

# Telling the Fed’s Story Through *Money in Motion*

**F**our elements of the *Money in Motion* exhibit—“In & Out,” “Eye on the Money,” “Swipe It,” and “Moving Money at Near Light Speed”—inform visitors about some of the activities of the Federal Reserve Bank of Philadelphia and the Federal Reserve System and the various ways in which the Fed puts money in motion.

## “In & Out” and “Eye on the Money”

In telling the public what the Fed does, we knew it was important to explain our role in the payments system. That’s why we’ve included the 25-foot tower of shredded money, which dominates the “In & Out” portion of the exhibit. This tower brings home the fact that the Philadelphia Fed alone shreds \$20 million in unfit currency on an average day.

In the exhibit, we also explain that circulated notes—used money—come in from local financial institutions that have too much currency on hand, or that need to increase the amount of money they must hold on deposit with the Fed. The Fed counts the money and replaces worn or torn bills with new money. Worn or torn notes are automatically routed to stainless steel blades on the Fed’s high-speed currency shredders, which crosscut notes into confetti-like shreds. New money is printed by the Bureau of Engraving and Printing in Washington, D.C., and Fort Worth, Texas, and issued by the Federal Reserve Banks to financial institutions.

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demand for currency from financial institutions in the Third Federal Reserve District. A related exhibit element, "Eye on the Money," tracks the journey of newly printed and circulated money within the Federal Reserve Bank of Philadelphia.

Another part of "In & Out" is a currency container that displays what more than \$1 million in new \$5 bills looks like when stored in a currency cart. The Philadelphia Fed uses these containers to move large numbers of bills in its vault.

### **"Swipe It"**

Consumers are using payment cards more and more to purchase a variety of items both in brick-and-mortar stores and online. This increased usage has led to rising concern among consumers and in the financial services industry about credit card fraud, identity theft, and the problems associated with mounting personal debts.

The "Swipe It" component of the exhibit teaches visitors about the various forms of credit and debit cards. It provides information on how consumers can protect themselves against credit card fraud and identity theft. It also lets them use a debt calculator to see how long it takes to pay off credit card debt, especially when minimum payments are made. This element also answers some frequently asked questions about credit cards.

"Swipe It" ties in with the work of the Federal Reserve Bank of Philadelphia's Payment Cards Center. This unit, which was established in 2000, provides insight into developments in the payment cards industry. During 2003 the Center produced a number of analytical papers on the subject and hosted a series of conferences that brought together representatives from the industry, academia, and the policy arena.

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at near light speed—from one account  
to another. Fedwire electronically transfers  
approximately \$3 trillion each day.

### **“Moving Money at Near Light Speed”**

In this modern age, moving money can mean more than just the physical processing of checks or cash or using plastic. Wire transfers can move trillions of dollars—at near light speed—from one account to another. That’s the role Fedwire plays in our nation’s payments system.

The Fedwire system is an electronic funds transfer and book-entry securities transfer service. It links the Federal Reserve Banks and approximately 10,000 depository institutions nationwide.

Fedwire electronically transfers approximately \$3 trillion each day. About 60 percent of that total represents payments made by financial institutions acting on behalf of themselves or their customers. The balance is transfers of U.S. government and agency securities.

Fedwire transfers are immediate and not revocable. Although many transfers are for less than \$1,000, the average runs in the millions of dollars. ■