

*For use at 12:00 p.m., eastern time
June 7, 2012*

FEDERAL RESERVE statistical release



Z.1

Flow of Funds Accounts of the United States

*Flows and Outstandings
First Quarter 2012*

Flow of Funds Summary Statistics First Quarter 2012

Debt of the domestic nonfinancial sectors expanded at a seasonally adjusted annual rate of 4¾ percent in the first quarter of 2012, a bit less than the pace registered in the fourth quarter.

Household debt declined at an annual rate of ½ percent in the first quarter; the debt of this sector has been declining since the first quarter of 2008. Consumer credit rose at an annual rate of 5¾ percent in the first quarter, the sixth consecutive quarterly increase. Home mortgage debt declined close to 3 percent in the first quarter; this series has been trending down since early 2008.

Nonfinancial business debt rose at an annual rate of 5¼ percent in the first quarter, just a bit more than in the fourth quarter. Corporate bonds outstanding and business loans increased, while commercial mortgage debt continued to decline.

State and local government debt declined at an annual rate of 1¾ percent in the first quarter; debt in this sector has declined in four of the past five quarters. Federal government debt rose at an annual rate of 12½ percent in the first quarter, about 1 percentage point more than average pace in 2011.

At the end of the first quarter of 2012, the level of domestic nonfinancial debt outstanding was \$38.6 trillion, of which household debt was \$12.9 trillion, nonfinancial business debt was \$12.0 trillion, and total government debt was \$13.8 trillion.

Household net worth—the difference between the value of households' assets and liabilities—was \$62.9 trillion at the end of the first quarter of 2012, about \$2.8 trillion more than at the end of the fourth quarter. The first-quarter increase was led by advances in directly and indirectly held corporate equities and mutual funds.

Growth of Domestic Nonfinancial Debt¹

Percentage changes; quarterly data are seasonally adjusted annual rates

	Total	Households	Business	State and local govts.	Federal
2002	7.3	10.6	3.0	11.1	7.6
2003	8.0	11.8	2.2	8.3	10.9
2004	9.3	11.1	6.6	11.9	9.0
2005	9.2	11.1	8.9	5.5	7.0
2006	8.5	9.8	10.8	3.7	3.9
2007	8.4	6.6	13.6	5.4	4.9
2008	5.9	-0.1	6.1	0.7	24.2
2009	3.1	-1.7	-2.3	3.9	22.7
2010	4.1	-2.2	0.8	2.2	20.2
2011	3.6	-1.5	4.5	-1.9	11.4
2010:Q1	3.7	-2.8	0.1	2.4	20.6
Q2	3.7	-2.2	-2.0	-0.5	22.5
Q3	4.0	-2.2	2.7	2.1	16.0
Q4	4.6	-1.5	2.3	4.8	16.4
2011:Q1	2.4	-1.6	4.1	-3.3	7.9
Q2	2.4	-3.0	5.0	-3.5	8.6
Q3	4.5	-1.1	3.8	0.0	14.1
Q4	4.9	-0.2	4.9	-1.0	13.1
2012:Q1	4.7	-0.4	5.2	-1.8	12.4

1. Changes shown are on an end-of-period basis.

Table of Contents

<i>Title</i>	<i>Table</i>	<i>Page</i>
Flow of Funds Accounts, First Quarter 2012		1
Availability of Data for Latest Quarter		4
Credit Market Debt Growth by Sector	D.1	7
Credit Market Borrowing by Sector	D.2	8
Credit Market Debt Outstanding by Sector	D.3	9

<i>Title</i>	<i>Flows</i>		<i>Levels</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Summaries				
Total Credit Market Borrowing and Lending	F.1	10	L.1	64
Credit Market Borrowing by Nonfinancial Sectors	F.2	11	L.2	65
Credit Market Borrowing by Financial Sectors	F.3	11	L.3	65
Credit Market Borrowing, All Sectors, by Instrument	F.4	12	L.4	66
Total Liabilities and Its Relation to Total Financial Assets	F.5	12	L.5	66
Distribution of Gross Domestic Product	F.6	13		
Distribution of National Income	F.7	14		
Saving and Investment	F.8	15		
Net Capital Transfers	F.9	16		
Derivation of Measures of Personal Saving	F.10	17	L.10	67

<i>Title</i>	<i>Flows</i>		<i>Levels</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Sectors				
Households and Nonprofit Organizations	F.100	18	L.100	68
Nonfinancial Business	F.101	19	L.101	69
Nonfinancial Corporate Business	F.102	20	L.102	70
Nonfinancial Noncorporate Business	F.103	21	L.103	71
State and Local Governments	F.104	22	L.104	72
Federal Government	F.105	23	L.105	73
Rest of the World	F.106	24	L.106	74
Financial Business	F.107	25	L.107	75
Monetary Authority	F.108	26	L.108	76
Private Depository Institutions	F.109	27	L.109	77
U.S.-Chartered Depository Institutions, ex. Credit Unions	F.110	28	L.110	78
Foreign Banking Offices in U.S.	F.111	29	L.111	79
Banks in U.S.-Affiliated Areas	F.112	30	L.112	80
Credit Unions	F.113	30	L.113	80
Property-Casualty Insurance Companies	F.114	31	L.114	81
Life Insurance Companies	F.115	31	L.115	81
Private Pension Funds	F.116	32	L.116	82
State and Local Government Employee Retirement Funds	F.117	33	L.117	83
Federal Government Retirement Funds	F.118	33	L.118	83
Money Market Mutual Funds	F.119	34	L.119	84
Mutual Funds	F.120	34	L.120	84
Closed-End and Exchange-Traded Funds	F.121	34	L.121	84
Government-Sponsored Enterprises	F.122	35	L.122	85

<i>Title</i>	<i>Flows</i>		<i>Levels</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Agency- and GSE-Backed Mortgage Pools	F.123	35	L.123	85
Issuers of Asset-Backed Securities	F.124	36	L.124	86
Finance Companies	F.125	36	L.125	86
Real Estate Investment Trusts	F.126	37	L.126	87
Security Brokers and Dealers	F.127	38	L.127	88
Holding Companies	F.128	39	L.128	89
Funding Corporations	F.129	40	L.129	90

Instruments

U.S. Official Reserve Assets and SDR Allocations	F.200	41	L.200	91
Special Drawing Rights (SDRs) Certificates and Treasury Currency	F.201	41	L.201	91
U.S. Deposits in Foreign Countries	F.202	41	L.202	91
Net Interbank Transactions	F.203	42	L.203	92
Checkable Deposits and Currency	F.204	43	L.204	93
Time and Savings Deposits	F.205	44	L.205	94
Money Market Mutual Fund Shares	F.206	44	L.206	94
Federal Funds and Security Repurchase Agreements	F.207	45	L.207	95
Open Market Paper	F.208	46	L.208	96
Treasury Securities	F.209	47	L.209	97
Agency- and GSE-Backed Securities	F.210	48	L.210	98
Municipal Securities and Loans	F.211	49	L.211	99
Corporate and Foreign Bonds	F.212	50	L.212	100
Corporate Equities	F.213	51	L.213	101
Mutual Fund Shares	F.214	51	L.214	101
Depository Institution Loans Not Elsewhere Classified	F.215	52	L.215	102
Other Loans and Advances	F.216	53	L.216	103

<i>Title</i>	<i>Flows</i>		<i>Levels</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Total Mortgages	F.217	54	L.217	104
Home Mortgages	F.218	55	L.218	105
Multifamily Residential Mortgages	F.219	55	L.219	105
Commercial Mortgages	F.220	56	L.220	106
Farm Mortgages	F.221	56	L.221	106
Consumer Credit	F.222	57	L.222	107
Trade Credit	F.223	57	L.223	107
Life Insurance and Pension Fund Reserves	F.225	58	L.225	108
Taxes Payable by Businesses	F.226	58	L.226	108
Proprietors' Equity in Noncorporate Business	F.227	58	L.227	108
Total Miscellaneous Financial Claims	F.228	59	L.228	109
Identified Miscellaneous Financial Claims - Part I	F.229	60	L.229	110
Identified Miscellaneous Financial Claims - Part II	F.230	61	L.230	111
Unidentified Miscellaneous Financial Claims	F.231	62	L.231	112
Sector Discrepancies	F.11	63		
Instrument Discrepancies	F.12	63		

<i>Title</i>	<i>Balance Sheet</i>		<i>Reconciliation</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Balance Sheet and Reconciliation Tables				
Households and Nonprofit Organizations	B.100	113	R.100	116
Nonfinancial Corporate Business	B.102	114	R.102	117
Nonfarm Noncorporate Business	B.103	115	R.103	118

<i>Title</i>	<i>Flows</i>		<i>Levels</i>	
	<i>Table</i>	<i>Page</i>	<i>Table</i>	<i>Page</i>
Supplementary Tables				
Balance Sheet of Households and Nonprofit Organizations with Equity Detail			B.100.e	119
Nonprofit Organizations	F.100.a	120	L.100.a	121
Consolidated Statement for Federal, State, and Local Governments	F.105.c	122	L.105.c	123
Private Pension Funds: Defined Benefit Plans	F.116.b	124	L.116.b	125
Private Pension Funds: Defined Contribution Plans	F.118.c	124	L.118.c	125
Individual Retirement Accounts (IRAs)	F.225.i	124	L.225.i	125
Flow of Funds Matrix for 2011		126		127

Flow of Funds Accounts, First Quarter 2012

This publication presents the Flow of Funds Accounts for 2012:Q1. The statistics in the attached tables reflect the use of new or revised source data. Most significant revisions appear in recent quarters; however, new source information resulted in changes to data for earlier periods.

Release Highlights. The Flow of Funds Accounts have been restructured to reflect regulatory filing changes for U.S.-chartered depository institutions. In particular, savings institutions now file the same regulatory report as the U.S.-chartered commercial banks, and savings and loan holding companies now file the same report as bank holding companies. Most of the sector tables have been renumbered due to the deletion, addition, and reordering of tables. Specific changes resulting from this restructuring are detailed below.

1. The U.S.-chartered commercial banks sector (previously shown on tables F.110 and L.110) and the savings institution sector (previously shown on tables F.114 and L.114) have been combined into a new sector called U.S.-chartered depository institutions (new tables F.110 and L.110). Most of the previously published series for U.S.-chartered commercial banks and savings institutions are still available as separate series in the online Federal Reserve Data Download Program (DDP).

2. A new sector, called private depository institutions (tables F.109 and L.109), presents the combined total of U.S.-chartered depository institutions (tables F.110 and L.110), foreign banking offices in U.S. (tables F.111 and L.111), banks in U.S.-affiliated areas (tables F.112 and L.112), and credit unions (tables F.113 and L.113).

3. The bank holding companies sector (previously shown on tables F.112 and L.112) has been renamed holding companies and relocated in the publication (tables F.128 and L.128). The sector now includes parent only bank holding companies and savings and loan holding companies that file the Federal Reserve Board form Y-9LP or the Y-9SP.

4. The instrument category net interbank transactions (tables F.203 and L.203) now measures transactions between private depository institutions, their foreign affiliates, and the monetary authority. Specifically, holding companies are no longer included in this instrument category, and some assets

of savings institutions, banks in U.S.-affiliated areas, and credit unions, which were previously classified as checkable deposits (tables F.204 and L.204) and time and savings deposits (F.205 and L.205) are now included in the instrument category net interbank transactions. Time and savings deposits held by holding companies, which previously had been included in net interbank transactions, are now reported on the time and savings deposits table.

5. The instrument category bank loans n.e.c has been renamed depository institution loans n.e.c. (tables F.215 and L.215), and now includes savings institutions' and credit unions' loans to business (which have been removed from the other loans and advances instrument category; tables F.216 and L.216). At the same time, holding company loans have been moved from the bank loans n.e.c. table to the other loans and advances table. In addition, holding company loans to the rest of the world sector have been added to the other loans and advances table.

6. The Integrated Macroeconomic Accounts (IMA) quarterly tables, jointly produced with the Bureau of Economic Analysis (BEA), will now include data back to 1960:Q1. Additionally, instrument category titles on the IMA tables have been changed to be consistent with 2008 System of National Accounts (SNA); and descriptions of some instruments on the Series Structure page of the Flow of Funds Guide now include corresponding 2008 SNA instrument identifiers in parentheses.

7. The market value of both residential and nonresidential real estate (tables B.102 and B.103) has been revised from 1996:Q2 forward due to improved source data. Commercial repeat-sales price indexes from CoStar, including one on apartments, are now being used in the calculation of the market value of real estate. Previously for this time period, price indexes from National Real Estate Investor (NREI) and the National Council of Real Estate Investment Fiduciaries (NCREIF) were used. The CoStar indexes offer much broader coverage of these markets than either the NREI or the NCREIF indexes. For the period from the most recent benchmark in 1989:Q4 through 1996:Q1 the calculations will continue to incorporate price indexes from the NREI.

8. Assets of the nonfarm nonfinancial corporate

business sector (tables F.102, L.102, B.102, and R.102) have been revised from 2010:Q1 forward, to reflect advance data from the Internal Revenue Service (IRS) Statistics of Income (SOI) for 2010.

Explanatory notes for tables D.1, D.2, and D.3.

Domestic debt comprises credit market funds borrowed by U.S. entities from both domestic and foreign sources, while foreign debt represents amounts borrowed by foreign financial and nonfinancial entities in U.S. markets only. Financial sectors consist of government-sponsored enterprises, agency- and GSE-backed mortgage pools, the monetary authority, and private financial institutions. Credit market debt consists of debt securities, mortgages, bank loans, commercial paper, consumer credit, U.S. government loans, and other loans and advances; it excludes trade debt, loans for the purpose of carrying securities, and funds raised from equity sources. This definition is consistent with the presentation of credit market borrowing and lending on tables F.1 through F.4. Net lending (+) or net borrowing (-) on the individual sector tables and the matrix is defined as net acquisition of financial assets less net increase in liabilities.

Growth rates in table D.1 are calculated by dividing seasonally adjusted flows from table D.2 by seasonally adjusted levels at the end of the previous period from table D.3. Seasonally adjusted levels in flow of funds statistics are derived by carrying forward year-end levels by seasonally adjusted flows. Growth rates calculated from changes in unadjusted levels printed in table L.2 can differ from those in table D.1.

Relation of Flows to Outstandings. Estimates of financial assets and liabilities outstanding are linked to data on flows. However, figures on outstandings contain discontinuities or breaks in series that could affect analysis of particular relationships over time. Specifically, outstandings in the Flow of Funds Accounts are related to flows in the following way:

$\text{Outstanding}_t = \text{Outstanding}_{t-1} + \text{Flow}_t + \text{Discontinuity}_t$
where “t” is the time period.

Discontinuities result from changes in valuation, breaks in source data, and changes in definitions. For most series, the value of the discontinuity is zero for nearly all time periods. However, in a few instances, the discontinuity is nonzero for almost all time periods, or is quite large in a particular quarter, such as a period when there is a sharp increase or decrease in equity prices or a major break in source data. The discontinuities in a series can distort estimated rates

of growth in assets and liabilities between periods. In order to minimize these distortions, percentage changes in assets and liabilities in flow of funds releases should be calculated as:

$\text{Percentage change}_t = (\text{Flow}_t / \text{Outstanding}_{t-1}) * 100$

Preliminary Estimates. Figures shown for the most recent quarter in these tables are based on preliminary and incomplete information. A summary list of the principal sources of information available when the latest quarter's data were compiled is provided in a table following this introduction. The distinction between “available” data and “missing” data is not between final and preliminary versions of data, but rather between those source estimates that are fully ready when the latest quarterly publication is compiled and those that are not yet completed. However, the items that are shown as available are, in general, also preliminary in the sense that they are subject to revision by source agencies.

Margins of Uncertainty. Flow of funds statistics are subject to uncertainties resulting from measurement errors in source data, incompatibilities among data from different sources, potential revisions in both financial and nonfinancial series, and incomplete data in parts of the accounts. The size of these uncertainties cannot be quantified in precise statistical terms, but allowance for them is explicitly made throughout the accounts by the inclusion of “discrepancies” for various sectors and instrument types. A discrepancy for a sector is the difference between its measured sources of funds and its measured uses of funds. For an instrument category, a discrepancy is the difference between measured funds borrowed through the financial instrument and measured funds lent through that instrument. The size of such discrepancies relative to the main asset or liability components is one indication of the quality of source data, especially on an annual basis. For quarterly data, differences in seasonal adjustment procedures for financial and nonfinancial components of the accounts sometimes result in discrepancies that cancel in annual data.

Availability of Data. Flow of funds statistics are updated about ten weeks following the end of a quarter. This publication — the Z.1 release — is available from the Board's Publications Services. Flow of funds data are also available electronically through the Internet at the following location:
www.federalreserve.gov/releases/Z1

This Internet site also provides coded tables and historical annual tables beginning in 1945 that

correspond to the tables published in this release. There are also compressed ASCII files of quarterly data for seasonally adjusted flows, unadjusted flows, outstandings, balance sheets, debt (tables D.1, D.2, and D.3), and supplementary tables.

In addition, these data, as well as data for the quarterly and annual *Integrated Macroeconomic Accounts for the United States* tables, are available as customizable download datasets through the Data Download Program (**DDP**) at the following location:

www.federalreserve.gov/datadownload/Choose.aspx?rel=Z.1

An interactive, web-based guide to the Flow of Funds Accounts is available through the Z.1 release page. The tools and descriptions within this guide are designed to help users explore the structure and content of the Z.1 and the Integrated Macroeconomic Accounts.

Subscription Information. The Federal Reserve Board charges for subscriptions to all statistical releases. Inquiries for releases should be directed to:

Publications Services, Stop 127
Board of Governors
of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
(202) 452-3244

Availability of Data for Latest Quarter

	<u>Available at time of publication</u>	<u>Major items missing</u>
1. National income and product accounts (NIPA)	Second estimate, seasonally adjusted, for 2012:Q1.	Unadjusted flows since 2010 for the government sectors. Unadjusted flows since 2006 for all other sectors.
2. Households and nonprofit organizations sector (tables F.100 and L.100)	Estimates for this sector are largely residuals and are derived from data for other sectors. Availability of data depends on schedules for other sectors. Data for consumer credit, which are estimated directly, are available through 2012:Q1. The source for nonprofit organizations data (tables F.100.a and L.100.a) is the Internal Revenue Service <i>Statistics of Income</i> . Data for nonprofit organizations are available for 1987 through 2000.	
3. Nonfinancial corporate business (tables F.102 and L.102)	<i>Quarterly Financial Report (QFR)</i> of the Census Bureau through 2011:Q4; Internal Revenue Service <i>Statistics of Income (IRS/SOI)</i> data through 2010; securities offerings, mortgages, bank loans, commercial paper, and other loans through 2012:Q1.	<i>Statistics of Income</i> data since 2010. QFR and corporate farm data for 2012:Q1.
4. Nonfinancial noncorporate business (tables F.103 and L.103)	IRS/SOI data through 2009; bank and finance company loans, and mortgage borrowing through 2012:Q1.	<i>Statistics of Income</i> data since 2009. Noncorporate farm data for 2012:Q1.
5. State and local governments (tables F.104 and L.104)	Gross offerings and retirements of municipal securities, deposits at banks, and nonmarketable U.S. government security issues through 2012:Q1; total financial assets through 2009:Q2 from the Census Bureau; breakdown of financial assets through 2004:Q2 from the comprehensive annual financial reports of state and local governments.	Total financial assets since 2009:Q2 and selected financial asset detail since 2004:Q2.
6. Federal government (tables F.105 and L.105)	Data from the <i>Monthly Treasury Statement of Receipts and Outlays</i> and Treasury data for loan programs and the Troubled Assets Relief Program (TARP) through 2012:Q1.	None.

7. Rest of the world (U.S. international transactions) (tables F.106 and L.106)	Balance of payments data through 2011:Q4. NIPA estimates; data from bank Reports of Condition and from Treasury International Capital System through 2012:Q1.	Balance of payments data for 2012:Q1.
8. Monetary authority (tables F.108 and L.108)	All data through 2012:Q1.	None.
9. U.S.-chartered depository institutions (tables F.110 and L.110)	All data through 2012:Q1.	None.
10. Foreign banking offices in U.S. (tables F.111 and L.111)	All data through 2012:Q1.	None.
11. Banks in U.S.-affiliated areas (tables F.112 and L.112)	All data through 2012:Q1 for commercial banks in U.S.-affiliated areas. All data through 2011 for branches of domestic commercial banks located in U.S.-affiliated areas.	Data since 2011 for branches of domestic commercial banks located in U.S.-affiliated areas.
12. Credit unions (tables F.113 and L.113)	All data through 2012:Q1.	None.
13. Property-casualty insurance companies (tables F.114 and L.114)	All data through 2011:Q4. Preliminary data for 2012:Q1.	Final data for 2012:Q1.
14. Life insurance companies (tables F.115 and L.115)	All data through 2011:Q4. Preliminary data for 2012:Q1.	Final data for 2012:Q1.
15. Private pension funds (tables F.116 and L.116)	Internal Revenue Service/Department of Labor/Pension Benefit Guaranty Corporation Form 5500 data through 2007.	Form 5500 data since 2007.
16. State and local government employee retirement funds (tables F.117 and L.117)	Detailed data through 2008:Q2 from the Census Bureau; sample data through 2012:Q1 from the Census Bureau.	Detailed data since 2008:Q2.
17. Federal government retirement funds (tables F.118 and L.118)	Data from the <i>Monthly Treasury Statement of Receipts and Outlays</i> , the Thrift Savings Plan, and the National Railroad Retirement Investment Trust through 2012:Q1.	None.

18. Money market mutual funds (tables F.119 and L.119)	All data through 2012:Q1.	None.
19. Mutual funds (tables F.120 and L.120)	All data through 2012:Q1.	None.
20. Closed-end funds (tables F.121 and L.121)	All data through 2011:Q4.	Data for 2012:Q1.
21. Exchange-traded funds (tables F.121 and L.121)	All data through 2012:Q1.	None.
22. Government-sponsored enterprises (tables F.122 and L.122)	Data for Fannie Mae, Freddie Mac, Farmer Mac, FHLB, FICO, FCS, and REFCORP through 2012:Q1.	None.
23. Agency- and GSE-backed mortgage pools (tables F.123 and L.123)	Data for Fannie Mae, Freddie Mac, Farmer Mac, and Ginnie Mae through 2012:Q1.	None.
24. Issuers of asset-backed securities (ABSs) (tables F.124 and L.124)	All data for private mortgage pools, consumer credit, business loans, student loans, consumer leases, and trade credit securitization through 2012:Q1.	None.
25. Finance companies (tables F.125 and L.125)	All data through 2012:Q1.	None.
26. Real estate investment trusts (REITs) (tables F.126 and L.126)	Final data from SNL Financial through 2012:Q1.	None.
27. Security brokers and dealers (tables F.127 and L.127)	Data for firms filing FOCUS and FOGS reports through 2012:Q1.	None.
28. Holding companies (table F.128 and L.128)	All data through 2012:Q1.	None.
29. Funding corporations (tables F.129 and L.129)	Estimates for this sector are largely residuals and are derived from data for other sectors.	