

# FEDERAL RESERVE statistical release



Z.7 (788)

For immediate release  
September 20, 1990

## FLOW OF FUNDS SUMMARY STATISTICS

Debt of domestic nonfinancial sectors grew at a seasonally adjusted annual rate of 6 percent in the second quarter of 1990, about 1-1/2 percentage points below the pace in the first quarter of this year and in 1989 as a whole. Household and business debt growth slowed in the second quarter. Federal debt growth also moderated in the second quarter, but remained above rates recorded over the past three years. Federal borrowing has been boosted appreciably in some recent quarters by thrift resolution activity.

Net borrowing by domestic nonfinancial sectors in the second quarter amounted to \$598 billion at a seasonally adjusted annual rate, and the level of total debt outstanding for domestic nonfinancial sectors reached \$10.1 trillion. Debt of nonfederal sectors accounted for \$7.7 trillion of this total, with the federal component rising to \$2.4 trillion (see tables 1 and 2).

This release incorporates annual revisions to the Flow of Funds Accounts resulting from benchmarks and updated seasonal adjustment factors.

A. Growth of Major Debt Aggregates<sup>1</sup>  
(Percent changes; quarterly data are seasonally adjusted annual rates)

	Total domestic nonfinancial debt	-----Nonfederal-----				State & local govts.
		U.S. govt.	Total	House- holds	Nonfin. business	
(1)	(2)	(3)	(4)	(5)	(6)	
1986	12.3	13.4	11.9	12.8	12.0	7.6
1987	9.0	8.0	9.3	11.6	7.0	9.6
1988	9.1	8.0	9.5	10.9	8.3	8.2
1989	7.4	7.1	7.5	8.9	6.7	4.9
1989-Q1	8.2	7.0	8.6	9.1	8.4	6.6
Q2	7.2	4.6	7.9	8.0	8.3	5.4
Q3	7.1	7.7	6.9	8.6	5.6	4.6
Q4	6.4	8.3	5.8	8.4	3.8	2.6
1990-Q1	7.6	10.9	6.7	8.4	5.9	1.4
Q2	6.0	9.2	5.0	5.5	4.9	2.3

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

B. Growth of Debt Aggregates: Supplemental Data  
 (Percent changes; quarterly data are seasonally adjusted annual rates)

	Sectors			<u>Memo:</u> Private financial assets <sup>1</sup>
	Domestic nonfinancial	Foreign	Financial	Total
1986	12.3	4.1	23.5	13.7
1987	9.0	1.9	19.6	10.5
1988	9.1	2.6	13.5	9.7
1989	7.4	4.3	9.9	7.8
1989-Q1	8.2	1.3	17.1	9.7
Q2	7.2	-2.8	7.0	6.9
Q3	7.1	12.3	5.5	6.9
Q4	6.4	6.6	8.2	6.8
1990-Q1	7.6	-1.3	8.7	7.7
Q2	6.0	17.9	6.3	6.3

1. 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 calculated by dividing seasonally adjusted flows from table 2 by seasonally adjusted levels at the end of the previous period. Seasonally adjusted quarterly levels in Flow of Funds statistics are derived by carrying forward year-end levels by seasonally adjusted flows. Growth rates calculated from changes in unadjusted levels printed in table 1 can differ from those shown above.

The following list gives the lines in tables 1 and 2 that underlie the calculation of growth rates shown on table A, page 1 of this release:

Growth Table A (column)      Tables 1 and 2 (row)

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 borrowed from both domestic and foreign sources, while foreign debt represents amounts borrowed by foreign financial and nonfinancial entities in U.S. markets 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 forms of loans included in table 1.

Subscriptions to this summary release, or to the full statements for sectors and transaction types for flows and amounts outstanding (the Z.1 release), may be obtained through:

**Publications Services, Stop 138**  
**Board of Governors of the Federal Reserve System**  
**Washington, DC 20551**  
**(202) 452-3245**







TABLE 4

27, SEPTEMBER 20, 1990  
Nonfinancial Corporate Business

Nonfinancial Corporate Business

Sector Statements of Saving and Investment

SEASONALLY ADJUSTED ANNUAL RATES

SEASONALLY ADJUSTED ANNUAL RATES

	1986	1987	1988	1989	1988 IV	I	II	III	IV	I	II
Nonfinancial Corporate Business, Excluding Farms											
1	156.5	217.2	251.0	241.4	260.2	260.5	246.3	232.8	225.9	227.8	228.2
2	75.2	92.9	101.8	101.0	105.1	107.3	101.2	99.2	96.2	94.9	95.1
3	74.1	81.5	80.5	104.5	82.5	107.0	101.0	106.3	103.8	118.2	118.5
4	7.3	42.8	68.8	35.9	72.7	46.0	44.2	27.4	25.8	14.7	14.7
5	49.5	46.6	39.7	18.8	32.9	27.6	22.9	15.0	9.7	5.3	1.1 + Capital consumption adj.
6	265.3	279.6	295.3	315.4	302.5	307.0	310.4	320.0	324.3	323.7	325.7 + Depreciation charges, NIPA
7	322.1	369.0	403.8	370.1	408.1	380.5	377.5	362.4	359.8	343.8	341.5 = U.S. internal funds, book
8	15.5	22.9	14.5	31.6	13.4	42.4	25.3	29.2	29.6	38.2	34.7 + Fgn. earnings ret. abroad
9	6.8	-19.4	-27.0	-21.7	-22.5	-43.0	-23.1	-6.1	-14.5	-11.4	1.2 + Inv. valuation adjustment
10	344.3	372.4	391.4	380.0	399.0	379.9	379.7	385.5	374.9	370.6	377.4 = Total internal funds + IVA
11	301.3	345.3	337.9	351.4	369.3	346.9	341.3	366.0	351.4	346.5	344.5 Gross investment
12	330.4	354.1	378.3	382.2	384.6	377.4	388.3	385.1	378.2	343.4	372.7 Capital expenditures (1)
13	319.8	320.2	353.1	364.5	356.0	365.5	365.2	366.6	360.7	371.5	357.9 Fixed investment
14	316.1	318.0	351.8	365.5	353.7	363.7	364.8	369.8	363.7	371.6	362.8 Plant and equipment
15	2.4	1.1	0.1	-2.2	1.9	0.4	-7	-4.1	-4.6	-1.3	-5.9 Home construction
16	1.3	1.0	1.2	1.2	0.3	1.4	1.0	0.9	1.6	1.1	1.0 Multifamily residential
17	3.5	30.9	22.0	15.4	26.5	8.6	21.5	16.1	15.2	-30.9	10.4 Inventory change + IVA
18	7.2	2.9	3.3	2.4	2.1	3.3	1.6	2.4	2.3	2.8	4.4 Mineral rts. from U.S. govt.
19	-29.1	-8.8	-40.5	-30.8	-15.2	-30.5	-47.0	-19.1	-26.8	3.1	-28.2 Net financial investment
20	150.8	112.5	116.3	104.3	85.0	101.2	180.2	61.3	74.6	124.4	91.3 Net acq. of financial assets
21	60.8	24.7	-5.1	17.3	-88.5	21.2	64.8	-3.9	-13.0	32.7	34.7 Liquid assets
22	18.8	9.6	15.0	-2.3	11.9	-21.9	3.0	17.7	-7.9	-15.4	6.4 Checkable dep. and curr.
23	7.2	4.1	*	5.8	-9.3	-1.0	12.2	6.0	5.9	9.2	7.3 Time deposits
24	3.6	0.8	-3.3	4.0	-2.7	4.3	3.8	5.6	2.4	6.5	-1.5 Money mkt. fund shares
25	12.2	0.8	8.2	-1.2	-1.8	19.8	0.2	-14.4	-10.3	-3.3	-3.9 Security RPs
26	5.9	-2.5	-11.2	4.4	-51.8	23.5	10.4	-31.3	15.2	-1.3	2.6 Foreign deposits
27	14.5	3.6	-5.7	5.1	-18.1	-9.4	16.6	20.7	-7.7	23.1	14.0 U.S. govt. securities
28	3.1	2.6	1.5	-3.0	-4.6	-4.7	-1.4	-5.4	-5	-2.0	0.3 Tax-exempt obligations
29	-4.4	5.7	-9.6	4.4	-12.4	10.6	20.1	-2.8	-10.0	13.0	9.4 Commercial paper
30	0.1	2.8	1.3	-.8	-3.2	-5.7	5.0	4.7	-7.3	1.9	3.2 Consumer credit
31	3.8	-2.7	-2.7	0.5	-1.8	-.5	0.7	0.7	1.0	1.4	1.6 Mutual fund shares
32	29.5	61.5	61.5	25.8	103.8	16.0	18.9	16.6	51.8	18.2	11.5 Trade credit
33	56.7	26.2	61.4	61.6	74.7	70.1	90.9	43.3	42.1	70.1	40.4 Miscellaneous assets
34	12.4	26.0	13.3	23.7	-1.3	22.8	35.8	28.7	7.5	38.5	20.7 Foreign dir.invest.(2,5)
35	3.3	8.3	0.9	3.2	6.0	-3.4	3.3	4.2	8.7	13.6	-3.7 Equity, etc.
36	9.0	17.7	12.4	20.5	-7.3	26.2	32.5	24.5	-1.2	24.9	24.4 Retained earnings
37	20.2	10.9	11.0	17.4	8.0	19.2	18.4	15.0	17.0	20.0	20.4 Insurance receivables
38	0.1	0.4	*	*	*	*	*	-	*	*	*
39	24.0	-11.0	37.0	20.5	68.0	28.1	36.7	-4	17.6	11.6	-0.7 Other
40	179.8	121.3	156.8	135.2	100.2	131.7	227.2	80.4	101.4	121.3	119.5 Net increase in liabilities
41	124.7	48.2	55.1	35.3	-28.7	18.0	118.7	1.0	3.6	92.6	58.4 Net funds raised in mkts.
42	-85.0	-75.5	-129.5	-124.2	-194.5	-172.3	-98.7	-146.3	-79.3	-69.0	-48.0 Net new equity issues
43	209.7	123.7	184.6	159.5	165.8	190.3	217.4	147.3	82.9	161.6	106.4 Debt instruments
44	-9.9	-9	0.1	-1.1	-.8	1.1	-3.8	-.2	-1.7	0.7	0.6 Tax-exempt debt (3)
45	126.8	79.4	102.9	73.6	87.1	58.2	86.5	62.7	87.2	42.3	60.2 Corporate bonds (2)
46	28.6	15.6	11.1	6.5	14.7	20.5	19.1	-1.4	-12.0	22.9	12.7 Mortgages
47	1.9	0.9	0.1	-1.8	1.5	0.3	-5	-3.3	-3.7	-1.0	-4.7 Home mortgages
48	0.5	0.7	1.0	0.9	0.9	1.0	0.9	0.9	0.9	0.9	0.9 Multifamily
49	26.1	13.9	10.1	7.4	12.3	19.2	18.7	0.9	-9.2	23.0	16.5 Commercial
50	49.9	4.1	32.8	33.1	15.8	45.5	42.7	48.8	-4.6	8.4	0.4 Bank loans n.e.c.
51	-9.3	2.3	11.9	20.4	39.0	32.3	39.5	16.9	-6.9	69.7	-6.0 Commercial paper
52	23.7	23.4	25.8	26.9	10.0	32.7	33.4	20.6	20.8	17.6	38.6 Other loans
53	3.3	-1	1.3	-1.1	0.7	-7	*	-1.4	-2.3	-1.5	-2.5 Savings&loan assns.
54	8.0	17.0	14.5	12.2	10.2	12.8	17.5	9.8	8.6	4.6	26.4 Finance companies
55	1.5	0.1	-1.0	-.4	0.6	-1.2	*	-1.2	1.0	3.6	4.5 U.S. government
56	-2	4.4	*	3.2	1.4	2.5	5.6	0.2	4.6	-5.3	3.8 Accept.liab.to banks
57	11.1	1.9	11.0	13.0	-3.0	19.2	10.5	13.2	9.0	16.1	6.4 Foreign
58	5.3	5.9	0.9	-.2	3.4	-1.0	0.5	-8.8	8.4	-10.5	17.6 Profit taxes payable
59	13.7	19.9	43.1	30.4	49.9	24.7	36.3	35.4	25.0	9.6	15.3 Trade debt
60	36.1	47.3	57.6	69.7	75.6	89.9	71.6	52.7	64.4	29.4	28.2 Fgn.dir.invest.in U.S.(5)
61	35.4	45.4	51.9	72.3	65.9	102.2	68.6	51.7	66.8	37.6	32.1 Equity, etc.
62	0.7	1.9	5.7	-2.7	9.7	-12.3	3.0	1.0	-2.4	-8.2	-3.9 Retained earnings
63	43.0	27.1	53.5	28.6	29.6	33.0	38.5	19.5	23.4	24.1	33.0 Discrepancy

(1) Capital outlays on book basis:  
 -3.8 Trade credit net of trade debt 64  
 Profits tax payments 65  
 Earnings rec. from abroad 66  
 Debt subtotals:  
 11.75

Securities and mortgages 67  
 Loans and short-term paper 68  
 Total short-term liab. (4) 69  
 Percent ratios:

Effective tax rate 70  
 Capital outlays/internal funds 71  
 Cr. mkt. borrowing/cap. exp. 72

(2) Corporate bonds include net issues by Netherlands Antilles subsidiaries;  
 U.S. direct investment abroad is before subtracting net inflows of  
 capital from Netherlands Antilles subsidiaries to U.S. parents.

(3) Industrial revenue bonds. Issued by state and local governments  
 to finance private investment and secured in interest and  
 principal by the industrial user of the funds.

(4) Loans and short-term paper, taxes payable and trade debt.

(5) Direct investment totals and retained earnings exclude  
 capital gains/losses included in balance of payments statistics.

