Integrated Macroeconomic Accounts for the United States

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THIS article introduces a set of macroeconomic accounts that relate production, income and saving, capital formation, financial transactions, and asset revaluations to changes in net worth between balance sheets for major sectors of the U.S. economy. These new accounts should help economists gain a better understanding of major developments in the U.S. economy by providing a comprehensive picture of economic activity within an integrated framework in which consistent definitions, classifications, and accounting conventions are used throughout the presentation.

Highlights of the integrated macroeconomic accounts include the following:

- Among the domestic sectors, households and nonprofit institutions, nonfinancial noncorporate businesses, the Federal Government, and state and local governments have been net borrowers in recent years, as net fixed investment in these sectors has exceeded net saving. Net lending to these sectors has been provided by nonfinancial corporations, financial businesses, and the rest of the world.
- The net lending position of the nonfinancial corporate sector in recent years has been quite unusual, with undistributed corporate profits (net saving) exceeding net investment by an average of $43.6 billion each year in 2003–2005. Funds raised in credit and equity markets were also unusually low as borrowing in the form of loans and debt securities was mainly offset by retirements of corporate equities.
- Although the saving rate for households and nonprofit institutions has fallen to historically low levels in recent years, the net worth of this sector increased $12.9 trillion in 2003–2005. This increase was mainly accounted for by a $4.9 trillion increase in the value of real estate and a $4.5 trillion rise in the values of shares and other equity that were due to changes in prices.
- In recent years, low personal saving rates have been associated with large volumes of mortgage borrowing, which averaged $984.4 billion each year in 2003–2005. However, the increase in mortgage debt of households and nonprofit institutions was exceeded by an average annual increase of $2.2 trillion in the value of real estate, which includes net investment. Because most of the real estate in this sector is associated with owner-occupied housing, net housing wealth, defined as the difference between owner-occupied housing values and related mortgage debt, rose substantially.

The full set of integrated macroeconomic accounts were developed as part of an interagency effort to further harmonize the Bureau of Economic Analysis national income and product accounts (NIPAs) and the Federal Reserve Board flow of funds accounts (FFAs) and to bring these accounts into closer accordance with the national accounting guidelines offered by the international community in the *System of National Accounts, 1993* (SNA).[1] Accordingly, the SNA was used as the organizing framework for the integrated accounts,

1. See Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and the World Bank, *System of National Accounts 1993* (Brussels/Luxembourg, New York, Paris, and Washington, DC, 1993).

For a discussion of the history of this project and a prototype of the integrated accounts, see Albert M. Teplin, Rochelle Antoniewicz, Susan Hume McIntosh, Michael G. Palumbo, Genevieve Solomon, Charles Ian Mead, Karin Moses, and Brent Moulton, "Integrated Macroeconomic Accounts for the United States: Draft SNA-USA," in *A New Architecture for the U.S. National Accounts*, eds. Dale W. Jorgenson, J. Steven Landefeld, and William D. Nordhaus (University of Chicago Press, 2006).

Data Availability

The tables in this paper present the integrated macroeconomic accounts for the six major sectors of the domestic economy and the rest of the world for 2003–2005. A set of these tables that present data for 1960–2005 are available on BEA's public Web site at <www.bea.gov/national/nipaweb/Ni_FedBeaSna/Index.asp>. In addition, this Web site includes a table that presents a current account for the total domestic economy and a table that presents selected aggregates.

but these accounts do not necessarily follow all of the guidelines offered by the SNA. Related improvements in the NIPAs and FFAs will be introduced according to the standard revision policies for these accounts; the agencies currently plan to introduce related improvements into the integrated accounts during the quarterly updates that immediately follow their availability.

In the first part of this article, the main features of the SNA that are necessary to understand the overall structure of the integrated accounts and related research initiatives are introduced, and the differences in these features from those of the NIPAs and FFAs are discussed. In the second part, the integrated macroeconomic accounts are introduced, and some of their limitations are discussed. In the third part, some potential uses of the new accounts are illustrated. In the fourth part, some ideas to further develop these accounts are discussed.

International Guidelines

The SNA is an accounting structure for reporting macroeconomic data that summarize the transactions of groups of institutions (or sectors) and groups of establishments engaged in production (or industries). It begins with a sequence of accounts that flow into one another to track the sources of change in net worth for each sector. These accounts are then summed across sectors to obtain accounts for the total economy.

In the SNA, a nation's institutions are grouped into five mutually exclusive sectors that are intended to cover just about all macroeconomic activity—nonfinancial corporations, financial corporations, general government, nonprofit institutions serving households, and households. The SNA also allows for each sector to be divided into subsectors. For example, in the general government sector, accounts can be compiled for central government, state government, local government, and social security funds.

The sequence of accounts for each sector begins with an opening balance sheet, which records the value of assets, liabilities, and net worth (chart 1).

The balance sheet is followed by a sequence of current accounts. The first of these shows the contribution that is made by the sector to gross domestic product both in terms of the goods and services that are produced and the cost incurred during production. The remainder of these shows how net income that is generated from current production and received by the sector is used to finance consumption and savings.

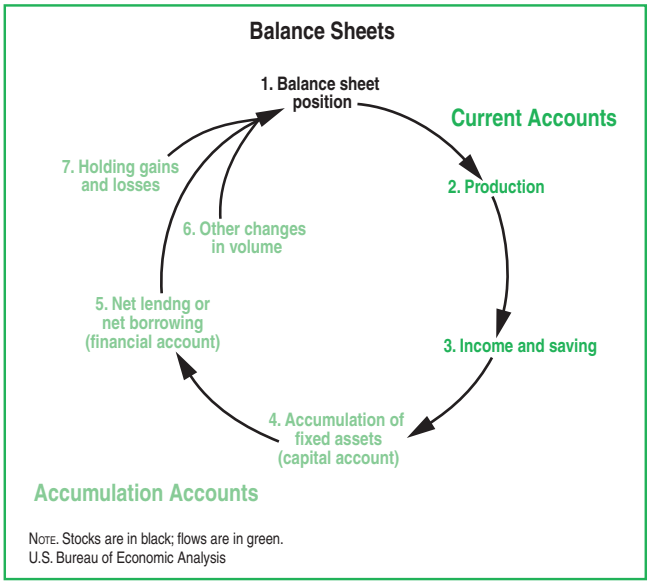
The current account is followed by two accumulation accounts that separately derive a measure of the net lending or net borrowing position of the sector. The first, a capital account, derives net lending or net borrowing by subtracting fixed investment from saving that has been carried forward from the current account. The second, a financial account, derives net lending or net borrowing by subtracting the net acquisition of financial liabilities from the net acquisition of financial assets.

In principle, the value of net lending or net borrowing should be the same in both of the accounts, because saving that is not spent on purchases of fixed assets results in the acquisition of financial assets and because borrowing that is used to finance the purchase of fixed assets results in the incurrence of financial liabilities. However, when compiling the two related 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.

The capital and financial accounts are followed by two additional accumulation accounts. The first, an "other changes in volume" account, records changes in net worth that are unrelated to current production or asset revaluation, such as changes due to catastrophic losses or uncompensated seizures of foreign assets and statistical breaks due to substantive changes in sector coverage or details available in key source data. The second, a revaluation account, records changes in the values of assets and liabilities that result from changes in their price.

The sum of fixed investment, net lending or net

Chart 1. Sequence of Accounts



NOTE. Stocks are in black; flows are in green.
U.S. Bureau of Economic Analysis

borrowing, and other changes in net worth from the "other changes in volume" and revaluation accounts fully explains the total change in net worth for the sector, which in turn provides the next opening balance sheet position.

Differences between the NIPAs and the SNA

The NIPAs are organized as seven summary accounts, and data are presented in more than 300 underlying tables that cover most of the transactions envisioned in the current and capital accounts of the SNA. Despite the similarities in coverage, there are some notable differences between the NIPAs and the main features of the SNA that have been adopted in the integrated accounts.[2]

Differences in sectors. The sector classification scheme that is used in the NIPAs is more complicated than that recommended in the SNA. In the NIPAs, institutions are grouped one way for measuring their contribution to production, and they are grouped another way for measuring income, outlays, and saving. In contrast, the SNA recommends the use of a single set of sectors throughout the entire sequence of accounts.

For measuring the contribution to production, the NIPAs group institutions into three sectors—business, households and institutions, and general government. The business sector consists of all entities that produce goods and services for sale at a price intended to at least cover the costs of production. This includes incorporated and unincorporated forms of business organized for profit, mutual financial institutions, private uninsured pension funds, cooperatives, nonprofit organizations serving business, Federal Reserve banks, government-sponsored enterprises, and government business enterprises.[3] The households and institutions sector consists of households and nonprofit institutions serving households (NPISHs). The general government sector includes all government institutions (Federal, state, and local) except government business enterprises, which are included in the business sector of the NIPAs.

These sectors differ from those in the SNA primarily in their treatment of noncorporate business enterprises. In the NIPAs, these enterprises are included in the business sector. In the SNA, unincorporated businesses that primarily cover their operating costs through sales and that keep a complete set of financial records, such as some private partnerships and government business enterprises, are classified as "quasi-corporations" in the nonfinancial or financial corporations sectors, and other types of unincorporated enterprises, such as sole proprietorships, are classified in the household sector.

For measuring income, outlays, and saving, the NIPAs group institutions into three different sectors—corporate, personal, and government. The corporate sector consists of all nonfinancial and financial business enterprises that must file Federal corporate income tax returns, including mutual financial institutions, nonprofit institutions serving business, Federal Reserve banks, and government-sponsored enterprises.[4] The personal sector includes income that is earned by, or transferred to, households and NPISHs and the net income of enterprises that are owned by households (proprietors' income and rental income of persons). The government sector includes all government institutions, including government business enterprises.

Other differences. In the SNA, the current account for each sector begins by subtracting purchases of intermediate goods and services from gross output to arrive at value added. BEA provides value-added information by industry in its industry accounts and by sector in its detailed NIPA tables, but it does not provide information on gross output or purchases of intermediate goods and services for the private sectors of the economy. The more familiar presentation of GDP in the NIPA summary accounts calculates its value as the sum of final expenditures—personal consumption expenditures, private fixed investment, net exports of goods and services, and government expenditures and gross investment.

Differences between the FFAs and the SNA

The FFAs are organized as 19 summary accounts, and data are presented in more than 140 underlying tables, primarily focusing on financial flows and stocks of financial assets and liabilities. The FFAs cover most transactions envisioned in the capital, financial, revaluation, and "other changes in volume" accounts of the SNA, and the FFAs provide complete balance sheets for

2. For a more detailed discussion of the differences between the NIPAs and the SNA, see Charles Ian Mead, Karin E. Moses, and Brent R. Moulton, "The NIPAs and the System of National Accounts," Survey of Current Business 84 (December 2004): 17–32.

3. Government-sponsored enterprises consist of Federal home loan banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Farm Credit System, the Financing Corporation, and the Resolution Funding Corporation, and they included the Student Loan Marketing Association until the fourth quarter of 2004, when it became privatized.

Government business enterprises are government agencies that cover a substantial portion of their operating costs by selling goods and services to the public and that maintain their own separate financial records, such as the U.S. Postal Service, state and local utility companies, and state and local transit authorities.

4. Although government-sponsored enterprises may have been initially established by the government, they are treated as financial businesses in U.S. macroeconomic accounts because they are independently controlled and issue their own debt.

households and nonfinancial business. Despite the similarities in coverage, there are some notable differences between the FFAs and the main features of the SNA that have been adopted in the integrated accounts or that relate to future research initiatives.

Differences in sectors. The FFAs divide financial institutions (commercial banks, insurance companies, pension funds, and other financial intermediaries) into 22 different sectors. The remaining institutions in the U.S. economy are divided into five sectors—households and nonprofit organizations, nonfinancial business, Federal Government, and state and local governments. The FFAs also include nonfinancial business subsectors for nonfarm nonfinancial corporate business, nonfarm noncorporate business, and farm business.

The FFA sectors mainly differ from the SNA in the same way that the NIPA sectors that are used to measure income, outlays, and saving differ from the SNA. The financial and nonfinancial corporate sectors of the FFAs exclude quasi-corporations (partnerships), the government sectors include all government business enterprises, and the households and nonprofit organizations sector includes the net financial activity of all unincorporated businesses, not just sole proprietorships.

One exception relates to the sectoring of corporate farms. In the NIPAs, the income and outlays of corporate farms are included in the corporate sector. In contrast, corporate farms are included as part of the FFA farm subsector.

Other differences. The SNA envisions a complete balance sheet for each sector of the economy. However, the FFAs only publish balance sheets for households and nonprofit organizations, nonfinancial noncorporate business, and nonfinancial corporate business. For other types of institutions, balance sheet information in the FFAs is limited to financial assets and liabilities, mainly because of a lack of information on the market value of real estate and stocks of nonproduced nonfinancial assets, such as land, electromagnetic spectrum, and offshore drilling rights.

In the SNA, purchases of consumer durable goods are treated as final consumption in the accounts and are excluded from the balance sheets of the household sector. Although such goods provide services over a period of three or more years, their purchase is not treated as fixed investment because consumer durable goods are primarily used for nonmarket household production, which is considered outside the scope of GDP and the national accounts. In the FFAs, purchases of consumer durable goods are treated as investment because they represent important assets of households and are an important part of their net worth. Because the FFAs do not measure current production, this practice does not create any inconsistency within these accounts.

Another difference between the FFAs and the SNA mainly relates to changes in the value of financial and fixed assets. The SNA recommends differentiating between changes in net worth from revaluations due to price changes and all "other changes in volume" not associated with net investment flows. Currently, the FFAs are not able to separate "other volume changes" from revaluations for series that have both, but this is an issue the Federal Reserve Board staff is working on. The combination of these effects on changes in net worth is shown in separate "reconciliation" tables that accompany the balance sheets.

A few other differences between the FFAs and the SNA also relate to changes in the value of financial and fixed assets. First, the FFAs record bonds at book value and equities at market value, whereas the SNA recommends that all securities are recorded at market value; thus, revaluations associated with financial instruments other than shares and other equity instruments are not included in the FFAs, whereas the SNA recommends including revaluations of all financial instruments.[5] Second, debt writeoffs are not separately identified as "other changes in volume" as recommended in the SNA. Instead, they are reflected in the changes in the flows in the financial accounts.

A final difference between the data presented in the FFAs and what is envisioned in the SNA relates to the concept of net worth reported for the corporate business sectors. The FFAs follows typical accounting standards by presenting net worth as the recorded value of assets less liabilities, excluding equity capital. In contrast, the SNA calculates net worth as the market value of assets less a broader measure of liabilities that includes equity capital.

The inclusion of the market value of equity in the FFA measures of net worth allows users of these accounts to calculate many useful financial ratios. For instance, many users compare the FFA measures of net worth with those of debt to assess the long-term solvency of the nonfinancial corporate sector. Some users also compare the FFA measures of net worth with similar measures that are derived using historical costs for fixed assets to form expectations about future stock market returns.[6]

5. Past efforts by the Federal Reserve Board have found that this exclusion was unlikely to have much of an impact on net worth. However, this work predates more recent financial developments.

6. Some argue that such a comparison often does not provide useful information, particularly in more recent years, because the balance sheets exclude many types of intangible assets, such as consumer databases and firm-specific training, that have likely grown in more recent years and that may be an important determinant of equity market value.

The exclusion of the market value of equity from the SNA measure of corporate net worth allows net worth for the Nation to be computed directly as the sum of net worth across the sectors. The SNA measure of corporate sector net worth can be positive or negative, depending on the relationship between the market value of equity shares outstanding and the recorded value of its assets net of liabilities. By adding this measure to net worth for the other sectors in the SNA, in principle, net worth for the Nation is based on the recorded value of corporate assets rather than on the market value of equity shares outstanding.

The New Integrated Accounts

This section introduces the tables that present the integrated macroeconomic account for each sector of the U.S. economy. Most of the series in these tables are derived from data reported in the NIPAs and the FFAs. For the other series, alternative methods and data are used to estimate their values. Both BEA and the Federal Reserve Board are confident that the data in these tables provide information that is analytically useful and more transparently integrated in comparison with the data in the current NIPA and FFA tables, but they do not consider the new integrated data to be official estimates.

The main contribution of these tables is that they present a complete sequence of macroeconomic accounts that is based on consistent definitions, classifications, and accounting conventions. Although many of the terms that appear in these accounts also appear in the SNA, the definitions of the terms may vary, so users of these tables who are more familiar with SNA accounting standards than NIPA and FFA accounting standards should consult the documentation on these two last accounts to ensure that they understand exactly what is presented in the measures chosen for their analyses.[7]

Users of these tables should also note that a few of the SNA features that were mentioned in the previous section have not been fully adopted in the integrated accounts. First, the tables use a consistent set of sectors throughout the entire sequence of accounts, and these sectors are primarily based on definitions that are used in either the NIPAs or the FFAs. Second, each table begins by presenting gross value added by sector, but these values are only shown as the sum of production costs because the presentation is limited by the data that are currently available in the NIPAs. Third, additional work still needs to be done to more fully develop the revaluation and "other changes in volume" accounts because the data in the related integrated accounts are limited by the data that are currently available in the FFAs.

It is also worth noting that the sum of gross value added across the sectors of the domestic economy in these accounts equals the gross domestic income in the NIPAs rather than gross domestic product because the related measures for each sector are based solely on information from the income-side of the NIPAs.

The tables divide domestic institutions into six sectors—households and nonprofit institutions serving households, nonfinancial noncorporate business, nonfinancial corporate business, financial business, Federal Government, and state and local governments. The rest of this section discusses the tables for each of the sectors and for the rest of the world.

Households and nonprofit institutions serving households

The integrated accounts for households and nonprofit institutions serving households (NPISHs) cover the same institutions that are included in the NIPA household and institutions and FFA households and nonprofit sectors.

The first portion of the current account for households and NPISHs shows the sector's contribution to the output of final goods and services in the domestic economy, which is measured as gross value added (table 1, line 1). Net value added is equal to gross value added less the consumption of fixed capital, and it equals compensation paid by households and NPISHs, taxes on production and imports less subsidies, and net operating surplus (lines 3–8).

Because production for this sector includes owner-occupied housing services in addition to domestic and nonprofit services, taxes on production and imports less subsidies includes property taxes paid less the subsidies received by both homeowners and NPISHs. Net operating surplus also includes the net interest payments and rental income associated with owner-occupied housing and fixed assets of NPISHs.

Net operating surplus is carried forward into the second portion of the current account, which derives a measure of net national income by adding the income accrued by households and NPISHs as a consequence of their involvement in the process of production or their ownership of assets that may be needed for production (lines 10–19). This income consists of net operating surplus, "compensation of employees (received)," and "property income (received)" (lines

7. For details on the NIPAs, see "A Guide to the National Income and Product Accounts of the United States" and the various methodology papers that are available at <www.bea.gov>. For details on the FFAs, see *Guide to the Flow of Funds Accounts* (Publications Services, Board of Governors of the Federal Reserve System, 2000); <www.federalreserve.gov/releases/z1/>.

10–14). For households and NPISHs, property income consists of interest receipts, dividend receipts, and withdrawals from the income of quasi-corporations, which is the sum of proprietors' income and the rental income of tenant-occupied housing, less interest payments.

Net national income is carried forward into the final two portions of the current account. The first portion derives disposable income by subtracting "current taxes on income and wealth, etc. (paid)," "social contributions (paid)," and net "other current transfers" from net national income (lines 20–26). The second portion derives net saving (line 28) by subtracting final consumption expenditures (line 27) from disposable income (line 26).

The information that is covered in the final three portions of the current account is similar to that provided in the NIPA personal income and outlays account. However, there are some important differences between the related accounts.

In the NIPAs, owner-occupied housing is essentially a subsector of the private enterprise account, where the related net interest and transfer payments are subtracted from value added to obtain the rental income of persons for owner-occupants. This measure is then carried forward (along with the rental income of persons from tenant-occupied housing and other rental income of persons) into the personal income and outlays account as a net source of income in the derivation of personal saving. In the integrated accounts, net operating surplus is carried forward into the second portion of the current account for households and NPISHs. The net interest and transfer payments that are associated with owner-occupied housing (along with the net interest associated with the fixed assets of NPISHs) are then effectively subtracted by including the payments and receipts that are associated with owner-occupied housing in the interest and transfer measures for the consistently defined sector.

Another difference between the related accounts is that they present different concepts of disposable income. In particular, disposable personal income in the NIPAs is calculated before the deduction of interest and other current transfer payments, but disposable income in the integrated accounts is calculated after the deduction of such transactions.

A final difference between the accounts is that the measure of net saving in the current account (line 28) can differ slightly from the related measure of personal saving in the NIPAs because personal saving is partly based on a cash-based accounting measure of wage and salaries. In the integrated accounts, net saving is partly based on an accrual-based accounting measure of wage and salaries (line 5).

Net saving is then carried forward into the capital account. As in the SNA, this account derives net lending or net borrowing for the sector by subtracting net capital formation (fixed investment) (line 32) from net saving and capital transfers (line 29). For households and NPISHs, net capital transfers consists of estate and gift taxes paid to the government and net migrants' transfers received by the rest of the world, which typically has a negative value. Purchases of consumer durable goods are also excluded from fixed investment, which is consistent with their treatment in the NIPAs and the SNA but not in the FFAs.

The capital account is followed by the financial account from which a measure of net lending or net borrowing for the sector can be derived by subtracting the net incurrence of liabilities from the net acquisition of financial assets. However, such a derivation results in a value for net lending or net borrowing that differs from that in the capital account because of differences in source data, timing of recorded flows, and other statistical differences between the accounts.

The SNA offers no guidance on how to treat the discrepancy between the two measures of net lending or net borrowing. In this table, as in the tables for the other sectors in the integrated accounts, the measure from the capital account is carried forward into the financial account, and the discrepancy between the two measures is included as the statistical discrepancy in the "other changes in volume" account (line 83). This provides consistency between changes in net worth that are recorded in the accumulation accounts and levels of net worth that are recorded on the balance sheets. By not forcing equality, the discrepancy between these measures also provides a crude measure of the effectiveness of future efforts to better align estimates in the accounts.

The differences between the two measures of net lending or net borrowing highlight the limitations of the accounts for this sector. Although the general trends of these two measures are similar, their values often differ by quite a bit, indicating that there are many statistical differences embedded in the accounts. These differences are not surprising because many of the flows for this sector in both the FFAs and the NIPAs are calculated residually, and differences in source data, timing of recorded flows, and many statistical differences in other sectors affect the estimates in this account.

In addition to the net lending or net borrowing discrepancy, the "other changes in volume" account includes net investment in consumer durable goods (line 81). As a result, such goods can be recorded on

the balance sheet for the household sector while consistency with the SNA's exclusion of the purchases of such goods from measures of fixed investment can still be maintained.

The revaluation account (the final accumulation account) for the sector records nominal holding gains and losses for nonfinancial and financial assets (lines 84–94). One notable characteristic of this account is that it does not provide separate measures for changes in the value of land and structures. Instead, the account provides a single value for all real estate (line 85), because the agencies have not fully researched the best way to provide separate measures.

The revaluation account is followed by a measure for the change in net worth for the sector (line 95). As in the SNA, the value is equal to the sum of the net capital formation, net lending or net borrowing, "other changes in volume," and nominal holding gains or losses. The change in household and NPISH net worth is the same as that published in the FFAs, but the components differ. The net lending or net borrowing measure that is used in the calculation of net worth is from the capital account rather than from the financial account. The statistical discrepancy between the capital account and the financial account enters the calculation of the change in net worth through the "other changes in volume" account to bring the measure in line with what is reported in the FFAs.

The end-of-period stocks in the balance sheet account (lines 96–142) are similar to those published in the FFAs. The terminology for asset and liability items is consistent with international terminology, which should allow for easier comparisons across countries. In addition, financial instruments are grouped as recommended by the SNA.

Nonfinancial noncorporate business

The nonfinancial noncorporate business sector primarily consists of nonfinancial partnerships and sole proprietorships, including the noncorporate farms that are part of the FFA farm business subsector. However, it also includes the activities associated with tenant-occupied housing.

Since the accounts for this sector are structured in the same manner as those for the household and NPISHs sector, only a few noteworthy characteristics of the accounts for nonfinancial noncorporate businesses need to be mentioned.

Net operating surplus in this sector (table 2, line 8) consists of proprietors' income, net interest, business transfer payments associated with nonfinancial partnerships and sole proprietorships, and rental income associated with tenant-occupied housing.

Income generated in this sector is paid out to households as withdrawals from quasi-corporations (line 14). As a result, by construction, the sector has no net saving (line 20). However, there is capital formation for nonfinancial noncorporate businesses, which is financed by either "borrowing" from the income of quasi-corporations that has been distributed to households or borrowing though financial markets.

Capital formation financed by borrowing from the income of quasi-corporations is recorded in the financial account as equity in noncorporate business (line 54). Because of data limitations, the value of equity in noncorporate business is residually determined as the amount that is necessary to finally bring net borrowing from the financial account into alignment with net borrowing from the capital account. As a result, there is no statistical discrepancy between the borrowing measures to appear in the "other changes in volume" account for this sector.

The difficulties associated with measuring equity in noncorporate business have little effect on the measurement of the change in net worth for the sector (line 71) because total changes in net worth are mainly the result of changes in the prices of real estate that are recorded in the revaluation account (line 63).

Nonfinancial corporate business

The nonfinancial corporate business sector consists of the same nonfinancial institutions that are classified into the corporate sector in the NIPAs, and it includes the corporate farms that are part of the FFAs farm business subsector.

In the first portion of the current account, net operating surplus (table 3, line 8) consists of corporate profits, net interest, and business transfer payments that are associated with the nonfinancial corporations in the sector.

The remaining portions of the current account cover the same type of information that is presented for private enterprises in the NIPA summary accounts. However, there are a few differences that relate to the heavier use of SNA terminology and concepts in the integrated accounts. First, measures of corporate profits are fairly prominent in the NIPAs, but there are no equivalents in the current account for this sector. Second, undistributed corporate profits are called net saving in this account (line 24). Third, because there are no final consumption expenditures for corporations, net saving is equal to the SNA concept of disposable income (line 23).

The structure of the capital account is the same as that for households and NPISHs, but a few characteristics of the account for this sector are worth noting.

First, this capital account lacks the measure of internal funds (after-tax profits plus depreciation allowances) that appears in the FFAs and that is used to derive the sector's financing gap. This gap, which is measured as the difference between capital expenditures and the sum of U.S. internal funds and inventory valuation adjustment, is sometimes used as an indicator of the corporate sector's need to borrow.[8] Net lending or net borrowing (line 33) is almost the same as the financing gap, but it includes undistributed profits of foreign subsidiaries, which are excluded from the FFA calculation of U.S. internal funds.

A final noteworthy characteristic about the capital account is related to nonproduced nonfinancial assets. These are claims on resources that are necessary for production but that have not been produced, such as land, the electromagnetic spectrum, and offshore drilling rights that are purchased from the government. The stocks of such assets are excluded from the balance sheet account, but the transactions associated with the net acquisition of such assets are included in the capital account (line 31). By including this flow in the statistical discrepancy in net lending or net borrowing (line 79), the accounts maintain consistency between the change in net worth (line 95) that is derived from items in the capital, financial, "other changes in volume," and revaluation accounts and the levels of net worth reported on the balance sheets while still providing information on transfers of these types of assets.

Not only is the discrepancy between the net lending or net borrowing measures affected by the accounting conventions used for nonproduced nonfinancial assets, but it is also affected by the boundary that effectively separates nonfinancial institutions from financial institutions within the accounts. In the current account, the measures are largely based on tax return data, and the sectoring of consolidated returns is based on the predominant form of business. In the financial account, the measures also use survey and regulatory data to effectively split financial subsidiaries from consolidated returns of parent corporations that are primarily engaged in nonfinancial activities. As a result, some of the financial activities of corporate subsidiaries are included in the current and capital accounts for the nonfinancial corporate business sector but are excluded from the sector's financial account.

The lack of a consistent definition of nonfinancial and financial business is a limitation of the integrated accounts. To some extent, it impedes an understanding about precisely how real activity in the economy is being financed. It also limits more precise analyses of how financial risk is spread across the economy.

Because the measures of sector net worth in the integrated accounts are based on the SNA definition, its value for nonfinancial corporations can be positive or negative, depending on the market value of equity and on the recorded value of assets and other liabilities. The values of net worth for 2003–2005 presented in this paper are positive, but the tables on BEA's Web site show that this sector's net worth for 1995–2001 was negative; these negative values are consistent with the general finding that the market value of many firms greatly exceeded the recorded net value of shareholder's equity.

Financial business

The financial business sector consists of the monetary authority, depository institutions, insurance and private pension funds, and all other financial intermediaries that are included in the FFA financial sectors. It includes the financial sole proprietorships and partnerships that are excluded from the NIPA corporate sector.

In the current account, the measure of net operating surplus (table 4, line 8) consists of corporate profits, net interest, and business transfer payments of financial corporate business and proprietors' income, net interest, and business transfer payments of unincorporated financial businesses.

The remaining accounts for this sector are mainly structured the same way as those for the nonfinancial corporate sector. However, in the financial account, intrasector assets and liabilities—such as mortgage-backed securities issued by agencies and GSE-backed mortgage pools bought by commercial banks—are included as both an asset (line 36) and a liability (line 52). It is worth noting that there are sizable revaluations of financial assets (line 74) and financial liabilities (line 78) in the revaluation account primarily because of the sector's sizable equity holdings.

The net worth for financial business (line 134) is calculated from the same factors as those for the household sector with one notable exception. Because of data limitations, the change in net worth (line 85) excludes revaluations of real estate, and the level excludes the market value of real estate but includes the replacement cost of nonresidential structures.

Federal Government and state and local governments

The government sectors consist of the same governmental units that are included in the FFA government sectors. As a result, these sectors include the government business enterprises that are included in the NIPA government sector, but they exclude government

8. Because companies have other financial assets at their disposal, as well as discretion over equity issuance and share repurchases, the empirical relationship between the financing gap and corporate borrowing is often weak.

retirement funds, including the Federal retirement funds that were recently moved into the their own FFA sector.

In the first portion of the current accounts, net operating surplus (line 7 in tables 5 and 6) consists of the current surplus of the government business enterprises that are included in each sector.

The remaining portions of the current accounts (lines 8–24 in tables 5 and 6) are structured in the same manner as those for the other sectors of the domestic economy in the integrated accounts. As a result, the organization of these transactions differs from the presentation of government receipts and expenditures in the NIPAs. Most notably, the second portion of these accounts do not provide measures of total receipts and expenditures as does the NIPA account in the derivation of its measure of government saving.

The measure of net saving in the current accounts (line 24 in tables 5 and 6) can differ slightly from the related measure of net government saving in the NIPAs because net government saving is partly based on a measure of wage and salary disbursements.[9] In the integrated accounts, like in the SNA, government saving is partly based on a measure of wage and salary accruals.

The capital accounts for the government sectors include the net acquisition of nonproduced nonfinancial assets because they serve as the counterpart to the purchases of such assets from the nonfinancial corporate sector (line 31). For the Federal Government sector, these assets mainly consist of sales of electromagnetic spectrum and offshore drilling rights. For the state and local government sector, these assets mainly consist of sales of land and access rights. Like in the capital account for the nonfinancial corporate sector, these flows are included in the net lending or net borrowing discrepancy in the "other changes in volume" account to maintain consistency between the change in net worth and the balance sheet accounts for the government sectors.

The discrepancies between the two net lending or net borrowing measures for Federal Government tend to be small, mainly reflecting the generally high quality of data available for the Federal Government. However, the small discrepancies also reflect timing adjustments that were recently made to the FFAs to improve their consistency with the NIPAs. In contrast, the discrepancies for the state and local government sector tend to be large mainly because of source data limitations, but it is possible that closer coordination on estimation methodologies between the two agencies could further integrate these accounts.

For both government sectors, the measures of net worth (line 117 in table 5 and line 103 in table 6) are limited because they only include the replacement costs of reproducible fixed assets (primarily, nonresidential structures and equipment and software). The Federal Government controls a vast amount of land, natural resources, and spectrum rights that are not accounted for in its revaluation and balance sheet accounts. The U.S. Office of Management and Budget provides supplemental information on the real estate owned by the Federal Government, but these data are provided for illustrative purposes and have not been fully vetted for use in the accounts.[10] In addition, there are no estimates of the same types of assets for state and local governments.[11]

Rest of the world

The accounts for the rest of the world present a mirror image of the U.S. international transactions accounts published by BEA. In the current account, net saving or the current external balance (table 7, line 8) is calculated by subtracting foreign outlays to U.S. residents (line 5) from the foreign income received from U.S. residents (line 1). In the capital account, net capital transfers (line 10) are added to net saving (line 9) and acquisition of nonproduced nonfinancial assets (line 11) is subtracted to arrive at the net lending or net borrowing position for the rest of the world (line 12).

The magnitude of the net lending or net borrowing position of the rest of the world should equal that of the total domestic economy. However, this usually does not occur in the integrated macroeconomic accounts, primarily because the accounts rely on information from the product side of the NIPAs for their measures of capital formation and on information from the income side for their measure of saving. As a result, the discrepancy between these two sides of the NIPA domestic income and product account explains almost all of the differences between the magnitudes of the related measures. Eliminating the differences that cannot be explained by the difference between the income and product sides of the NIPAs and that appear in some of the later periods is a high priority of the agencies.

The financial, "other changes in volume," and

9. Although wages and salaries do not directly appear in the government current receipts and expenditures accounts of the NIPAs, they are included as part of the measure of consumption expenditures that is used to derive the measures of net government saving. The same is true for the measures of final consumption expenditures that are used to derive government net saving in the integrated accounts.

10. See Executive Office of the President, Office of Management and Budget, "Table 3–1. Government Assets and Liabilities," in *Analytical Perspectives of the U.S. Government, Fiscal Year 2007* (Washington, DC: U.S. Government Printing Office, 2006): 182.

11. Only recently has the Government Accounting Standards Board begun to require state and local governments to create balance sheets and determine the value of their assets.

revaluation accounts for the rest of the world are structured in the same way as the related accounts for the domestic economy. The information in these accounts is similar to that in the FFAs; the same types of financial transactions are netted against one another in these accounts.

Like the flows that are recorded in the other accounts for the rest of the world, the balance sheet account for this sector presents a mirror image of the international investment position reported in the international transactions accounts. In particular, net worth for this sector (line 120) is equal to the accumulated value of foreign-owned financial assets in the United States less the accumulated value of U.S. financial assets owned abroad.

Uses of the New Tables

The framework for the integrated macroeconomic accounts facilitates many types of analyses of U.S. macroeconomic activity, which are more difficult to conduct with the separate NIPAs and FFAs. This section briefly mentions a few examples.

Sectoral net lending or net borrowing. The FFAs provide a good source of information on financial flows within the economy. However, neither the FFAs nor the NIPAs present the net lending or net borrowing position of all the major sectors of the U.S. economy as is done in the integrated accounts. Coupled with the asset and liability information that is also presented, the complete set of net lending or net borrowing information in the integrated accounts facilitates analyses of how resources are mobilized to finance investment in the sectors of the economy.

The integrated accounts show that among the domestic sectors of the U.S. economy, households and nonprofit institutions, nonfinancial noncorporate businesses, the Federal Government, and state and local governments have been net borrowers in recent years when investment in these sectors has exceeded saving. Net lending to these sectors has been provided by nonfinancial corporations, financial business, and the rest of the world.

The integrated accounts also show that in recent years, the net lending of nonfinancial corporations has been quite unusual: Net saving has exceeded net capital formation by an average of $43.6 billion each year in 2003–2005. Funds raised in credit and equity markets were also unusually low as borrowing in the form of loans and debt securities was mainly offset by retirements of corporate equities.

Household saving. Economists have long recognized that both current income and wealth may affect the consumption and saving decisions of households. In addition, many of the recent discussions of trends in U.S. economic growth and personal saving have also appealed to this notion as increases in home equity may have helped bolster current consumption expenditures. The integrated accounts facilitate analyses of the process by which current income and the composition of wealth affect consumption and saving behavior by presenting the composition of income and wealth for households and NPISHs in a single table for a consistently defined sector.

The integrated accounts show that the net worth of households and NPISHs increased $12.9 trillion in 2003–2005, even as the saving rate for this sector fell to historically low levels. This increase was mainly accounted for by a $4.9 trillion increase in the value of real estate and a $4.5 trillion increase in the values of shares and other equity that were due to changes in the prices of these assets.

The low saving rates for households and nonprofit institutions were associated with large volumes of mortgage borrowing, which averaged $984.4 billion each year in 2003–2005. However, the increase in mortgage debt of households and nonprofit institutions was exceeded by an average annual increase of $2.2 trillion in the value of real estate, which includes net investment. Because most of the real estate in this sector is associated with owner-occupied housing, net housing wealth, defined as the difference between owner-occupied housing values and related mortgage debt, rose substantially.[12]

Future Initiatives

The integrated macroeconomic accounts represent a substantial effort by both the Bureau of Economic Analysis and the Federal Reserve Board, but there are a number of areas where future development in the accounts may be made. Because conceptual integration needs to be matched by statistical integration, some improvements are likely to come from the more general work of both agencies to improve the quality of their official estimates. Other improvements are likely to come from the continued joint efforts by the agencies to tighten the integration between the NIPAs and the FFAs.

BEA's strategic plan outlines a number of research activities that are expected to result in improvements in the quality of the NIPA-based measures. Work is already under way to see whether the times at which government fixed investment and changes in private inventories are recorded in the NIPAs can be made

12. Flow of funds table B.100 indicates that usually more than 90 percent of the value of real estate that is recorded on the balance sheet for households and nonprofit institutions is related to owner-occupied housing.

more consistent. Research is also being conducted to see whether the estimates of government consumption of fixed capital can be improved through the use of an alternative estimation methodology. BEA is also planning an intensive review of the consistency between the NIPA estimates of interest flows and the FFA estimates of interest-bearing assets.

Among other prospective projects that may improve the integration of these accounts, the Federal Reserve Board staff is investigating whether changes in the wide variety of activities that are currently included in the measures of miscellaneous assets for the nonfinancial business sector can be more appropriately divided in the FFAs into flows, revaluations, and "other changes in volume." Although this work involves a considerable amount of effort and the development of new comprehensive source data, it could lead to a substantial improvement in the accounts, and perhaps it could help to alleviate the source of the current discrepancies between the measures of sectoral net lending or net borrowing in the current account and the financial account.

One particular interest relates to the identification of debt writedowns. These accounting items are currently included in the flows for the debt items that are presented in the FFA financial accounts, but they would be better accounted for separately as "other changes in volume." The separate identification of debt writedowns could improve the amount of detail that is provided in the "other changes in volume" account and may also reduce the discrepancies between the measures of the net lending or net borrowing positions of corporations in the accounts.

Other interests relate to developing measures that value bonds at current market prices and to providing separate information on the revaluation of residential land and structures. Accordingly, Federal Reserve Board staff has been conducting research on these two issues to improve consistency between the FFAs and the SNA.

The agencies are jointly advancing other efforts to improve the integration of the NIPAs and the FFAs. These efforts include working together to examine the possible use of alternative data sources to improve the NIPA estimates for state and local governments when more comprehensive data from the Census of Governments are not available. In addition, the agencies plan to thoroughly examine the use of data from the BEA fixed assets and international transactions accounts in the FFAs to ensure that the information that is used in these accounts is consistent with the information used in the NIPAs. This work is expected to eliminate the small discrepancies between the net lending or net borrowing position of the domestic economy and the rest of the world that cannot currently be explained by the statistical difference between the income and product sides in the NIPAs.

Joint efforts are also being made to examine whether information from corporate financial statements can be used to improve the sectoring of activities associated with financial subsidiaries. It is hoped that this research would allow for the development of estimates for the integrated macroeconomic accounts that consistently include the activities of financial subsidiaries in the financial sector.

A final topic that the agencies are jointly investigating is whether estimates of stocks of nonproduced nonfinancial assets can be developed for the balance sheets. Although both agencies would like to develop a set of estimates for the wide array of such assets, there are a number of statistical and methodological issues that cannot immediately be overcome.

Tables 1–7 follow.

Table 1. Households and Nonprofit Institutions Serving Households

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**1,269.2**	**1,356.5**	**1,419.6**
Less: Consumption of fixed capital	2	**201.7**	**235.9**	**293.5**
Equals: Net value added	3	**1,067.5**	**1,120.6**	**1,126.1**
Compensation paid by households and NPISHs	4	503.5	529.8	552.4
Wages and salaries	5	436.8	458.9	477.2
Employers' social contributions	6	66.7	70.9	75.3
Taxes on production and imports less subsidies	7	128.0	136.6	142.3
Operating surplus, net	8	436.0	454.1	431.4
Net national income/balance of primary incomes, net	9	**8,427.9**	**8,930.9**	**9,357.9**
Operating surplus, net	10	436.0	454.1	431.4
Compensation of employees (received)	11	6,325.4	6,650.3	7,030.3
Wages and salaries	12	5,127.7	5,377.1	5,664.8
Employers' social contributions	13	1,197.7	1,273.2	1,365.5
Property income (received)	14	2,201.1	2,385.6	2,528.4
Interest	15	915.4	892.1	946.3
Distributed income of corporations	16	1,285.8	1,493.5	1,582.1
Dividends	17	422.6	537.1	574.4
Withdrawals from income of quasi-corporations [1]	18	863.2	956.5	1,007.7
Less: Uses of property income (interest paid)	19	534.6	559.1	632.2
Net national income/balance of primary incomes, net	20	**8,427.9**	**8,930.9**	**9,357.9**
Less: Current taxes on income, wealth, etc. (paid)	21	1,001.1	1,049.8	1,203.1
Plus: Social benefits (received)	22	1,316.7	1,398.4	1,480.9
Less: Social contributions (paid)	23	778.6	826.4	880.6
Plus: Other current transfers (received)	24	34.3	28.1	45.7
Less: Other current transfers (paid)	25	105.7	110.4	93.3
Equals: Disposable income, net	26	**7,893.5**	**8,370.9**	**8,707.5**
Less: Final consumption expenditures	27	7,703.6	8,211.5	8,742.4
Equals: Net saving	28	**189.9**	**159.3**	**–34.8**
Capital account				
Net saving and capital transfers	29	**175.1**	**143.6**	**–51.1**
Net saving	30	189.9	159.3	–34.8
Capital transfers received (net)	31	–14.8	–15.7	–16.2
Capital formation, net	32	**382.2**	**435.0**	**470.9**
Gross fixed capital formation, excluding consumer durables	33	583.9	670.9	764.4
Residential	34	492.7	574.0	663.5
Nonresidential (nonprofit organizations)	35	91.2	96.8	100.9
Less: Consumption of fixed capital	36	201.7	235.9	293.5
Net lending or net borrowing, capital account (29–32)	37	**–207.1**	**–291.4**	**–522.0**
Financial account				
Net lending or net borrowing, capital account (line 37)	38	**–207.1**	**–291.4**	**–522.0**
Net acquisition of financial assets	39	**920.7**	**876.2**	**580.3**
Currency and deposits	40	**278.5**	**374.8**	**380.9**
Currency and transferable deposits	41	–58.8	32.2	–10.5
Other deposits	42	337.3	342.6	391.4
Foreign deposits	43	2.2	5.4	5.2
Time and savings deposits	44	335.1	337.2	386.2
Securities other than shares	45	**110.3**	**193.2**	**200.2**
Open market paper	46	–4.5	30.2	28.1
U.S. savings bonds	47	8.9	0.6	0.7
Treasury securities	48	19.8	64.7	–113.1
Agency- and GSE-backed securities [2]	49	144.4	83.0	221.3
Municipal securities	50	29.0	33.2	75.0
Corporate and foreign bonds	51	–87.4	–18.5	–11.8
Loans	52	**74.3**	**115.3**	**2.1**
Short term (security credit)	53	62.7	103.0	–10.9
Long term (mortgages)	54	11.6	12.4	13.0
Shares and other equity	55	**148.5**	**–122.5**	**–200.0**
Corporate equities	56	–2.0	–259.1	–456.3
Mutual fund shares	57	240.5	249.0	266.0
Money market fund shares	58	–110.1	–56.4	53.8
Equity in noncorporate business	59	20.2	–56.1	–63.4
Insurance technical reserves	60	**309.1**	**315.3**	**197.1**
Net equity in life insurance and pension funds	61	267.1	274.5	168.7
Net equity in life insurance reserves	62	66.8	33.1	16.1
Net equity in pension fund reserves	63	200.3	241.4	152.6
Prepayments of premiums and reserves against claims	64	42.0	40.9	28.4
Net equity in reserves of property-casualty insurance companies	65	19.5	21.1	22.1
Net equity in other life insurance company reserves	66	13.9	11.4	9.5
Net equity in Uniformed Services Retiree Health Care Fund	67	8.6	8.4	–3.1
Net incurrence of liabilities	68	**1,018.4**	**1,178.6**	**1,209.9**
Securities other than shares (municipals)	69	**14.1**	**10.3**	**16.5**
Loans	70	**998.6**	**1,164.8**	**1,190.4**
Short term	71	134.1	183.1	83.4
Consumer credit	72	104.0	116.9	91.3
Bank loans n.e.c.	73	–2.6	–15.7	23.7
Other loans and advances	74	–1.6	0.4	0.0
Security credit	75	34.3	81.5	–31.7
Long term (mortgages)	76	864.4	981.7	1,107.1
Insurance technical reserves (unpaid premiums)	77	**0.9**	**1.6**	**1.0**
Other accounts payable (trade debt)	78	**4.8**	**2.0**	**2.0**
Addendum:				
Net lending or net borrowing, financial account (39–68)	79	–97.7	–302.4	–629.6
Other changes in volume account				
Total other volume changes	80	**514.9**	**209.6**	**150.2**
Net investment in consumer durable goods	81	205.7	208.2	210.2
Other volume changes	82	199.8	12.5	47.6
Less: Statistical discrepancy (37–[39–68]) [3]	83	–109.4	11.1	107.6
Revaluation account				
Nonfinancial assets	84	**1,122.3**	**1,652.8**	**1,986.4**
Real estate	85	1,220.5	1,674.8	2,025.8
Consumer durable goods	86	–98.4	–21.7	–39.0
Equipment and software	87	0.2	–0.3	–0.3
Financial assets	88	**3,342.8**	**1,988.4**	**1,713.3**
Shares and other equity	89	1,912.8	1,251.5	1,323.0
Corporate equities	90	1,078.9	361.2	232.7
Mutual fund shares	91	424.4	276.2	244.8
Equity in noncorporate business	92	409.5	614.1	845.6
Insurance technical reserves	93	1,429.9	736.8	390.3
Changes in net worth due to nominal holding gains or losses	94	**4,465.1**	**3,641.2**	**3,699.7**
Changes in balance sheet account				
Change in net worth (32+37+80+94)	95	**5,155.1**	**3,994.4**	**3,798.8**
Balance sheet account (end of period)				
Total assets	96	**53,780.0**	**58,967.7**	**63,975.4**
Nonfinancial assets	97	**20,238.8**	**22,523.9**	**25,173.1**
Real estate	98	16,675.0	18,759.0	21,222.6
Consumer durable goods	99	3,380.3	3,566.8	3,738.0
Equipment and software	100	183.4	198.1	212.5
Financial assets	101	**33,541.1**	**36,443.8**	**38,802.3**
Currency and deposits	102	**4,330.3**	**4,730.5**	**5,110.9**
Currency and transferable deposits	103	286.8	319.0	308.1
Other deposits	104	4,043.5	4,411.5	4,802.8
Foreign deposits	105	52.1	57.5	62.7
Time and savings deposits	106	3,991.3	4,353.9	4,740.1
Securities other than shares	107	**2,381.7**	**2,587.7**	**2,853.1**
Open market paper	108	105.9	136.1	164.2
U.S. savings bonds	109	203.8	204.4	205.1
Treasury securities	110	236.8	358.3	342.1
Agency- and GSE-backed securities [2]	111	388.5	435.3	638.8
Municipal securities	112	707.7	740.9	816.0
Corporate and foreign bonds	113	739.0	712.6	687.0
Loans	114	**623.2**	**738.6**	**740.7**
Short term (security credit)	115	475.4	578.3	567.4
Long term (mortgages)	116	147.9	160.2	173.3
Shares and other equity	117	**15,058.0**	**16,187.1**	**17,310.1**
Corporate equities	118	5,613.1	5,715.2	5,491.6
Mutual fund shares	119	3,085.4	3,610.7	4,121.4
Money market fund shares	120	959.8	903.5	957.3
Equity in noncorporate business	121	5,399.6	5,957.7	6,739.9
Insurance technical reserves	122	**11,147.9**	**12,200.0**	**12,787.4**
Net equity in life insurance and pension funds	123	10,685.9	11,697.2	12,259.3
Net equity in life insurance reserves	124	1,013.2	1,060.4	1,082.6
Net equity in pension fund reserves	125	9,672.7	10,636.8	11,176.7
Prepayments of premiums and reserves against claims	126	462.0	502.8	528.1
Net equity in reserves of property-casualty insurance companies	127	252.0	273.0	295.1
Net equity in other life insurance company reserves	128	199.5	211.0	217.3
Net equity in Uniformed Services Retiree Health Care Fund	129	10.5	18.8	15.7
Total liabilities and net worth	130	**53,780.0**	**58,967.7**	**63,975.4**
Liabilities	131	**9,812.0**	**11,005.4**	**12,214.2**
Securities other than shares (municipals)	132	**178.3**	**188.6**	**205.1**
Loans	133	**9,455.9**	**10,635.5**	**11,825.9**
Short term	134	2,457.3	2,640.4	2,723.8
Consumer credit	135	2,117.0	2,233.9	2,325.3
Bank loans n.e.c.	136	38.8	23.1	46.8
Other loans and advances	137	119.0	119.4	119.4
Security credit	138	182.5	264.0	232.3
Long term (mortgages)	139	6,998.6	7,995.1	9,102.2
Insurance technical reserves (unpaid premiums)	140	**20.9**	**22.5**	**22.4**
Other accounts payable (trade debt)	141	**156.8**	**158.8**	**160.8**
Net worth	142	**43,968.0**	**47,962.4**	**51,761.2**

1. Consists 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.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

3. The 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.

NPISHs Nonprofit institutions serving households
n.e.c. Not elsewhere classified

Table 2. Nonfinancial Noncorporate Business

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**1,681.6**	**1,839.9**	**1,963.1**
Less: Consumption of fixed capital	2	**150.8**	**166.8**	**195.3**
Equals: Net value added	3	**1,530.9**	**1,673.1**	**1,767.8**
Compensation of employees (paid)	4	439.8	469.8	504.9
Wages and salaries	5	380.0	404.8	434.1
Employers' social contributions	6	59.7	65.0	70.8
Taxes on production and imports less subsidies	7	96.2	109.2	111.5
Operating surplus, net	8	994.9	1,094.1	1,151.5
Net national income/balance of primary incomes, net	9	**15.7**	**13.2**	**6.9**
Operating surplus, net	10	994.9	1,094.1	1,151.5
Property income (interest received)	11	14.8	16.3	16.1
Less: Uses of property income (paid)	12	994.0	1,097.1	1,160.7
Interest	13	183.6	194.4	208.0
Withdrawals from income of quasi-corporations [1]	14	810.4	902.7	952.6
Reinvested earnings on foreign direct investment	15	0.0	0.1	0.1
Rents on land and natural resources	16	0.0	0.0	0.0
Net national income/balance of primary incomes, net	17	**15.7**	**13.2**	**6.9**
Less: Other current transfers (paid)	18	15.7	13.2	6.9
Equals: Disposable income, net	19	**0.0**	**0.0**	**0.0**
Equals: Net saving	20	**0.0**	**0.0**	**0.0**
Capital account				
Net saving	21	**0.0**	**0.0**	**0.0**
Capital formation, net	22	**64.2**	**70.1**	**69.2**
Gross fixed capital formation	23	213.9	227.2	263.2
Nonresidential	24	137.9	138.1	160.7
Residential	25	76.0	89.1	102.5
Less: Consumption of fixed capital	26	150.8	166.8	195.3
Change in inventories	27	1.1	9.7	1.3
Net lending or net borrowing, capital account (21–22)	28	**–64.2**	**–70.1**	**–69.2**
Financial account				
Net lending or net borrowing (line 28)	29	**–64.2**	**–70.1**	**–69.2**
Net acquisition of financial assets	30	**88.5**	**276.5**	**305.0**
Currency and deposits	31	**48.5**	**78.0**	**85.8**
Currency and transferable deposits	32	4.7	28.1	30.7
Time and savings deposits	33	43.8	49.8	55.1
Securities other than shares	34	**1.3**	**7.6**	**8.4**
Treasury securities	35	2.0	7.1	7.9
Municipal securities	36	–0.7	0.4	0.5
Loans	37	**–0.2**	**4.1**	**4.6**
Short term (consumer credit)	38	0.0	0.0	0.0
Long term (mortgages)	39	–0.2	4.1	4.6
Shares and other equity	40	**–7.6**	**9.0**	**8.8**
Money market mutual fund shares	41	–8.2	8.5	9.3
Equity in government-sponsored enterprises [2]	42	0.6	0.5	–0.5
Insurance technical reserves [3]	43	**8.0**	**7.2**	**8.9**
Other accounts receivable	44	**38.4**	**170.6**	**188.5**
Trade receivables	45	–24.2	53.9	59.6
Other (miscellaneous assets)	46	62.6	116.6	128.9
Net incurrence of liabilities	47	**152.7**	**346.6**	**374.2**
Loans	48	**104.1**	**250.5**	**317.1**
Short term	49	15.9	15.7	55.6
Bank loans n.e.c.	50	10.7	13.3	50.7
Other loans and advances	51	5.2	2.4	4.9
Long term (mortgages)	52	88.2	234.8	261.5
Shares and other equity	53	**49.6**	**–30.1**	**–30.8**
Equity in noncorporate business	54	49.9	–30.2	–30.9
Foreign direct investment in the United States	55	–0.2	0.1	0.1
Other accounts payable	56	**–1.0**	**126.2**	**88.0**
Trade payables	57	–23.9	28.8	30.4
Taxes payable	58	–0.4	7.5	8.3
Other (miscellaneous liabilities)	59	23.3	89.8	49.3
Addendum:				
Net lending or net borrowing, financial account (30–47)	60	–64.2	–70.1	–69.2
Other changes in volume account				
Total other volume changes	61	**15.7**	**–70.2**	**–69.5**
Revaluation account				
Nonfinancial assets	62	**349.5**	**468.5**	**674.2**
Real estate	63	355.4	466.0	684.7
Residential	64	284.7	341.2	521.5
Nonresidential	65	70.6	124.9	163.2
Equipment and software	66	–7.4	–2.1	–14.2
Residential	67	–1.4	–0.4	1.5
Nonresidential	68	–6.0	–1.7	–15.7
Inventories	69	1.5	4.5	3.8
Changes in net worth due to nominal holding gains or losses	70	**349.5**	**468.5**	**674.2**
Changes in balance sheet account				
Change in net worth (22+28+61+70)	71	**365.2**	**398.2**	**604.7**
Balance sheet account (end of period)				
Total assets	72	**7,837.0**	**8,610.7**	**9,619.6**
Nonfinancial assets	73	**6,028.7**	**6,525.9**	**7,229.8**
Real estate	74	5,430.7	5,893.8	6,563.0
Residential [4]	75	4,021.8	4,390.4	4,902.2
Nonresidential [5]	76	1,408.9	1,503.5	1,660.8
Equipment and software	77	527.2	554.3	584.3
Residential	78	40.3	41.9	45.4
Nonresidential	79	486.9	512.5	538.9
Inventories	80	70.8	77.8	82.6
Financial assets	81	**1,808.3**	**2,084.8**	**2,389.8**
Currency and deposits	82	**502.7**	**580.7**	**666.5**
Currency and transferable deposits	83	189.7	217.8	248.5
Time and savings deposits	84	313.0	362.8	417.9
Securities other than shares	85	**47.5**	**55.1**	**63.5**
Treasury securities	86	44.9	52.0	59.9
Municipal securities	87	2.7	3.1	3.6
Loans	88	**26.0**	**30.2**	**34.7**
Short term (consumer credit)	89	0.0	0.0	0.0
Long term (mortgages)	90	26.0	30.2	34.7
Shares and other equity	91	**57.4**	**66.3**	**75.2**
Money market mutual fund shares	92	53.1	61.5	70.9
Equity in government-sponsored enterprises [2]	93	4.3	4.8	4.3
Insurance technical reserves [3]	94	**103.6**	**110.8**	**119.7**
Other accounts receivable	95	**1,071.2**	**1,241.7**	**1,430.2**
Trade receivables	96	338.6	392.5	452.1
Other (miscellaneous assets)	97	732.6	849.2	978.2
Total liabilities and net worth	98	**7,837.0**	**8,610.7**	**9,619.6**
Liabilities	99	**3,379.0**	**3,754.5**	**4,158.6**
Loans	100	**2,384.3**	**2,633.5**	**2,949.6**
Short term	101	637.8	653.5	709.1
Bank loans n.e.c.	102	481.3	494.6	545.3
Other loans and advances	103	156.5	159.0	163.9
Long term (mortgages)	104	1,746.5	1,980.0	2,240.4
Shares and other equity (foreign direct investment in the United States)	105	**2.4**	**2.5**	**2.6**
Other accounts payable	106	**992.4**	**1,118.5**	**1,206.5**
Trade payables	107	276.2	305.0	335.4
Taxes payable	108	69.7	77.3	85.6
Other (miscellaneous liabilities)	109	646.4	736.2	785.5
Net worth	110	**4,458.0**	**4,856.2**	**5,461.0**

NOTES. Nonfinancial noncorporate business includes noncorporate farms that are excluded from the nonfinancial noncorporate business sector in the flow of funds accounts.

Estimates are based on the North American Industry Classification System.

1. Consists 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.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

3. Net equity in reserves of property-casualty insurance companies.

4. Farm houses are included in the household sector.

5. Excludes noncorporate farm land.

n.e.c. Not elsewhere classified

Table 3. Nonfinancial Corporate Business

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**5,558.4**	**5,932.9**	**6,369.7**
Less: Consumption of fixed capital	2	**657.5**	**686.2**	**739.7**
Equals: Net value added	3	**4,900.9**	**5,246.7**	**5,630.1**
Compensation of employees (paid)	4	3,703.2	3,873.4	4,099.7
Wages and salaries	5	3,019.4	3,158.4	3,335.1
Employers' social contributions	6	683.8	714.9	764.6
Taxes on production and imports less subsidies	7	488.5	522.9	558.1
Operating surplus, net	8	709.2	850.4	972.2
Net national income/balance of primary incomes, net	9	**377.7**	**460.1**	**560.6**
Operating surplus, net	10	709.2	850.4	972.2
Property income (received)	11	421.7	473.0	529.6
Interest	12	240.8	258.2	283.5
Distributed income of corporations (dividends)	13	55.8	60.1	231.1
Reinvested earnings on foreign direct investment	14	125.1	154.8	15.0
Less: Uses of property income (paid)	15	753.1	863.4	941.2
Interest	16	379.1	380.6	423.5
Distributed income of corporations (dividends)	17	348.5	427.0	459.6
Reinvested earnings on foreign direct investment	18	11.2	40.5	41.6
Rent	19	14.3	15.3	16.6
Net national income/balance of primary incomes, net	20	**377.7**	**460.1**	**560.6**
Less: Current taxes on income, wealth, etc. (paid)	21	167.4	224.3	302.5
Less: Other current transfers (paid)	22	64.4	60.0	51.4
Equals: Disposable income, net	23	**146.0**	**175.8**	**206.7**
Equals: Net saving	24	**146.0**	**175.8**	**206.7**
Capital account				
Net saving and capital transfers	25	**146.1**	**175.8**	**206.7**
Net saving	26	146.0	175.8	206.7
Capital transfers received (net)	27	0.2	0.0	0.0
Capital formation, net	28	**98.0**	**146.8**	**153.1**
Gross fixed capital formation (acquisition of produced nonfinancial assets)	29	753.1	796.5	883.7
Less: Consumption of fixed capital	30	657.5	686.2	739.7
Acquisition of nonproduced nonfinancial assets	31	–10.8	–11.0	–10.8
Inventory change including inventory valuation adjustment	32	13.2	47.6	20.0
Net lending or net borrowing, capital account (25–28)	33	**48.1**	**28.9**	**53.5**
Financial account				
Net lending or net borrowing, capital account (line 33)	34	**48.1**	**28.9**	**53.5**
Net acquisition of financial assets	35	**83.4**	**786.1**	**395.5**
Currency and deposits	36	**140.8**	**39.2**	**28.6**
Currency and transferable deposits	37	51.8	–34.0	–37.1
Time and savings deposits	38	71.5	57.7	45.6
Foreign deposits	39	17.6	15.6	20.1
Securities other than shares	40	**10.8**	**19.3**	**14.7**
Open market paper	41	10.9	19.3	11.7
Treasury securities	42	1.4	0.2	3.9
Agency- and GSE-backed securities [1]	43	–4.8	0.1	1.4
Municipal securities	44	3.3	–0.4	–2.4
Loans	45	**–14.2**	**16.6**	**24.7**
Short term (security repurchases and consumer credit)	46	–16.4	0.5	8.6
Long term (mortgages)	47	2.2	16.1	16.1
Shares and other equity	48	**109.5**	**290.9**	**–18.0**
Money market fund shares	49	–38.5	27.7	35.8
Mutual fund shares	50	11.3	2.0	7.4
U.S. direct investment abroad	51	122.9	219.8	–8.5
Equity in government-sponsored enterprises [1]	52	0.1	0.0	0.0
Investment in finance company subsidiaries	53	13.7	41.3	–52.7
Insurance technical reserves [2]	54	**19.0**	**19.6**	**21.4**
Other accounts receivable	55	**–182.7**	**400.4**	**324.2**
Trade receivables	56	–17.3	125.4	154.7
Other (miscellaneous assets)	57	–165.4	275.0	169.4
Net incurrence of liabilities	58	**14.8**	**608.8**	**324.1**
Securities other than shares	59	**126.7**	**99.6**	**59.4**
Open market paper	60	–35.1	16.8	–7.9
Municipal securities	61	3.5	5.1	7.4
Corporate bonds	62	158.3	77.7	59.9
Loans	63	**–36.7**	**79.9**	**221.9**
Short term	64	–84.3	32.3	134.5
Bank loans n.e.c.	65	–85.9	14.9	62.5
Other loans and advances	66	1.6	17.4	72.0
Long term (mortgages)	67	47.6	47.6	87.4
Shares and other equity	68	**–18.1**	**–98.0**	**–320.5**
Corporate equities	69	–42.0	–126.6	–363.4
Foreign direct investment in the United States	70	23.9	28.6	42.9
Insurance technical reserves (contributions payable)	71	**–0.2**	**–3.1**	**–1.9**
Other accounts payable	72	**–56.9**	**530.4**	**365.2**
Trade payables	73	–54.6	101.8	148.2
Taxes payable	74	–11.7	6.8	5.1
Miscellaneous liabilities	75	9.4	421.8	212.0
Addendum:				
Net lending or net borrowing, financial account (35–58)	76	68.6	177.3	71.4
Other changes in volume account				
Total other volume changes	77	**203.9**	**450.7**	**584.8**
Other volume changes	78	169.8	262.5	534.4
Less: Statistical discrepancy (33–[35–58]) [3]	79	–20.5	–148.4	–17.9
Less: Inventory valuation adjustment	80	–13.6	–39.8	–32.6
Revaluation account				
Nonfinancial assets	81	**307.3**	**579.3**	**744.3**
Real estate	82	283.7	494.9	679.6
Equipment and software	83	21.2	54.4	43.4
Inventories	84	2.4	30.0	21.3
Financial assets	85	**35.9**	**67.5**	**67.7**
Mutual fund shares	86	18.9	13.0	9.1
Direct investment abroad	87	17.0	54.5	58.7
Liabilities	88	**2,247.2**	**907.0**	**461.2**
Corporate equity	89	2,246.3	890.0	432.6
Foreign direct investment in the United States	90	1.0	17.0	28.6
Changes in net worth due to nominal holding gains or losses	91	**–1,904.0**	**–260.2**	**350.8**
Changes in balance sheet account				
Change in net worth (28+33+77+91) [4]	92	**–1,554.2**	**366.2**	**1,142.3**
Balance sheet account (end of period)				
Total assets	93	**20,137.5**	**21,748.9**	**23,122.2**
Nonfinancial assets [5]	94	**10,018.8**	**10,804.5**	**11,762.6**
Real estate [6]	95	5,377.0	5,920.9	6,656.9
Equipment and software	96	3,277.2	3,385.8	3,515.2
Inventories	97	1,364.6	1,497.8	1,590.5
Financial assets	98	**10,118.7**	**10,944.4**	**11,359.6**
Currency and deposits	99	**602.4**	**641.6**	**670.2**
Currency and transferable deposits	100	201.4	167.4	130.3
Time and savings deposits	101	362.8	420.5	466.0
Foreign deposits	102	38.1	53.7	73.8
Securities other than shares	103	**156.0**	**175.3**	**190.0**
Open market paper	104	75.7	95.0	106.8
Treasury securities	105	32.8	33.0	36.9
Agency- and GSE-backed securities [1]	106	12.1	12.2	13.7
Municipal securities	107	35.4	35.0	32.6
Loans	108	**116.2**	**132.8**	**157.6**
Short term	109	64.5	64.9	73.5
Security repurchases	110	6.0	6.4	14.9
Consumer credit	111	58.5	58.5	58.6
Long term (mortgages)	112	51.8	67.9	84.0
Shares and other equity	113	**2,278.9**	**2,637.2**	**2,716.0**
Money market fund shares	114	291.2	319.0	354.8
Mutual fund shares	115	124.8	139.8	156.3
U.S. direct investment abroad	116	1,723.9	1,998.2	2,048.4
Equity in government-sponsored enterprises [1]	117	0.3	0.4	0.4
Investment in finance company subsidiaries	118	138.6	179.9	156.1
Insurance technical reserves [2]	119	**243.4**	**263.0**	**284.4**
Other accounts receivable	120	**6,721.8**	**7,094.4**	**7,341.5**
Trade receivables	121	1,702.4	1,827.8	1,982.5
Other (miscellaneous assets)	122	5,019.4	5,266.6	5,359.0
Total liabilities and net worth	123	**20,137.5**	**21,748.9**	**23,122.2**
Liabilities	124	**19,940.4**	**21,185.5**	**21,416.5**
Securities other than shares	125	**3,117.6**	**3,217.3**	**3,276.7**
Open market paper	126	84.8	101.6	93.8
Municipal securities	127	164.2	169.4	176.7
Corporate bonds	128	2,868.6	2,946.3	3,006.2
Loans	129	**1,764.4**	**1,844.3**	**2,066.2**
Short term	130	1,237.6	1,270.0	1,404.4
Bank loans n.e.c.	131	567.5	582.4	644.9
Other loans and advances	132	670.2	687.6	759.5
Long term (mortgages)	133	526.7	574.3	661.7
Shares and other equity	134	**11,236.2**	**12,045.2**	**12,185.9**
Corporate equity	135	10,043.6	10,807.0	10,876.3
Foreign direct investment in the United States	136	1,192.6	1,238.1	1,309.6
Insurance technical reserves (contributions payable)	137	**49.8**	**46.6**	**44.8**
Other accounts payable	138	**3,772.4**	**4,032.2**	**3,843.1**
Trade payables	139	1,405.6	1,507.3	1,655.5
Taxes payable	140	81.2	88.0	93.1
Miscellaneous liabilities	141	2,285.6	2,436.8	2,094.5
Net worth	142	**197.1**	**563.3**	**1,705.7**

NOTES. Nonfinancial corporate business includes corporate farms that are excluded from the nonfinancial corporate business sector in the flow of funds accounts.

Estimates are based on the North American Industry Classification System.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

2. Net equity in reserves of property-casualty insurance companies.

3. The 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.

4. Includes changes in the market value of shares and other equity that are excluded from the related measures for the nonfinancial corporate business sector in the flow of funds accounts.

5. Excludes nonproduced nonfinancial assets.

6. Excludes corporate farm land.

n.e.c. Not elsewhere classified

Table 4. Financial Business

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**970.5**	**1,010.9**	**1,053.9**
Less: Consumption of fixed capital	2	**108.3**	**116.5**	**124.2**
Equals: Net value added	3	**862.2**	**894.4**	**929.7**
Compensation of employees (paid)	4	472.3	503.5	538.0
Wages and salaries	5	392.8	419.2	447.1
Employers' social contributions	6	79.5	84.3	90.9
Taxes on production and imports less subsidies	7	46.6	50.6	53.3
Operating surplus, net	8	343.4	340.3	338.5
Net national income/balance of primary incomes, net	9	**254.6**	**254.5**	**286.2**
Operating surplus, net	10	343.4	340.3	338.5
Property income (received)	11	1,124.8	1,348.3	1,648.2
Interest	12	1,024.4	1,211.0	1,468.2
Distributed income of corporations (dividends)	13	77.3	106.7	177.0
Reinvested earnings on foreign direct investment	14	23.1	30.6	3.1
Less: Uses of property income (paid)	15	1,213.6	1,434.1	1,700.4
Interest	16	979.9	1,132.3	1,340.6
Distributed income of corporations	17	230.2	286.3	342.2
Dividends	18	177.4	232.5	287.2
Withdrawals from income of quasi-corporations [1]	19	52.8	53.8	55.0
Reinvested earnings on foreign direct investment	20	3.5	15.5	17.6
Rents on land and natural resources	21	0.0	0.0	0.0
Net national income/balance of primary incomes, net	22	**254.6**	**254.5**	**286.2**
Less: Current taxes on income, wealth, etc. (paid)	23	75.9	75.8	96.8
Less: Other current transfers (paid)	24	–0.5	11.5	41.6
Equals: Disposable income, net	25	**179.1**	**167.2**	**147.8**
Equals: Net saving	26	**179.1**	**167.2**	**147.8**
Capital account				
Net saving	27	**179.1**	**167.2**	**147.8**
Capital formation, net	28	**–10.1**	**19.5**	**–0.4**
Gross fixed capital formation (nonresidential)	29	98.2	136.0	123.8
Less: Consumption of fixed capital	30	108.3	116.5	124.2
Net lending or net borrowing, capital account (27–28)	31	**189.3**	**147.7**	**148.2**
Financial account				
Net lending or net borrowing (line 31)	32	**189.3**	**147.7**	**148.2**
Net acquisition of financial assets	33	**2,664.4**	**2,700.4**	**3,203.2**
Monetary gold and SDRs	34	**0.0**	**0.0**	**0.0**
Currency and deposits	35	**–44.6**	**42.5**	**18.7**
Securities other than shares	36	**1,010.7**	**454.8**	**534.8**
Loans	37	**1,089.1**	**1,563.5**	**1,896.6**
Short term	38	101.5	315.9	470.2
Long term (mortgages)	39	987.6	1,247.6	1,426.3
Shares and other equity	40	**263.5**	**554.7**	**515.6**
Corporate equities	41	123.7	268.6	217.0
Mutual fund shares	42	42.1	48.7	–13.0
Money market mutual fund shares	43	–54.7	–119.7	25.4
Equity in government-sponsored enterprises [2]	44	2.5	2.4	2.0
U.S. direct investment abroad	45	27.0	24.3	17.5
Stock in Federal Reserve banks	46	0.5	3.1	1.6
Investment in subsidiaries	47	122.4	327.4	265.0
Insurance technical reserves	48	**–17.3**	**–38.9**	**–10.1**
Other accounts receivable	49	**363.2**	**123.8**	**247.7**
Net incurrence of liabilities	50	**2,534.6**	**2,835.9**	**3,068.2**
Currency and deposits	51	**426.3**	**636.3**	**596.6**
Securities other than shares	52	**977.0**	**746.4**	**970.2**
Loans	53	**357.7**	**302.1**	**445.5**
Short term	54	349.4	275.9	432.4
Long term (mortgages)	55	8.3	26.3	13.1
Shares and other equity	56	**319.4**	**745.9**	**734.4**
Money market mutual fund shares	57	–207.5	–136.5	127.0
Corporate equity issues	58	62.7	108.3	67.9
Mutual fund shares	59	288.6	298.2	260.2
Equity in government-sponsored enterprises [2]	60	3.2	2.9	1.5
Foreign direct investment in the United States	61	40.2	104.5	66.8
Equity in noncorporate business	62	–4.5	–3.3	–2.8
Investment by parent	63	136.2	368.7	212.2
Stock in Federal Reserve banks	64	0.5	3.1	1.6
Insurance technical reserves	65	**308.4**	**295.4**	**220.1**
Other accounts payable	66	**145.7**	**109.8**	**101.5**
Addendum:				
Net lending or net borrowing, financial account (33–50)	67	129.8	–135.5	135.0

	Line	2003	2004	2005
Other changes in volume account				
Total other volume changes	68	**–162.0**	**–261.5**	**44.7**
Other volume changes	69	–102.6	21.7	57.9
Less: Statistical discrepancy (31–[33–50]) [3]	70	59.5	283.2	13.2
Revaluation account				
Nonfinancial assets	71	**63.7**	**153.3**	**154.2**
Structures	72	30.5	120.2	124.3
Equipment and software	73	33.2	33.1	29.9
Financial assets	74	**2,311.1**	**1,344.3**	**795.7**
Corporate equities	75	2,008.2	1,111.8	711.4
Mutual fund shares	76	277.0	191.8	97.3
U.S. direct investment abroad	77	25.9	40.8	–13.0
Liabilities	78	**2,894.5**	**1,627.6**	**976.1**
Corporate equity issues	79	746.3	418.1	224.5
Mutual fund shares	80	727.2	483.8	352.4
Foreign direct investment in the United States	81	12.3	0.0	8.8
Equity in noncorporate business	82	4.3	2.9	3.1
Pension fund reserves	83	1,404.5	722.7	387.2
Changes in net worth due to nominal holding gains or losses	84	**–519.7**	**–130.0**	**–26.2**
Changes in balance sheet account				
Change in net worth (28+31+68+84)	85	**–502.6**	**–224.3**	**166.3**
Balance sheet account (end of period)				
Total assets	86	**45,473.0**	**49,642.4**	**53,694.5**
Nonfinancial assets [4]	87	**1,886.7**	**2,040.0**	**2,194.2**
Structures	88	1,181.9	1,302.1	1,426.4
Equipment and software	89	704.8	737.9	767.8
Financial assets	90	**43,586.3**	**47,602.4**	**51,500.3**
Monetary gold and SDRs	91	**13.2**	**13.2**	**13.2**
Currency and deposits	92	**884.9**	**933.1**	**949.1**
Securities other than shares	93	**13,532.5**	**14,007.3**	**14,522.8**
Open market paper	94	953.5	985.1	1,196.6
Treasury securities	95	1,612.2	1,532.1	1,584.0
Agency- and GSE-backed securities [2]	96	4,703.2	4,629.5	4,285.3
Municipal securities	97	1,130.8	1,221.2	1,338.6
Corporate and foreign bonds	98	4,317.8	4,783.5	5,235.4
Nonmarketable government securities	99	815.0	855.9	882.9
Loans	100	**14,322.6**	**15,900.9**	**17,797.5**
Short term	101	5,381.0	5,697.0	6,167.2
Long term (mortgages)	102	8,941.6	10,204.0	11,630.3
Shares and other equity	103	**12,187.3**	**14,086.3**	**15,397.5**
Corporate equities	104	8,081.2	9,461.6	10,390.0
Mutual fund shares	105	1,418.0	1,658.4	1,742.7
Money market fund shares	106	649.5	529.8	555.2
Equity in government-sponsored enterprises [2]	107	37.7	40.1	42.0
U.S. direct investment abroad	108	335.9	401.0	405.5
Stock in Federal Reserve banks	109	8.8	11.9	13.5
Investment in subsidiaries	110	1,656.1	1,983.5	2,248.5
Insurance technical reserves	111	**387.7**	**397.6**	**405.5**
Other accounts receivable	112	**2,258.1**	**2,264.0**	**2,414.6**
Total liabilities and net worth	113	**45,473.0**	**49,642.4**	**53,694.5**
Liabilities	114	**46,210.9**	**50,604.6**	**54,490.4**
Currency and deposits	115	**6,880.2**	**7,541.8**	**8,139.8**
Securities other than shares	116	**10,311.5**	**11,072.7**	**11,988.4**
Agency- and GSE-backed securities [2]	117	6,083.3	6,201.3	6,251.9
Corporate bonds	118	3,147.7	3,735.7	4,364.7
Commercial paper	119	1,080.5	1,135.7	1,371.8
Loans	120	**2,995.8**	**3,297.9**	**3,743.4**
Short term	121	2,893.7	3,169.5	3,601.9
Long term (mortgages)	122	102.1	128.4	141.4
Shares and other equity	123	**12,398.6**	**14,049.3**	**15,401.5**
Money market fund shares	124	2,016.4	1,879.8	2,006.9
Corporate equity issues	125	3,495.5	4,021.9	4,314.3
Mutual fund shares	126	4,654.2	5,436.3	6,048.9
Equity in government-sponsored enterprises [2]	127	42.3	45.2	46.7
Foreign direct investment in the United States	128	382.0	486.4	562.1
Equity in noncorporate business	129	4.8	4.4	4.6
Investment by parent	130	1,794.7	2,163.4	2,404.6
Stock in Federal Reserve banks	131	8.8	11.9	13.5
Insurance technical reserves	132	**11,760.9**	**12,841.9**	**13,471.5**
Other accounts payable	133	**1,863.9**	**1,801.0**	**1,745.8**
Net worth	134	**–738.0**	**–962.2**	**–795.9**

NOTES. Financial business includes depository institutions, insurance companies and pension funds, monetary authority, and other financial institutions.

Estimates are based on the North American Industry Classification System.

1. Consists 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.

2. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

3. The 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.

4. Excludes land.

SDRs Special Drawing Rights

Table 5. Federal Government

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**448.6**	**478.4**	**498.8**
Less: Consumption of fixed capital	2	**90.4**	**94.1**	**99.0**
Equals: Net value added	3	**358.2**	**384.3**	**399.8**
Compensation of employees (paid)	4	355.8	385.5	404.7
Wages and salaries	5	236.0	250.0	261.1
Employers' social contributions	6	119.8	135.5	143.6
Operating surplus, net	7	2.3	–1.2	–4.9
Net national income/balance of primary incomes, net	8	**–145.7**	**–149.6**	**–191.5**
Operating surplus, net	9	2.3	–1.2	–4.9
Taxes on production and imports, receivable	10	89.7	94.6	101.1
Subsidies (paid)	11	–47.8	–44.3	–56.9
Property income (received)	12	22.9	22.1	22.9
Interest	13	16.4	15.5	15.9
Rents on land and natural resources	14	6.5	6.6	7.1
Less: Uses of property income (interest paid)	15	212.9	220.9	253.8
Net national income/balance of primary incomes, net	16	**–145.7**	**–149.6**	**–191.5**
Plus: Current taxes on income, wealth, etc. (received)	17	981.1	1,055.6	1,265.1
Plus: Social benefits (received)	18	758.9	802.2	855.3
Less: Social contributions (paid)	19	966.5	1,018.4	1,081.7
Plus: Other current transfers (received)	20	25.0	27.7	7.1
Less: Other current transfers (paid)	21	362.2	374.9	395.0
Equals: Disposable income, net	22	**290.6**	**342.5**	**459.4**
Less: Final consumption expenditures	23	662.7	724.5	768.6
Equals: Net saving	24	**–372.1**	**–382.0**	**–309.2**
Capital account				
Net saving and capital transfers	25	**–412.5**	**–420.4**	**–351.2**
Net saving	26	–372.1	–382.0	–309.2
Capital transfers received (net)	27	–40.4	–38.4	–42.0
Capital formation, net	28	**3.1**	**7.4**	**10.1**
Gross fixed capital formation (acquisition of produced nonfinancial assets)	29	93.7	101.4	109.8
Less: Consumption of fixed capital	30	90.4	94.1	99.0
Acquisition of nonproduced nonfinancial assets	31	–0.2	0.0	–0.6
Net lending or net borrowing, capital account (lines 25–28)	32	**–415.6**	**–427.8**	**–361.3**
Financial account				
Net lending or net borrowing (line 32)	33	**–415.6**	**–427.8**	**–361.3**
Net acquisition of financial assets	34	**33.9**	**–2.9**	**15.0**
Monetary gold and SDRs	35	**–0.6**	**0.4**	**–4.5**
Currency and deposits	36	**–17.0**	**–34.6**	**–0.9**
Official foreign exchange	37	0.3	0.3	0.3
Net IMF position	38	–1.5	–3.8	–10.2
Currency and transferable deposits	39	9.2	–31.0	12.2
Time and savings deposits	40	–25.2	0.0	–1.0
Nonofficial foreign currencies	41	0.2	0.0	–2.2
Loans	42	**–2.7**	**3.3**	**–2.7**
Short term	43	–0.2	1.7	–5.1
Consumer credit	44	1.3	4.3	3.8
Other loans and advances	45	–1.5	–2.6	–8.8
Long term (mortgages)	46	–2.5	1.6	2.4
Shares and other equity	47	**1.4**	**2.0**	**1.3**
Equity in international organizations	48	1.4	2.0	1.3
Equity in government-sponsored enterprises [1]	49	0.0	0.0	0.0
Other accounts receivable	50	**52.7**	**26.0**	**21.8**
Trade receivables	51	19.1	10.5	9.1
Taxes receivable	52	33.9	16.9	13.2
Other (miscellaneous assets)	53	–0.2	–1.4	–0.5
Net incurrence of liabilities	54	**501.0**	**428.8**	**363.2**
Monetary gold and SDRs (SDR certificates)	55	**0.0**	**0.0**	**0.0**
Currency and deposits (Treasury currency)	56	**0.6**	**0.7**	**0.8**
Securities other than shares	57	**396.0**	**361.9**	**306.9**
Treasury securities including savings bonds	58	398.4	362.5	307.3
Federal agency securities	59	–2.4	–0.6	–0.4
Insurance technical reserves	60	**34.4**	**50.4**	**38.0**
Insurance reserves	61	1.1	1.1	1.1
Nonmarketable securities held by pension plans	62	24.7	40.9	40.0
Uniformed Services Retiree Health Care Fund	63	8.6	8.4	–3.1
Other accounts payable	64	**70.0**	**15.8**	**17.5**
Trade payables	65	72.6	14.8	12.4
Other (miscellaneous liabilities)	66	–2.6	1.0	5.0
Addendum:				
Net lending or net borrowing, financial account (34–54)	67	–467.1	–431.7	–348.2
Other changes in volume account				
Total other volume changes	68	**–50.2**	**–39.8**	**9.0**
Other volume changes	69	1.3	–35.9	–4.1
Less: Statistical discrepancy (32–[34–54]) [2]	70	51.5	3.9	–13.1
Revaluation account				
Nonfinancial assets	71	**26.8**	**87.3**	**78.0**
Structures	72	24.0	61.3	74.8
Equipment and software	73	2.8	26.0	3.2
Financial assets	74	**3.1**	**1.3**	**–2.1**
Currency and checkable deposits	75	–2.7	–1.2	2.7
Monetary gold, SDRs, and official foreign exchange	76	5.8	2.5	–4.9
Changes in net worth due to nominal holding gains or losses	77	**29.9**	**88.6**	**75.9**
Changes in balance sheet account				
Change in net worth (28+32+68+77)	78	**–432.8**	**–371.7**	**–266.2**
Balance sheet account (end of period)				
Total assets	79	**2,151.8**	**2,207.7**	**2,286.4**
Nonfinancial assets [3]	80	**1,498.9**	**1,593.2**	**1,681.0**
Structures	81	985.3	1,042.7	1,112.3
Equipment and software	82	513.6	550.5	568.7
Financial assets	83	**653.0**	**614.6**	**605.4**
Monetary gold and SDRs	84	**12.6**	**13.6**	**8.2**
Currency and deposits	85	**101.8**	**68.0**	**65.9**
Official foreign exchange	86	19.9	21.4	18.9
Net IMF position	87	22.6	19.6	8.1
Currency and transferable deposits	88	54.1	21.9	36.8
Time and savings deposits	89	2.4	2.4	1.4
Nonofficial foreign currencies	90	2.8	2.8	0.6
Loans	91	**285.6**	**288.8**	**286.1**
Short term	92	211.7	213.4	208.3
Consumer credit	93	94.1	98.4	102.1
Other loans and advances	94	117.7	115.0	106.2
Long term (mortgages)	95	73.8	75.4	77.8
Shares and other equity	96	**40.0**	**42.0**	**43.2**
Equity in international organizations	97	40.0	42.0	43.2
Equity in government-sponsored enterprises [1]	98	0.0	0.0	0.0
Other accounts receivable	99	**213.0**	**202.2**	**201.9**
Trade receivables	100	51.3	61.8	70.9
Taxes receivable	101	102.8	82.9	74.0
Other (miscellaneous assets)	102	58.9	57.5	57.1
Total liabilities and net worth	103	**2,151.8**	**2,207.7**	**2,286.4**
Liabilities	104	**5,084.4**	**5,512.0**	**5,856.9**
Monetary gold and SDRs (SDR certificates)	105	**2.2**	**2.2**	**2.2**
Currency and deposits (Treasury currency)	106	**26.0**	**26.7**	**27.5**
Securities other than shares	107	**4,033.1**	**4,395.0**	**4,701.9**
Treasury securities including savings bonds	108	4,008.2	4,370.7	4,678.0
Federal agency securities	109	24.9	24.3	23.8
Insurance technical reserves	110	**865.9**	**916.3**	**941.3**
Insurance reserves	111	40.5	41.6	42.7
Nonmarketable securities held by pension plans	112	815.0	855.9	882.9
Uniformed Services Retiree Health Care Fund	113	10.5	18.8	15.7
Other accounts payable	114	**157.2**	**171.8**	**184.0**
Trade payables	115	151.4	166.2	178.6
Other (miscellaneous liabilities)	116	5.8	5.6	5.4
Net worth	117	**–2,932.6**	**–3,304.2**	**–3,570.5**

NOTE. The Federal government accounts exclude Federal employee retirement funds.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

2. The 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.

3. Excludes land and nonproduced nonfinancial assets.

IMF International Monetary Fund

SDRs Special Drawing Rights

Table 6. State and Local Governments

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Gross value added	1	**983.7**	**1,027.2**	**1,079.7**
Less: Consumption of fixed capital	2	**127.8**	**136.7**	**153.2**
Equals: Net value added	3	**855.9**	**890.5**	**926.5**
Compensation of employees (paid)	4	856.5	894.3	936.9
Wages and salaries	5	668.4	691.8	716.6
Employers' social contributions	6	188.2	202.5	220.3
Operating surplus, net	7	–0.6	–3.8	–10.5
Net national income/balance of primary incomes, net	8	**702.1**	**746.7**	**791.6**
Operating surplus, net	9	–0.6	–3.8	–10.5
Taxes on production and imports, receivable	10	717.5	769.4	821.2
Subsidies (paid)	11	–0.1	–0.4	–0.4
Property income (received)	12	72.9	73.3	75.3
Interest	13	62.9	62.1	63.4
Distributed income of corporations (dividends)	14	2.2	2.4	2.4
Rents on land and natural resources	15	7.9	8.7	9.5
Less: Uses of property income (interest paid)	16	87.7	91.8	94.2
Net national income/balance of primary incomes, net	17	**702.1**	**746.7**	**791.6**
Plus: Current taxes on income, wealth, etc. (received)	18	261.9	291.5	333.2
Plus: Social benefits (received)	19	19.8	24.2	25.3
Less: Social contributions (paid)	20	353.0	382.9	402.3
Plus: Other current transfers (received)	21	422.7	438.0	456.1
Equals: Disposable income, net	22	**1,053.4**	**1,117.5**	**1,203.9**
Less: Final consumption expenditures	23	1,073.8	1,130.3	1,207.2
Equals: Net saving	24	**–20.4**	**–12.9**	**–3.3**
Capital account				
Net saving and capital transfers	25	**31.2**	**39.0**	**50.6**
Net saving	26	–20.4	–12.9	–3.3
Capital transfers received (net)	27	51.6	51.9	53.9
Capital formation, net	28	**145.3**	**144.3**	**145.6**
Gross fixed capital formation (acquisition of produced nonfinancial assets)	29	262.2	270.0	287.3
Less: Consumption of fixed capital	30	127.8	136.7	153.2
Acquisition of nonproduced nonfinancial assets	31	10.9	11.0	11.6
Net lending or net borrowing, capital account (25–28)	32	**–114.1**	**–105.3**	**–95.0**
Financial account				
Net lending or net borrowing (line 32)	33	**–114.1**	**–105.3**	**–95.0**
Net acquisition of financial assets	34	**79.1**	**94.8**	**142.5**
Currency and deposits	35	**11.5**	**2.2**	**38.0**
Currency and transferable deposits	36	3.5	–4.6	8.5
Time and savings deposits	37	8.0	6.9	29.5
Securities other than shares	38	**49.8**	**57.3**	**95.0**
Open market paper	39	10.3	8.8	6.7
Treasury securities	40	9.5	23.2	68.8
Agency- and GSE-backed securities [1]	41	22.5	19.1	14.6
Municipal securities	42	0.3	0.2	0.2
Corporate and foreign bonds	43	7.1	6.0	4.6
Loans	44	**16.4**	**13.9**	**10.7**
Short term (security repurchases)	45	7.9	6.7	5.1
Long term (mortgages)	46	8.5	7.2	5.5
Shares and other equity	47	**–18.2**	**–2.9**	**1.7**
Money market fund shares	48	4.0	3.4	2.6
Corporate equities	49	–17.0	–4.8	–0.7
Mutual fund shares	50	–5.2	–1.5	–0.2
Other accounts receivable	51	**19.6**	**24.2**	**–2.7**
Trade receivables	52	8.1	6.9	5.3
Taxes receivable	53	7.8	25.3	42.8
Other (miscellaneous assets)	54	3.7	–8.0	–50.8
Net incurrence of liabilities	55	**149.4**	**146.1**	**204.6**
Securities other than shares (municipals)	56	**120.0**	**115.1**	**170.8**
Short term	57	10.4	–5.9	5.7
Other	58	109.6	121.0	165.1
Loans (short term)	59	**0.3**	**0.2**	**0.5**
Other accounts payable (trade payables)	60	**29.2**	**30.8**	**33.3**
Addendum:				
Net lending or net borrowing, financial account (34–55)	61	–70.4	–51.3	–62.1
Other changes in volume account				
Total other volume changes	62	**32.9**	**43.1**	**14.3**
Other volume changes	63	–10.8	–10.9	–18.7
Less: Statistical discrepancy (32–[34–55]) [2]	64	–43.7	–54.0	–32.9
Revaluation account				
Nonfinancial assets	65	**78.4**	**493.1**	**463.6**
Structures	66	79.0	489.6	462.0
Equipment and software	67	–0.5	3.6	1.6
Shares and other equity	68	**29.3**	**12.3**	**5.5**
Changes in net worth due to nominal holding gains or losses	69	**107.7**	**505.4**	**469.1**
Changes in balance sheet account				
Change in net worth (28+32+62+69)	70	**171.8**	**587.5**	**534.0**
Balance sheet account (end of period)				
Total assets	71	**6,916.8**	**7,650.4**	**8,389.0**
Nonfinancial assets [3]	72	**5,008.6**	**5,635.1**	**6,225.7**
Structures	73	4,784.0	5,399.1	5,979.8
Equipment and software	74	224.6	236.1	245.9
Financial assets	75	**1,908.2**	**2,015.3**	**2,163.3**
Currency and deposits	76	**191.6**	**193.9**	**231.8**
Currency and transferable deposits	77	44.9	40.3	48.8
Time and savings deposits	78	146.7	153.6	183.1
Securities other than shares	79	**992.7**	**1,050.1**	**1,145.0**
Open market paper	80	161.6	170.4	177.1
Treasury securities	81	364.2	387.4	456.2
Agency- and GSE-backed securities [1]	82	351.2	370.3	384.9
Municipal securities	83	4.4	4.6	4.8
Corporate and foreign bonds	84	111.3	117.3	122.0
Loans	85	**256.3**	**270.3**	**280.9**
Short term (security repurchases)	86	123.5	130.2	135.3
Long term (mortgages)	87	132.9	140.1	145.6
Shares and other equity	88	**173.3**	**182.7**	**189.9**
Money market fund shares	89	62.7	66.1	68.7
Corporate equities	90	84.7	89.3	92.8
Mutual fund shares	91	25.9	27.3	28.4
Other accounts receivable	92	**294.2**	**318.4**	**315.6**
Trade receivables	93	126.5	133.4	138.7
Taxes receivable	94	68.4	89.0	126.4
Other (miscellaneous assets)	95	99.3	96.0	50.6
Total liabilities and net worth	96	**6,916.8**	**7,650.4**	**8,389.0**
Liabilities	97	**1,987.0**	**2,133.1**	**2,337.7**
Securities other than shares (municipals)	98	**1,557.9**	**1,673.0**	**1,843.8**
Short term	99	106.1	100.2	105.9
Other	100	1,451.8	1,572.8	1,737.9
Loans (short term)	101	**9.7**	**9.9**	**10.3**
Other accounts payable (trade payables)	102	**419.5**	**450.3**	**483.6**
Net worth	103	**4,929.7**	**5,517.3**	**6,051.3**

NOTE. The state and local government accounts exclude state and local employee retirement funds.

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

2. The 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.

3. Excludes land and nonproduced nonfinancial assets.

Table 7. Rest of the World

[Billions of dollars]

	Line	2003	2004	2005
Current account				
Foreign income from the United States	1	**1,889.8**	**2,237.4**	**2,587.9**
U.S. imports of goods and services	2	1,540.2	1,791.4	2,019.8
U.S. income payments to rest of world	3	280.0	363.9	481.5
Current taxes and transfer payments to rest of world	4	69.7	82.1	86.6
Less: Foreign outlays to the United States	5	**1,377.6**	**1,588.3**	**1,816.5**
U.S. exports of goods and services	6	1,040.8	1,178.1	1,303.1
U.S. income receipts from rest of world	7	336.8	410.2	513.3
Equals: Net saving (current external balance)	8	**512.3**	**649.0**	**771.4**
Capital account				
Net saving	9	**512.3**	**649.0**	**771.4**
Net capital transfers	10	**3.4**	**2.2**	**4.3**
Less: Acquisition of nonproduced nonfinancial assets	11	**0.2**	**0.0**	**–0.1**
Net lending or net borrowing, capital account (9+10–11)	12	**515.6**	**651.3**	**775.7**
Financial account				
Net lending or net borrowing (line 12)	13	**515.6**	**651.3**	**775.7**
Net acquisition of U.S. financial assets	14	**824.0**	**1,320.6**	**1,045.5**
Monetary gold and SDRs	15	**0.6**	**–0.4**	**4.5**
Currency and deposits	16	**10.1**	**123.6**	**80.0**
Currency	17	16.6	14.8	19.0
Transferable deposits	18	12.3	27.5	26.0
Time deposits	19	–9.1	72.9	41.6
Net interbank items due from U.S. banks	20	–9.7	8.4	–6.6
Securities other than shares	21	**517.2**	**766.6**	**787.2**
Open market paper	22	9.2	44.8	8.6
Treasury securities	23	276.0	346.8	287.1
Agency- and GSE-backed securities [1]	24	3.1	109.0	157.1
Municipal securities	25	8.0	6.5	4.0
Corporate bonds	26	220.8	259.5	330.4
Loans (short term)	27	**269.2**	**211.2**	**108.0**
Security repurchases	28	270.1	204.9	47.4
Loans to U.S. corporate business	29	–0.8	6.3	60.6
Shares and other equity	30	**97.9**	**195.0**	**196.4**
Corporate equities	31	34.0	61.8	86.6
Foreign direct investment in the United States	32	64.0	133.2	109.8
Other accounts receivable	33	**–71.0**	**24.6**	**–130.5**
Trade receivables	34	1.5	–1.1	7.8
Other (miscellaneous assets)	35	–72.5	25.7	–138.3
Net incurrence of liabilities	36	**288.9**	**740.4**	**264.4**
Currency and deposits	37	**35.9**	**86.7**	**75.1**
Official foreign exchange	38	0.6	0.6	0.6
Net IMF position	39	–1.5	–3.8	–10.2
U.S. private deposits	40	36.6	89.9	86.8
U.S. government deposits	41	0.2	0.0	–2.2
Securities other than shares	42	**41.6**	**124.6**	**76.4**
Commercial paper	43	12.9	62.8	38.5
Bonds	44	28.7	61.8	38.0
Loans (short term)	45	**–9.8**	**–1.1**	**8.2**
Acceptance liabilities to banks	46	0.0	0.1	0.0
U.S. government loans	47	–2.1	–3.7	–4.6
Bank loans n.e.c.	48	–7.7	2.5	12.9
Shares and other equity	49	**269.3**	**330.9**	**152.5**
Corporate equities	50	118.0	84.8	142.1
U.S. government equity in IBRD, etc.	51	1.4	2.0	1.3
U.S. direct investment abroad	52	149.9	244.1	9.1
Other accounts payable	53	**–48.0**	**199.4**	**–47.8**
Trade payables	54	6.1	3.5	6.3
Other (miscellaneous liabilities)	55	–54.1	195.9	–54.1
Addendum:				
Net lending, financial account (14–36)	56	535.0	580.2	781.1
Other changes in volume account				
Total other volume changes	57	**–333.1**	**–257.0**	**–88.1**
Other volume changes	58	–352.5	–185.9	–93.5
Less: Statistical discrepancy (12–[14–36]) [2]	59	–19.4	71.1	–5.4
Revaluation account				
Financial assets	60	**399.0**	**277.8**	**–26.7**
Securities other than shares	61	**–83.8**	**39.0**	**–157.0**
Treasury securities	62	–47.9	–56.7	–96.9
Agency- and GSE-backed securities [1]	63	1.9	16.2	17.8
Corporate bonds	64	–37.7	79.5	–77.8
Shares and other equity	65	**482.8**	**238.9**	**130.2**
Corporate equities	66	469.7	222.0	92.8
Foreign direct investment in the United States	67	13.1	16.9	37.4
Liabilities	68	**777.5**	**551.4**	**379.4**
Currency and deposits	69	**7.4**	**3.1**	**–6.7**
Official foreign exchange	70	5.3	2.4	–5.5
Net IMF position	71	2.1	0.8	–1.2
Securities other than shares (corporate bonds)	72	**140.4**	**56.8**	**–43.4**
Shares and other equity	73	**629.7**	**491.5**	**429.5**
Corporate equities	74	586.8	396.2	383.9
U.S. direct investment abroad	75	42.9	95.2	45.6
Changes in net worth due to nominal holding gains or losses	76	**–378.4**	**–273.6**	**–406.1**
Changes in balance sheet account				
Change in net worth (12+57+76)	77	**–195.9**	**120.7**	**281.5**
Financial balance sheet account (end of period) [3]				
Total financial assets	78	**8,588.8**	**10,111.9**	**11,029.4**
Currency and deposits	79	**608.7**	**732.3**	**812.7**
Currency	80	317.9	332.7	352.2
Transferable deposits	81	37.6	65.2	91.1
Time deposits	82	143.2	216.0	257.6
Net interbank items due from U.S. banks	83	110.0	118.3	111.8
Securities other than shares	84	**4,044.3**	**4,849.9**	**5,480.2**
Open market paper	85	135.8	180.6	189.2
Treasury securities	86	1,513.5	1,803.5	1,993.8
Agency- and GSE-backed securities [1]	87	653.1	778.3	953.1
Municipal securities	88	19.5	26.0	30.0
Corporate bonds	89	1,722.4	2,061.5	2,314.1
Loans (short term)	90	**585.2**	**796.4**	**904.4**
Security repurchases	91	460.2	665.1	712.5
Loans to U.S. corporate business	92	125.0	131.2	191.8
Shares and other equity	93	**3,416.5**	**3,850.3**	**4,176.9**
Corporate equities	94	1,839.5	2,123.3	2,302.6
Foreign direct investment in the United States	95	1,577.0	1,727.1	1,874.3
Other accounts receivable	96	**–65.9**	**–116.9**	**–344.7**
Trade receivables	97	45.7	44.6	52.4
Other (miscellaneous assets)	98	–111.5	–161.5	–397.1
Total liabilities and net worth	99	**8,588.8**	**10,111.9**	**11,029.4**
Total liabilities	100	**6,594.1**	**7,996.6**	**8,632.6**
Currency and deposits	101	**932.8**	**1,022.6**	**1,090.9**
Official foreign exchange	102	39.7	42.7	37.8
Net IMF position	103	22.5	19.5	8.0
U.S. private deposits	104	867.8	957.7	1,044.5
U.S. government deposits	105	2.8	2.8	0.6
Securities other than shares	106	**1,141.5**	**1,322.9**	**1,355.9**
Commercial paper	107	267.1	329.9	368.4
Bonds	108	874.4	993.0	987.5
Loans (short term)	109	**103.0**	**101.9**	**110.1**
Acceptance liabilities to banks	110	0.2	0.3	0.2
U.S. government loans	111	42.0	38.3	33.7
Bank loans n.e.c.	112	60.9	63.3	76.2
Shares and other equity	113	**4,179.3**	**5,001.6**	**5,583.6**
U.S. government equity in IBRD, etc.	114	40.0	42.0	43.2
U.S. direct investment abroad	115	2,059.9	2,399.2	2,453.9
Corporate equities	116	2,079.4	2,560.4	3,086.5
Other accounts payable	117	**237.6**	**547.6**	**492.0**
Trade payables	118	47.5	51.0	57.3
Other (miscellaneous liabilities)	119	190.0	496.6	434.7
Net worth (external account)	120	**1,994.6**	**2,115.3**	**2,396.8**

1. Government-sponsored enterprises (GSEs) consist of Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, 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.

2. The 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.

3. Excludes nonfinancial assets, including nonproduced nonfinancial assets.

IBRD International Bank for Reconstruction and Development
IMF International Monetary Fund
SDRs Special Drawing Rights
n.e.c. Not elsewhere classified