

# FEDERAL RESERVE statistical release



Z.7 (788)

For immediate release  
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## 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	U.S. govt.	-----Nonfederal-----			
			Total	House- holds	Nonfin. business	State & local govts.
	(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-----					
	Domestic nonfinancial	Foreign	Financial	Total	Memo: Private financial assets <sup>1</sup>
1986	12.3	4.1	23.5	13.7	9.1
1987	9.0	1.9	19.6	10.5	7.8
1988	9.1	2.6	13.5	9.7	8.7
1989	7.4	4.3	9.9	7.8	7.1
1989-Q1	8.2	1.3	17.1	9.7	7.6
Q2	7.2	-2.8	7.0	6.9	8.5
Q3	7.1	12.3	5.5	6.9	8.0
Q4	6.4	6.6	8.2	6.8	3.5
1990-Q1	7.6	-1.3	8.7	7.7	7.7
Q2	6.0	17.9	6.3	6.3	4.4

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:

	<u>Growth Table A (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 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:

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