

For use at 12:00 noon, eastern time
December 10, 2015



FEDERAL RESERVE STATISTICAL RELEASE

Z.1

Financial Accounts
of the United States

Flow of Funds, Balance Sheets,
and Integrated Macroeconomic Accounts

Third Quarter 2015

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



FEDERAL RESERVE STATISTICAL RELEASE

Z.1

Financial Accounts of the United States

**Flow of Funds, Balance Sheets,
and Integrated Macroeconomic Accounts**

Third Quarter 2015

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Recent Developments in Household Net Worth and Domestic Nonfinancial Debt

The net worth of households and nonprofits fell to \$85.2 trillion during the third quarter of 2015. The value of directly and indirectly held corporate equities decreased \$2.3 trillion and the value of real estate rose \$482 billion.

Domestic nonfinancial debt outstanding was \$44.2 trillion at the end of the third quarter of 2015, of which household debt was \$14.1 trillion, nonfinancial business debt was \$12.6 trillion, and total government debt was \$17.5 trillion.

Domestic nonfinancial debt growth was 2.0 percent at a seasonally adjusted annual rate in the third quarter of 2015, down from an annual rate of 4.6 percent in the previous quarter.

Household debt increased at an annual rate of 1.5 percent in the third quarter of 2015. Consumer credit grew 7.2 percent, while mortgage debt (excluding charge-offs) grew 1.6 percent at an annual rate.

Nonfinancial business debt rose at an annual rate of 4.7 percent in the third quarter, a somewhat smaller increase than in the previous quarter. As in recent years, corporate bonds accounted for most of the increase.

State and local government debt increased at an annual rate of 1.7 percent in the third quarter, up from an annual rate of 1.0 percent in the previous quarter.

Federal government debt increased 0.2 percent at a seasonally adjusted annual rate in the third quarter.

Household Net Worth and Growth of Domestic Nonfinancial Debt

Year	Household net worth ¹	Growth of domestic nonfinancial debt ²				
		Total	Households	Businesses	State and local gov'ts	Federal government
2005	61,789	8.6	10.6	8.1	5.8	6.6
2006	66,067	8.4	10.5	9.8	3.9	3.9
2007	66,522	8.1	7.2	12.4	5.5	4.7
2008	56,133	5.7	-0.1	5.8	0.6	21.4
2009	58,067	3.4	0.3	-4.3	4.0	20.4
2010	62,247	4.3	-0.6	-0.9	2.3	18.5
2011	63,404	3.5	-0.5	3.0	-1.7	10.8
2012	69,569	5.0	2.0	4.8	-0.2	10.1
2013	79,369	4.0	1.8	5.1	-1.3	6.7
2014	84,134	4.4	3.1	6.2	-0.5	5.4
2013: Q3	76,852	3.2	3.3	7.4	-3.0	0.9
Q4	79,369	6.1	1.5	4.2	-2.8	14.4
2014: Q1	80,940	4.1	1.9	6.1	-1.7	5.7
Q2	82,627	4.2	5.2	5.1	0.1	3.5
Q3	82,799	4.5	3.0	6.0	-1.7	6.0
Q4	84,134	4.7	2.2	7.0	1.5	5.9
2015: Q1	85,789	2.5	1.8	7.2	4.3	-1.1
Q2	86,413	4.6	4.2	8.4	1.0	2.4
Q3	85,182	2.0	1.5	4.7	1.7	0.2

1. Shown on table B.101, which includes nonprofit organizations. Billions of dollars; amounts outstanding end of period, not seasonally adjusted

2. Percentage changes calculated as seasonally adjusted flow divided by previous quarter's seasonally adjusted level, shown at an annual rate.

Release Highlights Third Quarter 2015

Topic	Description
Enhanced Financial Accounts Updates	The EFA initiative is an ambitious and long-term effort to enhance the “Financial Accounts” by providing additional detail and disaggregation, higher-frequency data, and additional documentation and analysis of financial data, in order to improve our picture of financial intermediation and activity in the United States. The website provides further information on the initiative, preliminary data, and documentation for the EFA projects, which will be updated periodically as data become available. http://www.federalreserve.gov/apps/fof/efa/enhanced-financial-accounts.htm .
New Enhanced Financial Accounts Projects	Two new EFA projects will be released in the next few weeks, including one project on U.S. money market mutual funds showing additional detail and one project showing assets of 529 college savings plans by state and plan type.
Integrated Macroeconomic Accounts (IMA) financial subsectors	In conjunction with the Bureau of Economic Analysis, five new IMA financial subsector tables are now available with annual data beginning in 2001. These tables cover the following subsectors: Central Bank (table S.61.a), Depository Institutions (table S.62.a), Insurance Companies (table S.63.a), Pension Funds (table S.64.a), and Other Financial Business (table S.65.a).
New detail on the market value of domestic corporations	New detail has been added to the corporate equities level table (table L.223) to show the split between publicly traded and closely held equity issues of nonfinancial corporate business and financial corporations. Also, new memo items show the market value of total domestic publicly traded equity and total domestic closely held equity which is now split between S corporations and C corporations. Data for these new items begin in 1996:Q4. A forthcoming FEDS Note will provide additional information.
Funding agreements backing securities	Funding agreements issued by life insurance companies (tables F.116 and L.116) and held by issuers of asset-backed securities (ABS) (tables F.126 and L.126) are shown explicitly as miscellaneous liabilities of life insurance companies and miscellaneous assets of the ABS issuers sector. These funding agreements are also shown on the table for miscellaneous financial claims – part II (tables F.233 and L.233). These funding agreements are the collateral backing debt securities issued by domestic ABS issuers. A forthcoming FEDS Note will provide additional information.
Municipal securities held by private pension funds	Holdings of municipal bonds have been added to the private defined contribution pension plans sector (tables F.118.c, F.118, F.117, L.118.c, L.118, L.117). Previously these securities had been included in the corporate and foreign bonds instrument category.

Topic	Description
Nonfinancial noncorporate business benchmark	Data for the noncorporate business sector (tables F.104, L.104, B.104, and R.104) have been revised to reflect new 2013 benchmark statistics from the Internal Revenue Service (IRS) Statistics of Income (SOI).
FEDS Notes	Two new FEDS Notes have recently become available: “Federal Debt in the Financial Accounts of the United States” (Marco Cagetti, Matthew Hoops, Susan McIntosh and Rick Ogden) and “U.S. Net Wealth in the Financial Accounts of the United States” (Elizabeth Holmquist and Susan Hume McIntosh).

Explanatory Notes

Financial Accounts of the United States

The Statistical Release Z.1, “Financial Accounts of the United States,” is organized into the following sections:

- Matrices summarizing flows and levels across sectors, tables on debt growth, net national wealth, gross domestic product (GDP), national income, saving, and so on
- Flows of financial assets and liabilities, by sector and by financial instrument
- Levels of financial assets and liabilities, by sector and by financial instrument
- Balance sheets, including nonfinancial assets, and changes in net worth for households and nonprofit organizations, nonfinancial corporate businesses, and nonfinancial noncorporate businesses
- Supplementary tables providing equity detail of the household and nonprofit organization sector and data on nonprofit organizations
- Integrated Macroeconomic Accounts

The Integrated Macroeconomic Accounts (IMA) relate production, income, saving, and capital formation from the national income and product accounts (NIPA) to changes in net worth from the “Financial Accounts” on a sector-by-sector basis. The IMA are published jointly by the Federal Reserve Board and the Bureau of Economic Analysis and are based on international guidelines and terminology as defined in the System of National Accounts (SNA2008).

Federal Reserve Board staff have taken many steps over the past several years to conform the “Financial Accounts” with the SNA guidelines. Nonetheless, a few important differences remain. In particular, in the “Financial Accounts”:

- The purchase of consumer durables is treated as investment rather than as consumption.
- Nonfinancial noncorporate businesses (which are often small businesses) are shown in a separate sector rather than being included in the household sector.
- Most debt securities are recorded at book value rather than market value.

Concepts of Level and Flow in the SNA and the Financial Accounts

The level of an asset or liability (also referred to as the stock or outstanding) measures the value of the asset or

liability in existence at a point in time. In the “Financial Accounts,” the levels are reported as of the end of each calendar quarter. In the SNA2008, the change in the level from one period to the next is called the “economic flow,” and can be decomposed into three broad elements: *transactions*, which measure the exchange of assets; *revaluations*, which measure changes in market value of untraded assets; and *other changes in volume*, which measure discontinuities or breaks in time series due to disaster losses or a change in source data or definition.

In the “Financial Accounts,” “flows” refer to the exchange of assets, corresponding to the SNA definition of transactions, that is, “flow tables” in the “Financial Accounts” are equivalent to “transaction tables” in the SNA terminology. In practice, other volume changes are relatively rare, and revaluations occur only for series carried at market value (such as corporate equities and mutual fund shares), so for many series the change in the level is equal to the flow.

Growth Rates

Growth rates calculated from levels will include revaluations and other changes in volume. To isolate the effect of transactions on growth of a given asset or liability, users should calculate the ratio of the flow in a given period to the level in the preceding period.

Growth rates in table D.1 are calculated by dividing seasonally adjusted flows from table D.2 by seasonally adjusted levels at the end of the previous period from table D.3. Growth rates calculated from changes in unadjusted levels may differ from those in table D.1.

Seasonal Adjustment

Seasonal factors are recalculated and updated every year, and these revised factors are first published in the September release of second-quarter data. All series that exhibit significant seasonal patterns are adjusted. The seasonal factors are generated using the X-12-ARIMA seasonal adjustment program from the U.S. Census Bureau, estimated using the most recent 10 years of data. Because the effects of the recent financial crisis resulted in large outliers in some series that would have distorted the estimated seasonal factors, seasonal factors for some series were extrapolated using pre-crisis data. Seasonally adjusted levels shown in table D.3 are derived by carrying forward year-end levels by seasonally adjusted flows.

Data Revisions

Data shown for the most recent quarters are based on preliminary and potentially incomplete information. A summary list of the most recent data available for each sector is provided in a table following these notes. Nonetheless, when source data are revised or estimation methods are improved, all data are subject to revision. There is no specific revision schedule; rather, data are revised on an ongoing basis. In each release of the “Financial Accounts,” major revisions are highlighted at the beginning of the publication.

Discrepancies

The data in the “Financial Accounts” come from a large variety of sources and are subject to limitations and uncertainty due to measurement errors, missing information, and incompatibilities among data sources. The size of this uncertainty cannot be quantified, but its existence is acknowledged by the inclusion of “statistical discrepancies” for various sectors and financial instruments.

The discrepancy for a given sector is defined as the difference between the aggregate value of the sector’s sources of funds and the value of its uses of funds. For a financial instrument category, the discrepancy is defined as the difference between the measurement of funds raised through the financial instrument and funds disbursed through that instrument. The relative size of the statistical discrepancy is one indication of the quality of the underlying source data. Note that differences in seasonal adjustment procedures sometimes result in quarterly discrepancies that partially or completely offset each other in the annual data.

Financial Accounts Guide

Substantially more detail on the construction of the “Financial Accounts” is available in the *Financial Accounts Guide*, which provides interactive, online documentation for each data series. The tools and descriptions in the guide are designed to help users understand the structure and content of the “Financial Accounts.” The guide allows users to search for series, browse tables of data, and identify links among series within these accounts. It also provides descriptions of each of the published tables and information on the source data underlying each series. Data on some of our data submissions to international organizations are also available on the guide page. There is also a link to the Enhanced Financial Accounts, a new initiative that includes data that is not part of the core “Financial Accounts”.

The guide is not part of the quarterly release, but it is continually updated and kept consistent with the most recently published data. The guide and the data from the “Financial Accounts” are available free of charge online:

www.federalreserve.gov/apps/fof

Each input and calculated series in the Z.1 is identified according to a unique string of patterned numbers and letters. The series structure page of the guide provides a breakdown of what the letters and numbers represent in the series mnemonics. The relationships between different components of a series (for example, levels, seasonally adjusted annual rate flows, unadjusted flows, revaluations, other changes in volume, seasonal factors, and so on) are also described on the series structure page.

Production Schedule

The “Financial Accounts” are published online and in print four times per year, about 10 weeks following the end of each calendar quarter. The publication and the guide are available online:

www.federalreserve.gov/releases/Z1

This website provides coded tables and historical annual tables beginning in 1945 that correspond with the tables published in this release. It also includes compressed ASCII files of quarterly data for seasonally adjusted flows, unadjusted flows, outstandings, balance sheets, debt (tables D.1, D.2, and D.3), supplementary tables, and the IMA.

In addition, the data are available as customizable datasets through the Federal Reserve Board’s Data Download Program at:

www.federalreserve.gov/datadownload/default.htm

Print Subscription Information

The Federal Reserve Board charges a fee for subscriptions to print versions of statistical releases. Inquiries regarding print versions should be directed to the following office:

Publications Services, Stop 127
Board of Governors
of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
(202) 452-3245

Description of Most Recent Data Available

Sector Table	Available at time of publication
National income and product accounts (NIPA) (various tables)	Second estimate, seasonally adjusted, for 2015:Q3. Unadjusted flows through 2014:Q4 for the government sectors.
Households and nonprofit organizations sector (tables F.101 and L.101)	Estimates for this sector are largely residuals and are derived from data for other sectors. Availability of data depends on schedules for other sectors. Data for consumer credit, which are estimated directly, are available through 2015:Q3. The source for nonprofit organizations data (tables F.101.a and L.101.a) is the Internal Revenue Service <i>Statistics of Income</i> (IRS/SOI). Data for nonprofit organizations are available for 1987 through 2000.
Nonfinancial corporate business (tables F.102 and L.102)	<i>Quarterly Financial Report</i> (QFR) of the Census Bureau through 2015:Q2 (preliminary); IRS/SOI data through 2013; securities offerings, mortgages, bank loans, commercial paper, and other loans through 2015:Q3. Corporate farm data through 2014.
Nonfinancial noncorporate business (tables F.103 and L.103)	IRS/SOI data through 2013; bank and finance company loans, and mortgage borrowing through 2015:Q3. Noncorporate farm data through 2014.
Federal government (tables F.106 and L.106)	Data from the <i>Monthly Treasury Statement of Receipts and Outlays</i> , <i>Monthly Statement of the Public Debt</i> and Treasury data for loan programs and the Troubled Assets Relief Program (TARP) through 2015:Q3.
State and local governments (tables F.107 and L.107)	Gross offerings and retirements of municipal securities, deposits at banks, and nonmarketable U.S. government security issues through 2015:Q3; total financial assets through 2012:Q2 from the Census Bureau; breakdown of financial assets through 2011:Q2 from the comprehensive annual financial reports of state and local governments.
Monetary authority (tables F.109 and L.109)	All data through 2015:Q3.
U.S.-chartered depository institutions (tables F.111 and L.111)	All data through 2015:Q3.
Foreign banking offices in U.S. (tables F.112 and L.112)	All data through 2015:Q3.
Banks in U.S.-affiliated areas (tables F.113 and L.113)	All data through 2015:Q3.
Credit unions (tables F.113 and L.113)	All data through 2015:Q3.
Property-casualty insurance companies (tables F.115 and L.115)	Preliminary data through 2015:Q3.

Sector Table	Available at time of publication
Life insurance companies (tables F.116 and L.116)	Preliminary data through 2015:Q3.
Private pension funds (tables F.118 and L.118)	Internal Revenue Service/Department of Labor Form 5500 data through 2013. Investment Company Institute data through 2015:Q2.
Federal government retirement funds (tables F.119 and L.119)	Data from the <i>Monthly Treasury Statement of Receipts and Outlays</i> , the Thrift Savings Plan, and the National Railroad Retirement Investment Trust through 2015:Q3.
State and local government employee retirement funds (tables F.120 and L.120)	Detailed annual survey data through 2014:Q2 and quarterly survey data through 2015:Q2 from the Census Bureau. Investment Company Institute data through 2015:Q2.
Money market mutual funds (tables F.121 and L.121)	All data through 2015:Q3.
Mutual funds (tables F.122 and L.122)	All data through 2015:Q3.
Closed-end funds (tables F.123 and L.123)	All data through 2015:Q3.
Exchange-traded funds (tables F.123 and L.123)	All data through 2015:Q3.
Government sponsored enterprises (GSEs) (tables F.124 and L.124)	Data for Fannie Mae, Freddie Mac, Farmer Mac, FCS, and FHLB, FICO, and REFCORP through 2015:Q3.
Agency- and GSE-backed mortgage pools (tables F.125 and L.125)	Data for Fannie Mae, Freddie Mac, Farmer Mac, and Ginnie Mae through 2015:Q3.
Issuers of asset-backed securities (ABSs) (tables F.126 and L.126)	All data for private mortgage pools, consumer credit, business loans, student loans, consumer leases, and trade credit securitization through 2015:Q3.
Finance companies (tables F.127 and L.127)	All data through 2015:Q3.
Real estate investment trusts (REITs) (tables F.128 and L.128)	Data from SNL Financial through 2015:Q3.
Security brokers and dealers (tables F.129 and L.129)	Data for firms filing FOCUS and FOGS reports through 2015:Q3.
Holding companies (table F.130 and L.130)	All data through 2015:Q3.
Funding corporations (tables F.131 and L.131)	Estimates for this sector are largely residuals and are derived from data for other sectors.
Rest of the world (tables F.132 and L.132)	NIPA estimates, bank Call Reports, and Treasury International Capital System data through 2015:Q3. Balance of payments and International Investment Position data through 2015:Q2.

List of Data Tables

Title	Table	Page
Summaries		
Flow of Funds Matrix—Flows		1
Flow of Funds Matrix—Assets and Liabilities		2
Debt Growth by Sector	D.1	3
Borrowing by Sector	D.2	4
Debt Outstanding by Sector	D.3	5
Net National Wealth	B.1	6
Distribution of Gross Domestic Product	F.2	7
Distribution of National Income	F.3	8
Saving and Investment	F.4	9
Net Capital Transfers	F.5	10
Derivation of Measures of Personal Saving	F.6	11
Assets and Liabilities of the Personal Sector	L.6	12

Title	Flows		Levels	
	Table	Page	Table	Page
Sectors				
Domestic Nonfinancial	F.100	13	L.100	74
Households and Nonprofit Organizations	F.101	14	L.101	75
Nonfinancial Business	F.102	15	L.102	76
Nonfinancial Corporate Business	F.103	16	L.103	77
Nonfinancial Noncorporate Business	F.104	17	L.104	78
General Government	F.105	18	L.105	79
Federal Government	F.106	19	L.106	80
State and Local Governments	F.107	20	L.107	81
Domestic Financial	F.108	21	L.108	82
Monetary Authority	F.109	22	L.109	83
Private Depository Institutions	F.110	23	L.110	84
U.S.-Chartered Depository Institutions	F.111	24	L.111	85
Foreign Banking Offices in U.S.	F.112	25	L.112	86
Banks in U.S.-Affiliated Areas	F.113	26	L.113	87
Credit Unions	F.114	26	L.114	87

Sectors				
Property-Casualty Insurance Companies	F.115	27	L.115	88
Life Insurance Companies	F.116	28	L.116	89
Life Insurance Companies: General Accounts	F.116.g	29	L.116.g	90
Life Insurance Companies: Separate Accounts	F.116.s	29	L.116.s	90
Private and Public Pension Funds	F.117	30	L.117	91
Private Pension Funds	F.118	31	L.118	92
Private Pension Funds: Defined Benefit Plans	F.118.b	32	L.118.b	93
Private Pension Funds: Defined Contribution Plans	F.118.c	32	L.118.c	93
Federal Government Employee Retirement Funds	F.119	33	L.119	94
Federal Government Employee Retirement Funds: Defined Benefit Plans	F.119.b	34	L.119.b	95
Federal Government Employee Retirement Funds: Defined Contribution Plans	F.119.c	35	L.119.c	95
State and Local Government Employee Retirement Funds	F.120	35	L.120	96
State and Local Government Employee Retirement Funds: Defined Benefit Plans	F.120.b	36	L.120.b	97
State and Local Government Employee Retirement Funds: Defined Contribution Plans	F.120.c	36	L.120.c	97
Money Market Mutual Funds	F.121	37	L.121	98
Mutual Funds	F.122	37	L.122	98
Closed-End and Exchange-Traded Funds	F.123	37	L.123	98
Government-Sponsored Enterprises	F.124	38	L.124	99
Agency- and GSE-Backed Mortgage Pools	F.125	38	L.125	99
Issuers of Asset-Backed Securities	F.126	39	L.126	100
Finance Companies	F.127	40	L.127	101
Real Estate Investment Trusts (REITs)	F.128	41	L.128	102
Equity Real Estate Investment Trusts	F.128.e	42	L.128.e	103
Mortgage Real Estate Investment Trusts	F.128.m	42	L.128.m	103
Security Brokers and Dealers	F.129	43	L.129	104
Holding Companies	F.130	44	L.130	105
Funding Corporations	F.131	45	L.131	106
Rest of the World	F.132	46	L.132	107

Instruments				
U.S. Official Reserve Assets and SDR Allocations	F.200	47	L.200	108
Special Drawing Rights (SDRs) Certificates and Treasury Currency	F.201	47	L.201	108
U.S. Deposits in Foreign Countries	F.202	47	L.202	108
Net Interbank Transactions	F.203	48	L.203	109
Checkable Deposits and Currency	F.204	49	L.204	110
Time and Savings Deposits	F.205	50	L.205	111
Money Market Mutual Fund Shares	F.206	50	L.206	111
Federal Funds and Security Repurchase Agreements	F.207	51	L.207	112
Debt Securities	F.208	52	L.208	113
Open Market Paper	F.209	53	L.209	114
Treasury Securities	F.210	54	L.210	115
Agency- and GSE-Backed Securities	F.211	55	L.211	116
Municipal Securities	F.212	56	L.212	117
Corporate and Foreign Bonds	F.213	57	L.213	118
Loans	F.214	58	L.214	119
Depository Institution Loans Not Elsewhere Classified	F.215	59	L.215	120
Other Loans and Advances	F.216	60	L.216	121
Total Mortgages	F.217	61	L.217	122
Home Mortgages	F.218	62	L.218	123
Multifamily Residential Mortgages	F.219	62	L.219	123
Commercial Mortgages	F.220	63	L.220	124
Farm Mortgages	F.221	63	L.221	124
Consumer Credit	F.222	64	L.222	125
Corporate Equities	F.223	65	L.223	126
Mutual Fund Shares	F.224	65	L.224	126
Trade Credit	F.225	66	L.225	127
Life Insurance Reserves	F.226	66	L.226	127
Pension Entitlements	F.227	67	L.227	128
Taxes Payable by Businesses	F.228	67	L.228	128
Proprietors' Equity in Noncorporate Business	F.229	67	L.229	128
Direct Investment	F.230	68	L.230	129

Total Miscellaneous Financial Claims	F.231	69	L.231	130
Identified Miscellaneous Financial Claims—Part I	F.232	70	L.232	131
Identified Miscellaneous Financial Claims—Part II	F.233	71	L.233	132
Unidentified Miscellaneous Financial Claims	F.234	72	L.234	133
Sector Discrepancies	F.7	73		
Instrument Discrepancies	F.8	73		

Title	Balance Sheet		Reconciliation	
	Table	Page	Table	Page
Balance Sheet and Changes in Net Worth				
Households and Nonprofit Organizations	B.101	134	R.101	137
Nonfinancial Corporate Business	B.103	135	R.103	138
Nonfarm Noncorporate Business	B.104	136	R.104	139

Title	Flows		Levels	
	Table	Page	Table	Page
Supplementary Tables				
Balance Sheet of Households and Nonprofit Organizations with Equity Detail			B.101.e	140
Nonprofit Organizations	F.101.a	141	L.101.a	142

Title	Table	Page
Integrated Macroeconomic Accounts for the United States		
Total Economy—Current Account	S.1.a	143
Selected Aggregates for Total Economy and Sectors	S.2.a	144
Households and Nonprofit Institutions Serving Households	S.3.a	146
Nonfinancial Noncorporate Business	S.4.a	149
Nonfinancial Corporate Business	S.5.a	152
Financial Business	S.6.a	155
Central Bank	S.61.a	158
Private Depository Institutions	S.62.a	160
Insurance Companies	S.63.a	163
Pension Funds	S.64.a	166
Other Financial Business	S.65.a	169
Federal Government	S.7.a	172
State and Local Governments	S.8.a	175
Rest of the World	S.9.a	178