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## U.S. paper assets are \$198 trillion: Fed flow of funds report

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By Editorial Staff      Thu, Oct 2, 2014

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Is America broke? Hardly.

A random walk through the [Financial Accounts of the United States for the Second Quarter of 2014](#) (aka the Fed's flow of funds report), suggests that Americans, as a nation are sitting on a mountain of wealth. On paper, at least.

According to the report, the country's total identified assets were \$198.25 trillion. Of that amount, \$146.99 trillion, was held in the form of credit market debt.

The largest other assets were \$35.8 trillion in corporate equities, \$20.4 trillion in pension entitlements, \$17.4 trillion in miscellaneous, \$12.3 trillion in mutual fund shares, \$9.2 trillion in household equity in noncorporate businesses and \$8.3 trillion in small time and savings deposits.

The net worth of households and nonprofits rose \$1.4 trillion to \$81.5 trillion during the second quarter of 2014. The value of directly and indirectly held corporate equities increased \$1.0 trillion and the value of real estate expanded \$230 billion.

Domestic nonfinancial debt outstanding was \$40.5 trillion at the end of the second quarter of 2014, of which household debt was \$13.3 trillion, nonfinancial business debt was \$11.7 trillion, and total government debt was \$15.6 trillion.

Domestic nonfinancial debt growth was 3.8% at a seasonally adjusted annual rate in the second quarter of 2014, slightly lower than the previous quarter.

Household debt increased an annual rate of 3.6% in the second quarter (excluding charge-offs of home mortgages). Net originations of home mortgages continued to be weak, while consumer credit grew steadily.

Nonfinancial business debt rose at an annual rate of 6.3% in the second quarter, about in line with the increase in the first quarter. As in recent years, corporate bonds accounted for most of the increase.

State and local government debt rose at an annual rate of 1.2% in the second quarter, after decreasing at a 1.3% annual rate in the first quarter. Federal government debt rose at an annual rate of 2.5% in the second quarter, slower than the pace of growth in the first quarter.

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