MONEY IN COMMON

HOW AMERICA'S MONEY WORKS

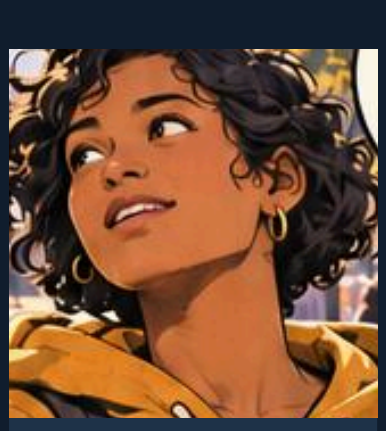
A PROMISE WORTH KEEPING

At a neighborhood potluck, Alex Rivera gets curious.
How do Congress, the Treasury and the Fed shape everyday life?

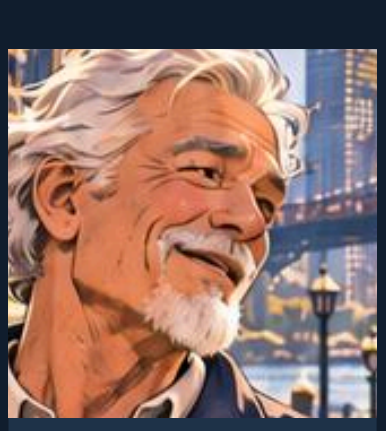


MEET THE CAST

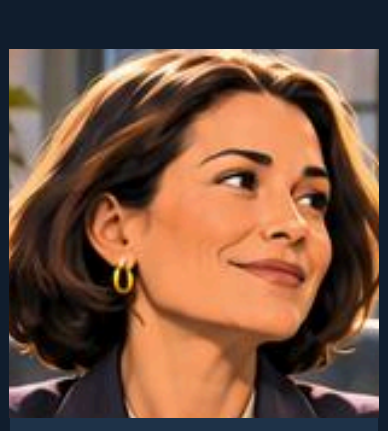
Fictional characters. Real questions.



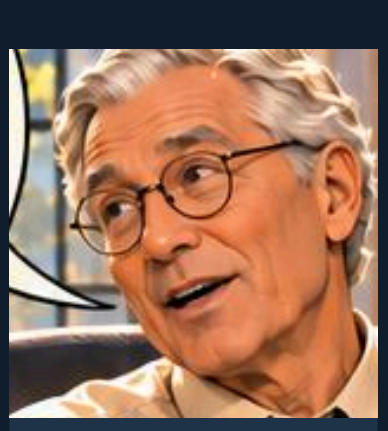
Alex Rivera
The curious one



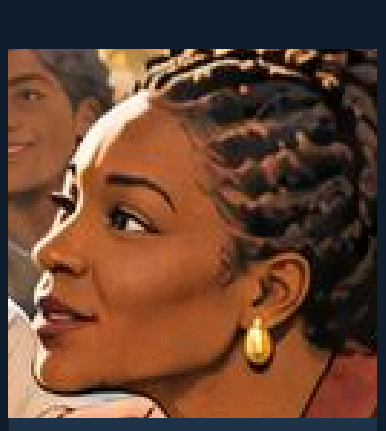
Sam Bennett
The neighbor



Maya Chen
U.S. Treasury



Ellis Reed
Federal Reserve



Jordan Brooks
Congress

By Viplav Nigam, Founder, LongShort.io

An illustrated guide to the U.S. budget, debt and the Fed

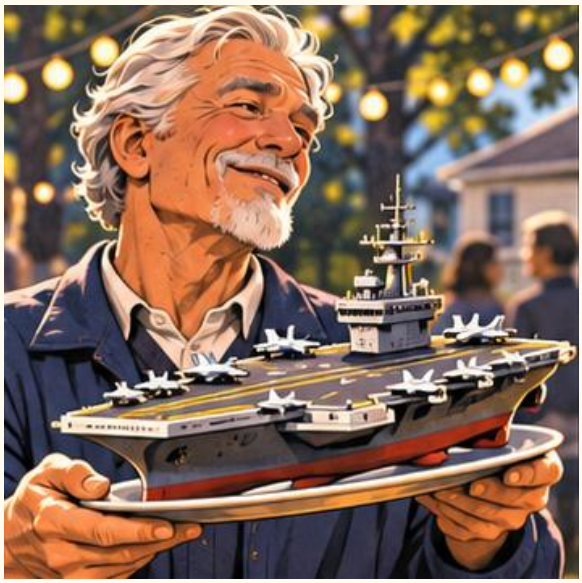
Start the comic

Jump to the numbers



Who else are we promising to look after?

A potluck promise



SAM

Careful with the platter.

ALEX

You actually brought the whole aircraft carrier?



Sources [19] [20]



Who would lend Treasury the money?

Counting what came in



ALEX

This stack covers part of the bill. What about the rest?

MAYA

Treasury can borrow the difference.



Sources [5] [7]



What if the new buyer wants more interest?

Two different promises

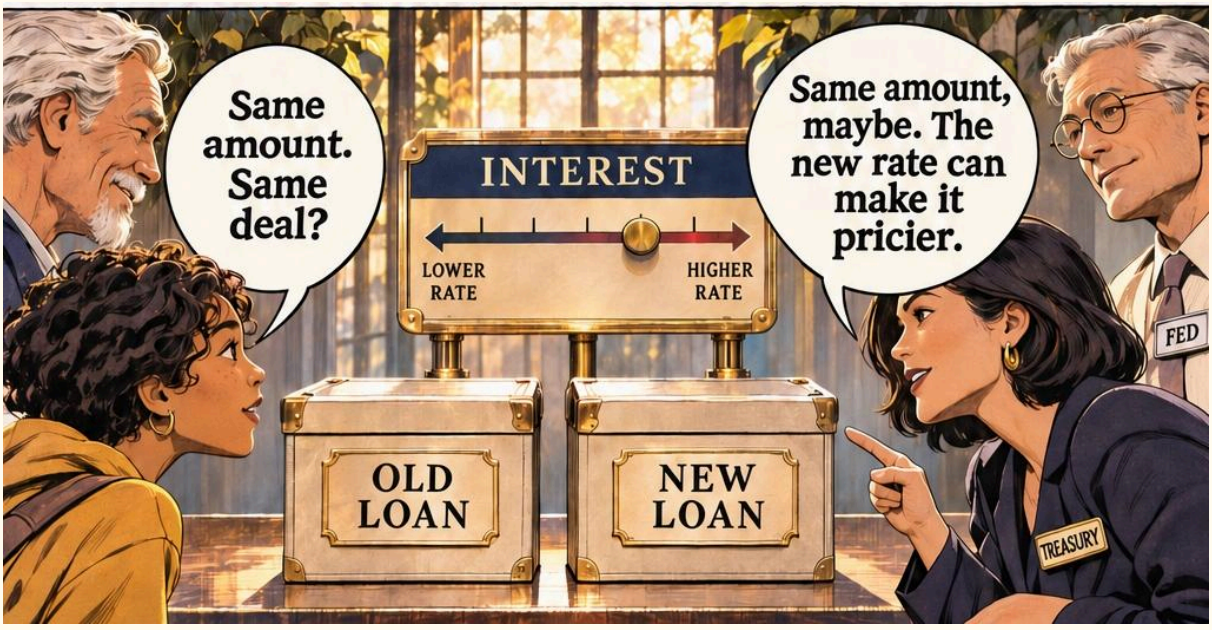


MAYA

The old bond comes due today. Its owner gets paid.

ALEX

And whoever buys the new bond gets a new due date?



Sources [8] [10]



What happens to prices if money grows faster than what we can buy?

The bond changes hands



ELLIS

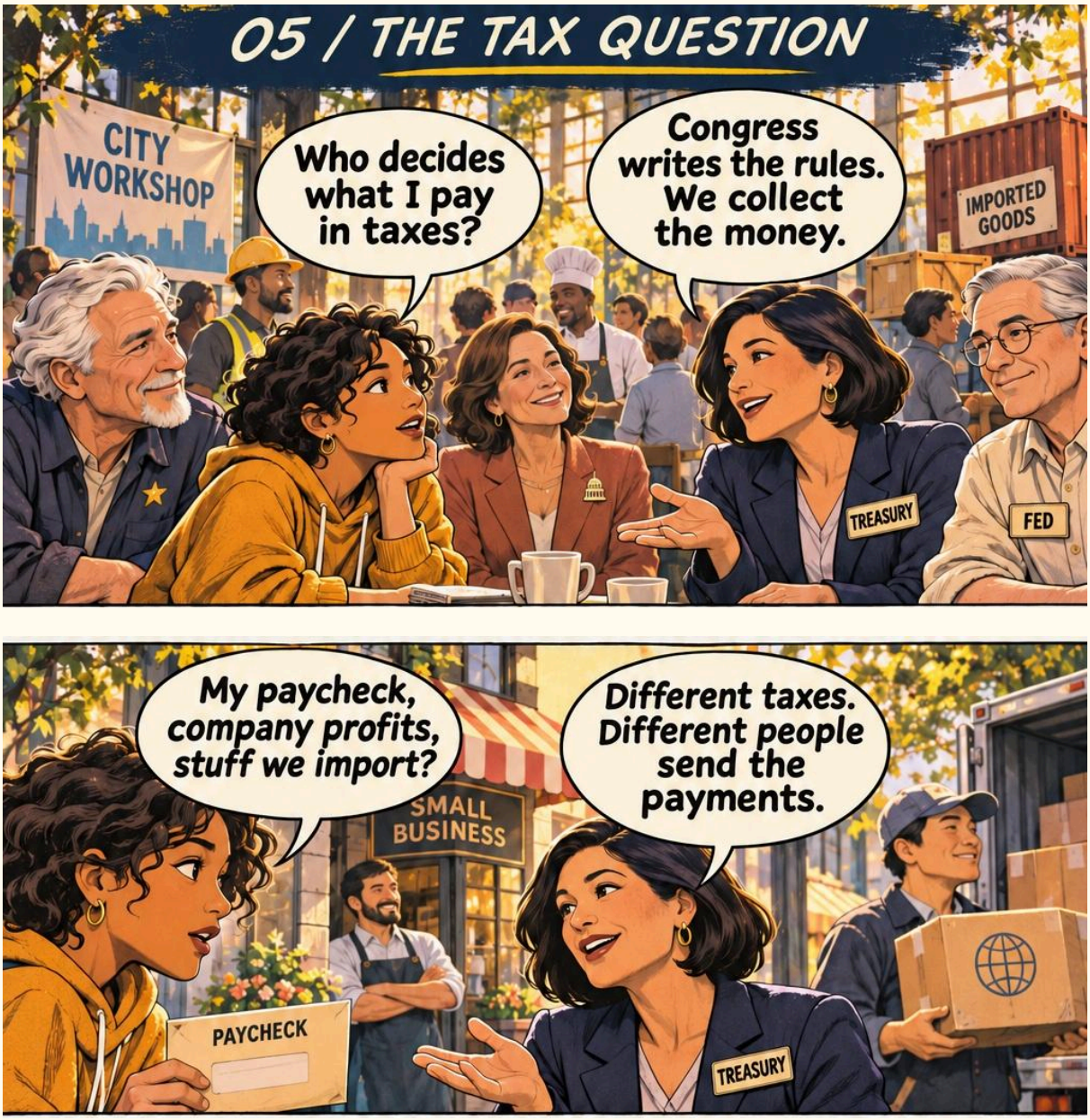
Say the Fed buys this bond. Follow the paper. Who has it now?

ALEX

You do. So Treasury still has someone to pay.



Sources [15] [16]



How much of that cost might reach the checkout?

A box arrives at the shop



ALEX

Who pays the tariff when these mugs arrive?

MAYA

The importer pays it at the border. Look at the price tag later to see what the shop asks customers to pay.



Sources [24]



Where does Medicare fit in?

Look at a paycheck

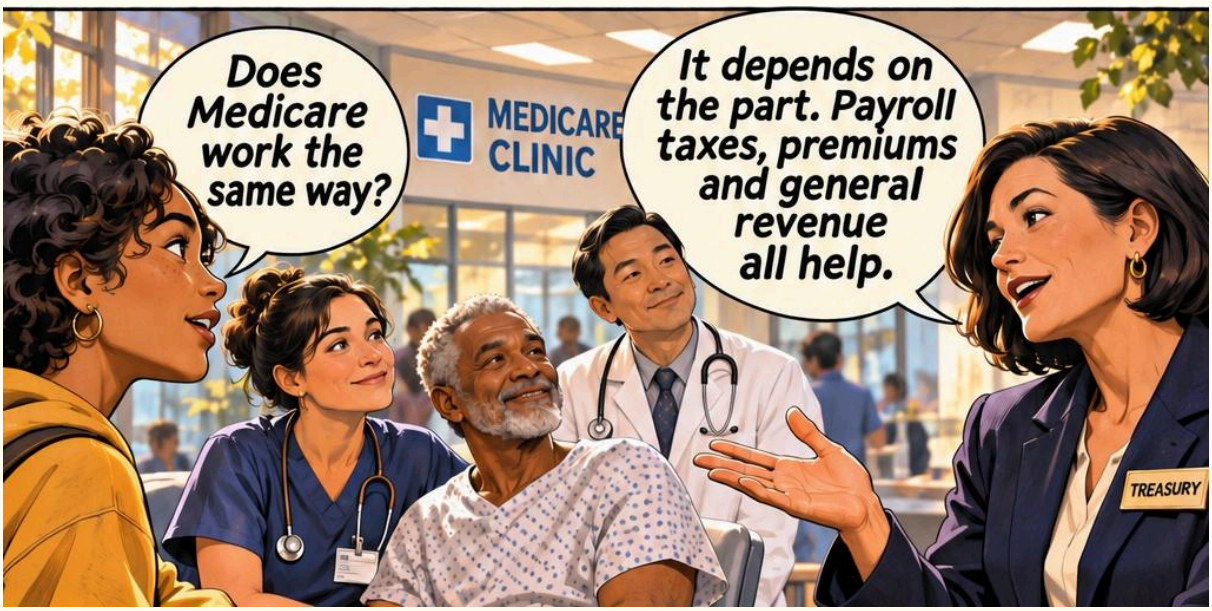


SAM

See the Social Security line? Those taxes help pay people receiving benefits today.

ALEX

So what's in the trust fund?



Sources [17] [18] [25]



What happens if fewer people can afford to borrow?

At the used-car lot



ALEX

Who picked the interest rate on this car loan?

ELLIS

The lender quoted it. Our decisions affect borrowing costs, but the lender also looks at the loan and the borrower.



Sources [27]



What would have to change for the basket to cost $50 again?

The same grocery basket



ALEX

Say my basket went from $50 to $55. Then it went up just one dollar.

SAM

Right. That second increase was smaller. You still need $56.



Sources [3] [29]



Which number tells Alex whether rent got easier to pay?

At the apartment door



ALEX

The headline says the country produced more. My rent went up too.

SAM

How much more did you earn this month?



Sources [1] [2] [3] [7]



Who can change the budget if interest costs rise?

At the next auction



ALEX

What if fewer buyers show up at the old price?

MAYA

A lower price can give the next buyer a higher return. That can make borrowing more expensive for Treasury.



Sources [5] [15] [30]



What would a family notice first?

Around the same table



JORDAN

Suppose we collect more in taxes. Whose taxes?

ALEX

And if we spend less, which service changes?



Sources [5] [7]



What would you ask at the next potluck?

Folding up the table



SAM

Which part of today would you tell someone about?

ALEX

I'd start with one promise. Who made it? And how are we going to keep it?



Sources [19] [32]

Follow the money.

The federal fiscal year ends September 30. Tables show trillions of dollars, rounded.

Start with $100 of spending.

In 2026, about $73 came in as federal revenue, mostly taxes. The other $27 was the deficit. Interest is already part of the $100 spent. [7] [7a]

Year	Revenue	Spending before interest	Net interest	Total spending	Deficit
2022	4.90	5.80	0.48	6.27	1.38
2023	4.44	5.48	0.66	6.13	1.70
2024*	4.92	5.85	0.88	6.73	1.82
2025	5.23	6.04	0.97	7.01	1.78
2026	5.40	6.34	1.05	7.40	1.99

Why did Treasury issue $33.04 trillion in 2026?

Treasury paid back $30.89 trillion of principal as securities came due. Subtract that from what it issued and you get $2.15 trillion in net issuance. Most of the headline amount was replacing debt that matured. [8] [9] [10]

Year	Issued to public	Principal repaid	Net issuance	Public debt at year-end
2022	17.76	15.74	2.02	24.30
2023	20.14	18.11	2.03	26.33
2024	28.63	26.66	1.98	28.31
2025	30.46	28.49	1.97	30.28
2026	33.04	30.89	2.15	32.43

Net issuance and the deficit can differ. Treasury also manages its cash balance and carries out other financing, including federal loan programs. The debt table uses principal amounts and excludes internal federal accounts. [10]

*Treasury revised the 2024 budget figures after publication. Totals may differ from the sum of rounded numbers. [6] [6a] [7a]

Deficit is the gap for one year. Debt is what’s still owed.

Principal comes back when a bond matures. Interest is the cost of borrowing.

Read the balance sheet.

The budget is a year. The balance sheet is a date.

The budget tracks money coming in and going out over a year. The balance sheet shows what the government had on its books at year-end. Liabilities include debt and other amounts owed, such as employee and veteran benefits.

Fiscal year	Recorded assets	Recorded liabilities	Net position
2021*	4.894	34.778	-29.886
2022	4.962	39.022	-34.061
2023	5.419	42.898	-37.479
2024*	5.684	45.333	-39.649
2025	6.055	47.779	-41.723

Trillions of dollars. The latest five published balance sheets at the November 20, 2026 snapshot. *Revised figures. Small unreconciled amounts affect the 2021 and 2022 net positions. [11] [12] [13] [14]

So what does $40.17 trillion mean?

That was Treasury-managed debt principal at the end of FY2026. About $32.43 trillion was held by the public, a category that includes the Fed. Another $7.74 trillion was held by federal accounts, including trust funds. [10]

Treasury also reported about $181 billion in interest already accrued on publicly held debt at year-end. That is a balance owed on that date. Page 26 shows the net interest cost for the whole year. [10]

Where FY2026 spending went



Social Security benefits $1.654T

Medicare, net $1.069T

Medicaid $0.723T

Net interest $1.052T

Everything else, net $2.898T

Social Security, Medicare and Medicaid made up about 47% of spending. Figures are for the programs shown and can differ slightly from broader spending categories. [7] [7a]

How would a smaller deficit look?

Suppose Congress raised $100 billion more and reduced spending by $100 billion. On paper, the 2026 gap would shrink from about $1.99 trillion to $1.79 trillion, before any changes in growth or interest costs. The policy choices decide who pays and which services change.

A negative net position means recorded liabilities exceed recorded assets. Future taxes stay off this balance sheet. Longer-term Social Security and Medicare estimates appear in separate reports. [14]

What can the Fed actually do?

Start with a $100 bond.

Say you sell a Treasury bond for $100 and the Fed buys it in the market. You get a $100 deposit. Your bank gets $100 in reserves, the electronic money banks hold at the Fed. The Fed now owns the bond. Treasury still owes its payments. [15] [16] [28]

YOU

You give up the bond and get a deposit.

YOUR BANK

It credits your account and gets reserves at the Fed.

THE FED

It holds the bond and owes the reserves.

TREASURY

It still owes the bond payments.

If you combine Treasury and the Fed for this example, the bond shows up as money owed within that combined group. The reserves are still owed to the bank. [15] [16]

Who makes which decisions?

The president proposes a budget. Congress writes tax and spending laws. Treasury collects money, borrows and pays the bills. The Fed’s rate-setting committee makes monetary policy decisions and aims for maximum employment and stable prices. [5] [27]

What if borrowing gets more expensive?

When investors demand a higher return, new borrowing and refinancing can cost more. The Fed can help keep the Treasury market working during a cash crunch. Congress and the president still face the choices about taxes and spending, and the borrowing limit is set by law. [15] [27] [30]

Three numbers from the November 20 snapshot

3.4%

Output grew at that yearly pace in the July–September quarter, according to the first estimate. [1]

4.1%

That was October’s unemployment rate, the share of the labor force counted as unemployed. [2]

+0.4%

Consumer prices rose that much from September to October after seasonal adjustments. [3]

How can both things be true?

The economy can produce more while households still feel squeezed. A slower rate of inflation means prices are rising more slowly. If your pay or hours stay the same, the higher price level can still make rent and groceries feel harder to cover. [29]

When you see a headline, check what it measures, over what period, and whose experience it can actually describe.

Check the receipts.

Tap a source below to open the original. Numbered notes in the comic and the walkthrough jump here. Figures reflect the November 20, 2026 snapshot.

The economy

[1] BEA · Q3 2026 GDP, first estimate

[2] BLS · October 2026 employment

[3] BLS · October 2026 consumer prices

The federal budget

[5] USAGov · How the budget becomes law

[6] Treasury · FY2022–23 budget cash flows

[6a] Treasury · FY2024–25 budget cash flows

[7] CBO · FY2026 budget review

[7a] Treasury · Monthly Statement, Table 9

Bond issuance and borrowing

[8] GAO · FY2022–23 debt audit

[9] GAO · FY2023–24 debt audit

[10] GAO · FY2025–26 debt audit

[30] GAO · Debt limit and borrowing costs

The federal balance sheet

[11] Treasury · FY2021–22 balance sheets

[12] Treasury · FY2022–23 balance sheets

[13] Treasury · FY2023–24 balance sheets

[14] Treasury · FY2024–25 balance sheets

The Federal Reserve

[15] Fed · Bond purchases and Treasury borrowing

[16] Fed · How reserves appear on its books

[27] Fed · How interest rate policy works

[28] Fed · Bond purchases and bank deposits

[29] St. Louis Fed · Slower inflation and prices

Benefits and tariffs

[17] SSA · How Social Security is funded

[18] Medicare · How Medicare is funded

[25] SSA · How trust funds work

[24] U.S. regulations · Who pays import duties

The historical context

[19] National Archives · Constitution and Preamble

[20] State Department · The Marshall Plan

[32] National Archives · Founding documents

Notes on the figures

The debt audits cover Treasury-managed principal, which excludes Federal Financing Bank debt. The broader government statements use a different reporting boundary. GAO audited the debt schedules separately and could not express an opinion on the government-wide statements. The comic uses fictional dialogue and illustrative scenes.

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