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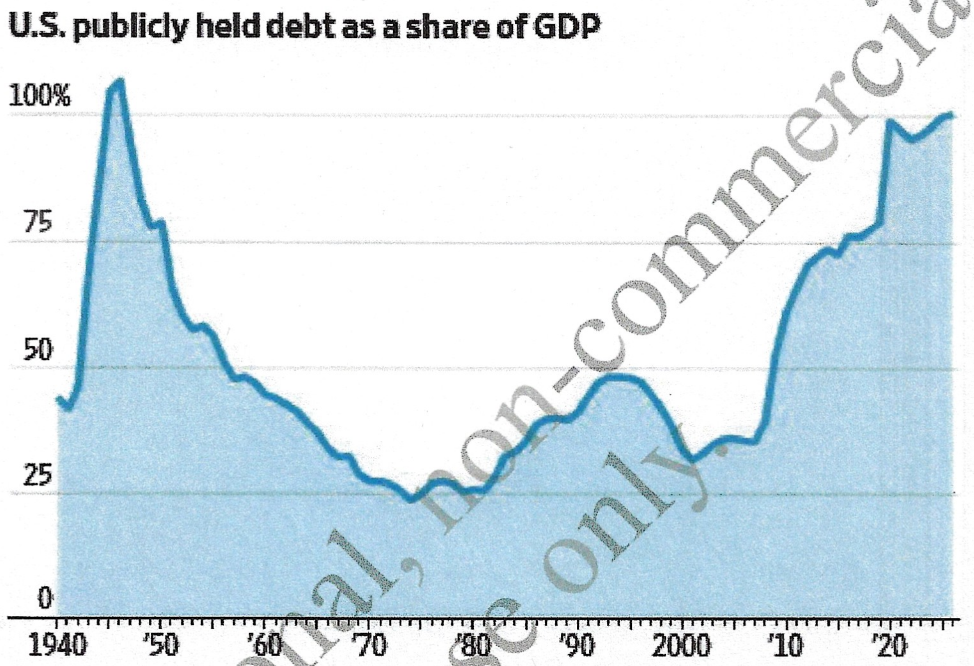
Who holds the debt?

The government does most of its borrowing from the bond market by issuing securities known as Treasury bonds, notes and bills. These are bought by investors and institutions around the globe, whose makeup has shifted over the years.

In particular, the share of Treasurys held by foreign investors— both public- and private- sector buyers—has been falling. Hedge funds, counted as "households" in Fed records, have helped pick up the slack.

That has concerned some analysts because hedge funds typically buy Treasurys using borrowed money, which has sometimes caused them to dump bonds during times of market stress, such as when President Trump announced sweeping tariffs in April 2025. That has pushed bond prices down even further, leading to an increase in their yields, which play a major role in determining borrowing costs such as mortgage rates.



Note: Data are for fiscal years ended Sept. 30 except the figure for 2026, which is as of June 30.
Sources: Office of Management and Budget (1940-2025); Treasury Department and Commerce Department (latest)