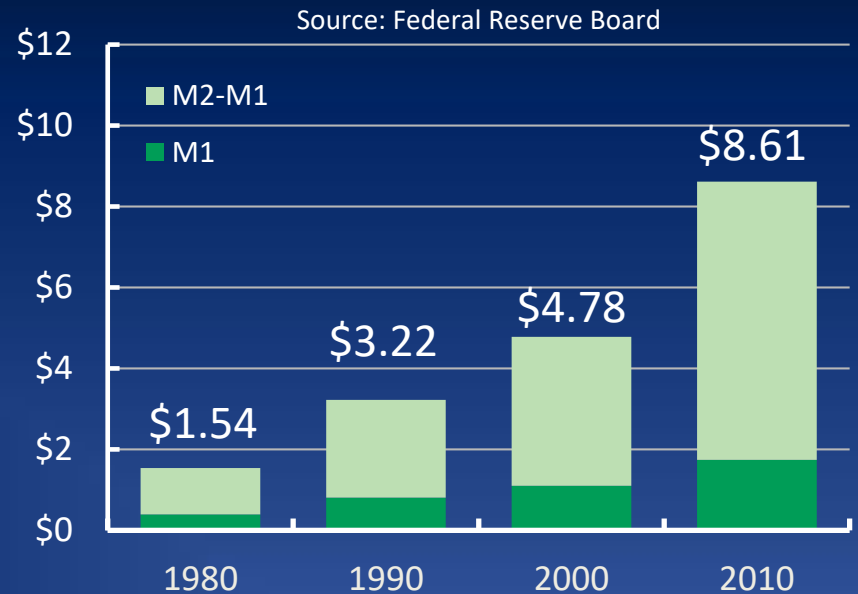
Date last updated: September 14, 2020

Federal Reserve Bank of San Francisco
Economic Education

Money Supply – Did You Know?



M1 and M2
(\$trillions, non-seasonally adjusted)



As a share of the total values shown above, M1 dropped from 26% in 1980 to 20% in 2010.¹

1. See PowerPoint file for technical note.

Money Supply – Components

M2

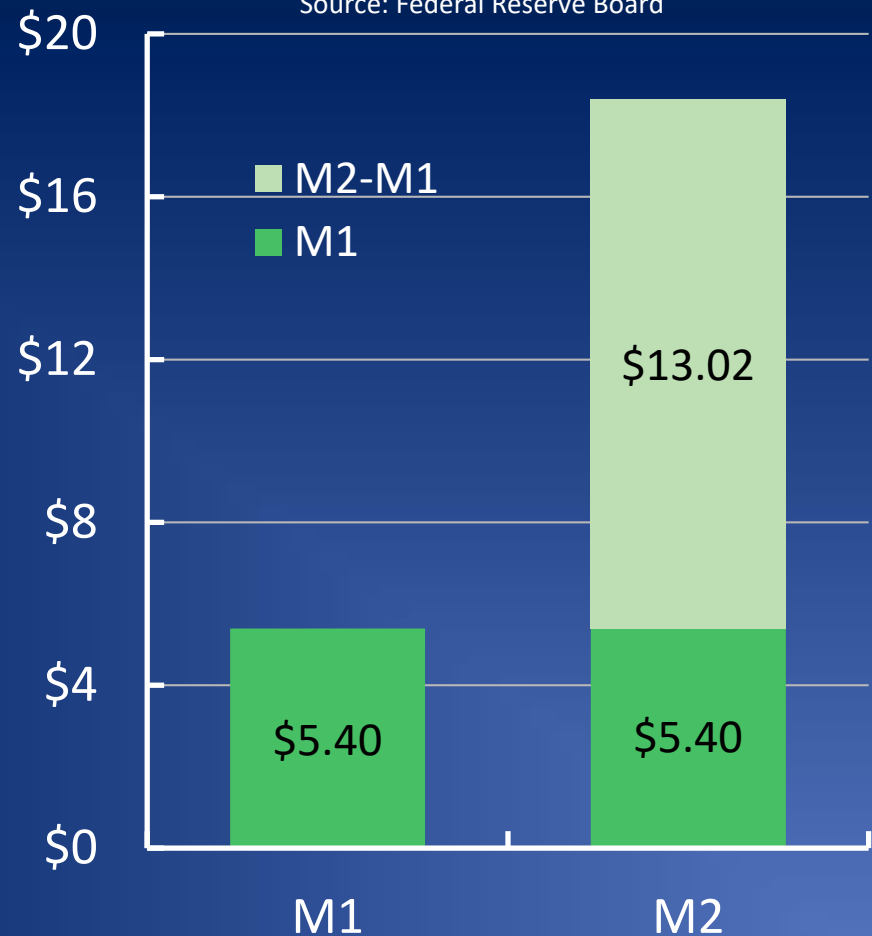
- Savings Deposits
- Time Deposits
- Certain CDs
- Money Market Deposit Accounts
- Money Market Mutual Funds
- Includes M1

M1

- Coin
- Currency
- Demand Deposits
- Travelers Checks

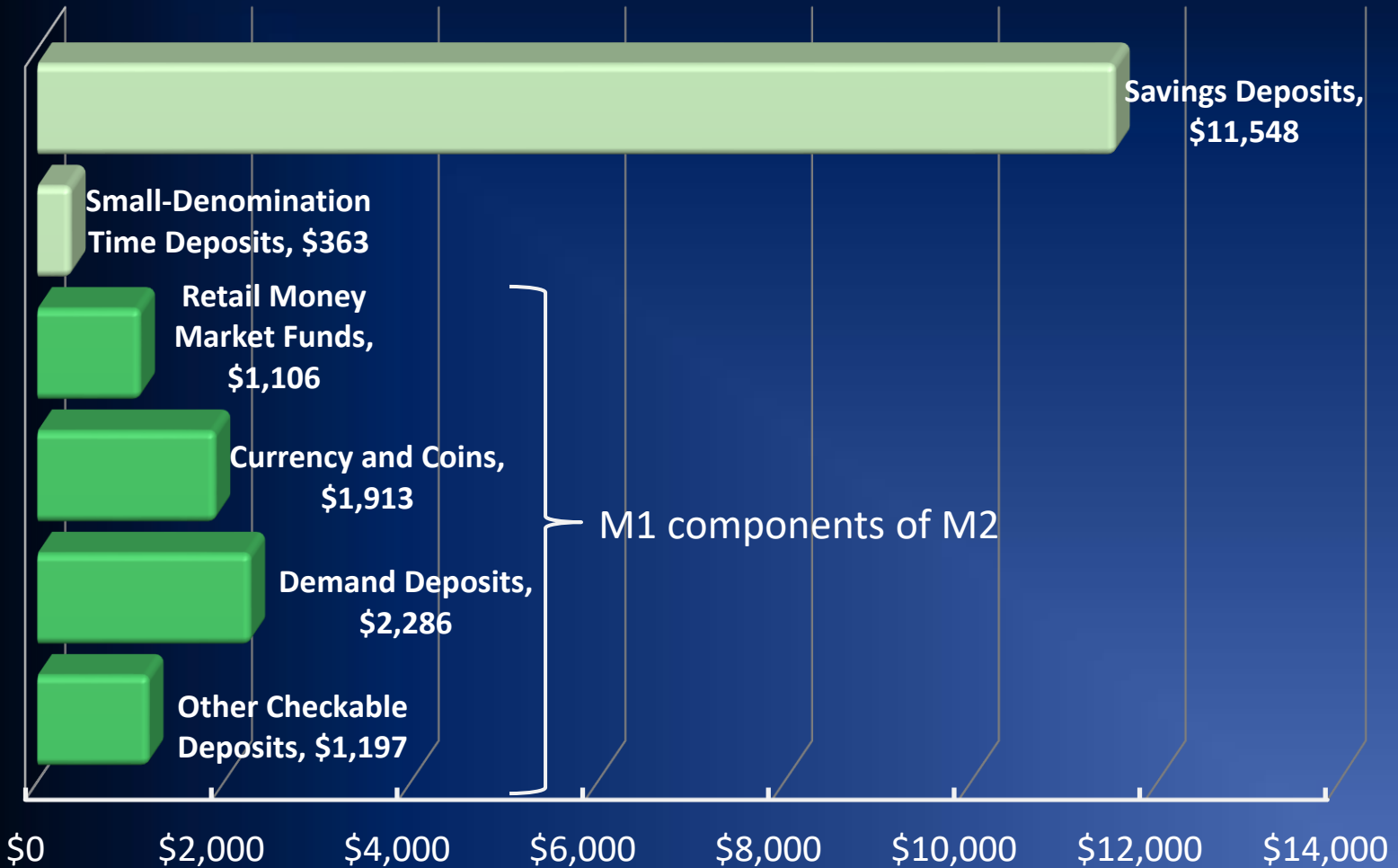
August 2020
(\$trillions, seasonally adjusted)

Source: Federal Reserve Board



M2 in Detail

August 2020 (\$billions, seasonally adjusted)

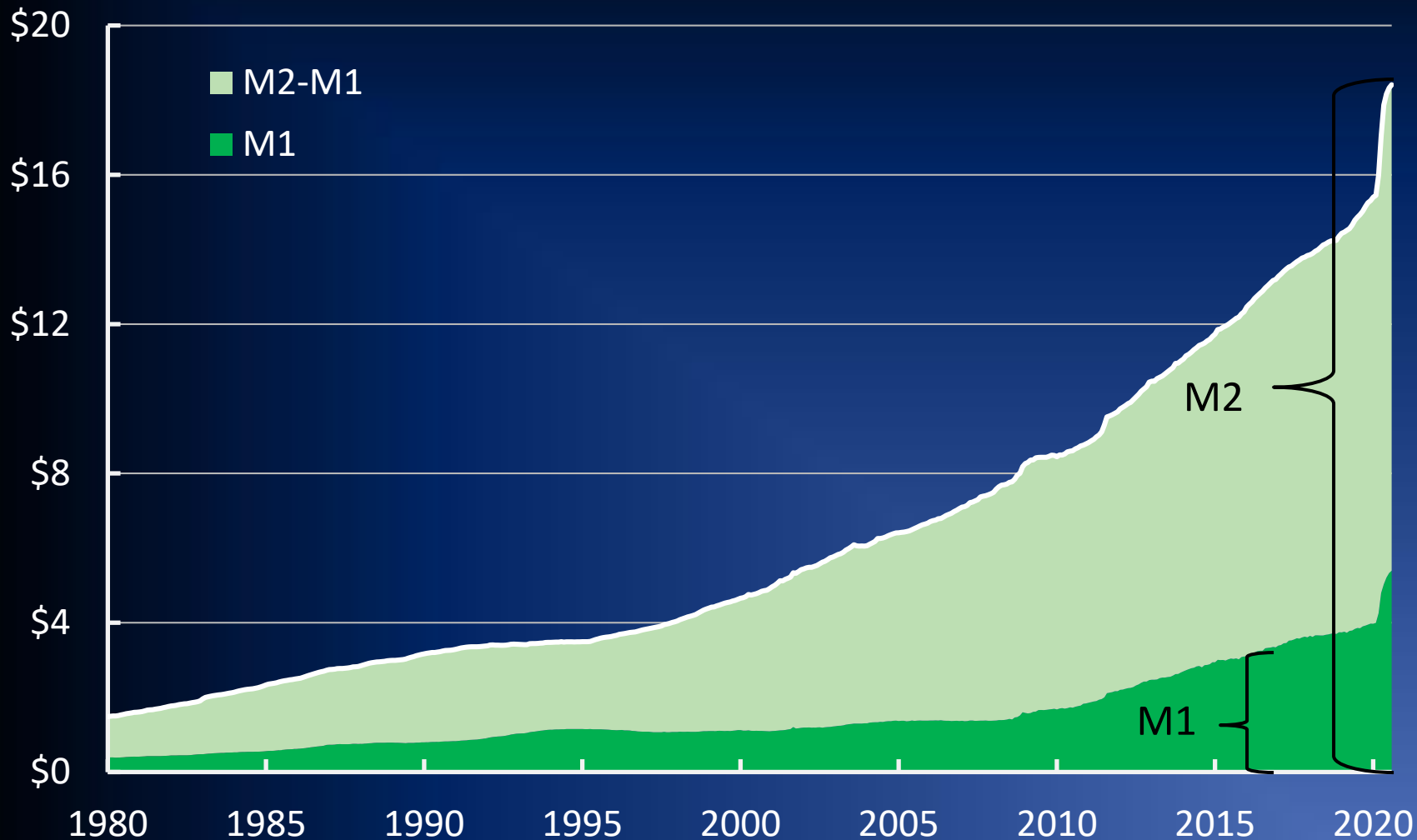


Source: Federal Reserve Board 9/10/20 data release

Note: Components may not add to totals due to rounding

Trends — M1 and M2

Jan. 1980 to Aug. 2020 (\$trillions, seasonally adjusted)



Source: Federal Reserve Board 9/10/20 data release

What Do You Think?

1. How much cash (coin + currency) do you currently have in your pocket, wallet, or purse? Is this cash part of M1 or M2?
2. Do you have a checking account? Is the balance in your checking account part of M1?
3. Do you have a savings account? Is your savings account balance part of M1?
4. How would you describe the trends of M1 and M2 since 1980? (See slide 5)