

National balance sheet and financial flow accounts, first quarter 2024

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Household net worth pushed higher by strength in equity and housing markets

Households were wealthier in the first quarter of 2024 as their net worth—the value of all assets minus all liabilities—increased \$548.2 billion (+3.3%) to \$16,925.0 billion. Equity markets continued their upward trajectory, as the S&P 500 Index was up by 10.2%, growing by double digits for a second consecutive quarter, while the S&P/TSX Composite Index rose 5.8%. After posting two consecutive quarterly declines, the housing market rebounded, as the value of residential real estate rose \$213.0 billion in the first quarter.

Overall, households' total financial assets in the first quarter increased 3.6% (+\$349.3 billion) to reach a record high (\$10,022.2 billion) for the second consecutive quarter and the value of total non-financial assets grew 2.1% (+\$207.6 billion). On the other hand, financial liabilities, composed primarily of mortgage and non-mortgage debt, increased \$8.7 billion from the fourth quarter of 2023. This represented the slowest quarterly expansion (+0.3%) in household liabilities since the first quarter of 2023, as elevated interest rates continued to be a key consideration for households in the first quarter of 2024.

Household net worth is not evenly distributed across all wealth quintiles as [most wealth is held by relatively few households in Canada](#). For instance, as of the fourth quarter of 2023, over 90% of net worth was held by those households that own a home. As of the fourth quarter of 2023, the highest wealth quintile had an average net worth per household of over \$3.3 million, while the lowest wealth quintile possessed liabilities that exceed the value of their assets.

Household saving rate rises as inflows into investment funds surge

The household saving rate (seasonally adjusted) rose to 6.9% in the first quarter of 2024, the highest rate since the first quarter of 2022, as gains in disposable income (+1.8%) outweighed increases in nominal consumption expenditure (+1.2%).

Households added \$15.5 billion to their holdings of currency and deposits in the first quarter of 2024, the smallest accumulation since the third quarter of 2021. Over the last four quarters, households added \$113.7 billion in deposits compared with \$161.3 billion in the four quarters prior to that. Households have responded to interest rate increases by adjusting their preferences towards fixed-term deposits that earn higher interest. Among chartered banks, fixed term Canadian dollar personal deposits represented 47.8% of all personal deposits at the end of the first quarter of 2024, up from less than 30% in early 2022.

Households acquired \$23.8 billion in mutual fund shares in the first quarter of 2024, surpassing the total investment flows into mutual funds from 2023. Most of these inflows went to equity-focused exchange-traded funds as investors flocked to global equities given their recent performance, led particularly by technology companies. At the same time, inflows to money market funds were at their lowest since the first quarter of 2022.



Highlights

The Canadian economy grew during the first quarter of 2024 after a flat fourth quarter as strong household spending on services was somewhat offset by slow inventory accumulation. Increased household spending on services was concentrated in telecommunications services, rent and air transport while the decline in inventory accumulation was broad-based, but was particularly notable amongst retail motor vehicles. Businesses surveyed by the [Canadian Survey on Business Conditions](#) continued to be optimistic about their future outlook despite expecting to face obstacles such as inflation, rising input costs and other labour-related challenges.

The [policy interest rate](#) remained unchanged at 5.00% for six consecutive interest rate announcements including the duration of the first quarter of 2024, but a June rate cut of 25 basis points brought it down to 4.75%. Household mortgage borrowing activity slowed in the first quarter, continuing the trend of more subdued mortgage borrowing after the interest rate hikes that began in 2022. Despite high inflation and high interest rates, consumer sentiment, although weak, improved over the first quarter of 2024, with more consumers planning to buy a new home according to the [Canadian Survey of Consumer Expectations](#).

Strength in domestic and foreign equity markets continued in the first quarter of 2024 following the end-of-year rally in 2023. The value of domestic bonds deteriorated as yields across all maturities rose, a slight reversal from the fourth quarter of 2023. Meanwhile, the value of residential real estate rebounded after two consecutive quarterly declines. Federal government credit market borrowing increased for the second consecutive quarter as bond issuance continued and short-term paper issuance resumed. Canada's net foreign asset position improved as a weaker Canadian dollar and strong foreign equity markets boosted the value of Canadian investments abroad despite weakness in US treasuries.

Residential real estate bounces back

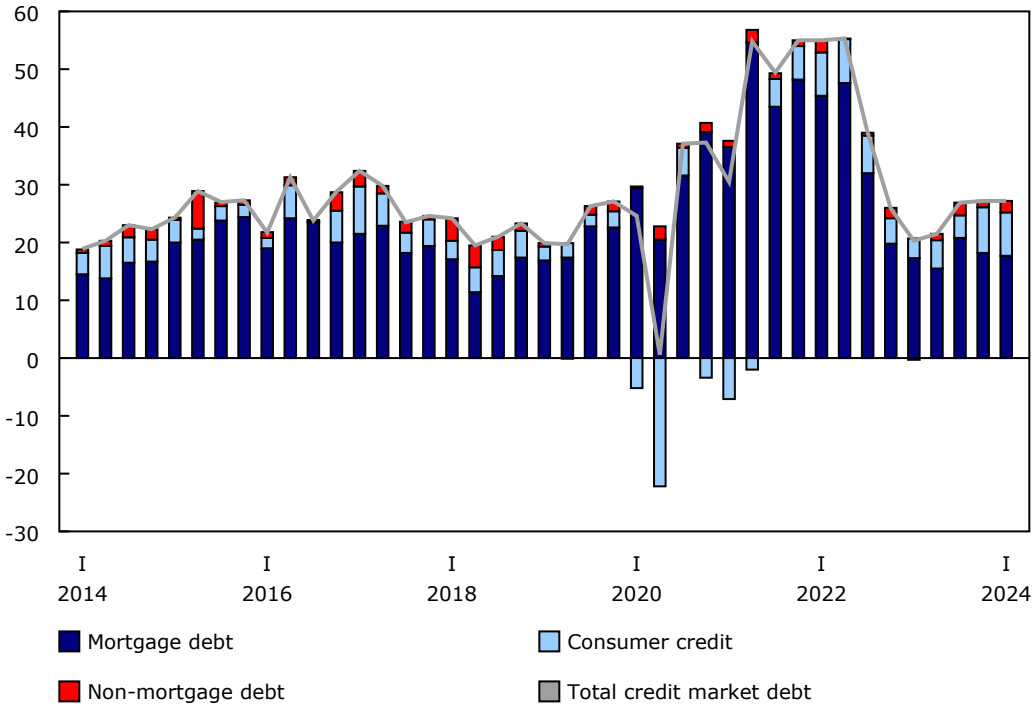
The value of household residential real estate rose 2.6% in the first quarter of 2024 following consecutive quarterly declines in the second half of 2023. Resale market activity in the first quarter of 2024 was well above the first quarter of 2023, with the value of sales increasing 16.0% year over year. This increased activity was paired with notable price growth; in March 2024, the average resale home sale eclipsed \$700,000 for the first time since June 2023. However, price growth was not consistent across all provinces as Ontario (-0.8%) and British Columbia (-1.1%) recorded declines in house prices on a seasonally adjusted basis in the first quarter of 2024, despite increased resale activity in both provinces.

Seasonally adjusted household credit market borrowing plateaus

In the first quarter of 2024, the pace of household credit market borrowing (seasonally adjusted) stabilized, sitting at roughly \$27.2 billion for the second consecutive quarter. The demand for mortgage debt slowed for the second quarter in a row, to \$17.7 billion in the first quarter, while demand for non-mortgage debt edged higher to \$9.5 billion. Non-mortgage borrowing was primarily comprised of consumer credit, which remained elevated for a second consecutive quarter.

Chart 1
Household credit market debt, seasonally adjusted flows

billions of dollars



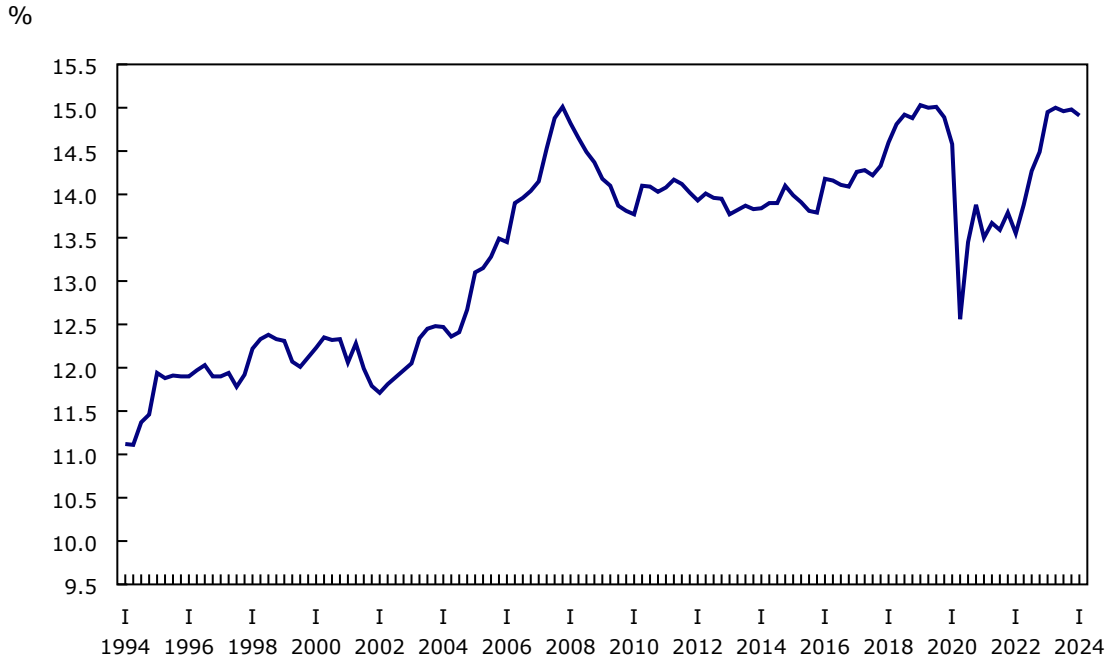
Source(s): Table 38-10-0238-01.

Household debt service ratio declines on a seasonally adjusted basis

The [household debt service ratio](#), measured as total obligated payments of principal and interest on credit market debt as a proportion of household disposable income, fell from 14.98% at the end of 2023 to 14.91% in the first quarter of 2024. Growing household disposable income (+1.9%) relative to debt payments (+1.4%) was behind the easing of debt service obligations.

Since the start of 2022, when the Bank of Canada started raising the policy interest rate, mortgage interest payments have doubled, reaching a record \$25.0 billion in the first quarter of 2024. Meanwhile, mortgage principal payments edged down by \$0.2 billion from the fourth quarter of 2023 to \$12.2 billion in the first quarter of 2024, less than half of mortgage interest payments.

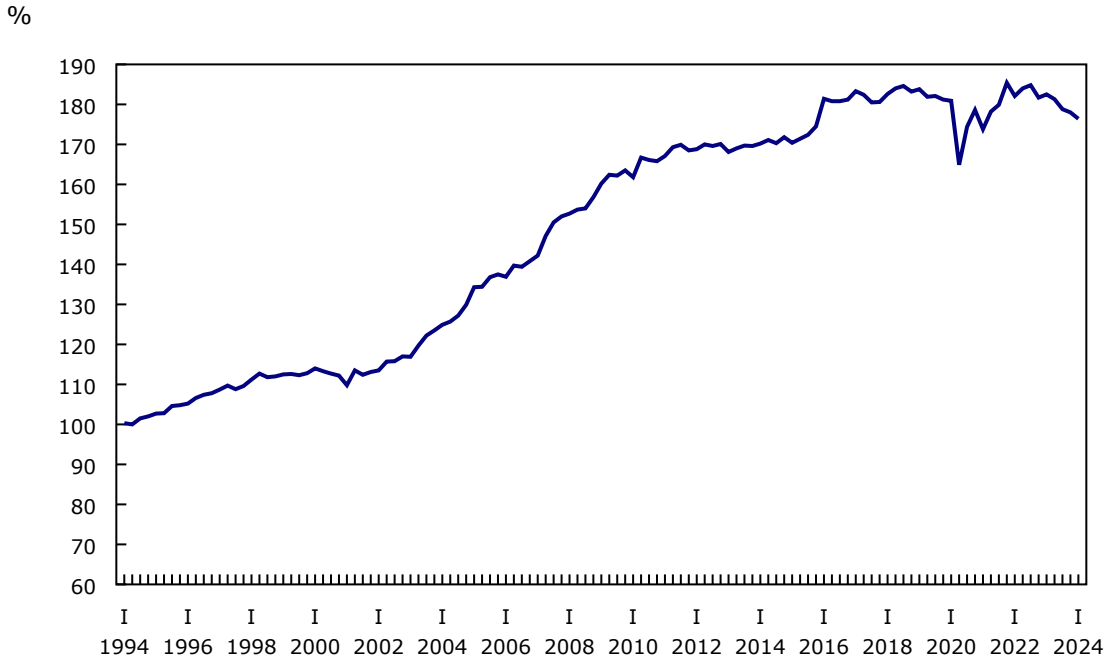
Chart 2
Household debt service ratio



Source(s): Table 11-10-0065-01.

[Household credit market debt as a proportion of household disposable income](#) dropped for the fourth consecutive quarter and was down from 178.0% in the fourth quarter of 2023 to 176.4% in the first quarter of 2024, as growth in household disposable income once again outpaced the growth in credit market debt. In other words, there was \$1.76 in credit market debt for every dollar of household disposable income in the first quarter of 2024.

Chart 3
Household credit market debt to household disposable income, seasonally adjusted



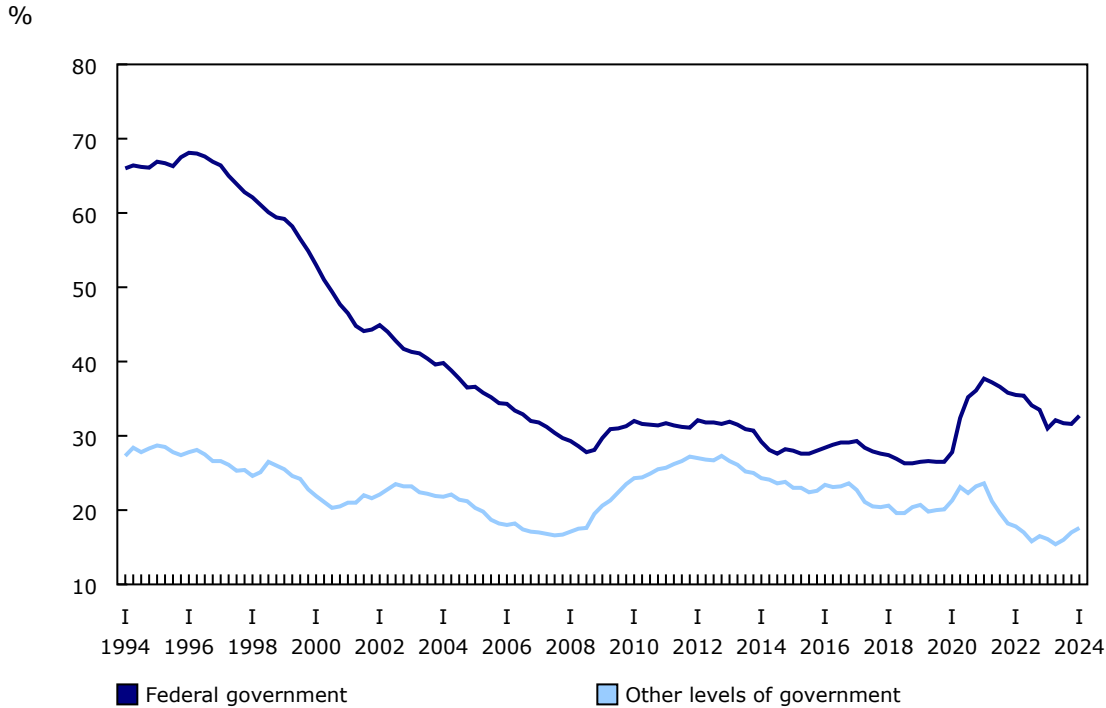
Source(s): Table [38-10-0238-01](#).

Federal government borrowing rises to fund extraordinary items

The federal government demand for funds increased to \$48.2 billion in the first quarter of 2024 from \$21.5 billion in the fourth quarter of 2023, mostly in the form of bonds (\$31.3 billion) and treasury bills (\$15.2 billion). This was the third-highest quarter of borrowing through bonds and treasury bills, surpassed only by the second quarter of 2020 (\$300.7 billion) and the second quarter of 2021 (\$52.3 billion), both of which were the result of COVID-19 pandemic-related programs. Federal government debt shifted towards shorter term instruments in the first quarter of 2024 as the proportion of outstanding treasury bills relative to total debt increased and the majority of newly-issued bonds had a term to maturity of five years or less.

Federal government financial requirements were higher in the first quarter of 2024, due in part to the Government of Canada's \$23.3 billion payment in February 2024 for the [final settlement agreement for First Nations Child and Family Services](#) and forgiveness of loans from the [Canada Emergency Business Account \(CEBA\)](#) program. As a result, the ratio of federal government net financial liabilities to gross domestic product (GDP) increased to 32.7% in the first quarter of 2024 from 31.7% in the fourth quarter of 2023. Federal government holdings of bonds increased by \$7.0 billion over this period, mainly attributable to the start of the [Canada Mortgage Bonds](#) purchase program.

Chart 4
Government net financial liabilities as a percentage of gross domestic product



Source(s): Table 38-10-0237-01.

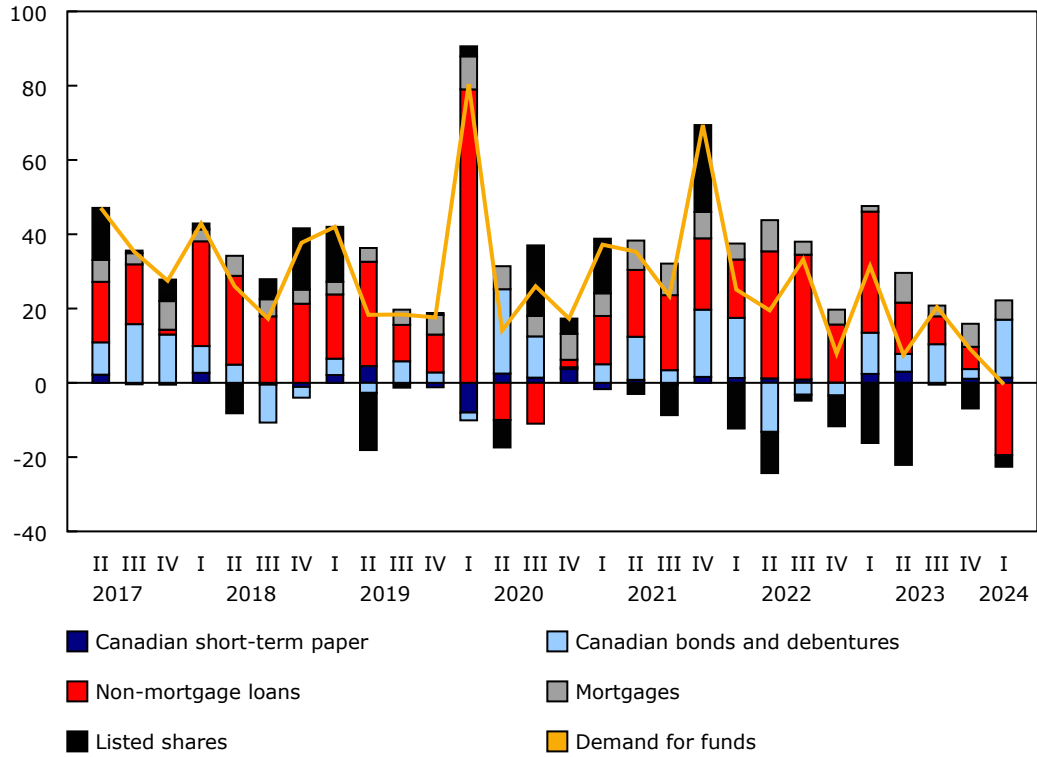
Private non-financial corporations' demand for funds declines as significant Canada Emergency Business Account loan repayments are made

Repayments and redemptions of credit market liabilities outstripped originations and issuances in the first quarter of 2024, contributing to a reduction in the demand for funds by private non-financial corporations (-\$9.4 billion) relative to the previous quarter. The decline was concentrated in non-mortgage loans (-\$25.5 billion) as many businesses repaid their CEBA loans and over \$5 billion worth of loans was forgiven. At the same time, bond issuances rebounded (+\$15.6 billion) while listed shares recorded net redemptions (-\$3.1 billion in the first quarter of 2024) for the ninth consecutive quarter, albeit at a slower pace than the previous quarter.

In the first quarter, in the face of higher interest rates and already sizeable debt loads, private non-financial corporations continued deleveraging relative to the size of the Canadian economy, with the ratio of [private non-financial corporations debt \(market value\) to GDP](#) falling to its lowest level since the fourth quarter of 2017.

Chart 5
Demand for funds by private non-financial corporations

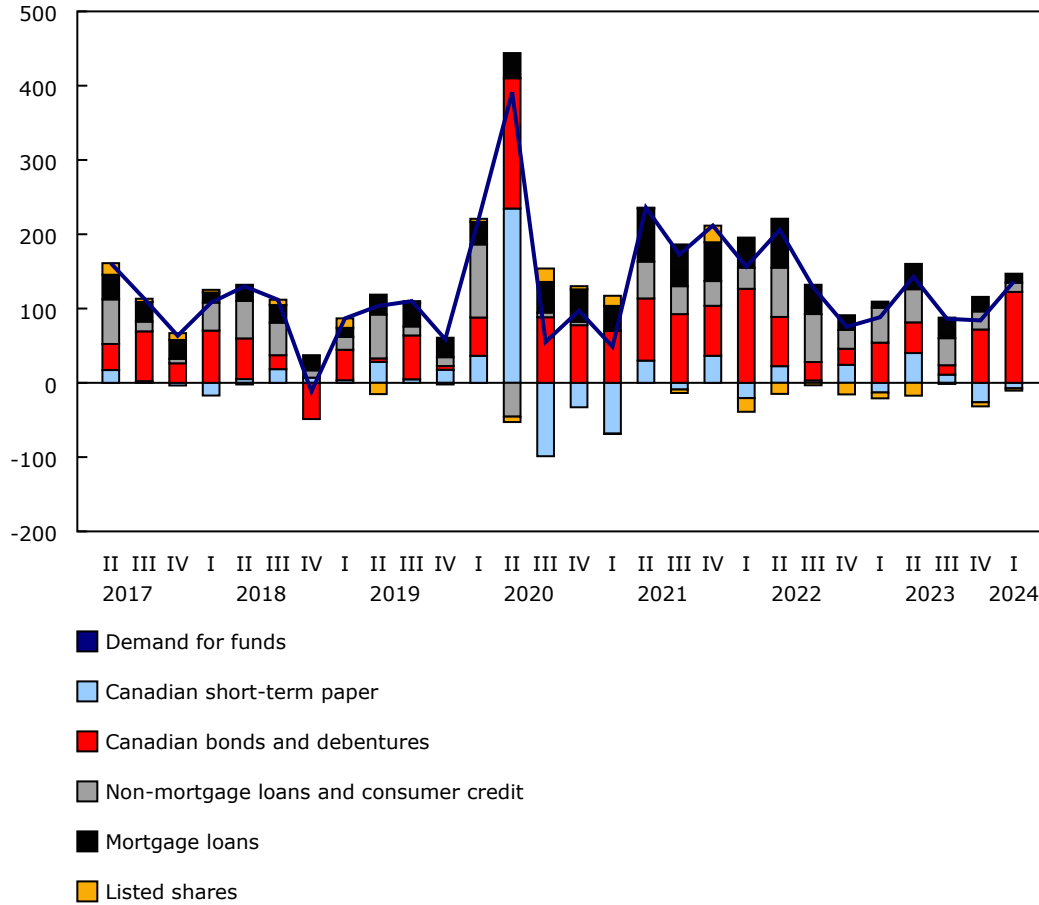
billions of dollars



Source(s): Table 36-10-0579-01.

Chart 6
Domestic demand for funds by instrument

billions of dollars



Source(s): Table 36-10-0578-01.

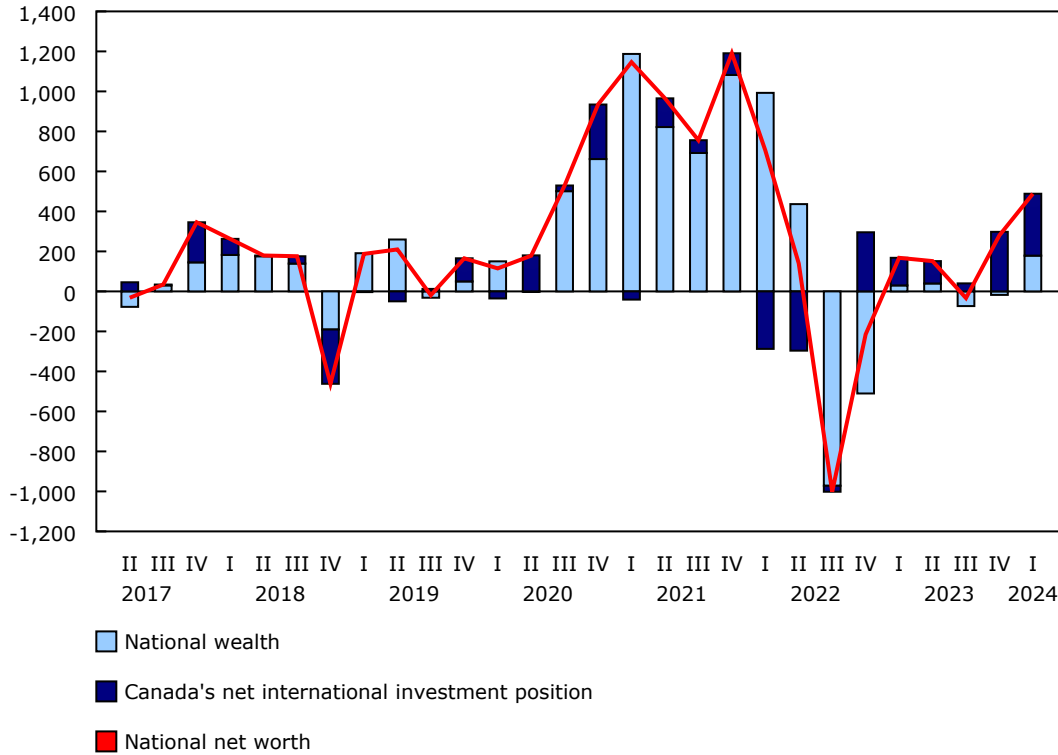
National wealth and international investment position rise in concert

National net worth, the sum of national wealth and Canada's net foreign asset position, increased \$488.3 billion in the first quarter of 2024 as both national wealth and the international investment position rose. Canada's national net worth was driven by a continued expansion of the [international investment position](#) (+18.4%), fuelled by strong global equity markets. Over the last six quarters, the international investment position has jumped by nearly \$1.2 trillion.

The total value of non-financial assets in Canada, also referred to as national wealth, was up 1.1% in the first quarter of 2024 to \$17,013.6 billion, buoyed by a rebound in the housing market. The value of natural resources (excluding land), consisting primarily of energy and mineral reserves and timber, fell by \$75.5 billion in the first quarter, largely the result of a slowdown in energy production.

Chart 7
Change in national net worth by component

billions of dollars



Source(s): Table 36-10-0580-01.

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Note to readers

Revisions

This release of the national balance sheet and financial flow accounts for the first quarter of 2024, includes revised estimates for the first quarter to the fourth quarter of 2023. These data incorporate new and revised data, as well as updated data on seasonal trends.

Data enhancements to the national balance sheet and financial flow accounts, such as the development of detailed counterparty information by sector, will be incorporated on an ongoing basis. To facilitate this initiative as well as others, it is necessary to extend the annual revision period (normally the previous three years) at the time of the third quarter release.

Details on these revisions are available in ["An overview of revisions to the Financial and Wealth Accounts, 1990 to 2023."](#)

General

Unless otherwise stated, growth rates represent the percentage change in the series from one quarter to the next; for instance, from the fourth quarter of 2023 to the first quarter of 2024.

Unless otherwise stated, this release presents data unadjusted for seasonality.

Support measures by governments

Details on some of the more significant federal government COVID-19 pandemic support measures are now available in table 36-10-0687: [Federal government COVID-19 support measures in the System of Macroeconomic Accounts, quarterly](#).

Financial and wealth accounts on a from-whom-to-whom basis: Selected financial instruments

The data visualization product ["Financial accounts on a from-whom-to-whom basis, selected financial instruments"](#) has been updated with data from the first quarter of 2023 to the first quarter of 2024.

Next release

Data on the national balance sheet and financial flow accounts for the second quarter of 2024 will be released on September 12, 2024.

Overview of the financial and wealth accounts

This release of the financial and wealth accounts comprises the national balance sheet accounts (NBSA), the financial flow accounts (FFA), and the other changes in assets account.

The NBSA are composed of the balance sheets of all sectors and subsectors of the economy. The main sectors are households, non-profit institutions serving households, financial corporations, non-financial corporations, government, and non-residents. The NBSA cover all national non-financial assets and all financial asset-liability claims outstanding in all sectors. To improve the interpretability of financial flows data, selected household borrowing series are available on a seasonally adjusted basis (table 38-10-0238-01). All other data are unadjusted for seasonal variation. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

The FFA articulate net lending or borrowing activity by sector by measuring financial transactions in the economy. The FFA arrive at a measure of net financial investment, which is the difference between transactions in financial assets and liabilities (for example, net purchases of securities less net issuances of securities). The FFA also provide the link between financial and non-financial activity in the economy, which ties estimates of saving and non-financial capital acquisition (for example, investment in new housing) to the underlying financial transactions.

While the FFA record changes in financial assets and liabilities between opening and closing balance sheets that are associated with transactions during the accounting period, the value of assets and liabilities held by an institution can also change for other reasons. These other types of changes, referred to as other economic flows, are recorded in the other changes in assets account.

There are two main components to this account. One is the other changes in the volume of assets account. This account includes changes in non-financial and financial assets and liabilities relating to the economic appearance and disappearance of assets, the effects of external events such as wars or catastrophes on the value of assets, and changes in the classification and structure of assets. The other main component is the revaluation account, showing holding gains or losses accruing to the owners of non-financial and financial assets and liabilities during the accounting period as a result of changes in market price valuations.

At present, only the aggregate other change in assets is available within the Canadian System of Macroeconomic Accounts; no details are available on the different components.

Definitions concerning financial indicators can be found in ["Financial indicators from the National Balance Sheet Accounts"](#) and in the [Canadian System of Macroeconomic Accounts glossary](#).

Distributions of household economic accounts

The NBSA for the household sector is allocated across a number of socioeconomic dimensions as part of the [distributions of household economic accounts](#). Data on wealth and its components by income quintile, age group, generation and region are available in tables [36-10-0585-01](#), [36-10-0586-01](#), [36-10-0589-01](#), and [36-10-0590-01](#).

The methodology for Distributions of household economic accounts wealth estimates can be found in the article ["Distributions of Household Economic Accounts, estimates of asset, liability and net worth distributions, 2010 to 2023, technical methodology and quality report."](#)

Table 1
National balance sheet accounts – Market value, not seasonally adjusted

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	First quarter 2024	Fourth quarter 2023 to first quarter 2024
	billions of dollars						change in billions of dollars
National net worth	17,949	18,117	18,269	18,235	18,516	19,004	488
Period-to-period percentage change	-1.2	0.9	0.8	-0.2	1.5	2.6	...
National wealth	16,856	16,886	16,926	16,852	16,835	17,014	179
Period-to-period percentage change	-2.9	0.2	0.2	-0.4	-0.1	1.1	...
Canada's net international investment position	1,093	1,231	1,343	1,383	1,681	1,990	310
National net worth, by sector							
Household sector	15,707	16,185	16,442	16,140	16,377	16,925	548
Non-profit institutions serving the household sector	208	214	220	226	230	233	3
Corporate sector	1,029	696	589	775	920	867	-53
General government sector	1,005	1,021	1,018	1,095	989	979	-10
	dollars						change in dollars
National net worth per capita	454,435	455,896	455,601	449,937	454,148	463,291	9,143
National wealth per capita	426,762	424,919	422,112	415,815	412,923	414,771	1,848

... not applicable

Note(s): Data may not add up to totals as a result of rounding.

Source(s): Table [36-10-0580-01](#).

Table 2
Households and non-profit institutions serving household sector indicators – Market value

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	First quarter 2024
	%					
Household sector, not seasonally adjusted						
Debt to gross domestic product (GDP)	101.80	100.81	101.96	102.65	102.24	101.56
Debt to disposable income	184.18	182.31	182.27	181.36	180.10	177.49
Credit market debt to disposable income	181.88	179.99	179.95	179.03	177.79	175.14
Consumer credit and mortgage liabilities to disposable income	173.13	171.43	171.42	170.51	169.32	166.76
Net worth as a percentage of disposable income	1,010.17	1,030.33	1,032.03	996.47	997.52	1,012.99
Debt to total assets	15.42	15.03	15.01	15.40	15.29	14.91
Debt to net worth	18.23	17.69	17.66	18.20	18.06	17.52
Credit market debt to net worth	18.00	17.47	17.44	17.97	17.82	17.29
Consumer credit and mortgage liabilities to net worth	17.14	16.64	16.61	17.11	16.97	16.46
Total assets to net worth	118.23	117.69	117.66	118.20	118.06	117.52
Financial assets to net worth	57.96	57.64	57.40	57.53	59.06	59.22
Financial assets to non-financial assets	96.18	95.99	95.25	94.82	100.13	101.56
Owner's equity as a percentage of real estate	75.46	76.12	76.28	75.64	75.10	75.63
Real estate as a percentage of disposable income	549.15	560.42	563.27	546.00	530.21	534.04
Households and non-profit institutions serving the household sector, not seasonally adjusted						
Debt to GDP	103.96	102.97	104.14	104.84	104.43	103.81
Debt to disposable income	182.90	181.12	181.14	180.21	179.01	176.53
Credit market debt to disposable income	178.68	176.93	176.95	176.02	174.88	172.39
Household sector, seasonally adjusted						
Credit market debt to disposable income	181.68	182.51	181.31	178.81	177.98	176.42
Consumer credit and mortgage liabilities to disposable income	172.97	173.85	172.71	170.28	169.52	168.00
Debt service ratio	14.49	14.95	15.00	14.96	14.98	14.91

Source(s): Tables [38-10-0235-01](#) and [38-10-0238-01](#).

Table 3
Corporations sector indicators – Not seasonally adjusted

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	First quarter 2024
	%					
Corporations sector						
Private non-financial corporations total debt to equity (market value)	82.67	80.74	79.60	81.89	79.09	76.64
Private non-financial corporations credit market debt to equity (book value)	55.98	56.51	55.85	55.79	56.13	56.36
Private non-financial corporations total debt (market value) to gross domestic product (GDP)	154.75	156.39	156.81	157.87	155.03	154.29
Private non-financial corporations credit market debt (book value) to GDP	70.27	71.29	71.78	72.37	71.88	71.52

Source(s): Table [38-10-0236-01](#).

Table 4
General government sector indicators – Not seasonally adjusted

	Fourth quarter 2022	First quarter 2023	Second quarter 2023	Third quarter 2023	Fourth quarter 2023	First quarter 2024
	%					
General government sector						
General government gross debt (book value) to gross domestic product (GDP)	125.44	122.34	123.01	123.82	124.97	126.35
Federal general government gross debt (book value) to GDP	59.34	56.70	57.52	57.17	58.05	59.29
Other levels of general government gross debt (book value) to GDP	60.78	60.56	60.27	60.78	60.92	61.34
General government net debt (book value) to GDP	27.00	22.71	23.09	23.59	23.85	24.74
Federal general government net debt (book value) to GDP	33.51	30.96	32.07	31.74	31.65	32.70
Other levels of general government net debt (book value) to GDP	16.54	16.14	15.36	16.05	16.99	17.63

Source(s): Table [38-10-0237-01](#).

Available tables: [11-10-0065-01](#), [36-10-0448-01](#), [36-10-0467-01](#), [36-10-0578-01](#) to [36-10-0580-01](#) , [36-10-0668-01](#) and [38-10-0234-01](#) to [38-10-0238-01](#) .

Definitions, data sources and methods: survey numbers [1804](#) and [1806](#).

The document, "[An overview of revisions to the Financial and Wealth Accounts, 1990 to 2023](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is available.

The data visualization product "[Financial accounts on a from-whom-to-whom basis, selected financial instruments](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available.

As a complement to this release, you can also consult the data visualization product "[Distributions of Household Economic Accounts, Wealth: Interactive tool](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)).

As a complement to this release, you can also consult the data visualization product "[Securities statistics](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)).

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, features an up-to-date portrait of national and provincial economies and their structure.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is available.

The *Canada: Economic and Financial Data - International Monetary Fund's Special Data Dissemination Standard Plus* product ([13-608-X](#)), "*Other Financial Corporations Survey*," also known as "*Assets and liabilities of other financial corporations by sector, market value, quarterly*" ([36-10-0668-01](#)), are available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).