

# FEDERAL RESERVE statistical release



Z.7 (788)

For immediate release  
March 8, 1989

## FLOW OF FUNDS SUMMARY STATISTICS

Debt of domestic nonfinancial sectors grew at a seasonally adjusted annual rate of 7.9 percent in the fourth quarter of 1988, down from the third-quarter pace of 8.7 percent. The slowing was entirely attributable to a deceleration of federal debt, from 9.2 percent to 6.0 percent. Nonfederal debt continued to grow at a rate of 8.5 percent in the fourth quarter.

Within the nonfederal sectors, total household debt growth declined about a percentage point. Home mortgage borrowing slowed during the quarter from the more robust pace of the summer and fall. In contrast, consumer credit rebounded from the rather low growth recorded in the third quarter. Business borrowing picked up in the fourth quarter and was concentrated mainly in short-term markets, as mergers and other corporate financial restructurings continued to result in substantial net equity retirements. The acceleration in business debt roughly offset the decrease in borrowing by households and by state and local governments.

Net borrowing by all domestic nonfinancial sectors in the fourth quarter was \$701 billion at a seasonally adjusted annual rate. The period-end level of total outstanding debt was \$9.0 trillion (Table 1). Debt of nonfederal sectors accounted for \$6.9 trillion of this total, and the federal component was \$2.1 trillion.

Growth Rates of Major Debt Aggregates<sup>1/</sup>  
(Percent annual rates of change, seasonally adjusted)

	Total domestic nonfinancial debt	U.S. govt.	-----Nonfederal-----			
			Total	House-holds	Nonfin. business	State & local govts.
	(1)	(2)	(3)	(4)	(5)	(6)
1986	12.2	13.4	11.8	12.2	12.0	9.3
1987	9.0	8.0	9.3	10.0	9.0	6.5
1988	8.6	8.0	8.8	8.8	9.2	6.3
1987-III	8.2	5.4	9.1	10.4	8.4	6.5
IV	9.5	8.8	9.7	9.6	10.6	6.0
1988-I	8.6	11.6	7.7	7.2	8.9	3.5
II	8.1	4.4	9.3	10.6	8.8	5.2
III	8.7	9.2	8.5	8.7	8.3	8.1
IV	7.9	6.0	8.5	7.6	9.6	7.7

<sup>1/</sup> Changes shown are on an end of period basis and thus may differ from month-average data in the Board's H.6 release.

Growth Rates of Debt Aggregates: Supplemental Data  
(Percent annual rates of change, seasonally adjusted)

	Domestic nonfinancial sectors	Foreign	Financial sectors	Total: All Sectors	Memo: Private financial assets <sup>1/</sup>
1986	12.2	4.1	24.6	13.8	8.0
1987	9.0	1.8	20.1	10.6	6.6
1988	8.6	3.8	12.9	9.2	6.6
1987-III	8.2	5.2	17.8	9.8	6.8
IV	9.5	5.8	14.0	10.2	10.3
1988-I	8.6	- .4	7.2	8.1	4.1
II	8.1	2.1	13.9	9.0	5.6
III	8.7	1.9	12.0	9.1	9.2
IV	7.9	11.5	16.2	9.5	6.7

<sup>1/</sup> Holdings of deposits and credit market claims by households, nonfinancial business and state and local governments.

Explanatory Notes

Growth rates in the summaries above are seasonally adjusted flows from Table 2 divided by seasonally adjusted outstandings. Seasonally adjusted quarterly levels in flow of funds statistics are derived by carrying forward year-end levels by seasonally adjusted flows plus any statistical discontinuities in the data series. Changes in outstandings as printed can give growth rates that differ from those shown above.

The following list gives the lines in Tables 1 and 2 that underly the calculation of growth rates shown on page 1 of this release:

	<u>Growth Table (column)</u>	<u>Tables 1 and 2 (row)</u>
Total domestic nonfinancial	1	1
U.S. government	2	2
Private domestic nonfinancial	3	5
Households	4	21
Nonfinancial business	5	22
State & local governments	6	20

Debt of domestic residents includes credit market funds raised from both domestic and foreign sources, while foreign debt represents amounts owed by foreign financial and nonfinancial entities to U.S. holders only. Financial sectors consist of U.S. Government sponsored credit agencies, federally-related mortgage pools, and private financial institutions. Credit market debt excludes trade debt, loans for the purpose of carrying securities, and funds raised from equity sources. It consists of debt securities, mortgages, bank loans, commercial paper, consumer credit, government loans, and other loan forms included in Table 1.

Subscriptions to this summary release, or to the full statements for sectors and transaction types in flows and amounts outstanding (the Z.1 release), may be obtained through Publication Services, Stop 138, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Summary of Credit Market Debt Outstanding

PERIOD-END LEVELS						PERIOD-END LEVELS							
1982	1983	1984	1985	1986	1987		1988						
					III	IV	I	II	III	IV			
Credit Market Debt Owed by Nonfinancial Sectors													
1	4654.6	5204.3	5953.7	6797.0	7618.1	8074.9	8302.7	8441.2	8618.5	8797.7	9002.8	Total credit market debt owed by domestic nonfinan. sectors	1
2	991.4	1177.9	1376.8	1600.4	1815.4	1897.8	1960.3	2003.2	2022.3	2063.9	2117.8	U.S. government	2
3	987.7	1174.4	1373.4	1597.1	1811.7	1893.8	1955.2	1998.1	2015.3	2051.7	2095.2	Treasury issues	3
4	3.7	3.6	3.4	3.3	3.6	3.9	5.2	5.0	7.0	12.2	22.6	Agency issues & mortgages	4
5	3663.2	4026.4	4577.0	5196.6	5802.7	6177.2	6342.4	6438.0	6596.2	6733.7	6885.1	Private domestic nonfinancial sectors	5
6	2460.2	2717.8	3040.0	3488.4	3946.4	4297.0	4404.5	4476.2	4587.9	4698.1	4798.0	Debt capital instruments	6
7	417.9	471.7	522.1	658.4	689.2	715.5	723.7	728.0	735.8	749.4	760.1	Tax-exempt obligations	7
8	407.0	423.0	469.2	542.9	664.2	743.7	764.1	789.5	819.1	841.7	861.5	Corporate bonds	8
9	1635.3	1823.1	2048.8	2287.1	2593.0	2837.7	2916.6	2958.8	3033.0	3107.1	3176.4	Mortgages	9
10	1079.8	1200.2	1336.2	1490.2	1699.6	1853.8	1908.7	1935.8	1996.7	2052.0	2100.1	Home mortgages	10
11	144.8	158.8	183.6	213.0	246.3	265.0	270.0	274.4	275.2	277.8	284.1	Multi-family resid.	11
12	299.4	350.4	416.5	478.1	551.4	629.0	649.1	660.6	673.3	690.1	705.7	Commercial	12
13	111.3	113.7	112.4	105.9	95.8	90.0	88.9	88.0	87.8	87.2	86.5	Farm	13
14	1203.0	1308.6	1536.9	1708.2	1856.3	1880.2	1937.9	1961.8	2008.3	2035.6	2087.1	Other debt instruments	14
15	388.7	437.7	519.3	601.8	656.2	680.9	696.9	692.2	709.6	725.7	746.2	Consumer credit	15
16	464.1	490.2	552.9	592.6	658.6	637.5	656.7	668.4	689.3	689.8	699.2	Bank loans n.e.c.	16
17	37.6	36.8	58.5	72.2	62.9	68.1	73.8	73.5	77.8	80.3	85.4	Commercial paper	17
18	312.7	344.0	406.2	441.6	478.6	493.7	510.5	527.7	531.6	539.8	556.3	Other	18
19	3663.2	4026.4	4577.0	5196.6	5802.7	6177.2	6342.4	6438.0	6596.2	6733.7	6885.1	By borrowing sector:	19
20	323.7	357.7	385.1	476.9	520.2	546.2	554.2	557.2	564.1	577.5	588.5	State & local governments	20
21	1625.5	1811.6	2038.2	2314.5	2594.2	2762.8	2836.5	2862.0	2942.8	3012.6	3079.4	Households	21
22	1714.1	1857.1	2153.7	2405.2	2688.3	2868.2	2951.6	3018.9	3089.3	3143.6	3217.2	Nonfinancial business	22
23	184.5	188.4	187.9	173.4	156.6	148.5	145.5	141.3	143.9	142.7	141.7	Farm	23
24	564.0	645.8	769.0	898.3	1001.6	1076.4	1109.5	1131.8	1148.6	1167.9	1190.2	Nonfarm noncorporate	24
25	965.6	1022.9	1196.8	1333.5	1530.1	1643.3	1696.6	1745.8	1796.8	1832.0	1885.3	Corporate	25
26	209.9	227.3	235.1	236.7	238.2	238.9	244.3	245.1	246.4	246.6	253.6	Foreign credit market debt held in U.S.	26
27	61.1	64.2	68.0	71.8	74.8	75.9	81.6	85.4	85.2	86.5	91.1	Bonds	27
28	33.8	37.4	30.8	27.9	26.9	24.2	23.3	22.8	22.4	22.7	22.5	Bank loans n.e.c.	28
29	15.1	21.5	27.7	33.9	37.4	40.6	41.2	42.5	44.0	46.3	50.9	Commercial paper	29
30	100.0	104.1	108.6	103.0	99.1	98.2	98.1	94.4	94.7	91.1	89.1	U.S. govt. & other loans	30
31	4864.6	5431.6	6188.8	7033.7	7856.3	8313.9	8547.0	8686.4	8864.8	9044.3	9256.4	Total nonfinan.domestic & fgn.	31
Credit Market Debt Owed by Financial Sectors													
1	758.4	857.9	1006.2	1206.2	1510.8	1783.8	1862.8	1882.9	1954.9	2014.6	2102.8	Total credit market debt owed by financial sectors	1
2	388.9	456.7	531.2	632.7	810.3	981.6	1026.5	1050.6	1076.9	1116.3	1162.6	U.S. government-related	2
3	205.4	206.8	237.2	257.8	273.0	283.7	303.2	313.5	317.9	328.5	348.2	Sponsored credit ag. sec.	3
4	178.5	244.9	289.0	368.9	531.6	692.9	718.3	732.1	754.0	782.8	809.4	Mortgage pool securities	4
5	5.0	5.0	5.0	6.1	5.7	5.0	5.0	5.0	5.0	5.0	5.0	Loans from U.S. government	5
6	369.5	401.2	475.0	573.4	700.5	802.1	836.3	832.4	878.0	898.3	940.2	Private financial sectors	6
7	98.3	115.8	148.9	197.5	268.4	324.2	335.6	337.5	352.3	362.8	372.9	Corporate bonds	7
8	2.0	2.1	2.5	2.7	2.7	2.9	3.1	3.1	3.1	3.1	3.0	Mortgages	8
9	29.0	28.9	29.5	32.1	36.1	42.2	40.8	31.7	34.3	32.9	34.6	Bank loans n.e.c.	9
10	174.2	195.5	219.5	252.4	284.6	312.7	323.8	330.6	353.4	358.0	376.9	Open-market paper	10
11	66.0	59.0	74.6	88.8	108.6	120.1	135.1	129.5	134.8	141.6	152.8	Fed. Home Loan Bank loans	11
12	758.4	857.9	1006.2	1206.2	1510.8	1783.8	1862.8	1882.9	1954.9	2014.6	2102.8	Total, by sector	12
13	210.4	211.8	242.2	263.9	278.7	288.7	308.2	318.5	322.9	333.5	353.1	Sponsored credit agencies	13
14	178.5	244.9	289.0	368.9	531.6	692.9	718.3	732.1	754.0	782.8	809.4	Mortgage pools	14
15	369.5	401.2	475.0	573.4	700.5	802.1	836.3	832.4	878.0	898.3	940.2	Private financial sectors	15
16	71.8	76.8	84.1	79.2	75.6	78.6	82.7	76.4	77.2	76.6	78.1	Commercial banks	16
17	59.0	71.0	86.6	101.2	101.3	109.5	104.2	88.8	91.8	92.2	91.4	Domestic affiliates	17
18	75.9	73.9	93.2	115.5	145.1	165.4	181.1	177.4	186.9	197.9	210.3	Savings and loan assns.	18
19	158.5	171.7	193.2	246.9	308.1	340.4	358.0	368.4	392.4	397.1	416.4	Finance companies	19
20	3.7	3.5	4.3	5.6	6.5	6.8	7.3	7.6	8.0	7.6	8.9	REITs	20
21	0.6	4.2	13.5	25.0	64.0	101.6	103.1	113.9	121.7	127.0	135.1	CMO Issuers	21
Total Credit Market Debt Outstanding, All Sectors, by Type													
1	5623.0	6289.5	7195.0	8239.8	9367.2	10097.6	10409.8	10569.3	10819.7	11058.9	11359.2	Total credit market debt	1
2	1375.0	1629.4	1902.8	2227.0	2620.0	2874.4	2981.8	3048.8	3094.2	3175.2	3275.4	U.S. government securities	2
3	417.9	471.7	522.1	658.4	689.2	715.5	723.7	728.0	735.8	749.4	760.1	Tax-exempt obligations	3
4	566.4	603.0	686.0	812.1	1007.4	1143.9	1181.4	1212.3	1256.6	1291.0	1325.4	Corporate and foreign bonds	4
5	1637.7	1825.4	2051.4	2289.8	2595.8	2840.7	2919.8	2961.9	3036.1	3110.2	3179.5	Mortgages	5
6	388.7	437.7	519.3	601.8	656.2	680.9	696.9	692.2	709.6	725.7	746.2	Consumer credit	6
7	526.8	556.5	613.2	652.6	721.6	703.8	720.8	722.9	746.0	745.4	756.4	Bank loans n.e.c.	7
8	226.8	253.8	305.7	358.5	384.9	421.4	438.8	446.7	475.3	484.6	513.1	Open-market paper	8
9	483.6	512.1	594.4	639.5	692.0	717.0	746.6	756.6	766.1	777.4	803.1	Other loans	9

BILLIONS OF DOLLARS. LATEST DATA PRELIMINARY

Summary of Net Funds Raised in Credit and Equity Markets

QUARTERLY NET FLOWS, \$ BILLIONS

QUARTERLY NET FLOWS, \$ BILLIONS

	1987					1988						
	IV	I	II	III	IV	IV	I	II	III	IV		
(NSA) Net Credit Market Borrowing by Nonfinancial Sectors (SAAR)												
1	219.9	141.6	181.4	184.6	205.1	769.4	713.9	687.8	748.8	700.7	Total net borrowing by domestic nonfinancial sectors	1
2	62.6	42.9	19.1	41.7	53.8	168.2	227.7	89.2	188.6	124.4	U.S. government	2
3	61.3	43.0	17.2	36.4	43.4	163.2	228.2	81.5	167.7	82.8	Treasury issues	3
4	1.2	-.1	1.9	5.2	10.4	5.0	-.5	7.7	20.9	41.6	Agency issues & mortgages	4
5	157.4	98.8	162.3	142.9	151.3	601.2	486.3	598.6	560.2	576.3	Private domestic nonfinancial sectors	5
6	107.7	74.9	115.8	110.2	99.9	415.8	351.2	445.8	424.9	381.4	Debt capital instruments	6
7	8.2	4.3	7.8	13.6	10.7	33.5	24.8	32.6	44.4	43.5	Tax-exempt obligations	7
8	20.4	25.3	29.6	22.6	19.8	81.6	101.4	118.4	90.3	79.3	Corporate bonds	8
9	79.1	45.3	78.4	74.0	69.4	300.8	225.0	294.8	290.1	258.5	Mortgages	9
10	55.1	29.3	63.8	55.3	48.1	206.9	162.4	240.3	206.5	176.6	Home mortgages	10
11	5.0	4.8	1.4	2.6	6.3	15.9	23.6	2.6	13.5	20.6	Multi-family resid.	11
12	20.1	12.0	13.5	16.8	15.6	79.9	44.9	53.5	71.8	61.5	Commercial	12
13	-1.1	-.8	-.2	-.6	-.7	-1.9	-6.0	-1.7	-1.6	-.1	Farm	13
14	49.7	23.9	46.5	32.7	51.4	185.4	135.1	152.8	135.4	194.9	Other debt instruments	14
15	16.1	-4.7	17.4	16.2	20.5	49.4	34.8	59.5	34.9	67.9	Consumer credit	15
16	19.8	11.6	20.9	0.5	9.4	85.3	36.1	76.0	9.5	48.4	Bank loans n.e.c.	16
17	-3.0	-.3	4.3	2.5	5.1	3.9	-3.8	4.0	11.1	35.1	Commercial paper	17
18	16.7	17.2	3.9	13.6	16.5	46.9	67.9	13.4	79.9	43.5	Other	18
19	157.4	98.8	162.3	142.9	151.3	601.2	486.3	598.6	560.2	576.3	By borrowing sector:	19
20	8.1	2.9	7.0	14.0	11.0	32.9	19.5	29.2	46.1	44.6	State & local governments	20
21	76.9	29.3	78.2	72.9	68.5	264.9	203.0	304.6	258.3	229.9	Households	21
22	72.4	66.6	77.2	56.0	71.9	303.4	263.7	264.8	255.8	301.7	Nonfinancial business	22
23	-3.0	-4.2	2.6	0.2	-2.0	3.3	-15.6	-3.6	-1.8	7.5	Farm	23
24	33.1	22.3	16.8	20.8	22.2	116.3	86.4	70.9	99.7	71.6	Nonfarm noncorporate	24
25	42.3	48.4	57.8	35.0	51.7	183.8	192.9	197.6	158.0	222.7	Corporate	25
26	3.6	0.9	1.2	0.3	7.0	13.9	-1.0	5.2	4.6	28.5	Fgn. net borrowing in U.S.	26
27	5.7	3.8	-.2	1.3	4.5	21.6	16.8	-2.7	6.5	17.2	Bonds	27
28	-.9	-.5	-.4	0.3	-.1	-6.1	0.7	-3.5	2.9	-3.2	Bank loans n.e.c.	28
29	-1.1	1.3	1.5	2.3	4.6	-2.5	1.5	6.4	10.7	20.0	Commercial paper	29
30	-.1	-3.7	0.3	-3.6	-2.0	0.8	-19.9	5.1	-15.6	-5.5	U.S. govt. & other loans	30
31	223.5	142.5	182.6	184.8	212.1	783.2	713.0	693.0	753.4	729.1	Total domestic plus foreign	31
Net Credit Market Borrowing by Financial Sectors												
1	68.7	20.1	71.9	59.7	88.2	250.2	134.4	262.9	235.5	327.0	Total net borrowing by financial sectors	1
2	44.8	24.1	26.3	39.4	46.3	167.5	120.3	101.8	150.6	171.7	U.S. government-related	2
3	19.5	10.3	4.4	10.6	19.7	71.6	56.8	9.4	42.8	70.8	Sponsored credit ag. sec.	3
4	25.4	13.8	22.0	28.8	26.6	95.9	63.4	92.4	107.8	100.9	Mortgage pool securities	4
5	-	-	-	-	-	-	-	-	-	-	Loans from U.S. government	5
6	23.9	-4.0	45.6	20.4	41.9	82.7	14.1	161.1	84.9	155.3	Private financial sectors	6
7	11.4	1.9	14.8	10.5	10.1	42.4	11.1	60.1	40.9	37.0	Corporate bonds	7
8	0.2	*	*	*	-.1	0.8	-.1	*	*	-.2	Mortgages	8
9	-1.4	-9.1	2.7	-1.4	1.7	-10.7	-26.8	8.7	-8.6	2.1	Bank loans n.e.c.	9
10	0.7	6.9	22.8	4.6	18.9	5.4	24.6	82.2	26.1	79.6	Open-market paper	10
11	13.0	-3.6	5.3	6.7	11.2	44.9	5.4	10.1	26.6	36.8	Fed. Home Loan Bank loans	11
12	68.7	20.1	71.9	59.7	88.2	250.2	134.4	262.9	235.5	327.0	Total, by sector	12
13	19.5	10.3	4.4	10.6	19.7	71.6	56.8	9.4	42.8	70.8	Sponsored credit agencies	13
14	25.4	13.8	22.0	28.8	26.6	95.9	63.4	92.4	107.8	100.9	Mortgage pools	14
15	23.9	-4.0	45.6	20.4	41.9	82.7	14.1	161.1	84.9	155.3	Private financial sectors	15
16	4.1	-6.2	0.8	-.7	1.6	15.0	-22.4	6.2	-8.3	6.3	Commercial banks	16
17	-5.3	-15.4	3.0	0.4	-.8	-22.6	-67.4	11.3	9.7	-4.5	Domestic affiliates	17
18	15.7	-3.7	9.5	11.0	12.4	51.9	9.1	16.6	54.3	37.0	Savings and loan assns.	18
19	7.3	10.4	24.0	4.7	19.3	30.2	50.9	94.2	9.4	79.2	Finance companies	19
20	0.6	0.2	0.4	-.4	1.3	2.2	1.0	1.7	-1.4	5.2	REITs	20
21	1.5	10.8	7.8	5.3	8.0	6.0	43.0	31.2	21.3	32.2	CMO Issuers	21
Total Net Credit Market Borrowing, All Sectors, by Type												
1	292.2	162.6	254.6	244.6	300.3	1033.4	847.4	955.9	988.9	1056.1	Total net borrowing	1
2	107.4	67.0	45.4	81.0	100.2	335.7	347.9	191.0	339.2	296.1	U.S. government securities	2
3	8.2	4.3	7.8	13.6	10.7	33.5	24.8	32.6	44.4	43.5	Tax-exempt obligations	3
4	37.5	31.0	44.3	34.4	34.4	145.6	129.3	175.9	137.7	133.4	Corporate & foreign bonds	4
5	79.3	45.2	78.4	74.0	69.3	301.6	224.8	294.8	290.1	258.3	Mortgages	5
6	16.1	-4.7	17.4	16.2	20.5	49.4	34.8	59.5	34.9	67.9	Consumer credit	6
7	17.5	2.0	23.2	-.6	11.0	68.5	10.0	81.1	3.7	47.4	Bank loans n.e.c.	7
8	-3.3	7.9	28.6	9.3	28.6	6.7	22.3	92.5	48.0	134.7	Open-market paper	8
9	29.6	10.0	9.5	16.7	25.7	92.5	53.5	28.6	90.9	74.8	Other loans	9
10	-15.0	-1.1	16.4	4.6	-15.3	-54.7	60.9	3.3	16.2	-61.9	Memo: U.S. govt. cash balance	10
11	234.9	142.7	165.0	180.0	220.5	824.0	653.0	684.5	732.7	762.6	Totals net of changes in U.S. govt. cash balances:	11
12	77.6	44.0	2.7	37.1	69.2	222.8	166.8	86.0	172.4	186.3	Net borrowing by dom. nonfin. By U.S. government	12
External Corporate Equity Funds Raised in U.S. Markets												
1	-22.2	-17.7	-29.3	-22.2	-45.2	-82.7	-75.6	-131.1	-76.2	-174.5	Total net share issues	1
2	-2.9	1.6	1.2	-3.0	-1.8	-9.1	5.0	-8.0	0.3	-5.2	Mutual funds	2
3	-19.3	-19.3	-30.5	-19.2	-43.4	-73.6	-80.5	-123.1	-76.5	-169.3	All other	3
4	-22.0	-23.8	-35.0	-23.0	-48.8	-88.0	-95.0	-140.0	-92.0	-195.0	Nonfinancial corporations	4
5	6.6	3.8	5.8	3.6	4.0	26.4	15.2	23.4	14.4	16.0	Financial corporations	5
6	-3.9	0.7	-1.3	0.2	1.4	-12.0	-.7	-6.5	1.1	9.7	Foreign shares purchased in U.S.	6

LATEST DATA PRELIMINARY





