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The Integrated Macroeconomic Accounts of the United States

Marco Cagetti, Elizabeth Ball Holmquist, Lisa Lynn,
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The integrated macroeconomic accounts (IMAs), produced jointly by the Bureau of Economic Analysis (BEA) and the Federal Reserve Board (FRB), present a sequence of accounts that relate income, saving, investment in real and financial assets, and asset revaluations to changes in net worth. In this chapter we first provide some background information on the IMAs and on their construction. Next, we discuss the usefulness of the IMAs, focusing for instance on the evolution of household net worth and its components, a set of series that has appeared frequently in discussions of the causes and effects of the recent financial crisis. We also discuss some of the challenges associated with integrating nonfinancial and financial data sources; that is, the current and capital accounts statistics from the BEA's National Income and Product Accounts (NIPAs) and the financial statistics from the FRB's financial accounts (FAs), previously called the Flow of Funds Accounts. In the final section, we discuss future plans for improving the IMAs, including a proposed framework and methodology for breaking the financial business

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sector into three subsectors: (a) central bank, (b) insurance and pension funds, and (c) other financial business.

10.1 Background and Evolution

The integrated macroeconomic accounts (IMAs) were developed as part of an interagency effort to further harmonize the Bureau of Economic Analysis's (BEA) National Income and Product Accounts (NIPAs) and the Federal Reserve Board's (FRB) financial accounts (FAs). Work began on these accounts in 2002 and the first version of the tables was presented at the National Bureau of Economic Research (NBER) Conference on Research in Income and Wealth's "Architecture for the National Accounts" in April 2004, with annual data for 1985 to 2002.¹ A February 2007 *Survey of Current Business* article officially introduced the regular production of the IMAs.² The System of National Accounts (SNA 1993) was used as the organizing framework in an effort to bring these accounts into closer accordance with international guidelines. While the resultant set of IMAs are largely in accordance with the SNA, there remain differences, particularly with respect to the way sectors are defined. The IMAs use a consistent set of sectors throughout the entire sequence of accounts, and these sectors are primarily based on definitions used in either the NIPAs or FAs. In the SNA, institutions are grouped into five mutually exclusive sectors: (a) nonfinancial corporations, (b) financial corporations, (c) general government, (d) nonprofit institutions serving households (NPISH), and (e) households. In the IMAs, estimates are calculated and presented for the following seven, mutually exclusive sectors: (a) households and NPISH, (b) nonfinancial noncorporate business, (c) nonfinancial corporate business, (d) financial business, (e) federal government, (f) state and local government, and (g) rest of world. The primary difference is in the treatment of noncorporate business (which includes entities such as sole proprietorships, general partnerships, limited liability partnerships, and government enterprises), which, with the exception of government enterprises, are classified as either nonfinancial noncorporate business or financial business in the IMAs. Government enterprise activities are reflected in the government sectors within the IMAs. In contrast, in the SNA, limited liability companies, limited partnerships, and government enterprises are classified as "quasi-corporations" in the financial or nonfinancial corporate sectors, and general partnerships and sole proprietorships are classified in the household sector.

Most of the IMA series are derived from published NIPA and FA data. Current account and capital account statistics are based on NIPA data, while the financial account statistics are based on FA data. The other changes

1. See Teplin et al. (2006).

2. For more information, see Bond et al. (2007).

in volume, revaluation, and balance sheet accounts reflect a combination of both BEA and FA data. The BEA provides the FRB with unpublished data, where necessary, and the FRB is responsible for compiling the full set of integrated accounts. The IMAs are updated quarterly about seventy-five days after the end of the quarter and are published by both the BEA and FRB. The BEA-supplied statistics for the most recent quarter typically reflect revisions to the previous quarter, with more substantial historical revisions stemming from the NIPA annual revision introduced with each September IMA release. The FRB-supplied statistics are not constrained by a set revision cycle and thus are open to historical revisions with each quarterly update.

Since initial publication of the IMAs in 2007, there have been several improvements implemented into these accounts. One of the more important improvements was the introduction in June 2010 of quarterly IMA statistics, beginning with 1992. In June 2012, those quarterly statistics were carried back to 1960. Slightly less detail is available quarterly in the current account, primarily reflecting insufficient source data on gross flows of property income paid and received. Another recent improvement is the introduction of farmland into the real estate component of the balance sheets for both corporate and noncorporate nonfinancial businesses. Estimates for farmland were developed primarily using Economic Research Service statistics, published by the United States Department of Agriculture. Later in the chapter we discuss future plans for the IMAs.

10.2 Construction of the Accounts

The IMAs link saving, capital accumulation, investment in financial assets, and balance sheet positions within an integrated framework with consistent definitions, classifications, and accounting conventions. Each of the seven sectors underlying the total economy has a full complement of accounts: the current account (production and distribution of income accounts), and the accumulation accounts (capital, financial, other volume changes, and revaluation accounts). These accounts allow one to trace the factors leading to changes in the net worth position on the balance sheet of each sector. As an example, in section 10.3, we will discuss the evolution of household net worth and its composition, a set of statistics that helps us understand the causes and consequences of the financial crisis.

Figure 10.1 provides a diagram of the sequence of accounts presented in the IMAs. Broadly speaking, in the first account (current account), the IMAs record production and income. Subtracting consumption from income yields net saving. From the capital account we observe if capital formation (aka investment in “real” assets) is smaller than saving, the difference is lent to other sectors using financial instruments; otherwise, the difference must be borrowed. Net lending or borrowing, therefore, link the

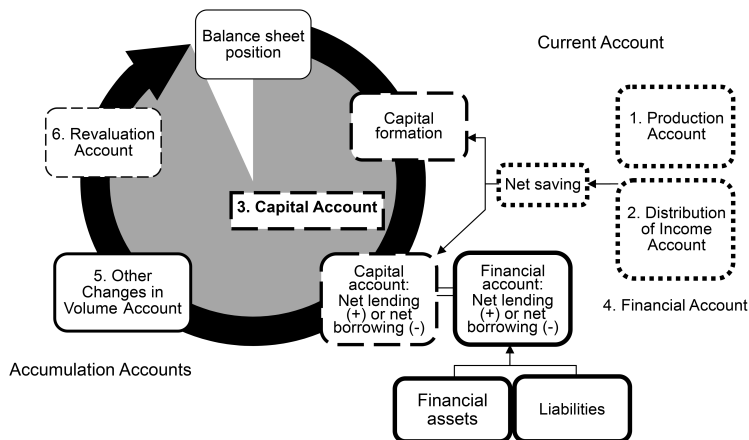


Fig. 10.1 Accumulation accounts/current account

“real” and the “financial” side of the economy. The next account, the financial account, records the lending and borrowing through the various financial instruments. Finally, the balance sheet position reflects real and financial investment flows, other changes in volume (fifth account), and holding gains/losses on assets (sixth account). Next, we will walk through the accounts using both figure 10.1 and estimates for the household and NPISH sector, which can be found in table 10A.1, found in appendix A.

The first account in the IMAs is the current account. Its first component (dotted lines) is the production account, labeled number 1 in figure 10.1, which shows the contribution made by each sector toward US production, or gross value added.³ Consumption of fixed capital, or economic depreciation, is subtracted from gross value added to arrive at net value added. The current account also details the components of value added, including compensation and taxes paid, and net operating surplus⁴ (lines 3–8 in appendix A). Sources of income (such as compensation received and net interest and net dividends received) by type are also presented in the current account (lines 10–19).

The second part of the current account, the distribution of income account (labeled 2 in figure 10.1, lines 21–28 in appendix A), shows the uses of income and how the income from current production is used to finance consumption and savings. Net saving (line 28), measured as the portion of

3. The GDP for the US economy can be calculated as the sum of gross value added for all sectors, plus the statistical discrepancy.

4. Net operating surplus reflects the income earned from the production of goods and services. It is a profits-like measure that is derived as gross output from current production minus related production costs (such as intermediate inputs, employee compensation, and taxes less subsidies).

current income that is set aside rather than spent on consumption or related purposes, is derived by subtracting consumption from disposable income.

Looking at the household and NPISH sector as an example, we see that gross value added for the sector in 2010 was \$1.8 trillion (line 1). From current production, the sector earned a net income of \$10.9 trillion (line 9), and, after income is adjusted for taxes, transfers, and social contributions/benefits, the sector's disposable income totaled \$10.8 trillion (line 26). Subtracting \$10.2 trillion of consumption (line 27), the sector's net saving amounted to \$0.6 trillion (line 28).

Net saving then enters the capital account, the first in the sequence of accumulation accounts. The accumulation accounts describe the change in the sector balance sheet between its opening and closing position. There are four accumulation accounts: capital account, financial account, other changes in the volume of assets account, and revaluation account. The capital account, shown by the dashed lines and labeled number 3, records transactions linked to the net acquisition of nonfinancial assets and capital transfers involving the redistribution of wealth used for the purchase of capital. This account consists of net capital formation (gross fixed capital formation less consumption of fixed assets), net capital transfers, acquisition of nonproduced nonfinancial assets and change in private inventories (lines 29–38). Each of these estimates is derived from estimates in the NIPAs and the fixed-asset accounts published by the BEA. Net capital transfers include transactions such as disaster-related insurance benefits, estate and gift taxes, and financial stabilization payments made by the federal government. Nonproduced nonfinancial assets transactions include purchases of land, payments for drilling rights, electromagnetic spectrum proceeds, and miscellaneous international transactions. If net saving derived from the current account is smaller than capital accumulation, the sector is a net borrower, and if net saving is greater than capital accumulation, the sector is a net lender. This difference between net saving and capital accumulation is referred to as net lending (+) or net borrowing (-). As an example, in 2010, capital formation by the household and NPISH sector amounted to about \$0.1 trillion. Since its saving was \$0.6 trillion, the sector lent \$0.5 trillion to the other sectors.

An alternate version of net lending/net borrowing (or NLNB) can be calculated from the financial account, shown in solid-lined boxes and labeled number 4 (in figure 10.1), by subtracting the net increase in liabilities (lines 70–80) from the net acquisition of financial assets (lines 40–69). In principle, the capital account and financial account measures of net lending/net borrowing should be the same, because saving that is not spent on purchases of fixed assets results in the acquisition of financial assets and borrowing that is used to finance the purchase of fixed assets results in the incurrence of financial liabilities. However, when compiling NLNB from the capital and financial accounts, the values for the two measures are almost never equal

because of differences in source data, timing of recorded flows, and other statistical differences between data used to create the measures. To reconcile the two measures, the difference between NLNB derived from the two methods (that is, line 81 minus line 38) is included as a statistical discrepancy in the other changes in volume account.

Looking again at 2010, the household sector acquired \$0.5 trillion of financial assets and decreased its liabilities by repaying about \$0.2 trillion, resulting in a net lending of \$0.8 trillion. Since the net lending obtained from the capital account amounted to about \$0.6 trillion, there is a statistical discrepancy of about \$0.2 trillion.

The other changes in volume account, labeled number 5, records the effect of exceptional events that cause either the value or volume of assets and liabilities to vary (lines 82–86). Included here are adjustments in classification and structure due to changes in data sources or calculations, disaster losses, nonproduced nonfinancial assets, and the statistical discrepancy described above. Disasters are generally defined as catastrophic events (such as hurricanes and earthquakes) with property losses exceeding 0.1 percent of GDP (which is currently about \$15 billion). Nonproduced nonfinancial assets are included since they are not recorded on the balance sheet but are included in the capital account.

The last accumulation account is the revaluation account, labeled number 6, which records holding gains and losses stemming from changes in prices since the opening balance sheet position (lines 87–97). Typically, holding gains and losses account for most of the change in net worth on the balance sheet. One major difference between the SNA and the IMA tables is that debt securities (such as corporate bonds) are shown at book value rather than market value in the IMAs, and are therefore not shown in the revaluation account.⁵

The closing balance sheet position is equal to the opening balance sheet position plus the changes recorded in the accumulation accounts, which are shown on the circle in figure 10.1, and are equal to the change in net worth for the sector. In the IMAs, we have chosen to use NLNB as calculated from the capital account rather than the version calculated from the financial account, and, as mentioned above, the difference between the two measures (the statistical discrepancy) is recorded in the other volume changes account to be consistent with the balance sheet data.

Returning to our example, household sector net worth was \$55.6 trillion at the end of 2009. In 2010, the sector saved \$0.6 trillion (as measured by net savings in the capital account, line 28) and gained \$2.6 trillion from changes in the prices of its assets (line 97). Net worth at the end of 2010 was \$59.1 trillion, with other changes in volume adding \$0.3 billion.

5. This convention was adopted early on at the beginning of the development of the FA. We are currently working to fill in this gap, or estimate this value, to conform with SNA guidelines.

One point of note is that, for the household and nonfinancial business sectors, the balance sheet shows FA estimates of the market value of real estate. These estimates are calculated using real estate price indices and net investment from the BEA. For the financial business and government sectors, only the current-cost net stock of structures is shown because there are no reliable estimates for the market value of real estate. All balance sheets for domestic sectors show the current-cost net stock of equipment and software. For those sectors where total real estate is reported, it may be tempting to impute a value for land as the difference between the value of real estate and current-cost net stock of structures; this practice is not recommended, however, because the two measures are estimated independently and rely on different source data. For example, for the nonfinancial corporate business sector, the difference between real estate and net stock of structures is slightly greater than zero in 2009, suggesting that the value of land owned by this sector in 2009 was negligible. Nevertheless, it is useful to analyze and question the relationship between real estate and structures in order to better understand the underlying source data and methods used to construct these statistics.

10.3 Uses of the IMAs

The recent financial crisis has vividly shown that analyzing the change in net worth and its composition is critical to understanding the health, risks, and prospects of an economic sector. Net worth is a broad measure of the wealth of a sector, often used in conjunction with other variables, such as income and interest rates, to study variables such as consumption and saving. The IMAs enable one to analyze net worth and its composition, clarifying how the current balance sheet position came about by distinguishing between saving, borrowing, holding gains or losses, and other changes in volume.

As an example, we can look at household and NPISH sectors in the IMAs. In the first half of the last decade, the household sector shifted from being a major lender to a major borrower (table 10.1, line 2), rivaled only as a borrower by the federal government sector (line 6). It was at this same time that the rest of the world sector (line 8) became the predominant lending sector.

At the same time, household net worth surged rapidly and the ratio of household net worth to disposable personal income reached record levels (figure 10.2). This increase was caused not by elevated saving, but by sizable capital gains both on housing wealth and on stock-market wealth (figure 10.3).

Indeed, the ratio of both housing wealth and stock market wealth to disposable personal income surged to historically unprecedented levels (figure 10.4). Not surprisingly, household debt also ballooned. The ratio of household debt to disposable personal income increased from around

Table 10.1 Net lending (+) or net borrowing (-) in the capital and financial accounts, by sector^a

Sector		1970s	1980s	1990s	2000–					
					2006	2007	2008	2009	2010	2011
1. All domestic sectors:	C	-16	-109	-160	-472	-704	-671	-455	-481	-453
	F	-17	-88	-10	-476	-473	-1678	-404	-646	-274
2. Households & nonprofits:	C	56	135	88	-168	-126	373	488	535	476
	F	78	209	146	-235	164	525	406	833	1037
3. Nonfin. noncorp. business:	C	-22	-38	-26	-49	-74	-53	14	6	-6
	F	-22	-37	-28	-101	-122	-53	14	6	-14
4. Nonfin. corp. business:	C	-21	-13	-26	-23	-94	-7	389	377	422
	F	-42	-82	8	26	-206	-943	563	151	272
5. Financial business:	C	5	-20	-2	72	-3	-47	275	157	125
	F	2	7	44	118	108	-267	46	-209	-146
6. Federal government:	C	-32	-166	-160	-215	-315	-756	-1446	-1462	-1357
	F	-33	-181	-169	-236	-344	-780	-1289	-1362	-1328
7. State & local govts.:	C	-2	-7	-34	-90	-93	-181	-175	-94	-113
	F	1	-4	11	-49	-72	-161	-144	-65	-95
8. Rest of the world:	C	-2	-74	117	559	716	674	378	480	484
	F	-3	58	112	569	618	737	246	254	393
9. Statistical discrepancy ^b	C	18	36	43	-86	-12	-2	77	1	-32

Source: Integrated macroeconomic accounts, June 7, 2012.

^aData in billions. Rows designated by “C” represent net lending or net borrowing calculated from the capital account; rows designated by “F” represent net lending or borrowing calculated from the financial account.

^bEquals rest of the world capital account net lending (+) or net borrowing (-) (line 8) less all domestic sectors’ capital account net lending (+) or net borrowing (-) (line 1).

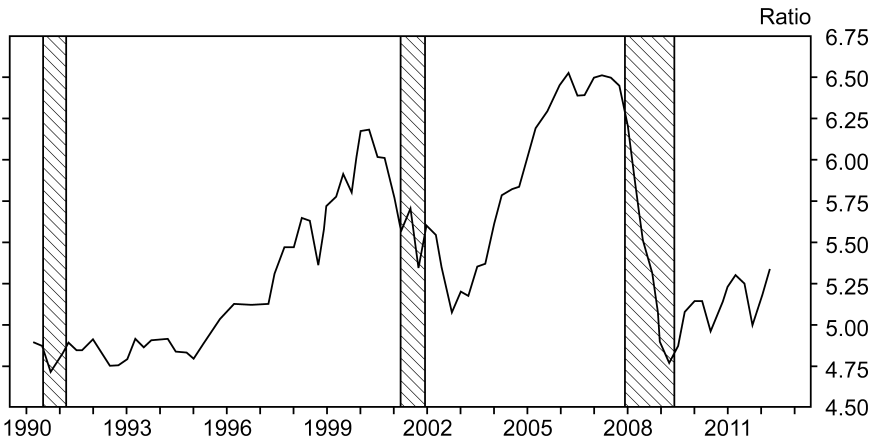


Fig. 10.2 Household net worth relative to disposable personal income

Source: Integrated macroeconomic accounts, June 7, 2012.

Note: Bars indicate NBER recession periods.

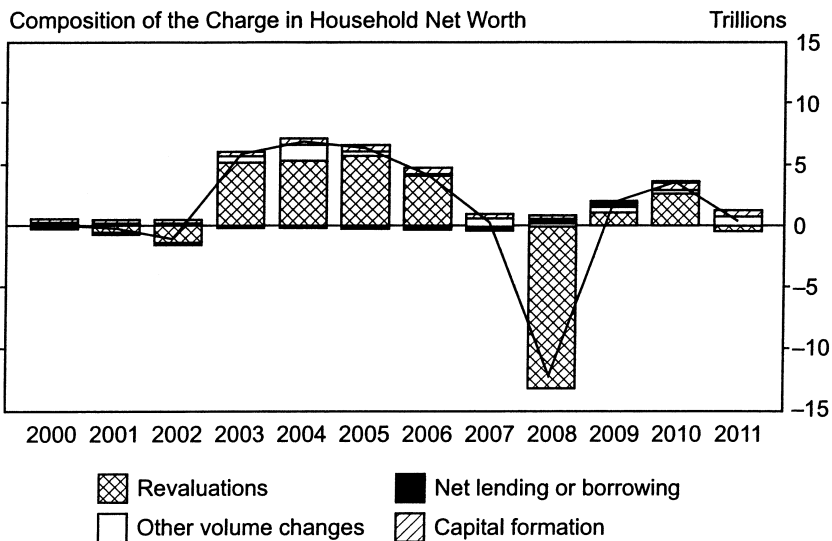


Fig. 10.3 Composition of the change in household net worth

Source: Integrated macroeconomic accounts, June 7, 2012.

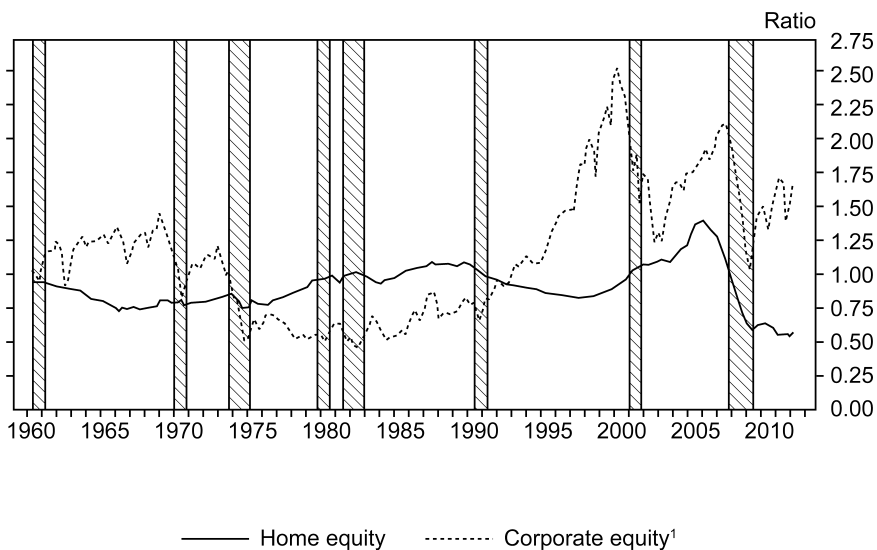


Fig. 10.4 Corporate and home equity relative to disposable personal income

Source: Flow of Funds Accounts of the United States, June 7, 2012.

¹Includes directly held publicly traded and closely held equity shared and equity held indirectly through mutual funds; life insurance companies; private retirement funds; and local, state, and federal government retirement funds.

Note: Bars indicate NBER recession periods.

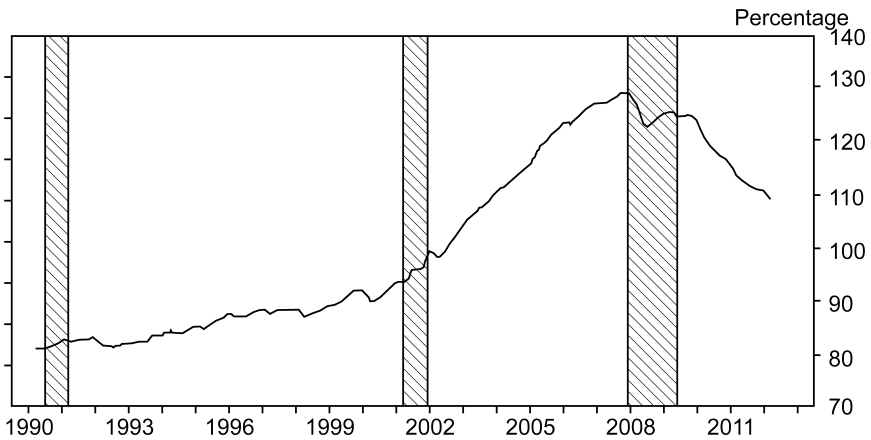


Fig. 10.5 Household debt relative to disposable personal income, quarterly

Source: Integrated macroeconomic accounts, June 7, 2012.

Note: Bars indicate NBER recession periods.

90 percent at the beginning of the decade to an all-time high of around 130 percent in the middle of 2007 (figure 10.5).

This ratio dropped to 111 percent by the end of 2011 as consumers borrowed less and as a significant amount of mortgage debt was written off. As can be seen in table 10.1, line 2, the household sector shifted back to being a major net lender in 2008.

Net borrowing by the federal government (table 10.1, line 6), on the other hand, ballooned to over \$1.3 trillion in both 2009 and 2010. In 2009, the rest of the world sector (line 8) was a significant lender, along with the financial business sector (line 5). The nonfinancial corporate business sector (line 4), traditionally a net borrower, became a net lender in 2009, as capital expenditures remained relatively low and retained earnings elevated.

10.4 Challenges in Linking Current, Capital, and Financial Accounts

One innovative feature of the integrated accounts is the ability to compare net lending/net borrowing calculated from the capital account with the alternative measure calculated from the financial account. As discussed above, in the capital account measure, a sector's net lending or net borrowing is the difference between its net saving (disposable income less current spending) and its net investment (gross purchases of "physical" capital less depreciation on its existing capital stock). In the financial account measure, a sector's net lending/net borrowing is the difference between its net acquisition of financial assets and its net increase in liabilities. Thus, except

for statistical discrepancies, the two measures of a sector's net lending/net borrowing should be the same.

Figure 10.6 compares the capital account total net lending or net borrowing for all domestic sectors (the black line) with the financial account measure (the dotted line). The two lines are very close to each other and hover around zero until about 1980. From that point forward, the United States becomes an increasingly larger net borrower vis-à-vis the rest of the world. The two measures of net lending/net borrowing remain fairly similar, although the financial account measure is more volatile, until around 2008, the year of the financial crisis, when the two lines diverge sharply. This divergence could be partly due to data sources subject to historical benchmark revisions, but is more likely due to data gaps in the financial accounts. These data gaps could reflect off-balance sheet data that have not been captured completely, such as derivatives, or transactions taking place at a level of business structure not currently included in any sector in the accounts, such as nonfinancial holding companies. Also, the treatment of intangibles in the capital and financial accounts could be inconsistent. These data gaps and differences were probably more significant during the financial crisis, and perhaps unsurprisingly, when you compare the two measures of net lending/net borrowing by sector, as shown in table 10.1, the greatest differences appear to be for the nonfinancial corporate business sector (line 4) and the financial business sector (line 5). In 2009, the two measures of total NLNB

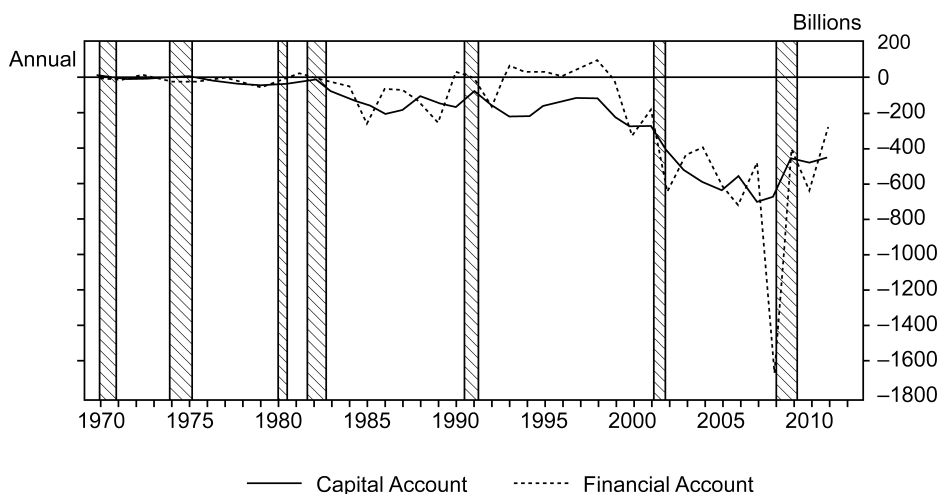


Fig. 10.6 Net lending (+) or net borrowing (-) in the capital and financial accounts

Source: Integrated macroeconomic accounts, June 7, 2012.

Note: Bars indicate NBER recession periods.

(figure 10.6) moved closer together as the economy showed some improvement and have maintained a similar pattern in the most recent years.

Additional issues in comparing the capital account and financial account measures of net lending/net borrowing by sector could be due to the different treatment of debt charge-offs, as well as company- versus establishment-based statistics.

In the financial accounts, debt charge-offs are a component of NLNB, rather than of other changes in volume accounts, as suggested by the SNA.⁶ That is, if debt is charged off, net acquisition of assets falls and net lending decreases for the issuing sector. In other words, charge-offs are not distinguished from repayments. However in the NIPAs, charge-offs are not part of net lending/net borrowing as they do not directly change saving or investment. Before the most recent financial crisis, mortgage debt charge-offs for the financial sector were very small.⁷ With the financial crisis, however, charge-off rates increased rapidly from a few basis points to more than two percent as many houses entered foreclosure.⁸ Because the mortgage loans (an asset) are generally held by financial institutions and the corresponding mortgage debt is held by primarily by nonfinancial sectors, in particular households, charge-offs generate a discrepancy between the respective sectors' net lending and borrowing computed from the capital and financial accounts. Figure 10.7 shows a rough measure of charge-offs for both residential and commercial mortgages (the dashed line) exploding in 2008, which helps to explain the discrepancy in net lending/net borrowing beginning in 2008 (the distance between the solid and the dotted line).⁹

Finally, in the capital accounts, net lending/net borrowing reflects a mix of company- and establishment-based statistics, while net lending/borrowing from the financial accounts primarily reflects institutional-based reporting. The NIPA measures of profits and interest are derived primarily from IRS tabulations of business tax returns, which are reported on a consolidated basis. Therefore, financial activities of captive finance companies (a subsidiary whose purpose is to provide financing to customers buying the parent company's product) are not reflected in the profits of the financial sector. Unfortunately, this is not an easily remedied issue. The BEA is actively work-

6. This convention is due to lack of data on all types of loans. While data on charge-offs on loans at banks exists, there is currently no official measure of charge-offs on securitized loans, which comprise the majority of mortgage debt in the United States.

7. A precise series for charge-offs on debt held by financial institutions does not exist. In chart 6 we approximate the value of charge-offs on mortgage debt by applying the charge-off rate on mortgages held at banks to the total amount of outstanding mortgages. This is a rough approximation because the charge-off rate on mortgages held in pools could be different, and because we do not distinguish mortgages held by the financial sector from mortgages held by other sectors.

8. We thank Jim Kennedy and Maria Perozek for the analysis of the effects of charge-offs on the saving rate.

9. The charge-off measure is just a rough approximation based on the charge-off rates for mortgages held at banks.

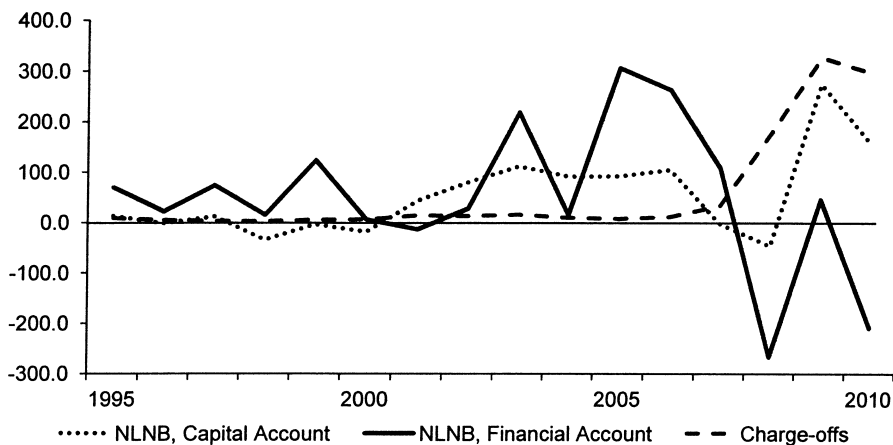


Fig. 10.7 Net lending/net borrowing, financial business

Source: Integrated macroeconomic accounts, June 7, 2012.

ing with IRS to identify and obtain additional information on the activities of subsidiaries, which should enable us to better understand the financial sector.¹⁰

10.5 Future Plans

10.5.1 Subsectoring Finance

Following the financial crisis that began in 2008, members of the G-20 established the G-20 Data Gaps Initiative in an attempt to improve global financial statistics, potentially helping policymakers and market participants identify and address stresses in the financial system before another crisis occurs. One of the conclusions drawn was that sectoral data matter, and emphasis was placed on producing (and publishing) subsector detail for the financial sector. Specifically, one of the recommendations was “to develop a strategy to promote the compilation and dissemination of the balance sheet approach (BSA), flow of funds, and sectoral data more generally.” In February 2011, the IMF and OECD jointly organized a conference, “Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts.” The following four financial subsectors, including their corresponding North American Industrial Classification System (NAICS) code, were proposed: (a) central bank (521), (b) other deposit-taking institutions (5221), (c) insur-

10. In the BEAs annual industry accounts (AIA), NIPA profits are converting from a company to an establishment basis primarily using employment data from the Economic Census. Obtaining additional information on subsidiaries from the IRS would potentially improve the AIA estimates as well.

ance and pension funds (524 + 525110), and (d) other financial business (remaining 52 and 55). The IMAs provide an excellent framework to address data gaps in the national accounts of a country and expanding the IMAs to include these additional tables should help analysts better evaluate the risk characteristics of different types of financial institutions.

While sufficient data exist to meet the subsectoring recommendations for the financial account, the current and capital accounts present a challenge. The BEA and FRB initially attempted to follow the recommended subsectoring in the IMAs; however, we eventually concluded that there were insufficient data in IRS tax return–based estimates to accurately identify “other deposit-taking institutions” from “other financial business.” Specifically, the consolidated IRS tax return–based statistics for bank holding companies (NAICS 551111—mapped to “other financial business”) include significant activity for subsidiaries classified as “other deposit-taking institutions” (NAICS 5221). To better understand the magnitude of activity of depository subsidiaries reported in IRS statistics as bank holding companies, the BEA received a sample of bank holding company subsidiary data from 2010 preliminary IRS statistics. Our sample suggested that for 2010, within corporate bank holding companies, approximately 40 percent of receipts, 60 percent of interest received, and 20 percent of dividends received were attributable to subsidiaries associated with “other depository taking institutions,” rather than “other financial business.”

As mentioned in section 10.4 above, the nature of the company-based statistics presents some challenges for us and we are actively researching ways to address this. An additional challenge we faced with accommodating the proposed subsectors is that the NIPA industry-based estimates do not always contain sufficient NAICS detail. For example, the subsector “insurance and pension funds” reflects the sum of NAICS 524 (insurance) and NAICS 525110 (pension funds), however separate estimates for NAICS 525110 do not exist in the NIPAs.

As a first step toward completing this financial subsectoring in the IMAs, we are proposing to combine “other deposit taking corporations” with “other financial business.” Even with combining two of the four subsectors, a number of assumptions are needed in order to derive the remaining subsectors. Nevertheless, publishing these additional tables should help analysts better evaluate the risk characteristics of different types of financial institutions. It should be noted that, with the exception of property income flows associated with government pensions, IMA estimates for total financial business presented in the currently published tables are unaffected by this proposal. It should also be emphasized that estimates presented for the subsectors are extremely preliminary and subject to change. Emphasis instead should be placed on the framework and methodologies described herein. The following sections briefly describe how each of the subsectors will be constructed. Draft tables for the financial business subsectors can be found in appendix B.

Central Bank (Table 10B.2)

The central bank, for purposes of the IMAs, is essentially defined as the Federal Reserve. The Federal Reserve is separately recognized under NAICS 521 and underlying detail already exists for many of the IMA series in the current, capital, financial, and balance sheet accounts. The NIPA estimates for Federal Reserve (which underlie capital and current account data for this subsector) rely heavily on the Federal Reserve annual report as a primary data source, and include both the Federal Reserve Banks and the Federal Reserve Board. In this sector, gross value added is estimated from unpublished statistics from the BEAs annual industry accounts (AIAs). For this specific industry/subsector, there is no distinction between company versus establishment so using AIA (establishment-based) in lieu of an indirectly derived NIPA (mostly company-based) estimate is not problematic. Compensation estimates are derived from unpublished NIPA detail, which are consistent with the AIA estimates. There are several series within the current and capital accounts for which no data are available (such as other current transfers and reinvested earnings on FDI abroad), and in these cases we have assumed that the values are zero. The net operating surplus (NOS) is derived residually.

In the financial accounts, the central bank subsector is defined as the monetary authority; that is, the assets and liabilities of the Federal Reserve Banks and the Treasury monetary accounts that supply or absorb bank reserves.¹¹ For the financial accounts, the data come from the Federal Reserve statistical release H.4.1, Factors Affecting Reserve Balances. It is worth noting that the net lending/net borrowing series shown for the central bank is somewhat confusing because of the way central bank operations appear in the accounts (for instance, currency and deposits are a liability of the central bank). However, looking separately at the assets and liabilities, both in the financial accounts and in the balance sheet, can help to understand the behavior of the central bank. For example, the loans extended to financial institutions in 2008 and the operations related to the quantitative easing policies since the crisis are reflected in the sharp increase in the central bank's assets.

Insurance and Pension Funds (Table 10B.3)

The insurance and pension fund subsector is defined as the NAICS insurance industry (524) plus pension fund industry (NAICS 525110). Within the current and capital accounts, estimating the insurance portion of this subsector is fairly straightforward because NIPA estimates for this industry currently exist and, in many cases, are published. Unfortunately, that is not

11. The Federal Reserve System includes the twelve Federal Reserve Banks and the Board of Governors of the Federal Reserve System in Washington, DC. Essentially all of the accounts of the monetary authority sectors are held at the Federal Reserve Banks, not at the Board of Governors. Technically, the monetary authority sector in the financial accounts excludes the Board of Governors.

the case with pension funds, as very little information currently exists in the NIPAs for this industry. Fortunately, most of the current and capital account series for pension funds are fairly small, with the exception of interest and dividends, which flow through pension funds into the household sector. Accordingly, we have assumed these small series, with no source data, are zero for pension funds and therefore only the receipts and payments of property income associated with pension funds are reflected in this subsector. Because these transactions pass through this subsector, there is no impact on net lending/net borrowing. Estimates for these flows were derived using data from multiple sources, but rely most heavily on statistics published in the FAs (for pension asset compositions and interest rates), annual reports for federal government retirement funds, IRS Form 5500 data, and statistics published in the Census Bureau Survey of Public-Employee Retirement Systems.¹²

In this proposal, we are including property income associated with both defined benefit and defined contribution plans.¹³ It is debatable whether or not property income associated with defined contribution plans should be reflected in this account at all, since the property income is considered to be owned directly by the household sector. Nevertheless, we thought it would be helpful to the users of these accounts to see the effect of both types of pension plans. Moreover, the financial accounts for this subsector, discussed next, reflect both defined benefit and defined contributions plans.

In the financial accounts, the insurance sector is based on reports filed to insurance authorities. Of note, it does not include most insurance holding companies. For pensions, the financial account also reflects both defined benefit and defined contribution plans.

Looking at table 10B.3 in the appendix, which shows preliminary estimates for the subsector, we can see that the industry's share of gross value added is approximately 1/3 of that of the total financial sector. Operating surplus (table 10B.3, line 10), which is a profits-like measure that excludes income from interest and dividends, rebounded for the subsector in 2010, and was almost twice 2008 levels. In general, both the financial and capital accounts indicate that this subsector has been a net lender to the economy (figure 10.8).

Other Financial Business (Including Other Deposit-Taking Corporations, Table 10B.4)

The other financial business subsector is calculated residually as total financial business (as shown in table 10B.4) less the insurance and pension

12. We thank Marshall Reinsdorf for helpful comments regarding the treatment of pensions in the National Income and Product Accounts. We also thank David Lenze, Dylan Rassier, and Benyam Tsehaye for providing estimates of pension-related dividends and interest.

13. Property income flows associated with government-defined contribution plans were not available and therefore not reflected in the accompanying tables.

subsector, and less the central bank subsector. This subsector implicitly includes estimates for credit intermediaries, security brokerages, investment pools, other deposit-taking corporations, and financial holding companies.

Preliminary estimates show that other financial business accounts for approximately 2/3 of production for the financial sector. Looking at preliminary net lending/net borrowing for the sector (figure 10.9), financial NLNB is much more volatile than the corresponding measure in the capital account. There has also been a discrepancy between capital and financial

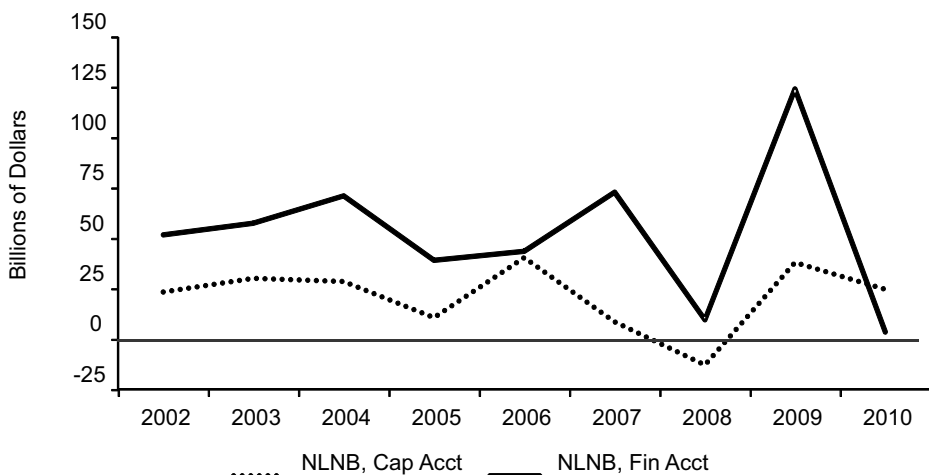


Fig. 10.8 Net lending/net borrowing, pension and insurance subsector

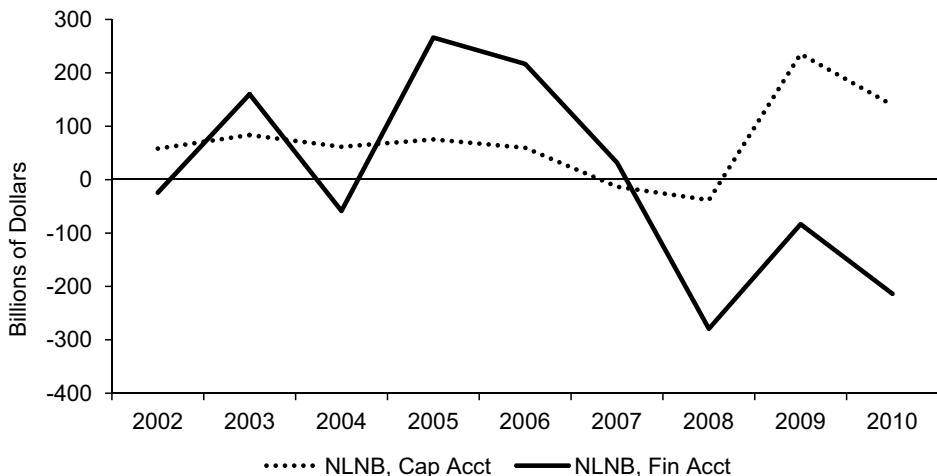


Fig. 10.9 Net lending/net borrowing, other financial business

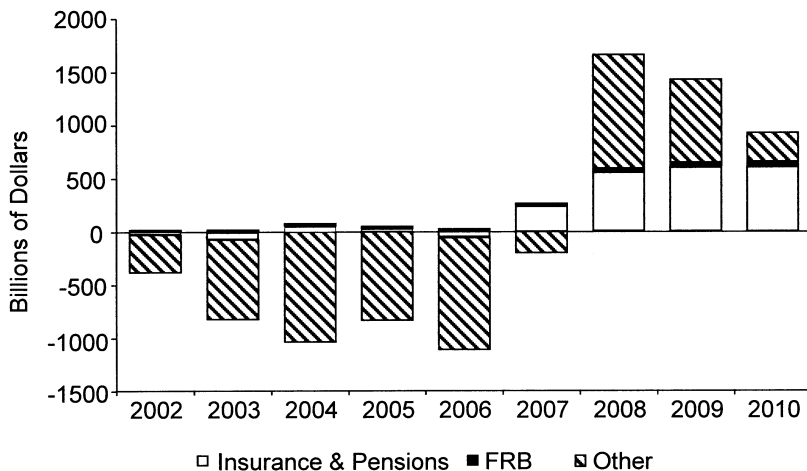


Fig. 10.10 Financial subsector net worth (in billions of dollars)

accounts since 2008, which can be in part explained by the treatment of charge-offs, as explained in section 10.4.

Brief Observations Relating to Proposed Financial Subsector Data

In interpreting the financial sector tables, it is important to highlight a few issues in the construction of net worth. As for all other sectors, net worth is the difference between assets and liabilities. The SNA guidelines suggest to treat the market value of the outstanding shares issued by a corporation as a liability for the sector. Therefore, other things equal, declines in stock prices will cause an increase in the net worth of the sector, which complicates the interpretation of the net worth measure for the financial sectors (which are mostly comprised by corporations), as well as for the nonfinancial corporate sector. As shown in figure 10.10, the large increases in net worth in 2007 and 2008 can be explained by the large decline in financial stock prices during the crisis, and should obviously not be interpreted as an increase in the value of these companies. Rather, one should exclude equity capital from possible balance-sheet based measure of firm value.

In addition, at the moment, our measure of net worth does not include the market value of real estate held by financial companies.¹⁴ As a result, our financial balance sheets do not capture the large declines in commercial real estate during the crisis.

It is also interesting to point out a few facts about net lending/net bor-

14. The market value of real estate held by nonfinancial businesses is instead recorded in the nonfinancial corporate and noncorporate business accounts.

rowing of the financial sectors. Usually both the capital account and the financial account indicate that the pension and insurance subsector is a net lender for each year. There is a greater divergence in net lending/net borrowing trends for the other financial business subsector; in this subsector, NLNB for the financial account is much more volatile, with the lending and borrowing amounts much greater than in the capital account. As mentioned in sections above, conceptually the two measures should match, but disparities can arise due to differences in timing, source data, and other statistical differences. This subsector includes a wide variety of institutions with different risk exposures and cyclical behaviors, and different portfolio composition, which could help explain the larger volatility of NLNB in the financial accounts. Separating the various types of institutions within the subsectors will be helpful in understanding the behavior of the series and the discrepancy between financial and capital accounts. A comparison of net lending/net borrowing for the subsectors can be found below in figures 10.11 and 10.12.

10.5.2. Other Future Developments

A current drawback of the IMAs, as pointed out by Palumbo and Parker (2009) and by Eichner, Kohn, and Palumbo (2010), is that the accounts did not show the increased exposure of the financial business sector to house price risk because of the aggregation of the sector and of certain asset classes. As discussed earlier, the sector consolidation masked how lever-

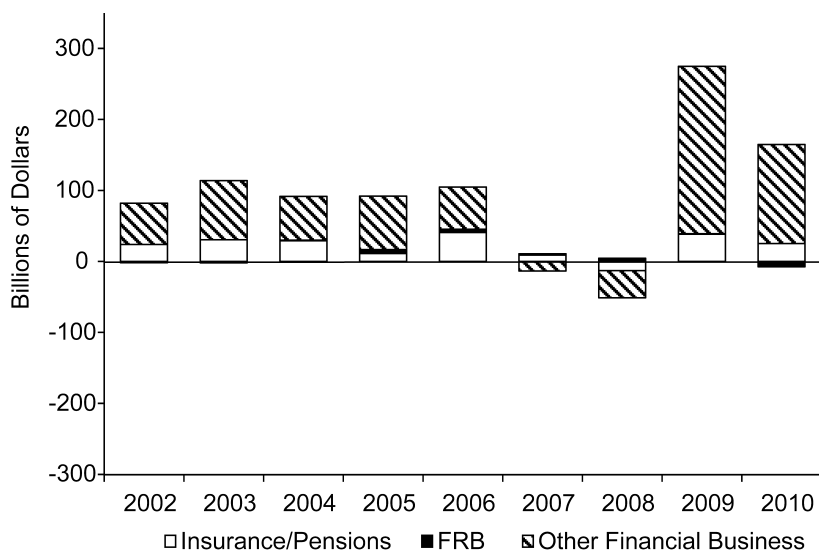


Fig. 10.11 Net lending/net borrowing—capital account

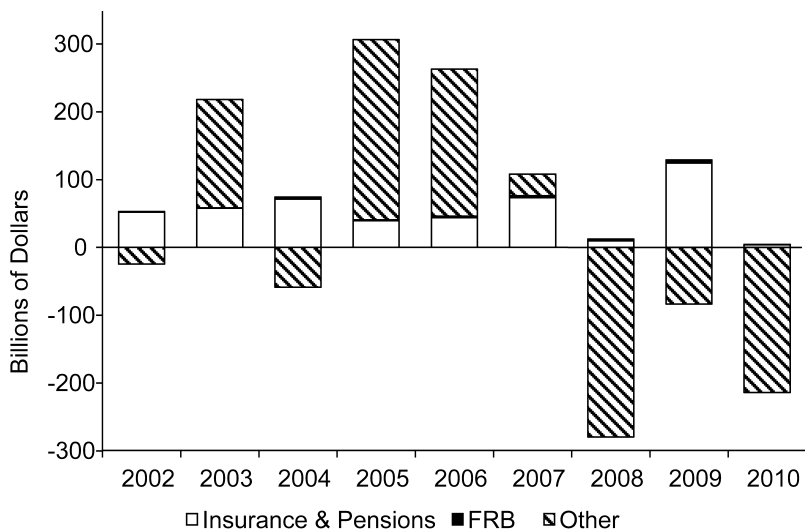


Fig. 10.12 Net lending/net borrowing—financial account

aged some of the financial subsectors had become. In addition, structured financial products and traditional corporate bonds and commercial paper, which are group together as “debt securities” in the IMA, have very different risk characteristics. To address this drawback, we are examining the feasibility of separating the holdings of structured products from traditional debt instruments.

In addition to presenting additional detail for the financial business sector, we are also investigating the possibility of presenting households separately from nonprofit institutions serving households. These two sectors have notably different characteristics from one another and being able to analyze them separately would be helpful.¹⁵ We would also like to incorporate real estate values into the balance sheets for the financial and government sectors. Incorporating conservative estimates may be an improvement over assuming the value is zero.

In addition to these longer term projects, we believe there are a number of useful series and ratios (constructed from currently published IMA statistics) that could be explicitly added to the addenda of the IMAs. For example, in the household and nonprofit institutions serving households sector, the ratio of real estate to disposable income quickly reveals the housing “bubble”

15. Here, the primary challenge for the financial accounts is that most data for nonprofit institutions is obtained from tax return-based data, which does not allow us to precisely identify the different financial instruments required to make this split.

that peaked in the mid 2000s. Another useful ratio might be the value of corporate equities to disposable income for households and institutions, which peaked in 1999 and then fell rapidly. A useful series that could be added to the household and institutions sector is household net worth from the FRB's Survey of Consumer Finances (SCF). A quick comparison showed household net worth measured indirectly in the IMAs tracks very well the mean household net worth measured directly in the SCF—an important validation for both sets of estimates.¹⁶ For the financial business sector, including selected estimates from the BEA's AIAs might also be useful for comparison purposes. Including these types of related statistics can provide an important validity check and serves to further integrate economic accounts.

The IMA have already proven to be valuable in studying the US economy. The Federal Reserve and BEA will continue to work together to improve the presentation and data availability of these accounts so that in the future policymakers will be better able to see shifts in the financial climate of the United States prior to business cycle expansions and contractions.

16. The SCF is a triennial interview survey of US families, sponsored by the Board of Governors of the Federal Reserve System with the cooperation of the US Department of the Treasury. For more information see: <http://www.federalreserve.gov/Pubs/Bulletin/2012/articles/scf/scf.htm>. For a comparison of the net worth estimates implied by the two data sets, see Alice Henriques and Joanne Hsu (chapter 9, this volume).

Appendix A

Table 10A.1 Households and nonprofit institutions serving households (billions of dollars)

	2003	2004	2005	2006	2007	2008	2009	2010
<i>Current account</i>								
1 FA156902505	1,347.2	1,423.8	1,506.4	1,602.8	1,685.8	1,805.7	1,836.0	1,838.4
2 FA156300003	200.5	222.2	245.1	268.1	285.5	294.6	292.5	295.2
3 FA156902605	1,146.7	1,201.6	1,261.3	1,334.7	1,400.3	1,511.1	1,543.5	1,543.2
4 FA156025005	520.6	550.7	571.1	603.5	634.6	671.5	693.8	706.8
5 FA156020001	435.2	456.7	473.4	502.0	532.0	562.3	579.7	591.7
6 FA156401001	85.4	94.0	97.8	101.5	102.6	109.2	114.1	115.1
7 FA156240101	110.0	116.4	121.3	131.1	133.9	142.0	147.1	151.4
8 FA156402101	516.1	534.4	568.9	600.2	631.9	697.6	702.6	685.0
9 FA156140005	8,652.0	9,149.5	9,655.5	10,366.8	10,895.1	11,320.8	10,553.0	10,910.9
10 FA156402101	516.1	534.4	568.9	600.2	631.9	697.6	702.6	685.0
11 FA156025105	6,382.6	6,693.4	7,065.0	7,477.0	7,855.9	8,068.3	7,806.4	7,971.4
12 FA156020101	5,154.6	5,410.7	5,706.0	6,070.1	6,415.5	6,545.9	6,275.3	6,408.2
13 FA156401101	1,228.0	1,282.7	1,359.1	1,406.9	1,440.4	1,522.5	1,531.1	1,563.1
14 FA156150105	2,299.6	2,498.6	2,669.9	3,023.4	3,219.9	3,360.9	2,757.8	2,872.3
15 FA156130101	890.9	861.5	988.3	1,128.9	1,266.5	1,383.4	1,110.1	1,004.5
16 FA156120105	1,408.8	1,637.1	1,681.6	1,894.5	1,953.4	1,977.5	1,647.7	1,867.7
17 FA156121101	423.1	548.3	555.0	702.2	791.9	783.4	598.8	717.7
18 FA156122101	985.7	1,088.8	1,126.6	1,192.3	1,161.5	1,194.1	1,049.0	1,150.0
19 FA156130001	546.4	576.9	648.3	733.8	812.6	806.0	713.8	617.8
20 FA156140005	8,652.0	9,149.5	9,655.5	10,366.8	10,895.1	11,320.8	10,553.0	10,910.9
21 FA156220001	1,000.3	1,047.8	1,208.6	1,352.4	1,488.7	1,435.7	1,141.4	1,193.9
22 FA156404105	1,316.0	1,398.6	1,482.7	1,583.6	1,687.9	1,842.4	2,099.9	2,242.9
23 FA156600001	778.9	827.3	872.7	921.8	959.5	987.3	964.1	986.8
24 FA156403101	25.7	16.9	25.8	21.4	30.5	36.8	38.2	38.3
25 FA156403001	105.7	116.1	131.0	138.7	150.6	154.2	161.9	173.1
26 FA156012095	8,108.8	8,573.8	8,951.7	9,558.9	10,014.7	10,622.9	10,423.7	10,838.3
27 FA156901001	7,804.1	8,270.6	8,803.5	9,301.0	9,772.3	10,035.5	9,866.1	10,245.5
28 FA156006005	304.7	303.2	148.2	257.9	242.5	587.3	557.6	592.8

Capital account

29 FA156006315	Net saving less capital transfers	291.5	301.9	170.1	241.1	239.4	595.9	604.2	635.3
30 FA156006005	Net saving	304.7	303.2	148.2	257.9	242.5	587.3	557.6	592.8
31 FA155440005	Less: Capital transfers paid (net)	13.1	1.4	-21.9	16.8	3.0	-8.6	-46.6	-42.6
30 FA155050905	Capital formation, net	377.8	459.5	526.7	499.3	365.1	223.4	115.9	99.9
33 FA155019005	Gross fixed capital formation, excluding consumer durables	586.7	690.4	781.0	777.7	661.9	529.2	419.6	406.5
34 FA155012005	Residential	498.9	594.4	681.9	670.1	541.7	397.2	296.0	287.7
35 FA165013005	Nonresidential (nonprofit organizations)	87.8	95.9	99.1	107.5	120.2	132.0	123.6	118.8
36 FA156300003	Less: Consumption of fixed capital	200.5	222.2	245.1	268.1	285.5	294.6	292.5	295.2
37 FA155420003	Acquisition of nonproduced nonfinancial assets	-8.5	-8.7	-9.2	-10.2	-11.3	-11.2	-11.2	-11.3
38 FA155000905	Net lending (+) or borrowing (-), capital account (lines 29-32)	-86.2	-157.6	-356.6	-258.2	-125.7	372.6	488.3	535.4

Financial account

39 FA155000905	Net lending (+) or borrowing (-), capital account (line 38)	-86.2	-157.6	-356.6	-258.2	-125.7	372.6	488.3	535.4
40 FA154090005	Net acquisition of financial assets	945.0	1222.8	803.2	793.2	1056.8	369.7	227.3	640.9
41 FA154000005	Currency and deposits	260.9	410.4	370.7	450.7	421.9	405.0	145.2	180.7
42 FA153020005	Currency and transferable deposits	-31.0	-58.2	-114.2	-40.0	-74.6	224.4	24.0	-25.3
43 FA153030005	Time and savings deposits	289.8	463.2	482.5	485.5	481.1	204.2	127.6	201.7
44 FA153091003	Foreign deposits	2.2	5.4	2.4	5.2	15.4	-23.7	-6.4	4.3
45 FA313131003	Postal saving system deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46 FA154022005	Debt securities	51.3	281.0	228.7	120.6	524.0	-22.2	-114.0	251.9
47 FA163069103	Open market paper	-4.9	6.4	14.7	19.0	-10.2	-101.3	28.7	28.8
48 FA313161400	US savings bonds	8.9	0.6	0.7	-2.7	-6.0	-2.4	-2.8	-3.3
49 FA153061105	Treasury securities	11.0	17.1	-96.9	-81.2	-44.0	159.2	425.2	454.5
50 FA153061705	Agency- and GSE-backed securities ^b	135.1	83.7	110.8	-45.6	320.2	96.8	-566.7	-4.7
51 FA153062005	Municipal securities	25.4	121.0	77.3	42.0	44.1	41.8	129.3	58.1
52 FA153063005	Corporate and foreign bonds	-124.1	52.2	122.1	189.0	219.8	-216.3	-127.7	-281.5
53 FA154035005	Loans	67.3	116.2	7.8	63.5	206.8	-110.2	-89.0	13.8
54 FA154041005	Short-term	63.0	105.8	-0.3	80.8	219.2	-111.6	-79.4	25.1
55 FA153065005	Long-term (mortgages)	4.3	10.4	8.1	-17.2	-12.4	1.4	-9.7	-11.3
56 FA153081015	Equity and investment fund shares	144.9	-28.3	-153.9	-187.8	-381.1	-145.3	106.1	-63.9
57 FA153064105	Corporate equities	-101.8	-269.9	-368.3	-581.5	-845.9	-108.4	88.0	-132.6
58 FA153064205	Mutual fund shares	264.4	170.9	175.6	167.8	214.2	12.0	304.8	202.0
59 FA153034005	Money market mutual fund shares	-118.6	-53.1	33.2	165.2	232.2	235.1	-268.7	-183.4
60 FA152090205	Equity in noncorporate business	100.7	123.8	5.6	60.6	18.4	-284.0	-19.1	46.1
61 FA153094305	Equity investment under Public-Private Inv. Program ^c	0.0	0.0	0.0	0.0	0.0	0.0	1.2	4.0

(continued)

Table 10.A.1 (continued)

	2003	2004	2005	2006	2007	2008	2009	2010
62 FA153052005	420.5	443.4	349.8	346.1	285.2	242.5	178.9	258.4
Insurance, pension, and standardized guarantee schemes								
Net equity in life insurance and pension funds	364.1	391.0	291.7	308.7	219.1	187.4	159.0	217.9
Net equity in life insurance reserves	66.8	33.1	16.1	57.8	18.0	61.7	23.7	9.0
Net equity in pension fund reserves	297.3	357.9	275.7	250.9	201.1	125.7	135.4	208.9
Prepayments of premiums and reserves against claims	56.4	52.5	58.0	37.4	66.1	55.1	19.9	40.5
Net equity in reserves of property-casualty insurance companies	22.9	23.6	25.6	4.6	6.7	11.0	-5.1	3.2
Net equity in other life insurance company reserves	13.9	11.4	9.5	14.8	15.5	17.6	8.4	14.8
Net equity in retiree health-care funds	19.6	17.4	23.0	18.1	43.9	26.5	16.6	22.5
70 FA154190005	1,033.8	1,147.9	1,152.3	1,223.0	892.8	-155.6	-178.4	-192.4
Net incurrence of liabilities								
71 FA163162003	13.8	15.8	14.8	16.3	20.6	8.0	6.0	-2.3
Debt securities (municipals)								
72 FA154135005	1,014.2	1,114.0	1,123.5	1,192.6	856.6	-189.0	-195.4	-214.1
Loans								
Short-term	135.3	179.4	77.1	191.6	168.8	-129.8	-44.2	99.5
Consumer credit	105.9	117.2	100.4	115.2	141.4	20.1	-115.8	-30.6
Depository institution loans ^a	-3.4	-19.6	8.2	12.1	-9.2	4.6	32.9	52.4
Other loans and advances	-1.5	0.3	0.0	4.8	3.2	6.2	0.5	2.4
Security credit	34.3	81.5	-31.6	59.7	33.4	-160.7	38.1	75.2
Long-term (mortgages)	878.9	934.6	1,046.4	1,001.0	687.8	-59.2	-151.2	-313.6
79 FA543077003	0.9	1.6	1.0	0.5	1.0	3.2	-4.9	2.7
Insurance, pension, and standardized guarantee schemes								
80 FA163170003	4.8	16.5	13.0	13.6	14.6	22.2	16.0	21.4
Addendum:								
Net lending (+) or borrowing (-), financial account (lines 40–70)	-88.8	75.0	-349.2	-429.8	163.9	525.3	405.7	833.3
<i>Other changes in volume account</i>								
82 FUI58090185	448.4	1,287.2	305.9	122.0	610.0	181.8	398.6	318.5
Total other volume changes								
Net investment in consumer durable goods	242.6	249.7	249.5	238.8	232.8	134.8	48.1	100.9
Disaster losses	0.0	12.0	50.4	0.0	0.0	8.3	0.0	0.0
Other volume changes	208.3	792.8	-1.3	54.8	87.7	-114.1	433.1	-80.2
Less: Statistical discrepancy (lines 38–[40–70]) ^d	2.6	-232.5	-7.4	171.7	-289.6	-152.8	82.6	-297.8
<i>Revaluation account</i>								
87 FDI52010705	1,259.2	2,347.0	2,868.3	356.9	-1,920.4	-3,825.2	-1,216.4	-486.1
Nonfinancial assets								
Real estate	1,341.0	2,380.0	2,909.5	392.8	-1,868.3	-3,792.7	-1,171.8	-395.2
Consumer durable goods	-85.2	-37.6	-45.6	-43.2	-58.1	-36.3	-43.3	-90.7
Equipment and software	3.4	4.6	4.4	7.3	5.9	3.8	-1.2	-0.3

91 FDI58080095	Financial assets	3,923.3	3,004.6	2,917.5	3,703.7	1,588.8	-9,564.0	2,254.1	3,097.3
92 FDI 53064105	Corporate equities	1,722.7	961.2	976.4	2,130.9	827.8	-3,763.9	1,567.1	1,314.2
93 FDI 53064205	Mutual fund shares	427.6	346.0	67.7	354.7	198.6	-1,276.1	513.3	246.4
94 FDI 52090205	Equity on noncorporate business	515.5	1,124.6	1,318.4	263.7	119.8	-1,327.4	-1,232.5	551.5
95 FDI 53094305	Equity investment under Public-Private Inv. Program	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-1.0
96 FDI 53052045	Insurance, pension, and standardized guarantee schemes	1,257.5	572.8	555.1	954.4	442.7	-3,196.6	1,406.4	986.2
97 FDI58200705	Changes in net worth due to nominal holding gains/losses	5,182.5	5,351.6	5,785.8	4,060.7	-331.6	-13,389.2	1,037.7	2,611.2

Changes in balance sheet account

98 FRI52090005	Change in net worth (lines 32 + 38 + 82 + 97)	5,922.4	6,940.6	6,261.8	4,423.7	517.9	-12,611.5	2,040.5	3,565.0
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Balance sheet account (end of period)

99 FL152000005	Total assets	57,844.9	65,953.7	73,366.8	78,997.5	80,410.8	67,648.6	69,467.2	72,852.6
100 FL152010005	Nonfinancial assets	21,853.6	24,891.6	28,477.9	29,579.9	28,254.0	24,787.4	23,740.2	23,448.2
101 FL155035005	Real estate	17,981.0	20,789.3	24,156.3	25,043.0	23,523.6	19,937.1	18,874.5	18,557.0
102 FL155111005	Consumer durable goods	3,682.0	3,894.1	4,098.0	4,293.6	4,468.3	4,566.8	4,571.6	4,581.8
103 FL165015205	Equipment and software	190.6	208.1	223.7	243.2	262.0	283.6	294.1	309.4
104 FL154090005	Financial assets	35,991.3	41,062.1	44,888.8	49,417.6	52,156.8	42,861.1	45,727.0	49,404.5
105 FL154000005	Currency and deposits	4,476.2	4,912.1	5,282.8	5,733.4	6,155.3	6,525.3	6,656.0	6,836.7
106 FL153020005	Currency and transferable deposits	458.2	400.0	285.8	245.8	160.2	349.6	373.6	348.3
107 FL153091003	Foreign deposits	52.1	57.5	59.9	65.2	80.5	56.9	50.5	54.8
108 FL153030005	Time and savings deposits	3,965.9	4,454.6	4,937.1	5,422.4	5,914.6	6,118.8	6,231.9	6,433.6
109 FL313131003	Postal saving system deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
110 FL154022005	Debt securities	2,713.4	3,812.4	4,150.3	4,302.9	4,920.4	4,832.8	5,115.6	5,306.8
111 FL163069103	Open market paper	77.3	83.7	98.4	117.5	107.3	6.0	34.6	63.4
112 FL313161400	US savings bonds	203.8	204.4	205.1	202.4	196.4	194.0	191.2	187.9
113 FL153061105	Treasury securities	204.2	288.2	265.6	197.2	68.3	62.6	624.3	1,019.1
114 FL153061705	Agency- and GSE-backed securities ^b	384.0	406.0	513.5	443.1	693.3	736.9	141.9	126.0
115 FL153062005	Municipal securities	703.7	1,561.8	1,639.1	1,681.4	1,725.4	1,767.2	1,896.5	1,954.6
116 FL153063005	Corporate and foreign bonds	1,140.4	1,268.3	1,428.6	1,661.4	2,129.8	2,066.2	2,227.0	1,955.7
117 FL154035005	Loans	599.4	715.6	723.4	787.0	993.8	883.5	796.8	810.6
118 FL154041005	Short-term	478.5	584.3	584.0	664.7	884.0	772.4	695.4	720.4
119 FL153065005	Long-term (mortgages)	120.9	131.3	139.5	122.2	109.8	111.2	101.5	90.2
120 FL153081015	Equity and investment fund shares	16,998.9	19,372.5	21,581.0	24,142.5	24,907.5	18,394.9	19,334.7	21,395.8
121 FL153064105	Corporate equities	6,784.2	7,475.5	8,083.5	9,632.9	9,614.8	5,742.5	7,397.6	8,579.2
122 FL153064205	Mutual fund shares	2,915.3	3,432.3	3,675.5	4,198.1	4,610.9	3,346.8	4,164.9	4,613.4
123 FL153034005	Money market fund shares	969.2	916.1	949.2	1,114.5	1,346.7	1,581.8	1,313.1	1,129.7
124 FL152090205	Equity in noncorporate business	6,300.2	7,548.6	8,872.6	9,197.0	9,335.2	7,723.8	6,472.1	7,069.7
125 FL153094305	Equity investment under Public-Private Inv. Program ^c	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8

(continued)

Table 10A.1 (continued)

	2003	2004	2005	2006	2007	2008	2009	2010
Insurance, pension, and standardized guarantee schemes								
Net equity in life insurance and pension funds	11,233.4	12,249.6	13,151.3	14,451.8	15,179.7	12,224.6	13,810.0	15,054.6
Net equity in life insurance reserves	10,732.1	11,695.8	12,542.7	13,805.8	14,467.5	11,458.3	13,023.7	14,227.9
Net equity in life insurance reserves	1,013.2	1,060.4	1,082.6	1,055.2	1,076.8	1,049.8	1,109.2	1,137.2
Net equity in pension fund reserves	9,718.9	10,635.5	11,460.1	12,750.6	13,390.7	10,408.5	11,914.5	13,090.7
Prepayments of premiums and reserves against claims	501.3	553.8	608.7	646.1	712.2	766.3	786.2	826.7
Net equity in reserves of property-casualty insurance companies	266.8	290.4	316.0	320.5	327.3	337.3	332.2	335.4
Net equity in reserves of life insurance company reserves	199.5	211.0	217.3	232.1	247.6	265.2	273.6	288.4
Net equity in retiree health-care funds	35.0	52.4	75.4	93.5	137.3	163.8	180.4	202.9
Total liabilities and net worth	57,844.9	65,953.7	73,366.8	78,997.5	80,410.8	67,648.6	69,467.2	72,852.6
Liabilities	9,823.1	10,991.2	12,142.5	13,349.4	14,244.8	14,094.1	13,872.3	13,692.7
Debt securities (municipals)	177.7	198.9	213.7	230.1	250.7	258.7	264.6	262.3
Loans	9,467.7	10,596.5	11,720.1	12,896.6	13,755.7	13,571.7	13,332.8	13,131.5
Short-term	2,399.7	2,579.1	2,656.2	2,831.8	3,003.1	2,873.3	2,785.7	2,899.1
Consumer credit	2,102.9	2,220.1	2,320.6	2,384.6	2,528.5	2,548.6	2,438.5	2,411.6
Depository institution loans ^a	-4.4	-24.0	-15.8	31.3	22.1	26.7	10.4	73.2
Other loans and advances	118.7	119.0	119.0	123.8	127.0	133.2	133.7	136.1
Security credit	182.5	264.0	232.4	292.1	325.5	164.8	203.0	278.2
Long-term (mortgages)	7,068.0	8,017.4	9,063.9	10,064.8	10,752.6	10,698.4	10,547.2	10,232.4
Insurance, pension, and standardized guarantee schemes	20.9	22.5	22.4	22.8	23.9	27.0	22.1	24.7
Other accounts payable (trade debt)	156.8	173.3	186.3	199.9	214.5	236.7	252.7	274.1
Net worth	48,021.9	54,962.5	61,224.3	65,648.1	66,166.0	53,554.5	55,594.9	59,159.9

Source: SNA tables, June 7, 2012.

Notes: Quarterly figures are seasonally adjusted annual rates. NPISHs = nonprofit institutions serving households.

^aConsists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

^bGovernment-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Fannie Mae, Freddie Mac, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

^cFunds invested by financial institutions such as domestic hedge funds through the Public-Private Investment Program (PPIP).

^dThe statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

^eNot elsewhere classified.

Appendix B

Table 10B.1 Financial business (billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<i>Current account</i>								
1	883.2	922.3	964.5	1,085.8	1,189.4	1,118.6	1,031.0	1,119.7	1,372.9
2	Less: Consumption of fixed capital	113.0	120.5	127.3	132.8	140.6	172.7	176.9	179.1
3	Equals: Net value added	775.8	809.3	844.1	958.5	1,056.7	858.3	942.8	1,193.8
4	Compensation of employees (paid)	447.3	467.3	497.4	541.8	584.4	610.3	568.0	584.7
5	Wages and salaries	371.1	393.6	420.0	454.5	492.4	513.3	471.1	487.1
6	Employers' social contributions	76.3	73.7	77.4	87.3	92.0	97.1	96.8	97.6
7	Taxes on production and imports less subsidies	37.6	39.9	43.4	46.1	50.5	51.2	54.7	55.1
8	Operating surplus, net	290.9	302.1	303.3	370.6	421.8	196.7	320.2	554.0
9	Net national income/Balance of primary incomes, net	212.7	231.8	252.0	271.7	274.5	423.3	260.0	314.8
10	Operating surplus, net	290.9	302.1	303.3	370.6	421.8	196.7	320.2	554.0
11	Property income (received)	1,282.7	1,178.8	1,415.9	1,794.1	2,345.2	2,435.6	1,740.6	1,741.8
12	Interest	1,179.4	1,063.9	1,267.3	1,631.9	2,119.3	2,150.2	1,499.7	1,485.5
13	Distributed income of corporations (dividends)	89.2	93.9	118.5	159.2	184.3	236.1	189.2	190.3
14	Reinvested earnings on US direct investment abroad	14.1	20.9	30.1	3.0	41.6	49.3	51.7	66.0
15	Less: Uses of property income (paid)	1,582.1	1,479.6	1,756.2	2,222.9	2,887.2	2,973.4	2,191.5	2,177.3
16	Interest	1,341.3	1,232.5	1,450.7	1,872.1	2,464.3	2,562.9	1,776.6	1,697.3
17	Distributed income of corporations	240.5	244.5	296.2	342.8	410.0	403.4	412.5	463.8
18	Dividends	185.6	193.3	242.1	284.8	340.1	368.3	356.6	406.8
19	Withdrawals from income of quasi-corporations ^{s1}	54.9	51.2	54.1	58.0	69.9	35.1	55.9	57.0
20	Reinvested earnings on foreign direct investment	0.3	2.5	9.3	8.0	12.9	7.1	2.4	16.2
21	Rents on land and natural resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	Net national income/Balance of primary incomes, net	212.7	231.8	252.0	271.7	274.5	423.3	260.0	314.8
23	Less: Current taxes on income, wealth, etc. (paid)	95.2	110.9	119.1	140.5	165.6	151.7	81.6	181.8
24	Less: Other current transfers (paid)	8.1	-13.2	-9.5	-16.6	-26.0	4.6	45.6	18.7
25	Equals: Disposable income, net	109.3	134.1	142.5	147.7	134.8	44.3	85.0	118.0
26	Equals: Net saving	109.3	134.1	142.5	147.7	134.8	44.3	143.9	118.0
	<i>Capital account</i>								
27	Net saving less capital transfers	109.3	134.1	126.3	120.0	134.8	44.3	265.9	159.5
28	Net saving	109.3	134.1	142.5	147.7	134.8	44.3	85.0	118.0
29	Less: Capital transfers paid (net)	0.0	0.0	16.2	27.7	0.0	0.0	-121.9	-41.5
30	Capital formation, net	29.0	22.3	34.6	29.9	46.9	22.2	-8.8	2.6
31	Gross fixed capital formation (nonresidential)	136.4	135.4	155.1	155.3	162.7	195.0	168.1	181.7
32	Less: Consumption of fixed capital	107.4	113.0	120.5	127.3	132.8	172.7	176.9	179.1
33	Net lending (+) or borrowing (-), capital account (lines 27-30)	80.3	111.7	91.7	92.0	104.9	-46.7	274.6	156.9

(continued)

Table 10B.1 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<i>Financial account</i>								
34	80.3	111.7	91.7	92.0	104.9	-2.6	-46.7	274.6	156.9
35	2,300.9	2,780.3	2,966.0	3,311.3	4,128.2	4,804.9	4,606.5	-1,592.3	-678.9
36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
37	-11.4	-42.3	33.9	-5.0	60.6	169.4	1,017.5	236.1	-141.2
38	886.6	1,037.0	463.3	615.3	1,119.3	1,112.5	1,451.2	942.0	733.8
39	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0
40	-130.2	-164.5	33.4	196.3	232.4	-94.8	34.2	-393.4	-127.0
41	196.4	88.2	-52.6	48.4	92.1	108.0	436.0	440.6	461.4
42	539.3	419.7	-168.8	-189.1	135.9	301.6	858.9	603.7	83.1
43	55.5	101.3	87.0	112.6	123.4	180.1	51.7	15.6	29.4
44	201.2	567.7	523.4	407.2	499.8	584.3	7.1	210.5	221.2
45	24.5	24.7	40.9	40.0	35.8	33.3	63.3	61.9	65.7
46	931.0	1,110.6	1,570.6	1,954.6	2,025.5	2,332.8	1,645.4	-2,795.2	-974.1
47	35.5	121.3	362.0	547.6	633.5	1,264.4	1,556.7	-2,508.3	-471.7
48	895.5	989.3	1,208.5	1,407.0	1,392.0	1,068.4	88.7	-286.8	-502.5
49	385.4	341.7	663.2	512.3	518.2	998.7	608.5	-53.7	-40.8
50	169.9	258.0	329.5	236.4	124.3	166.3	-8.9	51.6	62.1
51	101.0	-2.6	97.1	52.2	102.6	117.2	24.7	101.4	72.4
52	-14.0	-67.4	-104.6	35.4	60.9	333.8	303.9	-170.9	-158.1
53	1.9	2.5	2.4	2.0	0.0	8.3	-5.3	0.0	-3.2
54	23.4	24.3	43.8	11.5	25.8	107.0	66.4	23.8	29.3
55	1.0	0.5	3.1	1.6	1.8	3.1	2.6	4.6	0.9
56	102.2	126.4	291.9	173.2	202.8	263.1	225.0	-64.1	-44.2
57	14.6	-17.3	-36.8	-2.3	4.9	47.9	47.3	10.6	5.2
58	94.5	350.6	271.9	236.3	399.7	143.5	-163.3	67.9	-261.8
59	2,272.2	2,562.0	2,950.5	3,004.7	3,865.3	4,673.3	4,873.3	-1,637.9	-469.8
60	383.2	465.7	612.5	617.7	616.2	536.5	2,209.1	240.1	303.0
61	845.5	1,010.0	805.9	1,039.2	1,323.3	1,504.8	362.8	-1,095.8	-731.1
62	546.7	586.2	115.8	80.4	328.2	905.7	768.7	-60.1	-46.9
63	398.8	487.3	668.5	744.6	798.8	710.6	-280.3	-587.6	-582.5
64	-99.9	-63.5	21.7	214.2	196.3	-111.4	-125.6	-448.2	-101.7

65	Loans	105.7	370.6	311.1	424.9	564.7	582.9	-70.1	-1,063.9	-448.0
66	Short-term	94.5	361.7	285.6	410.8	558.1	578.2	-76.8	-1,067.2	-448.2
67	Long-term	11.2	8.9	25.5	14.1	6.6	4.7	6.8	3.4	0.2
68	Equity and investment fund shares	358.9	256.2	651.7	699.9	933.2	1,454.2	1,756.4	258.4	99.2
69	Money market mutual fund shares	-16.7	-207.5	-136.5	127.0	305.3	720.9	724.2	-499.0	-502.9
70	Corporate equity issues	71.5	66.1	118.3	78.5	59.5	178.6	637.6	314.3	190.8
71	Mutual fund shares	181.1	288.6	298.2	260.2	336.8	364.7	31.0	490.5	389.3
72	Equity in government-sponsored enterprises ^b	2.0	3.2	2.5	1.9	0.2	9.1	-4.2	0.0	-2.7
73	Foreign direct investment in the United States	9.6	23.9	50.2	13.9	52.0	9.3	120.7	46.1	50.1
74	Equity in noncorporate business	0.6	-3.4	-4.2	-1.2	-6.8	2.4	11.5	-3.6	0.4
75	Investment by parent	109.7	84.9	320.1	218.1	184.4	166.1	233.0	-94.5	-26.6
76	Stock in Federal Reserve Banks	1.0	0.5	3.1	1.6	1.8	3.1	2.6	4.6	0.9
77	Insurance, pension, and standardized guarantee schemes	399.8	405.5	414.0	351.0	345.0	294.6	272.8	174.3	242.0
78	Other accounts payable	179.0	54.1	155.3	-128.0	82.9	323.6	342.2	-150.9	65.0
	Addendum:									
79	Net lending (+) or borrowing (-), financial account (lines 35-39)	28.7	218.3	15.6	306.6	263.0	108.2	-266.8	45.6	-209.1
	<i>Other changes in volume account</i>									
80	Total other volume changes	76.5	12.3	-60.9	154.4	32.5	-94.5	-346.3	463.7	-353.3
81	Disaster losses	0.0	0.0	1.7	1.7	0.0	0.0	0.6	0.0	0.0
82	Other volume changes	128.1	-94.3	13.5	-61.9	-125.6	-205.3	-126.9	692.7	12.7
83	Less: Statistical discrepancy (line 33-[35-59]) ^e	51.7	-106.5	76.1	-214.6	-158.1	-110.8	220.0	229.1	366.0
	<i>Revaluation account</i>									
84	Nonfinancial assets	32.8	40.0	88.4	101.9	98.9	57.3	64.8	-53.8	-4.2
85	Structures (nonresidential)	23.4	21.1	69.4	83.1	74.7	45.8	59.3	-50.3	1.4
86	Equipment and software	9.4	18.9	18.9	18.8	24.3	11.5	5.6	-3.4	-5.5
87	Financial assets	-1,603.6	2,145.5	1,202.1	1,004.2	1,931.8	931.6	-6,170.0	2,645.5	1,780.3
88	Corporate equities	-1,469.4	1,862.9	1,045.5	712.8	1,616.6	719.5	-5,216.4	2,191.2	1,458.9
89	Mutual fund shares	-162.6	252.6	106.0	260.8	279.5	166.3	964.4	441.9	279.9
90	US direct investment abroad	28.4	30.0	50.6	30.7	35.7	45.8	10.8	12.3	41.5
91	Liabilities	-1,911.4	2,774.7	1,507.7	1,203.9	2,499.5	-210.3	-8,068.2	3,554.1	2,084.7
92	Corporate equity issues	-366.9	795.9	458.8	262.3	716.6	-984.4	-2,364.4	443.4	517.2
93	Mutual fund shares	-678.1	727.2	483.8	352.4	682.6	396.0	-2,424.7	1,035.8	583.7
94	Foreign direct investment in the United States	-15.1	8.4	4.0	9.4	22.5	-56.7	-157.6	22.4	17.4
95	Equity in noncorporate business	-849.5	1,232.0	558.7	548.9	1,039.6	439.1	-3,107.9	1,370.7	967.2
96	Pension fund reserves	0.0	-0.1	0.0	29.0	33.2	-3.7	0.0	675.6	-2.0
97	Investment by parent	340.6	-589.2	-217.3	-97.8	-468.7	1,199.2	1,963.0	-962.4	-308.6
98	Changes in net worth due to nominal holding gains/losses									

(continued)

Table 10B.1 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Changes in balance sheet account</i>									
99 Change in net worth (lines 30 + 33 + 80 + 98)	526.4	-442.8	-151.9	176.7	-301.4	1,149.1	1,592.2	-232.9	-502.4
<i>Balance sheet account (end of period)</i>									
100 Total assets	40,062.6	44,885.5	49,111.2	53,374.2	59,500.5	65,323.0	64,008.6	65,658.2	66,273.1
101 Nonfinancial assets ^a	1,147.9	1,194.1	1,296.9	1,404.4	1,511.0	1,591.7	1,678.2	1,615.7	1,614.1
102 Structures (nonresidential)	667.2	685.6	755.7	838.9	914.0	967.2	1,034.3	985.0	978.5
103 Equipment and software	480.7	508.6	541.2	565.4	597.0	624.5	643.9	630.7	635.6
104 Financial assets	38,914.7	43,691.4	47,814.3	51,969.9	57,989.5	63,731.3	62,330.4	64,042.5	64,659.0
105 Monetary gold	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
106 Currency and deposits	783.5	743.9	779.0	771.3	833.2	1,005.0	2,058.3	2,309.0	2,168.4
107 Debt securities	12,655.0	13,529.5	14,012.8	14,608.9	15,682.8	16,793.3	18,246.2	19,210.7	19,460.3
108 SDR certificates	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
109 Open market paper	950.0	785.6	818.9	1,015.2	1,244.3	1,149.5	1,183.4	790.0	663.0
110 Treasury securities	1,631.7	1,643.9	1,591.2	1,639.6	1,727.4	1,835.4	2,271.3	2,712.0	3,173.4
111 Agency- and GSE-backed securities ^b	4,312.4	4,567.6	4,418.8	4,229.7	4,363.7	4,665.3	5,524.2	6,182.4	5,802.7
112 Municipal securities	1,033.4	1,134.7	1,221.8	1,334.4	1,457.5	1,637.6	1,689.2	1,704.8	1,734.2
113 Corporate and foreign bonds	3,934.9	4,580.6	5,104.0	5,504.9	5,969.1	6,553.4	6,560.6	6,739.2	6,938.9
114 Nonmarketable government securities	790.3	815.0	855.9	882.9	918.7	952.0	1,015.3	1,077.2	1,142.9
115 Loans	13,328.0	14,482.8	16,068.2	18,022.8	20,029.2	22,351.6	23,996.6	21,228.9	20,290.0
116 Short-term	5,342.8	5,496.5	5,858.6	6,406.2	7,019.4	8,273.4	9,829.8	7,348.9	6,912.4
117 Long-term	7,985.2	8,986.2	10,209.6	11,616.6	13,009.8	14,078.2	14,166.9	13,880.1	13,377.6
118 Equity and investment fund shares	9,524.0	12,011.2	13,876.5	15,393.1	17,876.2	19,806.5	14,245.0	17,513.0	19,252.4
119 Corporate equities	5,974.2	8,095.0	9,470.1	10,419.2	12,160.1	13,045.9	7,820.5	10,063.4	11,584.4
120 Mutual fund shares	1,201.9	1,452.0	1,655.1	1,968.1	2,350.2	2,633.8	1,694.1	2,237.4	2,589.8
121 Money market fund shares	680.2	612.8	508.2	543.6	604.6	938.4	1,242.3	1,071.4	913.3
122 Equity in government-sponsored enterprises ^b	35.2	37.7	40.1	42.0	42.0	50.3	45.0	45.0	41.7
123 US direct investment abroad	255.1	309.4	403.8	446.0	507.4	660.2	737.4	773.5	844.3
124 Stock in Federal Reserve Banks	8.4	8.8	11.9	13.5	15.3	18.5	21.1	25.6	26.5
125 Investment in subsidiaries	1,369.0	1,495.4	1,787.3	1,960.6	2,196.5	2,459.6	2,684.6	3,296.6	3,252.4
126 Insurance, pension, and standardized guarantee schemes	319.5	387.7	397.6	405.5	562.1	627.1	522.5	618.2	672.5
127 Other accounts receivable	2,293.5	2,525.3	2,669.2	2,757.3	2,994.9	3,134.7	3,250.7	3,151.7	2,804.4
128 Total liabilities and net worth	40,062.6	44,885.5	49,111.2	53,374.2	59,500.5	65,323.0	64,008.6	65,658.2	66,273.1
129 Liabilities	40,425.3	45,691.9	50,068.6	54,155.0	60,582.6	65,256.1	62,349.4	64,231.9	64,349.2
130 Currency and deposits	6,373.9	6,839.1	7,477.1	8,095.4	8,712.3	9,248.2	11,420.9	11,654.5	11,954.1

131	Debt securities	9,312.8	10,158.1	10,978.9	11,963.6	13,272.1	14,906.8	15,269.3	14,498.9	13,259.8
132	Agency- and GSE-backed securities ^b	5,509.0	5,944.5	6,060.3	6,140.7	6,468.9	7,374.6	8,143.4	8,083.3	7,574.0
133	Corporate bonds	2,805.9	3,279.2	3,962.6	4,652.7	5,440.1	6,280.4	6,000.1	5,737.9	5,109.9
134	Commercial paper	997.9	934.4	956.0	1,170.2	1,363.2	1,251.8	1,125.8	677.6	575.9
135	Loans	2,434.0	2,804.6	3,115.7	3,540.6	4,102.1	4,685.0	4,614.9	3,682.7	3,211.1
136	Short-term	2,337.1	2,698.7	2,984.4	3,395.1	3,950.0	4,528.3	4,451.4	3,515.8	3,044.0
137	Long-term	97.0	105.9	131.4	145.5	152.1	156.7	163.5	166.9	167.1
138	Equity and investment fund shares	10,408.7	12,207.6	13,808.4	15,163.2	17,556.3	18,361.1	15,157.2	17,599.1	18,815.8
139	Money market fund shares	2,223.9	2,016.4	1,879.8	2,006.9	2,312.1	3,033.1	3,757.3	3,258.3	2,755.3
140	Corporate equity issues	2,852.0	3,713.9	4,291.1	4,631.9	5,408.0	4,602.2	2,875.4	3,633.2	4,341.1
141	Mutual fund shares	3,638.4	4,654.2	5,436.3	6,048.9	7,068.3	7,829.0	5,435.3	6,961.6	7,934.5
142	Equity in government-sponsored enterprises ^b	39.1	42.3	44.8	46.7	46.9	56.0	51.8	51.8	49.0
143	Foreign direct investment in the United States	243.5	275.7	329.9	353.2	427.8	380.4	343.5	411.9	479.5
144	Equity in noncorporate business	5.0	13.0	11.2	11.7	9.8	11.6	9.5	12.1	13.8
145	Investment by parent	1,398.6	1,483.4	1,803.4	2,050.4	2,268.1	2,430.5	2,663.5	3,244.5	3,215.9
146	Stock in Federal Reserve Banks	8.4	8.8	11.9	13.5	15.3	18.5	21.1	25.6	26.5
147	Insurance, pension, and standardized guarantee schemes	10,058.7	11,807.1	12,840.5	13,754.8	15,205.9	15,960.3	12,884.5	14,550.4	15,827.6
148	Other accounts payable	1,837.2	1,874.6	1,848.0	1,637.4	1,733.9	2,094.7	3,002.5	2,246.4	2,280.9
149	Net worth	-362.7	-805.5	-957.4	-780.7	-1,082.1	66.9	1,659.2	1,426.3	923.9

^aConsists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

^bGovernment-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Freddie Mac, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

^cThe statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

^dExcludes land. Includes corporate and noncorporate financial business.

Table 10B.2 Central bank (billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Current account</i>									
1	1.7	1.6	1.6	1.7	1.8	2.0	2.4	3.0	2.7
2	1.7	1.8	1.9	2.0	2.0	2.1	0.8	0.8	0.8
3	0.0	-0.1	-0.3	-0.3	-0.2	-0.1	1.7	2.3	1.9
4	1.5	1.5	1.5	1.6	1.7	1.8	2.0	2.1	2.1
5	1.3	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.9
6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	-1.5	-1.6	-1.8	-1.8	-1.8	-1.9	-0.3	0.2	-0.2
9	23.6	20.7	20.2	27.1	34.6	38.3	37.5	50.7	75.0
10	-1.5	-1.6	-1.8	-1.8	-1.8	-1.9	-0.3	0.2	-0.2
11	26.8	23.8	23.5	30.7	38.4	42.6	41.1	54.5	79.4
12	26.8	23.8	23.5	30.7	38.4	42.6	41.1	54.5	79.4
13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	1.7	1.5	1.5	1.8	1.9	2.5	3.3	4.0	4.2
16	1.2	1.0	0.9	1.0	1.1	1.5	2.1	2.6	2.6
17	0.5	0.5	0.6	0.8	0.9	1.0	1.2	1.4	1.6
18	0.5	0.5	0.6	0.8	0.9	1.0	1.2	1.4	1.6
19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	23.6	20.7	20.2	27.1	34.6	38.3	37.5	50.7	75.0
23	24.5	22.0	18.1	21.5	29.1	34.6	31.7	47.4	79.3
24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	-0.9	-1.3	2.1	5.7	5.6	3.7	5.8	3.3	-4.3
26	-0.9	-1.3	2.1	5.7	5.6	3.7	5.8	3.3	-4.3

	<i>Capital account</i>										
27	Net saving less capital transfers	-0.9	-1.3	2.1	5.7	5.6	3.7	5.8	3.3	-5.3	
28	Net saving	-0.9	-1.3	2.1	5.7	5.6	3.7	5.8	3.3	-4.3	
29	Less: Capital transfers paid (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
30	Capital formation, net	0.7	0.6	1.1	-0.1	0.8	0.8	-0.2	-0.1	-0.1	
31	Gross fixed capital formation (nonresidential)	2.3	2.4	3.1	1.9	2.8	2.9	0.6	0.7	0.7	
32	Less: Consumption of fixed capital	1.7	1.8	1.9	2.0	2.0	2.1	0.8	0.8	0.8	
33	Net lending (+) or borrowing (-), capital account (lines 27-30)	-1.5	-1.9	1.0	5.8	4.8	2.9	6.0	3.4	-5.2	
	<i>Financial account</i>										
34	Net lending (+) or borrowing (-) (line 33)	-1.5	-1.9	1.0	5.8	4.8	2.9	6.0	3.4	-5.2	
35	Net acquisition of financial assets	70.7	43.2	44.4	37.4	29.6	43.1	1,319.3	-3.4	186.0	
36	Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
37	Currency and deposits	2.3	0.4	2.5	0.4	0.8	1.3	-0.8	3.7	1.8	
38	Debt securities	77.7	37.2	51.2	26.4	34.7	-38.3	-245.0	1,352.2	316.3	
39	SDR certificates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	
40	Bankers' acceptances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
41	Treasury securities	77.7	37.3	51.2	26.4	34.7	-38.3	-264.7	300.7	244.9	
42	Agency- and GSE-backed securities ^b	0.0	0.0	0.0	0.0	0.0	0.0	19.7	1,048.5	71.4	
43	Loans (short-term)	-10.7	4.3	-10.8	13.8	-6.0	78.3	1,564.7	-1,434.1	-151.4	
44	Equity and investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.1	1.3	
45	Other accounts receivable	1.4	1.3	1.5	-3.2	0.1	1.8	0.5	49.6	18.0	
46	Net incurrence of liabilities	69.6	42.7	41.7	36.1	27.2	39.9	1,316.7	-8.0	185.1	
47	Currency and deposits	47.4	38.0	32.3	33.6	24.8	23.1	1,270.2	-3.4	173.9	
48	Loans (short-term)	21.1	4.6	5.1	-0.3	-0.9	14.4	44.4	-10.6	-18.0	
49	Equity and investment fund shares	1.0	0.5	3.1	1.6	1.8	3.1	2.6	4.6	0.9	
50	Other accounts payable	0.1	-0.3	1.2	1.1	1.4	-0.7	-0.5	1.5	28.3	
	Addendum:										
51	Net lending (+) or borrowing (-), financial account (lines 35-46)	1.1	0.5	2.8	1.3	2.4	3.1	2.6	4.6	0.9	

(continued)

Table 10B.2 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<i>Other changes in volume account</i>								
52 Total other volume changes	1.9	1.7	0.1	-5.1	-3.6	-0.3	-3.8	0.8	6.1
53 Other volume changes	-0.8	-0.7	-1.7	-0.6	-1.2	-0.5	-0.4	-0.4	0.0
54 Less: Statistical discrepancy (line 33-[35-46]) ^c	-2.6	-2.4	-1.8	4.5	2.4	-0.2	3.4	-1.2	-6.1
	<i>Revaluation account</i>								
55 Nonfinancial assets	0.0	0.0	1.0	1.0	1.0	0.0	1.0	0.0	0.0
56 Structures (nonresidential)	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
57 Equipment and software	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
58 Changes in net worth due to nominal holding gains/losses	0.0	0.0	1.0	1.0	1.0	0.0	1.0	0.0	0.0
59 Change in net worth (lines 30 + 33 + 52 + 58)	1.0	0.4	3.2	1.6	3.0	3.4	3.0	4.1	0.8
	<i>Changes in balance sheet account</i>								
60 Total assets	762.4	805.5	850.4	888.1	918.2	961.6	2,281.3	2,277.4	2,463.3
61 Nonfinancial assets^d	8.7	8.6	9.1	9.4	9.9	10.3	10.6	10.2	10.1
62 Structures (nonresidential)	5.2	5.4	5.9	6.6	7.1	7.6	8.1	7.6	7.5
63 Equipment and software	3.5	3.3	3.2	2.9	2.8	2.7	2.6	2.5	2.6
64 Financial assets	753.6	796.8	841.3	878.7	908.2	951.3	2,270.6	2,267.2	2,453.2
65 Monetary gold	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
66 Currency and deposits	51.8	54.9	58.6	56.2	58.2	61.8	61.9	65.7	68.1
67 Debt securities	631.6	668.9	720.0	746.4	781.1	742.8	497.8	1,850.0	2,166.3
68 SDR certificates	2.2	2.2	2.2	2.2	2.2	2.2	2.2	5.2	5.2
69 Bankers' acceptances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70 Treasury securities	629.4	666.7	717.8	744.2	778.9	740.6	475.9	776.6	1,021.5
71 Agency- and GSE-backed securities ^b	0.0	0.0	0.0	0.0	0.0	0.0	19.7	1,068.3	1,139.6

72	Loans (short-term)	39.5	43.8	33.0	46.8	40.8	119.1	1,683.8	249.7	98.4
73	Equity and investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.1	26.4
74	Other accounts receivable	19.6	18.2	18.6	18.1	17.0	16.5	16.1	65.6	83.0
75	Total liabilities and net worth	762.4	805.5	850.4	888.1	918.2	961.6	2,281.3	2,277.4	2,463.3
76	Liabilities	745.3	788.0	829.6	865.7	892.9	932.8	2,249.6	2,241.6	2,426.7
77	Currency and deposits	716.0	754.0	786.3	819.9	844.8	867.9	2,138.1	2,134.6	2,308.6
78	Loans (short-term)	21.1	25.7	30.8	30.5	29.6	44.0	88.4	77.7	59.7
79	Equity and investment fund shares	8.4	8.8	11.9	13.5	15.3	18.5	21.1	25.6	26.5
80	Other accounts payable	-0.2	-0.6	0.6	1.8	3.2	2.5	2.1	3.6	31.9
81	Net worth	17.1	17.5	20.7	22.3	25.3	28.7	31.7	35.8	36.6

^aConsists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

^bGovernment-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Fannie Mae, Freddie Mac, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

^cThe statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

^dExcludes land. Includes corporate and noncorporate financial business.

Table 10B.3 Insurance and pension funds (billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<i>Current account</i>								
1	271.5	283.8	310.8	317.3	365.6	369.3	355.1	368.9	455.5
2	17.1	17.9	19.2	20.2	20.8	21.8	31.6	32.4	32.9
3	254.3	265.9	291.6	297.0	344.8	347.5	323.5	336.6	422.6
4	146.9	155.5	164.0	172.9	183.5	188.6	193.1	190.9	195.9
5	120.9	128.9	136.9	142.5	151.9	158.3	160.4	156.5	161.4
6	26.0	26.6	27.1	30.4	31.6	30.3	32.7	34.4	34.6
7	16.2	17.6	19.4	20.3	21.8	22.2	20.5	22.6	22.8
8	91.2	92.8	108.2	103.8	139.5	136.7	109.9	123.0	203.9
9	33.8	32.5	51.1	23.5	45.5	43.5	28.8	59.7	57.4
10	91.2	92.8	108.2	103.8	139.5	136.7	109.9	123.0	203.9
11	440.3	432.5	459.0	483.3	543.2	603.4	550.4	568.8	483.1
12	364.1	351.3	364.9	387.4	413.4	457.4	399.0	430.4	346.7
13	69.7	70.1	80.8	95.0	114.9	131.4	137.8	126.5	119.5
14	6.5	11.0	13.2	0.9	15.0	14.7	13.5	11.9	16.9
15	497.6	492.7	516.1	563.7	637.2	696.6	631.5	632.1	629.6
16	398.4	391.8	404.1	433.8	486.3	530.1	467.1	487.4	478.4
17	99.1	99.2	105.5	125.1	143.1	160.1	160.3	143.2	142.3
18	82.0	82.8	88.2	106.2	125.5	141.8	143.2	127.1	127.1
19	17.1	16.4	17.3	18.9	17.7	18.4	17.2	16.1	15.3
20	0.2	1.8	6.5	4.8	7.7	6.4	4.1	1.5	8.8
21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	33.8	32.5	51.1	23.5	45.5	43.5	28.8	59.7	57.4
23	15.4	28.8	33.8	35.1	48.6	46.4	22.4	31.4	38.2
24	-5.8	-29.1	-25.0	-35.8	-44.2	-13.4	22.5	-4.3	-3.1
25	24.2	32.8	42.3	24.2	41.1	10.5	-16.1	32.6	22.3
26	24.2	32.8	42.3	24.2	41.1	10.5	-16.1	32.6	22.3
	<i>Capital account</i>								
27	24.2	32.9	31.7	10.8	41.1	10.5	-10.0	40.2	26.9
28	24.2	32.8	42.3	24.2	41.1	10.5	-16.1	32.6	22.3
29	0.0	-0.1	10.6	13.4	0.0	0.0	-6.1	-7.6	-4.6

30	Capital formation, net	0.4	2.5	2.8	-0.1	0.3	1.6	2.7	1.9	1.8
31	Gross fixed capital formation (nonresidential)	17.5	20.4	22.0	20.1	21.1	23.4	34.3	34.2	34.7
32	Less: Consumption of fixed capital	17.1	17.9	19.2	20.2	20.8	21.8	31.6	32.4	32.9
33	Net lending (+) or borrowing (-), capital account (lines 27-30)	23.8	30.5	28.9	11.0	40.8	9.0	-12.8	38.3	25.1
<i>Financial account</i>										
34	Net lending (+) or borrowing (-) (line 33)	23.8	30.5	28.9	11.0	40.8	9.0	-12.8	38.3	25.1
35	Net acquisition of financial assets	487.0	500.7	495.4	393.3	438.9	363.8	251.3	265.9	279.0
36	 Currency and deposits	9.1	24.0	-4.4	-4.3	15.3	25.0	10.2	-23.5	10.1
37	 Debt securities	248.2	365.4	305.0	281.6	302.7	217.1	149.7	372.2	290.5
38	Commercial paper	7.4	-29.4	-17.4	3.6	12.7	0.8	0.1	10.3	-20.9
39	Treasury securities	57.6	13.3	25.9	27.9	20.5	-20.6	74.0	211.4	127.8
40	Agency- and GSE-backed securities ^b	90.5	103.8	39.9	33.6	79.0	61.1	-0.5	-71.3	-28.9
41	Municipal securities	9.6	50.9	45.0	47.6	27.7	40.0	15.3	13.6	18.3
42	Corporate and foreign bonds	58.5	202.2	170.5	128.8	127.0	102.4	-2.5	167.0	128.5
43	Nonmarketable government securities	24.5	24.7	40.9	40.0	35.8	33.3	63.3	61.9	65.7
44	 Loans	8.0	6.6	8.0	18.7	31.1	35.6	52.6	-21.6	-7.9
45	Short-term	0.2	-3.6	0.8	5.1	14.2	16.0	35.5	-7.2	-1.0
46	Long-term	7.8	10.2	7.2	13.5	16.8	19.6	17.1	-14.4	-7.0
47	Equity and investment fund shares	213.7	97.7	196.1	83.8	42.2	37.7	-5.4	-55.5	17.9
48	Corporate equities	83.0	92.5	83.2	19.1	-76.6	-107.5	-75.1	-153.1	-46.4
49	Mutual fund shares	99.5	3.0	99.0	54.9	98.8	113.6	23.3	87.3	78.1
50	Money market mutual fund shares	16.9	-2.9	2.4	-2.4	16.0	7.5	33.9	-8.1	-17.1
51	Equity in government-sponsored enterprises ^b	0.2	0.7	0.6	-0.1	0.0	0.6	1.0	-0.3	0.0
52	US direct investment abroad	14.1	4.4	10.9	12.2	3.9	23.4	11.5	18.8	3.4
53	Insurance, pension, and standardized guarantee schemes	14.6	-17.3	-36.8	-2.3	-3.0	31.7	42.0	7.7	-3.0
54	Other accounts receivable	-6.5	24.3	27.5	15.9	50.6	16.7	2.2	-13.5	-28.5
55	Net incurrence of liabilities	435.0	442.8	424.0	353.9	395.0	290.5	241.4	141.3	275.1
56	Loans (short-term)	13.9	4.9	0.9	8.0	2.9	12.8	20.8	-8.8	-4.6
57	Equity and investment fund shares	15.1	1.8	-2.8	-0.9	11.7	-32.5	4.6	17.7	13.8
58	Corporate equity issues	-0.3	0.2	-21.3	-10.8	-28.5	-43.9	-10.3	-6.2	-17.5
59	Foreign direct investment in the United States	11.4	-2.2	16.0	0.2	37.5	6.1	27.4	14.6	9.1
60	Investment by parent	4.0	3.8	2.5	9.7	2.7	5.3	-12.5	9.3	22.2
61	Insurance, pension, and standardized guarantee schemes	399.8	405.5	414.0	351.0	345.0	294.6	272.8	174.3	242.0
62	Other accounts payable	6.2	30.6	12.0	-4.3	35.5	15.6	-56.8	-41.8	23.9
Addendum:										
63	Net lending (+) or borrowing (-), financial account (lines 35-55)	52.0	57.9	71.4	39.4	43.9	73.2	9.9	124.5	3.8

(continued)

Table 10B.3 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Other changes in volume account</i>									
64 Total other volume changes	57.8	7.9	36.8	5.8	-54.4	63.0	97.0	50.7	-30.3
65 Disaster losses	0.0	0.0	0.2	0.4	0.0	0.0	0.1	0.0	0.0
66 Other volume changes	29.6	-19.6	-5.9	-23.0	-57.5	-1.3	74.2	-35.5	-9.0
67 Less: Statistical discrepancy (line 33-[35-55]) ^e	-28.2	-27.4	-42.5	-28.4	-3.1	-64.2	-22.7	-86.2	21.3
<i>Revaluation account</i>									
68 Nonfinancial assets	0.8	1.5	67.7	-55.1	13.8	8.3	13.4	-9.5	-1.7
69 Structures (nonresidential)	1.8	2.2	67.5	-55.2	12.5	8.9	12.3	-8.1	-0.3
70 Equipment and software	-0.9	-0.7	0.2	0.1	1.3	-0.6	1.1	-1.4	-1.4
71 Financial assets	-873.7	1,305.4	611.4	586.7	1,101.4	426.4	-3,327.3	1,408.1	1,033.2
72 Corporate equities	-733.8	1,053.1	510.8	323.3	825.9	263.6	-2,343.7	968.1	742.2
73 Mutual fund shares	-159.1	249.0	104.0	259.8	276.2	165.0	-953.1	430.2	275.2
74 US direct investment abroad	19.3	3.4	-3.4	3.6	-0.8	-2.2	-30.6	9.7	15.8
75 Liabilities	-916.8	1,394.0	617.4	576.1	1,187.2	214.3	-3,555.6	1,440.8	1,024.1
76 Corporate equity issues	-63.7	157.8	61.5	29.6	139.8	-192.8	-386.4	49.4	42.5
77 Foreign direct investment in the United States	-3.6	4.1	-2.8	-2.3	7.8	-32.0	-61.3	20.6	14.4
78 Pension fund reserves	-849.5	1,232.0	558.7	548.9	1,039.6	439.1	-3,107.9	1,370.7	967.2
79 Investment by parent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80 Changes in net worth due to nominal holding gains/losses	44.0	-87.0	61.7	-44.5	-72.1	220.3	241.7	-42.2	7.4
<i>Changes in balance sheet account</i>									
81 Change in net worth (lines 30 + 33 + 64 + 80)	126.0	-46.2	130.2	-27.9	-85.4	293.8	328.7	48.7	4.0
<i>Balance sheet account (end of period)</i>									
82 Total assets	10,967.8	12,867.0	14,100.3	15,013.0	16,585.2	17,406.2	14,200.6	15,951.2	17,311.5
83 Nonfinancial assets ^d	198.5	207.5	287.6	234.5	250.5	264.1	281.1	273.8	273.9
84 Structures (nonresidential)	124.7	127.3	201.2	146.5	159.8	171.0	183.5	175.9	174.4
85 Equipment and software	73.8	80.2	86.4	88.0	90.6	93.0	97.7	97.8	99.4
86 Financial assets	10,769.3	12,659.5	13,812.6	14,778.5	16,334.7	17,142.1	13,919.4	15,677.4	17,037.6
87 Currency and deposits	143.5	167.5	163.2	158.9	174.1	199.1	209.4	185.9	196.0
88 Debt securities	4,555.4	4,920.9	5,225.8	5,488.2	5,756.0	5,973.1	6,122.8	6,507.6	6,798.0
89 Commercial paper	150.2	120.7	103.4	107.0	119.6	120.4	120.5	110.3	89.4
90 Treasury securities	474.0	487.2	513.1	541.1	561.6	541.1	615.0	826.4	954.2

91	Agency- and GSE-backed securities ^b	824.2	928.0	967.9	1,001.5	1,080.5	1,141.6	1,141.1	1,069.8	1,040.8
92	Municipal securities	203.7	254.7	299.7	347.3	375.1	415.1	430.4	444.0	462.3
93	Corporate and foreign bonds	2,113.1	2,315.3	2,485.8	2,608.4	2,700.5	2,802.9	2,800.5	2,980.0	3,108.5
94	Nonmarketable government securities	790.3	815.0	855.9	882.9	918.7	952.0	1,015.3	1,077.2	1,142.9
95	Loans	450.5	457.1	465.1	483.8	514.8	550.4	603.0	568.8	560.9
96	Short-term	167.0	163.4	169.4	183.6	199.6	235.1	215.3	214.3	346.5
97	Long-term	283.4	293.7	300.9	314.4	331.2	350.8	367.9	353.5	346.5
98	Equity and investment fund shares	4,947.6	6,350.7	7,158.1	7,828.6	8,972.2	9,436.2	6,103.5	7,456.1	8,507.2
99	Corporate equities	3,549.5	4,695.1	5,289.0	5,631.5	6,380.8	6,536.9	4,118.2	4,933.2	5,629.1
100	Mutual fund shares	1,178.8	1,430.8	1,633.8	1,948.5	2,323.6	2,602.2	1,672.5	2,190.0	2,543.3
101	Money market fund shares	127.6	124.7	127.1	124.7	140.7	148.2	182.0	173.9	156.8
102	Equity in government-sponsored enterprises ^b	0.5	1.1	1.7	1.6	1.6	2.2	3.2	2.9	2.9
103	US direct investment abroad	91.2	99.0	106.5	122.3	125.4	146.7	127.6	156.0	175.2
104	Insurance, pension, and standardized guarantee schemes	319.5	387.7	397.6	405.5	453.6	502.4	392.5	485.4	531.4
105	Other accounts receivable	352.7	375.7	402.8	413.5	464.0	480.9	488.3	473.7	444.2
106	Total liabilities and net worth	10,967.8	12,867.0	14,100.3	15,013.0	16,585.2	17,406.2	14,200.6	15,951.2	17,311.5
107	Liabilities	10,995.9	12,941.4	14,044.4	14,985.0	16,642.6	17,169.7	13,635.4	15,337.4	16,693.7
108	Loans (short-term)	20.0	24.8	25.7	33.7	36.6	49.4	70.2	61.4	56.8
109	Equity and investment fund shares	790.3	954.1	1,010.0	1,036.4	1,195.7	938.4	495.4	583.1	653.9
110	Corporate equity issues	657.8	815.8	856.1	874.8	986.1	749.4	352.7	396.0	420.9
111	Foreign direct investment in the United States	112.9	114.8	128.0	125.9	171.2	145.3	111.4	146.7	170.2
112	Investment by parent	19.6	23.4	25.9	35.6	38.3	43.7	31.2	40.5	62.7
113	Insurance, pension, and standardized guarantee schemes	10,058.7	11,807.1	12,840.5	13,754.8	15,205.9	15,960.3	12,884.5	14,550.4	15,827.6
114	Other accounts payable	126.8	155.3	168.1	160.0	204.4	221.6	185.4	142.6	155.4
115	Net worth	-28.1	-74.3	55.9	28.0	-57.4	236.4	565.1	613.8	617.8

^aConsists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

^bGovernment-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Fannie Mae, Freddie Mac, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

^cThe statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

^dExcludes land. Includes corporate and noncorporate financial business.

Table 10B.4 Other financial business (billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	
	<i>Current account</i>									
1	610.0	636.9	652.0	766.8	822.0	747.3	673.5	747.7	914.7	
2	88.6	93.3	99.3	105.1	110.0	116.7	140.3	143.8	145.4	
3	521.4	543.6	552.7	661.7	712.0	630.6	533.2	604.0	769.3	
4	298.9	310.4	331.9	367.3	399.3	419.9	415.3	375.0	386.7	
5	248.9	263.4	281.8	310.6	339.0	361.2	351.1	312.8	323.9	
6	50.1	46.9	50.1	56.7	60.2	58.7	64.2	62.1	62.8	
7	21.3	22.3	24.0	25.8	28.6	31.2	30.7	32.1	32.3	
8	201.2	210.9	196.9	268.6	284.2	179.6	87.1	197.0	350.3	
9	155.2	178.6	180.7	221.1	194.4	118.8	-24.0	149.5	182.5	
10	201.2	210.9	196.9	268.6	284.2	179.6	87.1	197.0	350.3	
11	865.2	772.1	983.0	1,329.6	1,811.4	2,229.7	1,895.4	1,163.0	1,228.0	
12	838.1	738.4	928.4	1,263.4	1,715.4	2,096.6	1,761.4	1,060.5	1,108.2	
13	19.5	23.8	37.7	64.2	69.4	100.1	98.2	62.6	70.8	
14	7.6	9.9	16.9	2.1	26.6	32.9	35.8	39.8	49.1	
15	1,132.3	1,034.9	1,288.2	1,707.1	2,295.9	2,725.9	2,390.0	1,601.1	1,592.2	
16	991.3	889.4	1,095.3	1,486.9	2,024.8	2,427.7	2,145.1	1,332.3	1,264.9	
17	140.9	144.8	190.1	217.0	266.0	294.6	241.9	267.9	319.9	
18	103.0	110.1	153.3	177.9	213.7	254.0	223.9	228.1	278.1	
19	37.8	34.8	36.8	39.1	52.2	40.6	17.9	39.8	41.7	
20	0.1	0.7	2.8	3.2	5.2	3.7	3.0	0.9	7.4	
21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
22	155.2	178.6	180.7	221.1	194.4	118.8	-24.0	149.5	182.5	
23	55.3	60.1	67.2	84.0	87.9	70.7	27.5	18.6	64.3	
24	13.9	15.9	15.5	19.2	18.2	18.0	23.1	23.0	18.1	
25	86.1	102.6	98.0	117.9	88.2	30.0	-74.6	108.0	100.0	
26	86.1	102.6	98.0	117.9	88.2	30.0	-74.6	108.0	100.0	

	<i>Capital account</i>										
27	Net saving less capital transfers	86.1	102.5	92.4	103.6	88.2	30.0	-20.2	222.3	137.9	
28	Net saving	86.1	102.6	98.0	117.9	88.2	30.0	-74.6	108.0	100.0	
29	Less: Capital transfers paid (net)	0.0	0.1	5.6	14.3	0.0	0.0	-54.4	-114.3	-37.9	
30	Capital formation, net	27.9	19.3	30.7	28.2	28.9	44.5	19.8	-10.6	0.9	
31	Gross fixed capital formation (nonresidential)	116.6	112.6	130.0	133.3	138.9	161.3	160.1	133.2	146.3	
32	Less: Consumption of fixed capital	88.6	93.3	99.3	105.1	110.0	116.7	140.3	143.8	145.4	
33	Net lending (+) or borrowing (-), capital account (lines 27-30)	58.1	83.2	61.7	75.3	59.4	-14.5	-39.9	232.9	137.0	
		<i>Financial account</i>									
34	Net lending (+) or borrowing (-) (line 33)	58.1	83.2	61.7	75.3	59.4	-14.5	-39.9	232.9	137.0	
35	Net acquisition of financial assets	1,743.2	2,236.4	2,426.2	2,880.6	3,659.7	4,398.0	3,035.9	-1,854.8	-1,143.9	
36	Currency and deposits	-22.8	-66.7	35.8	-1.1	44.5	143.1	1,008.1	255.9	-153.1	
37	Debt securities	560.7	634.4	107.1	307.3	781.9	933.7	1,546.5	-782.4	127.0	
38	Commercial paper	-137.6	-135.1	50.8	192.7	219.7	-95.6	34.1	-383.1	-106.1	
39	Treasury securities	61.1	37.6	-129.7	-5.9	36.9	166.9	626.7	-71.5	88.7	
40	Agency- and GSE-backed securities ^b	448.8	315.9	-208.7	-222.7	56.9	240.5	839.7	-373.5	40.6	
41	Municipal securities	45.9	50.4	42.0	65.0	95.7	140.1	36.4	2.0	11.1	
42	Corporate and foreign bonds	142.7	365.5	352.9	278.4	372.8	481.9	9.6	43.5	92.7	
43	Loans	933.7	1,099.7	1,573.4	1,922.1	2,000.4	2,218.9	28.1	-1,339.5	-814.8	
44	Short-term	46.0	120.6	372.0	528.7	625.3	1,170.1	-43.5	-1,067.0	-319.3	
45	Long-term	887.7	979.1	1,201.3	1,393.5	1,375.2	1,048.8	71.6	-272.4	-495.5	
46	Equity and investment fund shares	171.7	244.0	467.1	428.5	476.0	961.0	613.9	-23.3	-60.0	
47	Corporate equities	86.9	165.5	246.3	217.3	200.9	273.8	66.2	179.6	107.2	
48	Mutual fund shares	1.5	-5.6	-1.9	-2.7	3.8	3.6	1.4	14.1	-5.7	
49	Money market mutual fund shares	-30.9	-64.5	-107.0	37.8	44.9	326.3	270.0	-162.8	-141.0	
50	Equity in government-sponsored enterprises ^b	1.7	1.8	1.8	2.1	0.0	7.7	-6.3	0.3	-3.2	
51	US direct investment abroad	9.3	19.9	32.9	-0.7	21.9	83.6	54.9	5.0	25.9	
52	Stock in Federal Reserve Banks	1.0	0.5	3.1	1.6	1.8	3.1	2.6	4.6	0.9	
53	Investment in subsidiaries	102.2	126.4	291.9	173.2	202.8	263.1	225.0	-64.1	-44.2	
54	Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	7.9	16.2	5.3	2.9	8.2	
55	Other accounts receivable	99.6	325.0	242.9	223.6	349.0	125.0	-166.0	31.8	-251.3	

(continued)

Table 10B.4 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
56 Net incurrence of liabilities	1,767.6	2,076.5	2,484.8	2,614.7	3,443.1	4,366.3	3,315.2	-1,771.2	-930.0
57 Currency and deposits	335.8	427.7	580.2	584.1	591.4	513.4	938.9	243.5	129.1
58 Debt securities	845.5	1,010.0	805.9	1,039.2	1,323.3	1,504.8	362.8	-1,095.8	-731.1
59 Agency- and GSE-backed securities ^b	546.7	586.2	115.8	80.4	328.2	905.7	768.7	-60.1	-46.9
60 Corporate bonds	398.8	487.3	668.5	744.6	798.8	710.6	-280.3	-587.6	-582.5
61 Commercial paper	-99.9	-63.5	21.7	214.2	196.3	-111.4	-125.6	-448.2	-101.7
62 Loans	70.7	361.1	305.1	417.2	562.7	555.7	-135.3	-1,044.5	-425.4
63 Short-term	59.5	352.2	279.6	403.1	556.1	551.0	-142.0	-1,047.8	-425.6
64 Long-term	11.2	8.9	25.5	14.1	6.6	4.7	6.8	3.4	0.2
65 Equity and investment fund shares	342.8	253.9	651.4	699.2	919.7	1,483.6	1,749.2	236.1	84.5
66 Money market mutual fund shares	-16.7	-207.5	-136.5	127.0	305.3	720.9	724.2	-499.0	-502.9
67 Corporate equity issues	71.8	65.9	139.6	89.3	88.0	222.5	647.9	320.5	208.3
68 Mutual fund shares	181.1	288.6	298.2	260.2	336.8	364.7	31.0	490.5	389.3
69 Equity in government-sponsored enterprises ^b	2.0	3.2	2.5	1.9	0.2	9.1	-4.2	0.0	-2.7
70 Foreign direct investment in the United States	-1.8	26.1	34.2	13.7	14.5	3.2	93.3	31.5	41.0
71 Equity in noncorporate business	0.6	-3.4	-4.2	-1.2	-6.8	2.4	11.5	-3.6	0.4
72 Investment by parent	105.7	81.1	317.6	208.4	181.7	160.8	245.5	-103.8	-48.8
73 Other accounts payable	172.7	23.8	142.1	-124.8	46.0	308.7	399.5	-110.6	12.8
Addendum:									
74 Net lending (+) or borrowing (-), financial account (lines 35–56)	-24.4	159.9	-58.6	265.9	216.7	31.9	-279.3	-83.5	-213.8
<i>Other changes in volume account</i>									
75 Total other volume changes	16.8	2.7	-97.8	153.7	90.5	-157.1	-439.5	412.2	-329.1
76 Disaster losses	0.0	0.0	1.5	1.3	0.0	0.0	0.5	0.0	0.0
77 Other volume changes	99.3	-74.0	21.1	-38.3	-67.0	-203.5	-200.7	728.6	21.7
78 Less: Statistical discrepancy (line 33–[35–56]) ^c	82.5	-76.7	120.3	-190.6	-157.3	-46.4	239.4	316.4	350.8
<i>Revaluation account</i>									
79 Nonfinancial assets	32.0	38.5	19.7	156.0	84.1	49.0	50.4	-44.3	-2.5
80 Structures (nonresidential)	21.6	18.9	0.9	137.3	61.2	36.9	47.0	-42.2	1.7
81 Equipment and software	10.3	19.6	18.7	18.7	23.0	12.1	4.5	-2.0	-4.1
82 Financial assets	-729.9	840.1	590.7	417.5	830.4	505.2	-2,842.7	1,237.4	747.1
83 Corporate equities	-735.6	809.8	534.7	389.5	790.7	455.9	-2,872.7	1,223.1	716.7
84 Mutual fund shares	-3.5	3.6	2.0	1.0	3.3	1.3	-11.3	11.7	4.7
85 US direct investment abroad	9.1	26.6	54.0	27.1	36.5	48.0	41.4	2.6	25.7

86	Liabilities	-994.6	1,380.7	890.3	627.8	1,312.3	-424.6	2,113.3	1,060.6
87	Corporate equity issues	-303.2	638.1	397.3	232.7	576.8	-791.6	-1,978.0	474.7
88	Mutual fund shares	-678.1	727.2	483.8	352.4	682.6	396.0	-2,424.7	583.7
89	Foreign direct investment in the United States	-11.5	4.3	6.8	11.7	14.7	-24.7	-96.3	3.0
90	Equity in noncorporate business	-1.9	11.4	2.4	1.7	4.9	-0.6	-13.6	6.3
91	Investment by parent	0.0	-0.1	0.0	29.0	33.2	-3.7	0.0	675.6
92	Changes in net worth due to nominal holding gains/losses	296.6	-502.2	-280.0	-54.3	-397.6	978.9	1,720.3	-316.0
<i>Changes in balance sheet account</i>									
93	Change in net worth (lines 30 + 33 + 75 + 92)	399.4	-397.0	-285.3	203.0	-219.0	851.9	1,260.5	-507.2
<i>Balance sheet account (end of period)</i>									
94	Total assets	28,332.4	31,213.0	34,160.5	37,473.1	41,997.1	46,955.2	47,526.7	46,498.3
95	Nonfinancial assets^a	940.7	978.0	1,000.2	1,160.5	1,250.6	1,317.3	1,386.5	1,331.7
96	Structures (nonresidential)	537.3	552.9	548.6	685.8	747.1	788.6	842.7	801.5
97	Equipment and software	403.4	425.1	451.6	474.5	503.6	528.8	543.6	533.6
98	Financial assets	27,391.8	30,235.1	33,160.4	36,312.7	40,746.6	45,637.9	46,140.4	45,168.2
99	 Currency and deposits	588.2	521.5	557.2	556.2	600.9	744.1	1,787.0	1,904.3
100	 Debt securities	7,468.0	7,939.7	8,067.0	8,374.3	9,145.7	10,079.4	11,625.6	10,496.0
101	Commercial market paper	799.8	664.9	715.5	908.2	1,124.7	1,029.1	1,062.9	679.7
102	Treasury securities	528.3	490.0	360.3	354.3	386.9	553.7	1,180.4	1,109.0
103	Agency- and GSE-backed securities ^b	3,488.2	3,639.6	3,450.9	3,228.2	3,283.2	3,523.7	4,363.4	4,044.3
104	Municipal securities	829.7	880.0	922.1	987.1	1,082.4	1,222.5	1,258.8	1,260.8
105	Corporate and foreign bonds	1,821.8	2,265.3	2,618.2	2,896.5	3,268.6	3,750.5	3,760.1	3,759.2
106	 Loans	12,838.0	13,981.9	15,570.1	17,492.2	19,473.6	21,682.1	21,709.8	20,410.4
107	Short-term	5,136.3	5,289.3	5,661.3	6,190.0	6,795.0	7,954.7	7,910.9	6,883.9
108	Long-term	7,701.8	8,692.5	9,908.7	11,302.2	12,678.6	13,727.4	13,799.0	13,526.6
109	Equity and investment fund shares	4,576.4	5,660.5	6,718.4	7,564.5	8,904.0	10,370.3	8,141.5	10,031.8
110	Corporate equities	2,424.7	3,399.9	4,181.1	4,787.7	5,779.3	6,509.0	3,702.3	5,105.1
111	Mutual fund shares	23.1	21.2	21.3	19.6	26.6	31.6	21.6	46.5
112	Money market fund shares	552.6	488.1	381.1	418.9	463.9	790.2	1,060.3	756.5
113	Equity in government-sponsored enterprises ^b	34.7	36.6	38.4	40.4	40.4	48.1	41.8	38.8
114	US direct investment abroad	163.9	210.4	297.3	323.7	382.0	513.5	609.8	669.1
115	Stock in Federal Reserve Banks	8.4	8.8	11.9	13.5	15.3	18.5	21.1	25.6
116	Investment in subsidiaries	1,369.0	1,495.4	1,787.3	1,960.6	2,196.5	2,459.6	2,684.6	3,252.4
117	Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	108.5	124.7	130.0	141.1
118	Other accounts receivable	1,921.2	2,131.4	2,247.8	2,325.7	2,513.9	2,637.3	2,746.3	2,612.4

(continued)

Table 10B.4 (continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total liabilities and net worth	28,332.4	31,213.0	34,160.5	37,473.1	41,997.1	46,955.2	47,526.7	47,429.6	46,498.3
Liabilities	28,684.1	31,961.7	35,194.6	38,304.3	43,047.1	47,153.6	46,464.4	46,652.9	46,228.8
Currency and deposits	5,657.9	6,085.1	6,690.8	7,275.5	7,867.5	8,380.3	9,282.8	9,519.9	9,645.5
Debt securities	9,312.8	10,158.1	10,978.9	11,963.6	13,272.1	14,906.8	15,269.3	14,498.9	13,259.8
Agency- and GSE-backed securities ^b	5,509.0	5,944.5	6,060.3	6,140.7	6,468.9	7,374.6	8,143.4	8,083.3	7,574.0
Corporate bonds	2,805.9	3,279.2	3,962.6	4,652.7	5,440.1	6,280.4	6,000.1	5,737.9	5,109.9
Commercial paper	997.9	934.4	956.0	1,170.2	1,363.2	1,251.8	1,125.8	677.6	575.9
Loans	2,392.9	2,754.1	3,059.2	3,476.4	4,035.9	4,591.6	4,456.3	3,543.6	3,094.6
Short-term	2,296.0	2,648.2	2,927.9	3,330.9	3,883.8	4,434.9	4,292.8	3,376.7	2,927.5
Long-term	97.0	105.9	131.4	145.5	152.1	156.7	163.5	166.9	167.1
Equity and investment fund shares	9,610.0	11,244.7	12,786.5	14,113.3	16,345.3	17,404.2	14,640.7	16,990.4	18,135.4
Money market fund shares	2,223.9	2,016.4	1,879.8	2,006.9	2,312.1	3,033.1	3,757.3	3,258.3	2,755.3
Corporate equity issues	2,194.2	2,898.1	3,435.0	3,757.1	4,421.9	3,852.8	2,522.7	3,237.2	3,920.2
Mutual fund shares	3,638.4	4,654.2	5,436.3	6,048.9	7,068.3	7,829.0	5,435.3	6,961.6	7,934.5
Equity in government-sponsored enterprises ^b	39.1	42.3	44.8	46.7	46.9	56.0	51.8	51.8	49.0
Foreign direct investment in the United States	130.6	160.9	201.9	227.3	256.6	235.1	232.1	265.2	309.3
Equity in noncorporate business	5.0	13.0	11.2	11.7	9.8	11.6	9.5	12.1	13.8
Investment by parent	1,379.0	1,460.0	1,777.5	2,014.8	2,229.8	2,386.8	2,632.3	3,204.0	3,153.2
Other accounts payable	1,710.6	1,719.9	1,679.3	1,475.6	1,526.3	1,870.6	2,815.0	2,100.2	2,093.6
Net worth	-351.7	-748.7	-1,034.0	-831.0	-1,050.0	-198.2	1,062.4	776.7	269.5

^aConsists of rental income of tenant-occupied housing and proprietors' income. Quasi-corporations are unincorporated enterprises that function as if they were corporations; they primarily cover their operating costs through sales, and they keep a complete set of financial records.

^bGovernment-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Fannie Mae, Freddie Mac, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until it was fully privatized in the fourth quarter of 2004.

^cThe statistical discrepancy is the difference between net lending or net borrowing derived in the capital account and the same concept derived in the financial account. The discrepancy reflects differences in source data, timing of recorded flows, and other statistical differences between the capital and financial accounts.

^dExcludes land. Includes corporate and noncorporate financial business.

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