

USA **FACTS**

Methodology

Balance Sheets

January 5, 2024

Overview of Methodology

The USAFacts balance sheets, presented on USAFacts.org and in the summary and annual reports, comes exclusively from the Federal Reserve's Financial Accounts of the United States, which releases quarterly data on the Flow of Funds, Balance Sheets, and Integrated Macroeconomic Accounts. This is also known as Z1 data. See the latest report here: <https://www.federalreserve.gov/releases/z1/>. The Federal Reserve describes this publication as follows:

The Financial Accounts of the United States includes data on the flow of funds and levels of financial assets and liabilities, by sector and financial instrument; full balance sheets, including net worth, for households and nonprofit organizations, nonfinancial corporate businesses, and nonfinancial noncorporate businesses; Integrated Macroeconomic Accounts; and additional supplemental detail.

The USAFacts 10-K report (available at USAFacts.org) also uses a different source, the Treasury Department's Financial Report of the United States, for the federal government's balance sheet. The 10-K uses the Z1 data for state and local balance sheet data. The 10-K contains more information on the differences between these two data sources.

Government Balance Sheets

In constructing the USAFacts government balance sheets, we manipulate some of the government tables provided in the Z1 data. These mainly pertain to the treatment of government pension funds. While the Z1 data has separate tables for government pension funds, we combine them into one table and identify which item pertains to a pension when appropriate. In the process, we net out pension fund assets that are liabilities of the parent government. For example, the Z1 data will include as assets of the pension fund Treasury securities in the federal government defined benefit pension table. We show them as liabilities of the federal government owed to pension recipients. In summary, the Z1 data treats government pension funds as an intermediary between the government and pension recipients; we eliminate that intermediary. The bottom line net worth numbers for government remain unaffected by our manipulations. We feel our treatment is more intuitive to the average reader.

In constructing the combined government balance sheets, we treat government as one entity with no layers (i.e., federal, state and local). First, for each category, we add the amounts from the federal and state/local balance sheets. Then we net out intergovernmental transactions involving federal to state/local and vice versa. This includes the following:

- Federal government loans to state and local governments
- Federal Treasury debt held by state and local governments (including pension funds)

In the state and local government tables from the Z1 data, municipal securities are counted as both an asset and a liability. This includes, for example, California municipal bonds held by the state of Georgia. We net this out because we treat state and local governments as one entity, thereby reducing both assets and liabilities by the same amount. Note that we do include municipal securities held by the public in the form of pension liabilities.

For government balance sheets, some assets are excluded, such as land and certain structures that are not considered to be marketable. For example, the Washington Monument is not counted as an asset. This is consistent with the Z1 treatment.

Other Balance Sheets

Balance sheets for U.S. households, government-sponsored enterprises (GSEs), and the Federal Reserve are taken directly from Z1 data.

Note that the Federal Reserve, also known as the monetary authority, is not considered to be part of government.

Federal Government Balance Sheet Line-by-Line Sources in Balance Sheet Data

For more information on each Z1 series, visit the Financial Accounts Guide:

<https://www.federalreserve.gov/apps/fof/Default.aspx?ck=d>

Balance Sheet Item	Z1 Series (or Formula)
Assets (excluding land)	
Financial Assets	
U.S. Official Reserve Assets	
Monetary Gold	FL313011205.Q
SDR Holdings	FL313011303.Q
Reserve Position at IMF (Net)	FL313011405.Q
Other Reserve Assets	FL313011505.Q
Checkable Deposits and Currency	FL313020005.Q
Time and Savings Deposits	FL313030003.Q
Debt Securities	
Agency and GSE-backed Securities	FL313061703.Q
Agency and GSE-backed Securities held by National Railroad Retirement Investment Trust (pension fund)	FL343061733.Q
Corporate and Foreign Bonds	FL313063763.Q
Corporate and Foreign Bonds held by National Railroad Retirement-Investment Trust (pension fund)	FL343063033.Q
Trade receivables (Advances and prepayments by the U.S. government)	FL313070000.Q

Taxes receivable (Gross taxes receivable)	FL313078000.Q
Loans	
Short-Term	
Policy Loans	FL313069403.Q
U.S. Government Loans	
Nonfinancial corporate business	
Loans to Automakers	FL313069213.Q
Loans to Corporate Farms	FL183169205.Q
Loans to other nonfinancial corporate business	FL103169203.Q
Nonfinancial noncorporate business	
Loans to Noncorporate Farms	FL233169205.Q
Loans to other nonfinancial noncorporate businesses	FL113169203.Q
Households and nonprofits	FL153169203.Q
Funding corporations	FL503169205.Q
State and local governments	FL213169203.Q
Rest of the world (excluding capital subscriptions and contributions to international financial institutions and IMF)	FL263169205.Q
Sallie Mae	FL403169283.Q
Loans to finance companies (Chrysler Financial)	FL313069223.Q
Long-Term	
Long-Term (Mortgages)	FL313065005.Q
Student Loans	FL313066220.Q
Corporate equities	
Corporate equities of commercial banks (acquired during financial crisis)	FL313064173.Q
Corporate equities issued of AIG (acquired during financial crisis)	FL313064153.Q

Corporate equities of GMAC (acquired during financial crisis)	FL313064163.Q
Corporate equities of GSEs (acquired during financial crisis)	FL313064183.Q
Corporate Equities held by the National Railroad Retirement Investment Trust (pension fund)	LM343064135.Q
Nonofficial foreign currencies	FL313091105.Q
Equity in Private-Public Investment Program	FL313094303.Q
U.S. equity in IBRD, etc.	FL313092803.Q
Equity in GSEs (non-corporate equities)	FL313092403.Q
Total Exchange Stabilization Fund Economic Recovery Programs equity investments in Federal Reserve credit facilities	FL313094205.Q
Unidentified miscellaneous assets	FL313093003.Q
Nonfinancial Assets (excluding land)	
Structures	LM315015605.Q
Equipment	FL315013265.Q
Intellectual Property	FL315013765.Q
Equipment	FL315013265.Q
Liabilities	
SDR allocations	FL313111303.Q
SDR certificates	FL713014003.Q
Currency and Deposits	FL313112003.Q
Debt Securities	
Treasury Securities	
Treasury Securities Held by the Public (excluding National Railroad Retirement Trust)	FL313161100.Q
Treasury Securities Held by the Public via National Railroad Retirement Trust (Pension)	FL343061133.Q
Special U.S. Treasury securities held by Federal Home Loan Bank	FL403061193.Q

Treasury Securities Held by Federal Defined Benefit Pension Plans (Pension)	FL343061165.Q - FL34061133.Q
Agency-Backed Securities	FL313161703.Q
Loan participation certificates	
Commodity credit corporation certificates of interest	FL313161773.Q
Other loan participation certificates	FL313161763.Q
Multifamily residential mortgages	FL313165403.Q
Trade Payables	FL313170005.Q
Life Insurance Reserves	FL313140003.Q
Liability due to FICO	FL313193013.Q
Retiree Health Care Funds	
Uniform Services Retiree Health Care Fund	FL313195100.Q
Postal Services Retiree Health Benefits Fund	FL313195113.Q
Postal System Savings Deposits	FL313131003.Q
Unfunded Pension Entitlements (i.e., not explicitly backed by assets held in pension fund account) (pension)	FL343073045.Q + FL313169003.Q
Paycheck Protection Program Payables	FL313172003.Q
Other Pension Liabilities (pension)	FL343061733.Q + FL343063033.Q + LM343064135.Q

State and Local Government Balance Sheet Line-by-Line Sources in Balance Sheet Data

For more information on each Z1 series, visit the Financial Accounts Guide:

<https://www.federalreserve.gov/apps/fof/Default.aspx?ck=d>

Balance Sheet Item	Z1 Series (or Formula)
Assets (excluding land)	
Financial Assets	
Checkable Deposits and Currency	FL213020005.Q
Checkable Deposits and Currency (Pensions)	FL223020043.Q
Time and Savings Deposits	FL213030000.Q
Time and Savings Deposits (Pensions)	FL223030043.Q
Money Market Fund Shares	FL213034003.Q
Money Market Fund Shares (Pensions)	FL223034043.Q
Security Repurchase Agreements	FL212051003.Q
Security Repurchase Agreements (Pensions)	FL222051043.Q
Debt Securities	
Commercial Paper	FL213069103.Q
Commercial Paper (Pensions)	FL223069143.Q
Treasury Securities	FL213061105.Q
Treasury Securities (Pensions)	FL223061143.Q
Agency and GSE-backed Securities	FL223061703.Q
Agency and GSE-backed Securities	FL213061703.Q
Agency and GSE-backed Securities (Pensions)	FL223061743.Q
Corporate and Foreign Bonds	FL213063003.Q
Corporate and Foreign Bonds (Pensions)	FL223063045.Q
Trade Receivables	FL213070003.Q
Taxes Receivable	FL213078005.Q

Loans (Mortgages)	FL213065005.Q
Loans (Mortgages) (Pensions)	FL223065043.Q
Corporate Equities	LM213064103.Q
Corporate Equities (Pensions)	LM223064145.Q
Mutual Fund Shares	LM213064203.Q
Mutual Fund Shares (Pensions)	LM223064243.Q
Unidentified Miscellaneous Assets	FL213093003.Q
Other Miscellaneous Assets (Pensions)	FL223093043.Q
Nonfinancial Assets (excluding land)	
Structures	LM215015605.Q
Equipment	FL215013265.Q
Intellectual Property	FL215013765.Q
Liabilities	
Debt Securities (Municipal Securities)	
Municipal Securities	FL213162005.Q - FL213062003.Q - FL223062043.Q
Municipal Securities (Pension)	FL223062043.Q
Loans from U.S. Government	FL213169203.Q
Trade Payables	FL213170003.Q
Unfunded Pension Entitlements (i.e., not explicitly backed by assets held in pension fund account) (Pension)	FL223073045.Q
Other Pension Liabilities (Pension)	FL224190043.Q - FL223062043.Q - FL223073045.Q

Required Notices

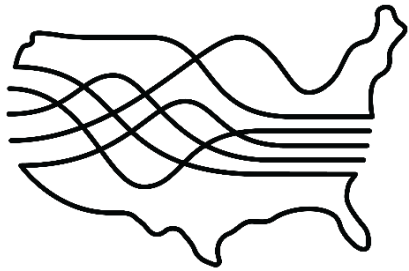
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