

# FEDERAL RESERVE statistical release



Z.7 (788)

For immediate release  
June 2, 1989

## FLOW OF FUNDS SUMMARY STATISTICS

Debt of domestic nonfinancial sectors grew at a seasonally adjusted annual rate of 8.2 percent in the first quarter of 1989, down from the revised fourth-quarter pace of 8.6 percent. The slowing was entirely attributable to a deceleration of nonfederal debt, from 9.4 percent to 7.6 percent. Federal debt growth rebounded to a 10 percent rate in the first quarter.

The decline in debt growth of nonfederal sectors was reflected in slowing growth for households, nonfinancial businesses, and state and local governments. Home mortgage borrowing moderated again in the first quarter, and consumer credit growth also slowed. Business borrowing dropped off from the strong fourth-quarter rate, despite near-record corporate restructuring activity. State and local government debt also expanded at a reduced rate.

Net borrowing by all domestic nonfinancial sectors in the first quarter was \$743 billion at a seasonally adjusted annual rate. The period-end level of total outstanding debt was \$9.2 trillion (Table 1). Debt of nonfederal sectors accounted for almost \$7.1 trillion of this total, with the federal component exceeding \$2.1 trillion.

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

	Total domestic nonfinancial debt	-----Nonfederal-----				
		U.S. govt.	Total	House- holds	Nonfin. business	State & local govts.
	(1)	(2)	(3)	(4)	(5)	(6)
1986	12.3	13.4	12.0	12.5	12.0	9.3
1987	9.0	8.0	9.3	10.2	9.0	6.5
1988	8.9	8.0	9.2	9.7	9.3	5.8
1987-IV	9.6	8.8	9.9	9.9	10.5	6.0
1988-I	8.7	11.6	7.8	7.4	9.0	3.2
II	8.3	4.4	9.6	11.3	8.7	4.9
III	8.8	9.2	8.7	9.4	8.2	7.7
IV	8.6	6.0	9.4	9.1	10.2	6.8
1989-I	8.2	10.1	7.6	8.0	7.8	4.4

<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	12.3	4.1	25.5	14.0	8.2
1987	9.0	1.8	19.6	10.6	6.7
1988	8.9	2.4	13.7	9.6	7.1
1987-IV	9.6	5.8	14.0	10.3	10.4
1988-I	8.7	-.4	10.4	8.8	5.1
II	8.3	2.2	13.8	9.2	6.6
III	8.8	1.8	11.5	9.2	9.0
IV	8.6	6.1	16.5	10.0	7.1
1989-I	8.2	-3.2	16.9	9.6	5.5

<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.

TABLE 1

Summary of Credit Market Debt Outstanding

PERIOD-END LEVELS		PERIOD-END LEVELS											
1982	1983	1984	1985	1986	1987		1988						
					IV	I	II	III	IV	I			
Credit Market Debt Owed by Nonfinancial Sectors													
1	4654.6	5204.3	5953.7	6797.0	7638.4	8330.0	8471.0	8658.1	8828.8	9049.7	9209.4	Total credit market debt owed by domestic nonfinan. sectors	1
2	991.4	1177.9	1376.8	1600.4	1815.4	1960.3	2003.2	2022.3	2063.9	2117.8	2155.7	U.S. government	2
3	987.7	1174.4	1373.4	1597.1	1811.7	1955.2	1998.1	2015.3	2051.7	2095.2	2133.4	Treasury issues	3
4	3.7	3.6	3.4	3.3	3.6	5.2	5.0	7.0	12.2	22.6	22.3	Agency issues & mortgages	4
5	3663.2	4026.4	4577.0	5196.6	5823.0	6369.7	6467.8	6635.8	6764.9	6931.9	7053.7	Private domestic nonfinancial sectors	5
6	2460.2	2717.8	3040.0	3488.4	3967.6	4438.5	4512.2	4635.3	4737.8	4848.3	4933.0	Debt capital instruments	6
7	417.9	471.7	522.1	658.4	689.2	723.7	727.5	734.8	747.6	756.8	764.9	Tax-exempt obligations	7
8	407.0	423.0	469.2	542.9	664.2	764.1	789.5	819.0	841.5	861.3	881.8	Corporate bonds	8
9	1635.3	1823.1	2048.8	2287.1	2614.2	2950.7	2995.3	3081.6	3148.6	3230.2	3286.3	Mortgages	9
10	1079.8	1200.2	1336.2	1490.2	1720.8	1943.1	1972.0	2043.3	2105.0	2160.9	2195.6	Home mortgages	10
11	144.8	158.8	183.6	213.0	246.2	270.0	274.5	276.3	279.5	285.9	291.4	Multi-family resid.	11
12	299.4	350.4	416.5	478.1	551.4	648.7	660.8	674.1	677.1	696.6	713.1	Commercial	12
13	111.3	113.7	112.4	105.9	95.8	88.9	88.0	87.8	87.0	86.8	86.2	Farm	13
14	1203.0	1308.6	1536.9	1708.2	1855.5	1931.1	1955.6	2000.5	2027.1	2083.6	2120.8	Other debt instruments	14
15	388.7	437.7	519.3	601.8	659.8	692.7	688.9	705.8	721.2	743.7	746.6	Consumer credit	15
16	464.1	490.2	552.9	592.6	654.2	654.4	665.6	685.7	686.5	701.9	713.5	Bank loans n.e.c.	16
17	37.6	36.8	58.5	72.2	62.9	73.8	73.5	77.8	80.3	85.4	95.5	Commercial paper	17
18	312.7	344.0	406.2	441.6	478.6	510.3	527.5	531.2	539.1	552.7	565.1	Other	18
19	3663.2	4026.4	4577.0	5196.6	5823.0	6369.7	6467.8	6635.8	6764.9	6931.9	7053.7	By borrowing sector:	19
20	323.7	357.7	385.1	476.9	520.2	554.2	556.7	563.2	576.0	585.6	595.2	State & local governments	20
21	1625.5	1811.6	2038.2	2314.5	2614.6	2864.3	2892.1	2982.3	3058.2	3137.4	3183.8	Households	21
22	1714.1	1857.1	2153.7	2405.2	2688.3	2951.2	3019.0	3090.2	3130.7	3208.9	3274.6	Nonfinancial business	22
23	184.5	188.4	187.9	173.4	156.6	145.5	141.3	143.9	143.6	141.1	140.1	Farm	23
24	564.0	645.8	769.0	898.3	1001.6	1109.4	1131.7	1148.9	1167.3	1193.3	1213.6	Nonfarm noncorporate	24
25	965.6	1022.9	1196.8	1333.5	1530.1	1696.3	1746.0	1797.4	1819.9	1874.5	1920.9	Corporate	25
26	209.9	227.3	235.1	234.7	236.2	242.3	243.2	244.4	244.6	248.2	248.4	Foreign credit market debt held in U.S.	26
27	61.1	64.2	68.0	71.8	74.8	81.6	85.4	85.2	86.5	88.3	90.3	Bonds	27
28	33.8	37.4	30.8	27.9	26.9	23.3	22.8	22.4	22.7	21.5	21.1	Bank loans n.e.c.	28
29	15.1	21.5	27.7	33.9	37.4	41.2	42.5	44.0	46.3	50.9	55.5	Commercial paper	29
30	100.0	104.1	108.6	101.1	97.1	96.1	92.4	92.7	89.1	87.5	81.5	U.S. govt. & other loans	30
31	4864.6	5431.6	6188.8	7031.7	7874.7	8572.3	8714.1	8902.4	9073.4	9297.9	9457.9	Total nonfinan.domestic & fgn.	31
Credit Market Debt Owed by Financial Sectors													
1	758.4	857.9	1006.2	1206.2	1544.7	1862.8	1897.7	1969.7	2027.3	2117.7	2196.8	Total credit market debt owed by financial sectors	1
2	388.9	456.7	531.2	632.7	844.2	1026.5	1050.6	1076.9	1116.3	1164.0	1209.0	U.S. government-related	2
3	205.4	206.8	237.2	257.8	273.0	303.2	313.5	317.9	328.5	348.1	364.3	Sponsored credit ag. sec.	3
4	178.5	244.9	289.0	368.9	565.4	718.3	732.1	754.0	782.8	810.9	839.7	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	836.3	847.1	892.8	911.1	953.8	987.8	Private financial sectors	6
7	98.3	115.8	148.9	197.5	268.4	335.6	352.2	367.1	375.6	386.3	393.1	Corporate bonds	7
8	2.0	2.1	2.5	2.7	2.7	3.1	3.1	3.1	3.1	3.0	3.1	Mortgages	8
9	29.0	28.9	29.5	27.1	26.1	40.8	31.7	34.3	32.9	34.2	30.6	Bank loans n.e.c.	9
10	174.2	195.5	219.5	252.4	284.6	323.8	330.6	353.4	358.0	377.4	397.4	Open-market paper	10
11	66.0	59.0	74.6	88.8	108.6	133.1	129.5	134.8	141.6	152.8	163.8	Fed. Home Loan Bank loans	11
12	758.4	857.9	1006.2	1206.2	1544.7	1862.8	1897.7	1969.7	2027.3	2117.7	2196.8	Total, by sector	12
13	210.4	211.8	242.2	263.9	278.7	308.2	318.5	322.9	333.5	353.1	369.3	Sponsored credit agencies	13
14	178.5	244.9	289.0	368.9	565.4	718.3	732.1	754.0	782.8	810.9	839.7	Mortgage pools	14
15	369.5	401.2	475.0	573.4	700.5	836.3	847.1	892.8	911.1	953.8	987.8	Private financial sectors	15
16	71.8	76.8	84.1	79.2	75.6	82.7	76.4	77.2	76.6	78.8	78.9	Commercial banks	16
17	59.0	71.0	86.6	101.2	101.3	104.2	103.5	106.6	106.4	105.6	109.3	Domestic affiliates	17
18	75.9	73.9	93.2	115.5	145.1	180.0	176.1	186.8	197.8	218.7	230.7	Savings and loan assns.	18
19	158.5	171.7	193.2	246.9	308.1	359.1	369.6	392.5	395.1	406.0	420.4	Finance companies	19
20	3.7	3.5	4.3	5.6	6.5	7.3	7.6	8.0	7.6	9.1	9.3	REITs	20
21	0.6	4.2	13.5	25.0	64.0	103.1	113.9	121.8	127.5	135.7	139.3	CMO Issuers	21
Total Credit Market Debt Outstanding, All Sectors, by Type													
1	5623.0	6289.5	7195.0	8237.9	9419.4	10435.1	10611.8	10872.1	11100.8	11415.6	11654.7	Total credit market debt	1
2	1375.0	1629.4	1902.8	2227.0	2653.8	2981.8	3048.8	3094.2	3175.2	3276.7	3359.7	U.S. government securities	2
3	417.9	471.7	522.1	658.4	689.2	723.7	727.5	734.8	747.6	756.8	764.9	Tax-exempt obligations	3
4	566.4	603.0	686.0	812.1	1007.4	1181.4	1227.1	1271.3	1303.6	1336.0	1365.2	Corporate and foreign bonds	4
5	1637.7	1825.4	2051.4	2289.8	2617.0	2953.8	2998.4	3084.7	3151.7	3233.3	3289.3	Mortgages	5
6	388.7	437.7	519.3	601.8	659.8	692.7	688.9	705.8	721.2	743.7	746.6	Consumer credit	6
7	526.8	556.5	613.2	652.6	717.2	718.4	720.1	742.4	742.1	757.5	765.2	Bank loans n.e.c.	7
8	226.8	253.8	305.7	358.5	384.9	438.8	446.7	475.3	484.6	513.6	548.4	Open-market paper	8
9	483.6	512.1	594.4	637.6	690.1	744.5	754.4	763.7	774.7	797.9	815.4	Other loans	9

TABLE 2

Summary of Net Funds Raised in Credit and Equity Markets

QUARTERLY NET FLOWS, \$ BILLIONS

QUARTERLY NET FLOWS, \$ BILLIONS

I	1988				1989	1988				1989			
	I	II	III	IV		I	II	III	IV				
<b>(NSA) Net Credit Market Borrowing by Nonfinancial Sectors</b>						<b>(SAAR)</b>							
1	144.1	187.1	189.4	220.9	147.3	723.9	710.4	767.8	763.7	742.6	Total net borrowing by domestic nonfinancial sectors	1	
2	42.9	19.1	41.7	53.8	37.9	227.7	89.2	188.6	124.4	214.4	U.S. government	2	
3	43.0	17.2	36.4	43.4	38.2	228.2	81.5	167.7	82.8	215.6	Treasury issues	3	
4	-1	1.9	5.2	10.4	-3	-5	7.7	20.9	41.6	-1.2	Agency issues & mortgages	4	
5	101.2	168.0	147.7	167.1	109.3	496.2	621.2	579.3	639.3	528.2	Private domestic nonfinancial sectors	5	
6	76.8	123.1	115.7	110.5	79.6	358.9	474.8	446.7	423.9	372.2	Debt capital instruments	6	
7	3.8	7.3	12.8	9.2	3.0	22.8	30.6	41.4	37.5	19.7	Tax-exempt obligations	7	
8	25.3	29.5	22.6	19.8	20.5	101.4	117.9	90.3	79.1	82.1	Corporate bonds	8	
9	47.7	86.3	80.3	81.6	56.0	234.6	326.3	315.0	307.3	270.3	Mortgages	9	
10	31.1	71.4	61.7	55.9	34.7	169.6	270.7	231.9	207.8	187.4	Home mortgages	10	
11	4.9	1.8	3.2	6.4	5.5	25.9	4.2	16.0	20.9	26.6	Multi-family resid.	11	
12	12.6	13.3	16.2	19.5	16.4	47.3	52.7	69.4	77.1	61.5	Commercial	12	
13	-9	-2	-8	-2	-6	-6.1	-1.4	-2.4	1.5	-5.2	Farm	13	
14	24.5	44.9	32.0	56.5	29.7	137.3	146.4	132.5	215.4	156.1	Other debt instruments	14	
15	-3.8	16.9	15.4	22.6	-5.1	38.6	57.5	31.8	74.3	34.9	Consumer credit	15	
16	11.3	20.0	0.8	15.4	13.2	34.7	72.4	10.7	72.1	38.3	Bank loans n.e.c.	16	
17	-3	4.3	2.5	5.1	9.2	-3.8	4.0	11.1	35.1	34.4	Commercial paper	17	
18	17.2	3.6	13.3	13.6	12.4	67.8	12.5	78.9	31.9	48.4	Other	18	
19	101.2	168.0	147.7	167.1	109.3	496.2	621.2	579.3	639.3	528.2	By borrowing sector:	19	
20	2.4	6.6	13.3	9.7	4.6	17.5	27.6	43.5	39.4	26.0	State/local governments	20	
21	31.6	84.7	79.1	80.9	40.6	212.6	330.6	282.9	279.8	251.7	Households	21	
22	67.2	76.7	55.3	76.5	64.2	266.0	262.9	252.9	320.1	250.5	Nonfinancial business	22	
23	-4.2	2.6	"	-2.5	-9	-15.7	-3.4	-2.6	5.5	-2.7	Farm	23	
24	22.3	17.2	19.8	26.0	20.3	86.3	72.3	96.0	86.7	78.5	Nonfarm noncorporate	24	
25	49.1	56.9	35.4	52.9	44.8	195.5	194.0	159.5	227.8	174.6	Corporate	25	
26	0.9	1.2	0.2	3.6	-5	-1.0	5.2	4.4	15.0	-7.9	Fgn. net borrowing in U.S.	26	
27	3.8	-2	1.3	1.8	2.0	16.8	-2.7	6.5	6.3	9.5	Bonds	27	
28	-5	-4	0.3	-1.2	-4	0.7	-3.5	2.9	-7.4	1.5	Bank loans n.e.c.	28	
29	1.3	1.5	2.3	4.6	3.8	1.5	6.4	10.7	20.0	11.6	Commercial paper	29	
30	-3.7	0.3	-3.7	-1.6	-6.0	-19.9	5.1	-15.8	-3.9	-30.4	U.S. govt. & other loans	30	
31	145.0	188.3	189.5	224.5	146.7	722.9	715.6	772.2	778.6	734.7	Total domestic plus foreign	31	
<b>Net Credit Market Borrowing by Financial Sectors</b>													
1	34.9	72.0	57.6	90.4	75.6	193.3	263.3	227.2	335.7	358.1	Total net borrowing by financial sectors	1	
2	24.1	26.3	39.4	47.7	45.0	120.3	101.8	150.6	177.2	205.7	U.S. government-related	2	
3	10.3	4.4	10.6	19.6	16.2	56.8	9.4	42.8	70.5	81.7	Sponsored credit ag. sec.	3	
4	13.8	22.0	28.8	28.1	28.8	63.4	92.4	107.8	106.7	124.0	Mortgage pool securities	4	
5	-	-	-	-	-	-	-	-	-	-	Loans from U.S. government	5	
6	10.8	45.7	18.3	42.7	30.6	73.1	161.5	76.6	158.5	152.4	Private financial sectors	6	
7	16.6	14.9	8.4	10.8	6.7	70.1	60.5	32.5	39.7	31.0	Corporate bonds	7	
8	"	"	"	"	"	-1	"	"	-2	0.1	Mortgages	8	
9	-9.1	2.7	-1.4	1.3	-3.7	-26.8	8.7	-8.6	0.6	-4.6	Bank loans n.e.c.	9	
10	6.9	22.8	4.6	19.4	16.5	24.6	82.2	26.1	81.7	61.6	Open-market paper	10	
11	-3.6	5.3	6.7	11.2	11.0	5.4	10.1	26.6	36.8	64.4	Fed. Home Loan Bank loans	11	
12	34.9	72.0	57.6	90.4	75.6	193.3	263.3	227.2	335.7	358.1	Total, by sector	12	
13	10.3	4.4	10.6	19.6	16.2	56.8	9.4	42.8	70.5	81.7	Sponsored credit agencies	13	
14	13.8	22.0	28.8	28.1	28.8	63.4	92.4	107.8	106.7	124.0	Mortgage pools	14	
15	10.8	45.7	18.3	42.7	30.6	73.1	161.5	76.6	158.5	152.4	Private financial sectors	15	
16	-6.2	0.8	-7	2.2	0.1	-22.4	6.2	-8.3	8.9	1.8	Commercial banks	16	
17	-6	3.0	-1	-9	3.8	-8.5	11.4	7.6	-4.9	8.8	Domestic affiliates	17	
18	-3.8	9.6	11.0	20.9	11.9	8.6	17.1	54.4	71.0	72.7	Savings and loan assns.	18	
19	10.5	23.9	2.7	10.8	10.9	51.4	93.7	1.2	45.1	53.6	Finance companies	19	
20	0.2	0.4	-4	1.4	0.2	1.0	1.7	-1.4	5.8	0.8	REITs	20	
21	10.8	7.9	5.8	8.1	3.7	43.0	31.5	23.1	32.5	14.7	CMO Issuers	21	
<b>Total Net Credit Market Borrowing, All Sectors, by Type</b>													
1	179.9	260.3	247.2	314.8	222.4	916.2	978.9	999.4	1114.4	1092.8	Total net borrowing	1	
2	67.0	45.4	81.0	101.5	83.0	347.9	191.0	339.2	301.6	420.1	U.S. government securities	2	
3	3.8	7.3	12.8	9.2	3.0	22.8	30.6	41.4	37.5	19.7	Tax-exempt obligations	3	
4	45.7	44.2	32.3	32.3	29.3	188.2	175.8	129.4	125.1	122.7	Corporate & foreign bonds	4	
5	47.7	86.3	80.3	81.5	56.1	234.5	326.3	315.0	307.1	270.4	Mortgages	5	
6	-3.8	16.9	15.4	22.6	-5.1	38.6	57.5	31.8	76.3	34.9	Consumer credit	6	
7	1.7	22.3	-3	15.4	9.2	8.6	77.6	5.0	65.3	35.1	Bank loans n.e.c.	7	
8	7.9	28.6	9.3	29.1	29.5	22.3	92.5	48.0	136.8	107.6	Open-market paper	8	
9	9.9	9.3	16.4	23.2	17.4	53.3	27.7	89.7	64.7	82.4	Other loans	9	
10	-1.1	16.4	4.6	-9.6	-18.9	60.9	3.3	16.2	-38.8	-4.3	Memo: U.S. govt. cash balance	10	
11	145.2	170.6	184.8	230.4	166.2	663.0	707.1	751.7	802.5	747.0	Totals net of changes in U.S. govt. cash balances:	11	
12	44.0	2.7	37.1	63.4	56.8	663.0	86.0	172.4	163.2	218.7	Net borrowing by dom. nonfin.	12	
<b>External Corporate Equity Funds Raised in U.S. Markets</b>													
1	-17.7	-29.3	-24.1	-43.8	-34.6	-75.6	-131.1	-84.1	-169.1	-143.1	Total net share issues	1	
2	1.6	1.2	-3.0	-2	5.0	5.0	-8.0	0.3	1.1	19.1	Mutual funds	2	
3	-19.3	-30.5	-21.2	-43.6	-39.6	-80.5	-123.1	-84.4	-170.2	-162.2	All other	3	
4	-23.8	-35.0	-23.0	-48.8	-45.0	-95.0	-140.0	-92.0	-195.0	-180.0	Nonfinancial corporations	4	
5	3.8	5.8	1.6	4.0	3.4	15.2	23.4	6.4	15.9	13.7	Financial corporations	5	
6	0.7	-1.3	0.2	1.2	2.0	-7	-6.5	1.2	9.0	4.1	Foreign shares purchased in U.S.	6	

TABLE 3

Sector Statements of Saving and Investment

SEASONALLY ADJUSTED ANNUAL RATES

SEASONALLY ADJUSTED ANNUAL RATES

Table with columns for years 1984-1988 and quarters IV, I, II, III, IV, I. Rows include categories like Personal income, Personal taxes, Disposable personal income, etc., with corresponding values.

(1) Excludes corporate equities.

Memoranda:

Table with columns for years 1984-1988 and quarters IV, I, II, III, IV, I. Rows include detailed breakdowns of investment categories such as Residential construction, Consumer durables, and Nonprofit plant and equip.

Percent ratios:

Table with columns for years 1984-1988 and quarters IV, I, II, III, IV, I. Rows show percentages for Effective tax rate, Saving rate, and Gross saving.

(2) Disposable income adj. = 72

(NIPA disposable income + govt. insurance credits + capital gains divid.)



