

Activity 8: Federal Government Debt

This activity focuses on the national debt, and you will use FRED® to find data that pertain to it. FRED® is a great and simple tool for finding, viewing, and manipulating official data.

1. Go to <https://fred.stlouisfed.org/> and sign in to your personal FRED® account.
2. In the search bar, type in “federal debt total public debt.” One of the first few results should be **Federal Debt: Total Public Debt, Millions of Dollars, Quarterly, Not Seasonally Adjusted**. Click on this. This is the total amount the U.S. government owes to all its bondholders. What is the current reported amount and in what time period is it reported? (Note that this data series may not be as up to date as what you see on the National Debt Clock.)
3. Look at the upper right of the screen for an orange button that says EDIT GRAPH. Click it and make sure the ADD LINE tab is highlighted. In the search bar, type in “federal debt held.” One of the first few options should be **Federal Debt Held by the Public**. This is the amount the U.S. government owes to all bondholders that are not part of the U.S. government. Click on that, and then click the **Add data series** button. Look at the graph now. What is the current reported amount and in what time period is it reported?
4. It will be helpful to put these debt numbers into context. Let’s refresh and start again on your graph. Open a new browser tab and start your FRED® page again. In the search bar, type in “federal debt total public debt.” One of the first few results should be **Federal Debt: Total Public Debt as Percent of Gross Domestic Product, Percent of GDP, Quarterly, Seasonally Adjusted**. This is the total amount the U.S. government owes to all its bondholders expressed as a percentage of the nation’s annual income. What is the most recent reported level?

Tools for Teaching with FRED®

©2019, Federal Reserve Bank of St. Louis. Permission is granted to reprint or photocopy this lesson in its entirety for educational purposes, provided the user credits the Federal Reserve Bank of St. Louis, www.stlouisfed.org/education.

5. Click the orange EDIT GRAPH button and make sure the ADD LINE tab is highlighted. In the search bar, type in “federal debt held by the public.” One of the first several options should be **Federal Debt Held by the Public as Percent of Gross Domestic Product, Quarterly, Percent of GDP, Seasonally Adjusted**. This is the amount the U.S. government owes to all bondholders that are not part of the U.S. government, stated as a percent of GDP. Click on that, and then click the **Add data series** button. Finally, shorten the date range to begin in 1970. Look at the graph now. What is the current reported percentage, and in what time period?

6. Make an observation about how these two measures of debt as percentages of GDP have moved. What is similar and what is different about them?

7. What trend do you see from the Great Recession compared with that of past recessions?

8. Save the graph to your FRED® account: Find the **Account Tools** button under the graph and click it. Select **Save Graph**. Select an **Observation Range**. The middle choice—**Always chart from YYYY-00-00 to the last value available**—will ensure that your graph updates whenever new data are added to the series. Type in a title and click **Save Graph**. You may create a **Category** folder first, if you wish, and save the graph in the folder.

9. Dashboard option: Finish by adding the completed graph to your FRED® dashboard. Click the **Account Tools** button under the graph and select **Add to Dashboard**. Select your dashboard and in the **Graph Name** box, type “Activity 8-Federal Government Debt.” Select an **Observation Range**. Click **Add to Dashboard**. For additional instructions, see Activity 1.

Tools for Teaching with FRED®

©2019, Federal Reserve Bank of St. Louis. Permission is granted to reprint or photocopy this lesson in its entirety for educational purposes, provided the user credits the Federal Reserve Bank of St. Louis, www.stlouisfed.org/education.