

**FEDERAL RESERVE BANK  
OF SAN FRANCISCO**

**OFFICE OF  
THE PRESIDENT**

**NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS  
SAN FRANCISCO BAY AREA CHAPTER**

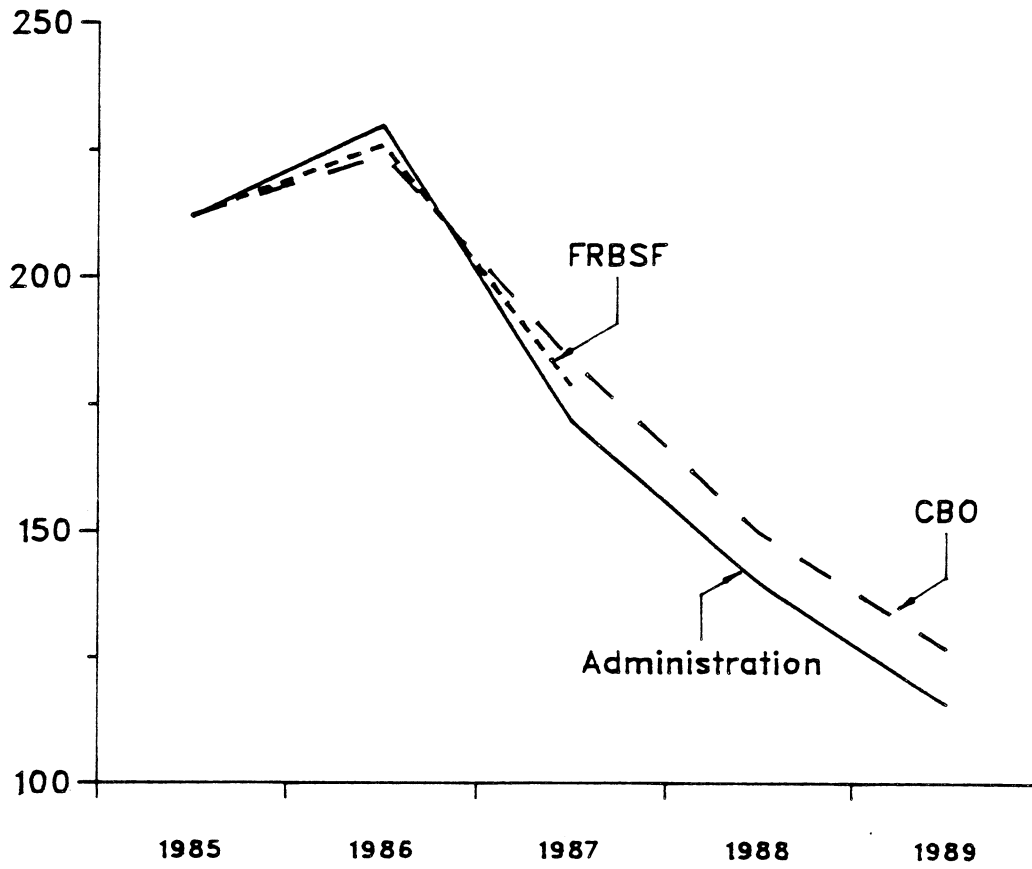
**THE 26th ANNUAL OUTLOOK CONFERENCE**

**POST TAX REFORM  
ECONOMIC OUTLOOK**

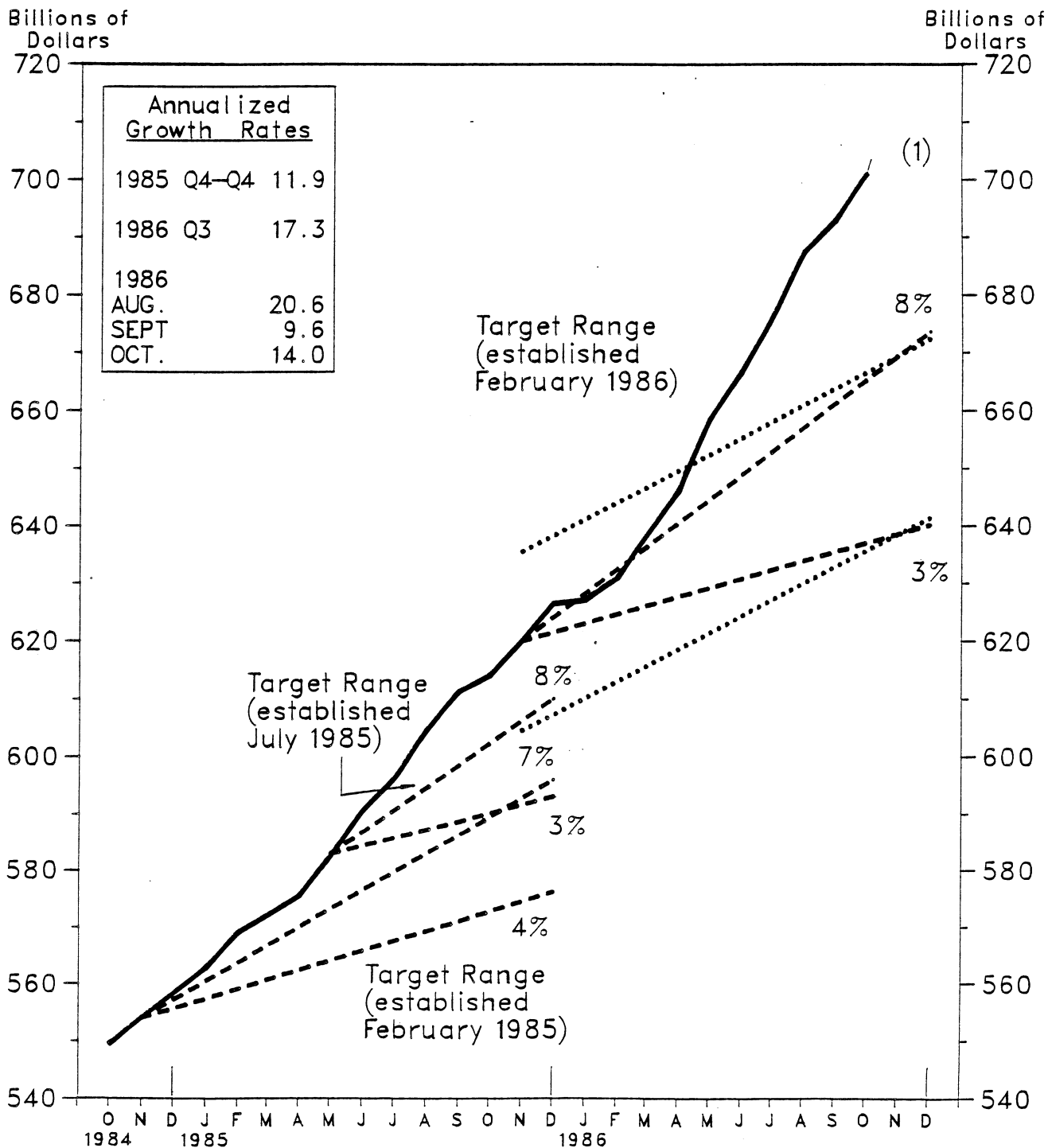
**ROBERT T. PARRY, PRESIDENT  
FEDERAL RESERVE BANK OF SAN FRANCISCO**

**NOVEMBER 18, 1986**

### Current Forecasts of the Federal Budget Deficit (Billions of Dollars)



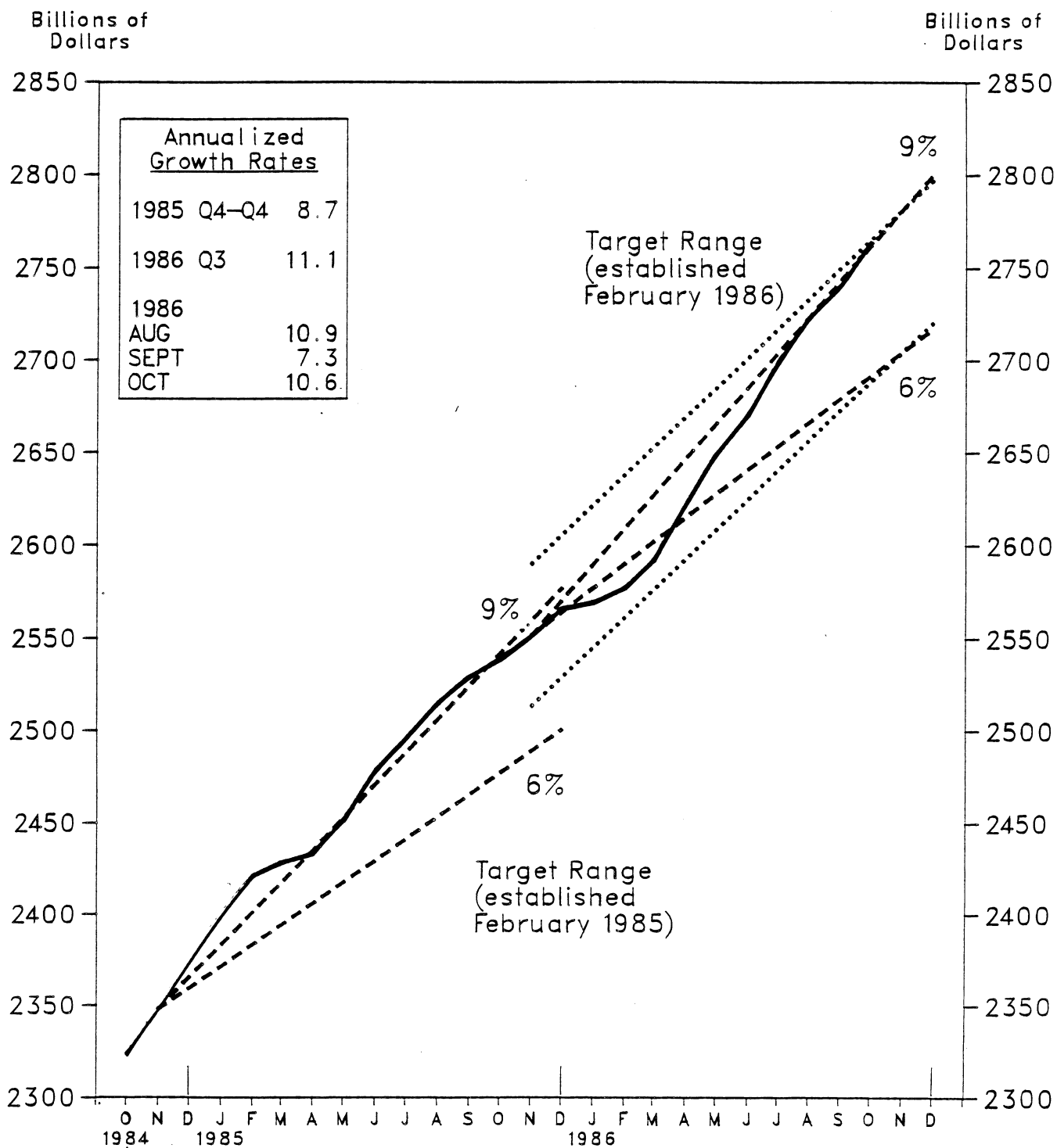
# M1



M1 is the sum of currency, nonbank travelers checks, demand deposits, and other checkable deposits.

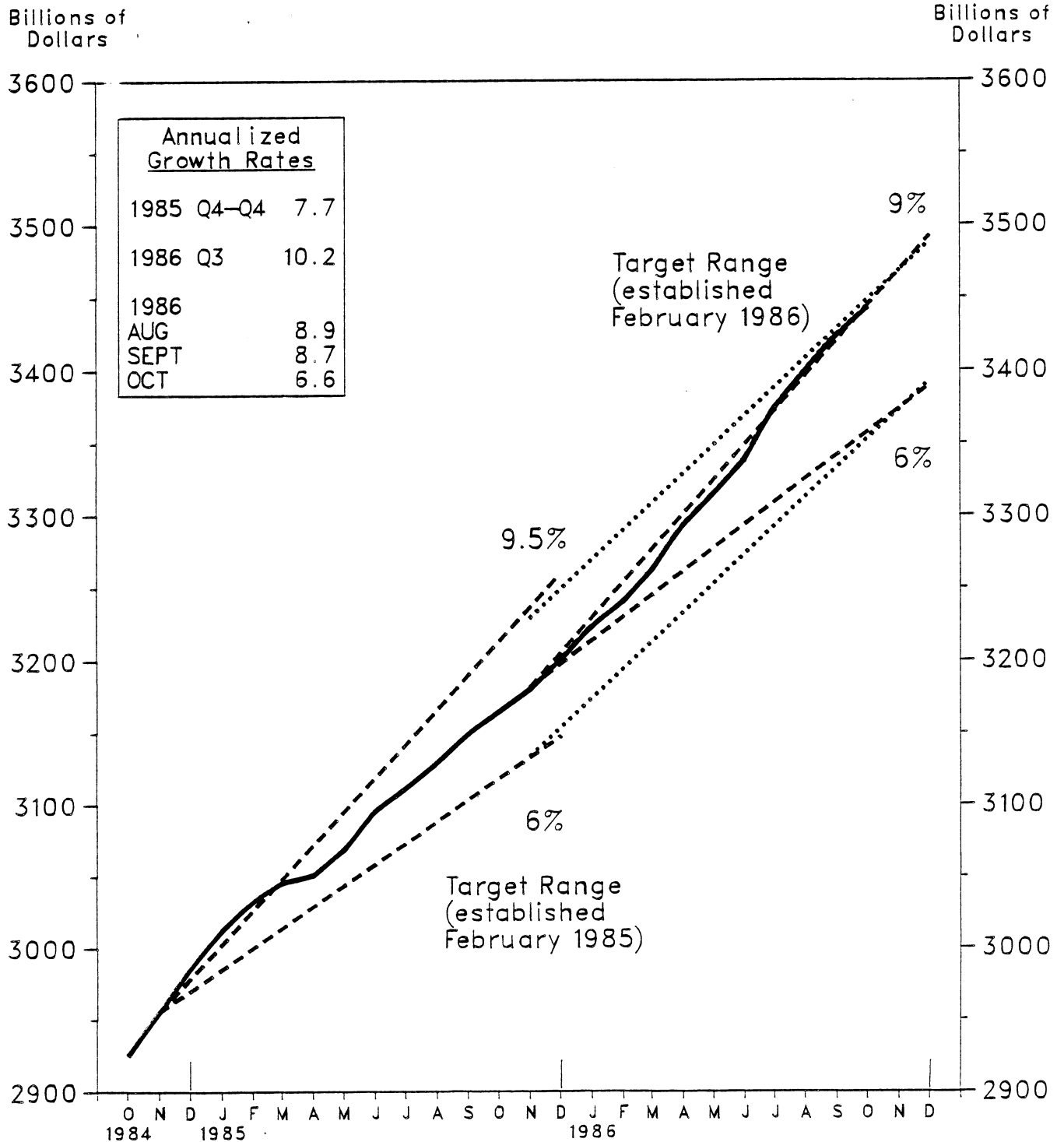
(1) Weekly data plotted through Nov. 3. Monthly data plotted for previous periods.

# M2



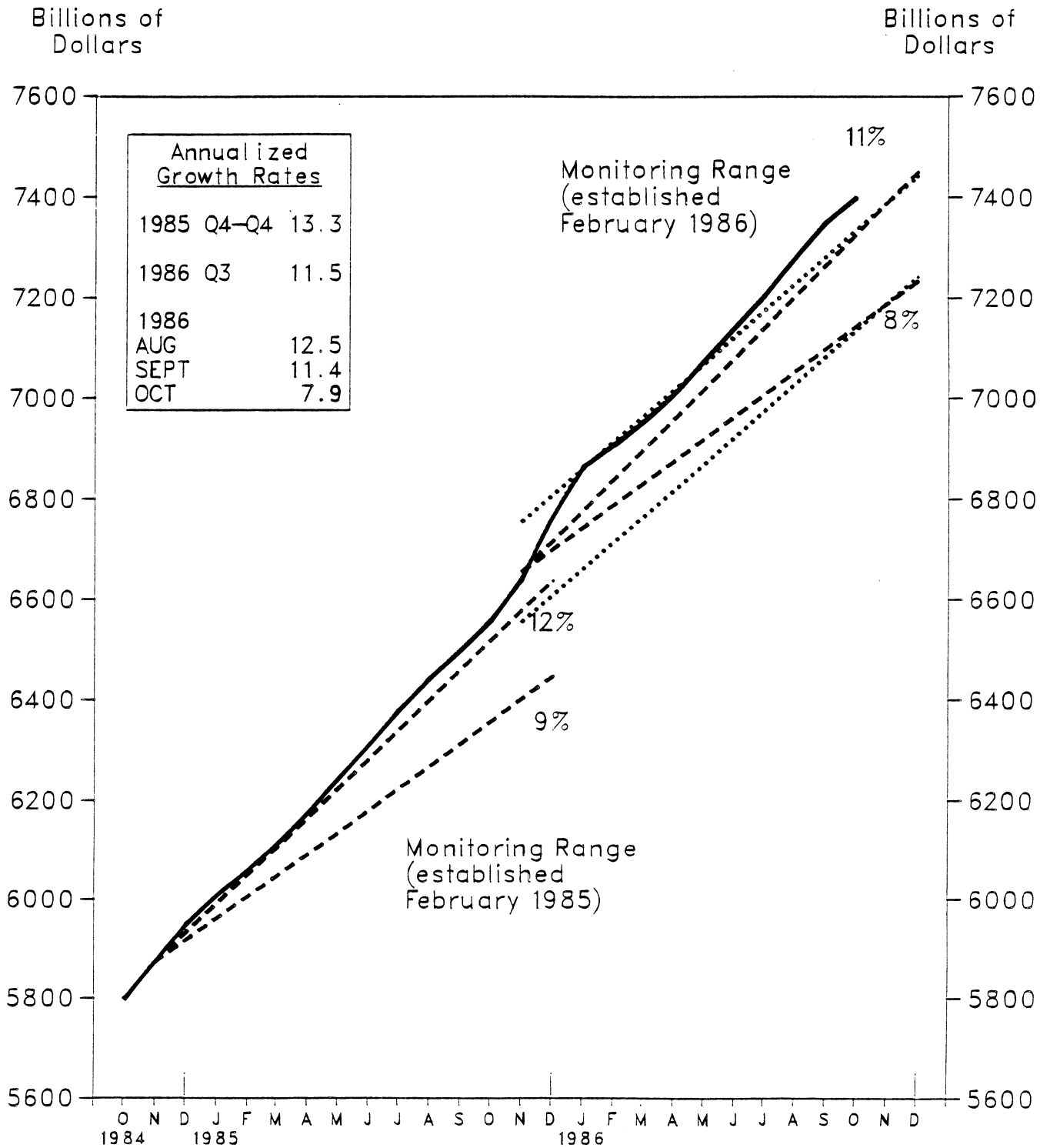
M2 is M1 plus overnight RPs and Eurodollars, general purpose and broker/dealer money market funds, MMDAs, and savings and small time deposits.

# M3



M3 is M2 plus large time deposits, term RPs, term Eurodollars held by U.S. residents, institution-only money market funds, and term Eurodollars held by U.S. residents at foreign branches of U.S. banks and at all banks in the United Kingdom and Canada.

# DOMESTIC NONFINANCIAL DEBT



Domestic Nonfinancial Debt consists of outstanding credit market debt of government and private nonfinancial sectors of the economy, excluding corporate equities.