

The New York Times

STRATEGIES

Splat! Bam! It's the Federal Reserve to the Rescue

By Jeff Sommer

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What do the Avengers, Wonder Woman and the Federal Reserve have in common? Comics.

The Fed, which has awesome powers in finance and the stock market, packs a graphic punch, too. On Wednesday, it published a new issue of “The Story of Monetary Policy,” set in outer space.

The comic shows the problems caused when money is spent, hoarded and squandered by sentient beings of varied shapes, colors and sizes on an endless array of worlds.

It is the latest of more than two dozen comic books produced by the Fed since the 1950s, according to Andrea Priest, a spokeswoman for the Federal Reserve Bank of New York, the heart of the central bank's illustrated empire.

On Wall Street, “Don't fight the Fed” is sound advice. When American stocks hit a record on Tuesday, the Fed, appropriately, got much of the credit. In the comic book world, though, the Fed is no Wonder Woman.

It doesn't portray itself as an all-powerful warrior in its comics, merely as a competent central bank. But the Fed's stories are filled with financial wisdom that makes life better on every planet on which it is deployed.

Don't expect spinoffs on TV: The New York Fed doesn't sell its comics commercially. They are distributed free to teachers, along with lesson plans, and can also be downloaded from the New York Fed's website.

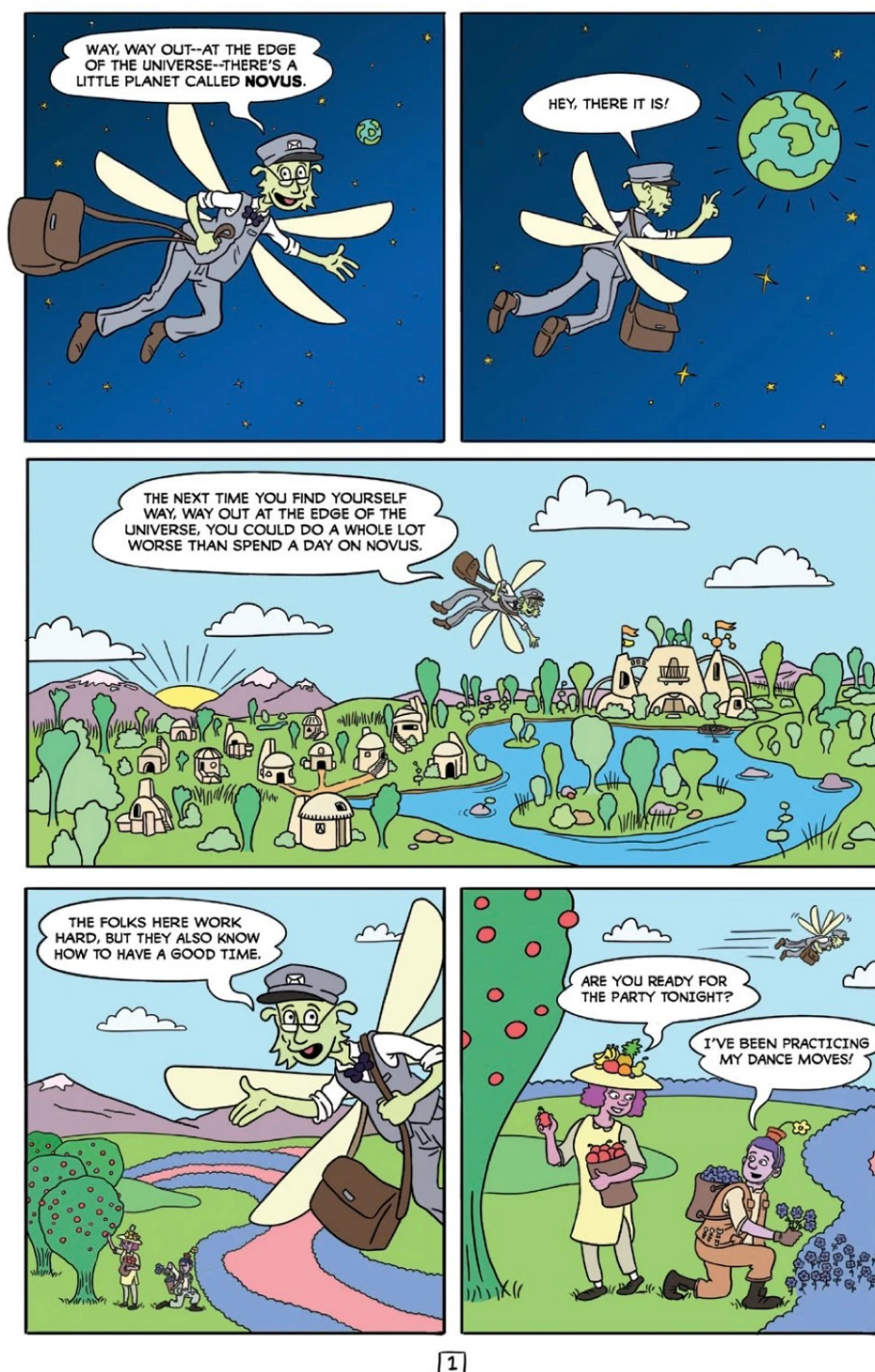
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Ed Steinberg, an adjunct professor of economics at New York University, wrote five comic books in a decade of work at the New York Fed that ended in 2002. “In my time there,” he said, “we sent the comic books out only in response to requests, and we got requests for millions of copies.”

In 2000, I stumbled upon the Fed’s oeuvre during a visit to the bank’s majestic headquarters in Manhattan’s financial district and took several comic books home with me. My son, Sam, and I became fans.

“Once Upon a Dime” was a fairy tale about the origins of money set on an imaginary island. (A current version, issued in 2017, is also based in outer space.) “A Penny Saved,” one of Mr. Steinberg’s comics, was located in what looked like a multiracial, gender-equal version of Archie and Veronica’s America.

It contained startling messages. “We’d like to send you to college,” a father tells his son at high school graduation. The mother continues, “But we can’t because we didn’t save enough.” Yipes. I promised Sam that we would save enough.



The 2017 version of “Once Upon a Dime,” which describes the origins of money, is also set on a distant planet. Federal Reserve Bank of New York

Happily, Mr. Steinberg leavened such grim tidings with humor. A bank officer tells a customer, “You will lose three months’ interest because you are making an early withdrawal.” The customer, a young man, responds: “That’s O.K., I’m used to losing interest. I’m an economics student.”

Mr. Steinberg's stories included math tricks, like the "Rule of 72," a nifty way of figuring out the effect of compound interest. "Divide the interest rate into 72," it instructs, "and the answer tells you approximately how many years it will take your savings to double when you receive compound interest."

That rule works for the stock market, too. Say your portfolio is growing 9 percent a year (lucky you!). Divide 9 into 72: Your money doubles in eight years.

In the 1950s, Fed comics depicted "a world of white men operating computers with white female receptionists or administrative assistants in subordinate positions," said Paul Hirsch, a scholar at the University of Texas who has studied the use of comic books by governmental and quasi-governmental agencies. By the late 1970s, he said, women and minorities appeared in Fed comics as authority figures, a tradition that Mr. Steinberg maintained.

The Fed's newest comics, created by a team of writers, economists, educators and illustrators, the cartoonist Paul Noth among them, take the concept of diversity much further. The latest offering is a deep-space remake of "The Story of Monetary Policy."

In one scene, a group of itinerant monetary experts lands on Alpha-Numerica ("voted 3,675,927th best place to live"), where a severe recession is underway. Residents of the planet look like pencil erasers, gumdrops and other forms of geometrically sculpted goop. Unemployment is soaring, businesses are failing, and retirees are struggling to survive.

"This is not where I wanted to be at this point in my life," says one resident, an old purple jelly bean who is sweeping a public square. "Tell me about it," a younger resident says to itself. This individual, a green egg, wears a cap and gown. In one hand, it holds a diploma; in the other, a sign saying, "HIRE ME?"

The situation is dire but can be solved. What is needed is "expansionary monetary policy," declares Glix, a green, lizardlike creature who likes to sing and wear capes.

Glix recommends standard "policies that will lower interest rates, make it easier for people to get money, and to buy and sell goods." Policies, that is, "that will encourage people to borrow from banks and make more investments."

Unlike earlier generations of Fed comics, this trip to outer space includes no visible math, which for me was a loss. But the adventure provided an inviting introduction to Fed strategies, like the relatively expansionary monetary policy that the stock market is applauding today.

What's more, with so many institutions and traditions facing grave challenges here on Earth, the little comic book's enthusiastic embrace of diversity seemed particularly welcome. The latest Fed comics suggest that with education and imagination — along with sound monetary policy — gloriously varied societies can flourish in an infinite rainbow of colors.

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