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Financial indicators from the National Balance Sheet Accounts: Update

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Revisions

December 10, 2018

Section 3: The definition of household credit market debt to disposable income has been updated to include information on the seasonally adjusted ratio.

Section 15.1: The definitions for the household sector debt service indicators have been updated.

Section 15.2: Household sector debt service indicators has been added to definitions concerning financial indicators.

September 13, 2018

Section 15: Household sector debt service indicators has been added to definitions concerning financial indicators.

Financial indicators from the National Balance Sheet Accounts: Update

Financial indicators are statistics extensively used to monitor the soundness, stability and performance of various sectors of the economy. Their usefulness lies in their ability to provide insight into the relationships among economic and financial statistics such as debt, assets, liabilities, net worth, incomes and output, in other words, enhancing the analytical content of these statistics taken individually. For example, an analysis of household debt alone does not provide as much insight as does the analysis of the cost of debt servicing relative to income or the level of debt relative to income or net worth. The use of financial indicators also facilitates international comparisons. A comparison between the ratios of debt to gross domestic product (GDP) across countries is analytically more informative than a comparison of debt levels as it provides a common relative basis for comparability.

The following financial indicators[1] are intended to assist in the interpretation of the data contained in the *National Balance Sheet Accounts*[2] (NBSA) as well as serve as a monitoring and evaluation tool for the various sectors of the economy. This note provides a description of these indicators as well as brief explanations of their analytical usefulness and interpretation. Appendix A summarizes the CANSIM references (table number and series vector) for the financial indicators as well as the components used in their derivation.

Household sector financial indicators

With the implementation of the latest version of the Canadian System of National Accounts (CSNA12), the basic institutional sectoring detail recommended by the SNA2008 international standard was adopted. As a result, the persons and unincorporated business sector which, under the previous version of the Canadian System of National Accounts (CSNA97), grouped the household sector and non-profit institutions, was split in two fully-articulated sectors: the household sector and the non-profit institutions serving households sector (NPISH).

The creation of a true household sector allows the derivation and use of statistics and indicators that provide a more accurate and representative portrait of Canadian households' economic activities and financial position. Therefore, in the current set of NBSA financial indicators, the household sector indicators are the most appropriate measures for analysis and research on household-related financial topics.

In addition, for international comparability purposes, as well as comparability with the CSNA97 presentation, indicators for the combined household and NPISH sectors are provided. It should be noted, however, that the activities of NPISH vary widely between different economies. For example, some services provided by the government sector in one economy can be provided by NPISH in another. Thus, careful consideration need be taken when comparing NPISH estimates amongst different countries.

1. This set of financial indicators is intended to complement Canada's current set of macroeconomic indicators such as GDP (including its components), inflation and employment measures.
2. All National Balance Sheet Accounts indicators are at market value unless otherwise noted.

1. Household debt to GDP

a. Household debt[3]: The sum of total financial liabilities of households residing in Canada. Debt typically arises out of contractual relationships under which an institutional unit (the debtor—in this case households), has an unconditional liability to another institutional unit (the creditor) to repay principal with or without interest, or to pay interest without principal. Liabilities include consumer credit, mortgage and non-mortgage loans, and trade credit.

Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. The valuation is expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: This indicator is useful in analyzing the debt level of the household sector relative to other sectors in the Canadian economy or for international comparisons. It represents a scaling of the sector's debt to a common denominator. In addition, GDP is a broad measure of an economy's ability to service debt.

Note this indicator is also available for the combined household and NPISH sectors.

2. Household debt to disposable income

a. Household debt: The sum of total financial liabilities of households residing in Canada. Debt typically arises out of contractual relationships under which an institutional unit (the debtor—in this case households), has an unconditional liability to another institutional unit (the creditor) to repay principal with or without interest, or to pay interest without principal. Liabilities include consumer credit, mortgage and non-mortgage loans, and trade credit.

Divided by

b. Household disposable income: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from, less current transfers paid to, other sectors including the government sector, corporate sector, non-resident sector and NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. As part of the calculation of this financial indicator, disposable income excludes net current transfers related to pensions. That is, contributions transferred to the financial corporation sector less pension benefits received from the financial corporation sector.

The calculation utilizes a four-quarter moving sum of quarterly household disposable income, unadjusted for seasonality. This methodology has the advantage of placing both ratio components (debt and income) on the same unadjusted basis.

What the ratio tells us: This ratio compares debt to annual household disposable income. In general, the ratio suggests that the lower the ratio the greater the ability to manage debt through current income.

Note this indicator is also available for the combined household and NPISH sectors.

3. For the household sector, the market value of all liability categories is equal to book value. Therefore, for the derivation of all household financial indicators using household liabilities as a component, the use of market value or book value will yield the same results.
4. Examples of net property income include interest income received less interest income paid, royalties received on natural resources, dividends received less dividends paid.

3. Household credit market debt[5] to disposable income

a. Household credit market debt: The sum of consumer credit, mortgage and non-mortgage loan liabilities of households.

Divided by

b. Household disposable income: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from less current transfers paid to other sectors including the government sector, corporate sector, non-resident sector and NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. As part of the calculation of this financial indicator, disposable income excludes net current transfers related to pensions. That is, contributions transferred to the financial corporation sector less pension benefits received from the financial corporation sector.

The calculation unadjusted for seasonality utilizes a four-quarter moving sum of quarterly household disposable income that is also unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis. The seasonally adjusted ratio uses both the seasonally adjusted level of credit market debt as well as the published seasonally adjusted estimate of personal disposable income at annual rates.

Note this indicator is also available for the combined household and NPISH sectors.

The Canadian System of National Accounts (SNA) was recently revised to better reflect the new international SNA 2008 accounting standard. Given the different international SNA standard implementation timetables and objectives across countries this has resulted in a divergence between Canadian measures of national account information and the U.S. measures. One major difference concerns the measurement of household disposable income and credit market debt. For users interested in comparing the Canadian household credit market debt to disposable income ratio to the U.S. one, details on the adjustments needed for a reconciliation between Canadian and U.S. measures of household disposable income, debt and the household credit market debt to disposable income ratio can be found in the note "*Reconciling Canadian-U.S. measures of household disposable income and household debt: Update*."

4. Household consumer credit and mortgage liabilities to disposable income

a. Household consumer credit and mortgage loan liabilities: Household consumer credit represents credit that is extended to households for purchasing consumer goods and services. Mortgage liabilities are negotiated loans secured by real property, mostly residential structures. This includes first, second and third mortgages. Mortgages are usually characterized by blended repayments of principal and interest.

Divided by

b. Household disposable income: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from, less current transfers paid to, other sectors including the government sector, corporate sector, non-resident sector and NPISH sector. Transfers paid

5. Debt to income ratios can be calculated using total debt or credit market debt only, with the credit market debt to disposable income ratio commonly viewed as the analytically superior indicator. The difference between total debt and credit market debt is trade credit, and this is generally the practice across all countries. Trade credit, or trade payables, do not constitute marketable or negotiable instruments, as they represent short-term credit received in the ordinary course of business by buyers of goods and services – they are typically liabilities of unincorporated business, and while there may be costs related to extending the term of payment on these short term payables, this would be an unusual method of financing and as such these costs are minimal. Credit market debt, which includes consumer credit, mortgage debt, and non-mortgage loan liabilities, it is a more representative measure of debt burden which household service.

to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. As part of the calculation of this financial indicator, disposable income excludes net current transfers related to pensions. That is, contributions transferred to the financial corporation sector less pension benefits received from the financial corporation sector.

The calculation utilizes a four-quarter moving sum of quarterly household disposable income, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: See Household debt to disposable income.

5. Household net worth to disposable income

a. Household net worth: The difference between the household sector's total assets and total liabilities (including consumer credit, mortgage and non-mortgage loans, and trade credit).

Divided by

b. Household disposable income: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from, less current transfers paid to, other sectors including the government sector, corporate sector, non-resident sector and NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. As part of the calculation of this financial indicator, disposable income excludes net current transfers related to pensions. That is, contributions transferred to the financial corporation sector less pension benefits received from the financial corporation sector.

The calculation utilizes a four-quarter moving sum of quarterly household disposable income, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: This ratio provides an indication of the wealth effect that may be occurring within the sector. A ratio that is increasing indicates that net worth is growing faster than personal disposable income. Some households may therefore make financial decisions (e.g., the decision to purchase goods) based on increasing wealth rather than on availability of current income.

6. Household debt to total assets

a. Household debt: The sum of total financial liabilities of households residing in Canada. Debt typically arises out of contractual relationships under which an institutional unit (the debtor—in this case households), has an unconditional liability to another institutional unit (the creditor) to repay principal with or without interest, or to pay interest without principal. Liabilities include consumer credit, mortgage and non-mortgage loans, and trade credit.

Divided by

b. Household total assets: Household total assets include both financial and non-financial assets. Examples of financial assets are currency and deposits, bonds, shares and pensions and life insurance assets. Examples of non-financial assets include residential structures, non-residential structures, consumer durables[6] and land (residential, non-residential and farm).

6. Note that Statistics Canada deviates from the System of National Accounts international standard by including consumer durables (such as cars and trucks) in household assets.

What the ratio tells us: This ratio provides an indication of the household sector's financial risk by determining how much of the sector's assets have been financed by debt.

7. Household debt to net worth

a. Household debt: The sum of total financial liabilities of households residing in Canada. Debt typically arises out of contractual relationships under which an institutional unit (the debtor—in this case the household sector), has an unconditional liability to another institutional unit (the creditor) to repay principal with or without interest, or to pay interest without principal. Liabilities include consumer credit, mortgage and non-mortgage loans, and trade credit.

Divided by

b. Household net worth: Household net worth is the difference between the household sector's total assets and total liabilities.

What the ratio tells us: The debt to net worth indicator provides a measure of leverage of the household sector. A higher debt to net worth ratio indicates that the sector is increasingly leveraged, and the ability or propensity to spend via additional debt is generally reduced. A lower debt to net worth measure indicates that the sector has relatively more collateral which it can use to take on additional debt if it so chooses.

8. Household credit market debt to net worth

a. Household credit market debt: The sum of consumer credit, mortgage and non-mortgage loan liabilities of households.

Divided by

b. Household net worth: Net worth is the difference between the household sector's total assets and total liabilities.

What the ratio tells us: A ratio that is declining over time can indicate that the value of the assets purchased with this debt is appreciating and adding to the sector's net worth. It could also indicate that households are increasing the rate at which they are paying down debt. An increasing ratio indicates either the value of the assets is declining, the sector may be using the debt to finance current period consumption, or that an increasing percentage of non-financial assets are being financed.

9. Household consumer credit and mortgage liabilities to net worth

a. Household consumer credit and mortgage loan liabilities: Household consumer credit represents credit that is extended to households for purchasing consumer goods and services. Mortgages liabilities are negotiated loans secured by real property, mostly residential structures. This includes first, second and third mortgages. Mortgages are usually characterized by blended repayments of principal and interest.

Divided by

b. Household net worth: Household net worth is the difference between the household sector's total assets and total liabilities.

What the ratio tells us: Household consumer credit and mortgages represent the largest share of household sector liabilities. In general, this debt is incurred to purchase non-financial assets which contribute to the sector's net worth. A ratio that is declining over time can indicate that the value of the assets purchased with this debt is appreciating and adding to the sector's net worth. It could also indicate that households are increasing the rate at which they are paying down their consumer credit and mortgage debt. An increasing ratio indicates either the value of the assets is declining, the sector may be using the debt to finance current period consumption, or that an increasing percentage of non-financial assets are being financed.

10. Household total assets to net worth

a. Household total assets: Total assets include both financial and non-financial assets. Examples of financial assets are currency and deposits, bonds, shares and pensions and life insurance assets. Examples of non-financial assets include residential structures, non-residential structures, consumer durables[3] and land (residential, non-residential and farm).

Divided by

b. Household net worth: Net worth is the difference between the household sector's total assets and total liabilities.

What the ratio tells us: The total assets to net worth indicator provides a measure of leverage of the sector. A higher ratio indicates that the sector is reducing leverage, and the ability or propensity to accumulate additional debt is generally higher. At that the same time, the sector has relatively more collateral which it can use to take on additional debt if it so chooses.

11. Household financial assets to net worth

a. Household financial assets: Household financial assets such as cash and deposits, securities and receivables.

Divided by

b. Household net worth: Household net worth is the difference between the household sector's total assets and total liabilities.

What the ratio tells us: See Household total assets to net worth.

12. Household financial assets to non-financial assets

a. Household financial assets: Household financial assets such as cash and deposits, securities and receivables.

Divided by

b. Household non-financial assets: The sum of all household non-financial assets. Non-financial assets are the sum of fixed capital stock (non-residential structures and machinery and equipment), residential structures, inventories, consumer durables and land.

What the ratio tells us: This indicator provides insight into the structure and relative liquidity of the sector's assets as well as the volatility of their market value. It is a basic measure of the composition of households' asset portfolio that illustrates the increased engagement of individuals in the financial system and diversification of their investments towards financial assets. It is also a crude measure of liquidity, since many financial assets, such as cash and deposit and securities like mutual funds or equities, can be more easily liquidated than non-financial assets.

13. Owner's equity as a percentage of real estate

a. Household owner's equity: Equity refers to the value of the interests of an owner or partial owner in an asset, in this case, real estate.

Divided by

b. Household real estate: The value of structures (residential and non-residential) and land owned by households.

What the ratio tells us: This indicator provides insight into the households' equity in this non-financial asset. A higher level of equity means that during any downturn households will be less vulnerable to changes in the value of real estate. It is also an indicator of the sector's ability to incur debt for consumption purposes (such as consumer credit), as equity in property is often used as collateral for consumer lines of credit.

14. Household real estate as a percentage of disposable income

a. Household real estate: Defined as the value of structures (residential and non-residential) and land owned by households.

Divided by

b. Household disposable income: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from less current transfers paid to other sectors including the government sector, corporate sector, non-resident sector and NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. As part of the calculation of this financial indicator, disposable income excludes net current transfers related to pensions. That is, contributions transferred to the financial corporation sector less pension benefits received from the financial corporation sector.

The calculation utilizes a four-quarter moving sum of quarterly household disposable income, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: This ratio provides one indication of affordability of real estate. An increasing ratio indicates the value of real estate is growing faster than household disposable income.

15. Household sector debt service indicators

15.1 Household sector debt service ratio, obligated principal and interest

a. Household payments of obligated principal and interest: Defined as the value of obligated principal and interest expense owing on new and outstanding debt. The estimates of obligated principal measure the minimum payment that must be paid towards the outstanding amount given various assumptions about the repayment schedule. Separate ratios are computed by using more granular detail for the type of debt being considered such as mortgage debt, consumer credit, and non-mortgage loans.

Divided by

b. Household disposable income before payment of interest: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from other sectors less current transfers paid to other sectors including the government sector, corporate sector, non-residents and

NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. The interest paid by households is excluded from household disposable income so as not to account for this twice in the calculation, that is, as part of the calculation of household disposable income (i.e., the ratio's denominator) as well as its inclusion as payment of interest owing on new and outstanding debt (i.e., the ratio's numerator).

What the ratio tells us: This ratio provides one indication of the serviceability of household debt using disposable income i.e., the funds available each quarter to service or pay off debt as a share of household disposable income. By including obligated principal and interest this ratio better captures all the payments related to the total debt burden. However, households can manage their debt burden using other approaches such as liquidating assets or refinancing at lower interest rate.

15.2 Household sector debt service ratio, interest only

a. Household payments of interest: Defined as the value of interest expense owing on new and outstanding debt. Separate ratios are computed by using more granular detail for the type of debt being considered such as interest on mortgage debt, consumer credit, and non-mortgage loans.

   Divided by

b. Household disposable income before payment of interest: Defined as the sum of all incomes received by households residing in Canada, whether factor earnings from current production or net current transfers with other sectors. Factor earnings include compensation of employees, net mixed income, and net property income.[4] Net current transfers are current transfers received from other sectors less current transfers paid to other sectors including the government sector, corporate sector, non-residents and NPISH sector. Transfers paid to the governments sector include income tax and payments related to social security while transfers from government include employment insurance and social security benefits. The interest paid by households is excluded from household disposable income so as not to account for this twice in the calculation, that is, as part of the calculation of household disposable income (i.e., the ratio's denominator) as well as its inclusion as payment of interest owing on new and outstanding debt (i.e., the ratio's numerator).

What the ratio tells us: This ratio provides one indication of the serviceability of household debt using disposable income, i.e., the funds available each quarter to service the interest portion of the debt as a share of household disposable income. By only including interest this ratio captures the minimum payments required to carry forward a constant level of debt.

Corporate sector financial indicators

The corporate sector comprises all entities that are recognized by law as separate legal entities from their owners, enjoy limited liability, are capable of generating a profit or other financial gain for their owners, and are set up for the purpose of engaging in market production. Government business enterprises are included. This sector is divided into non-financial and financial enterprises. The latter includes several sub-sectors (chartered banks, credit unions, life insurance companies, trusteed pension funds, mutual funds, etc.).

1. Private non-financial corporations' total debt to equity

a. Private non-financial corporations' total debt (at market value): Existing debt instruments typically arise out of contractual relationships under which an institutional unit (the debtor) has an unconditional liability to another institutional unit (the creditor) to repay principal with or without interest, or to pay interest without principal. These instruments include debt securities, loans, debt corporate claims, trade credit, and other debt. Debt instruments may also be created by the force of law—in particular, obligations to pay taxes or to make other compulsory payments—or through rights and obligations that result in a debtor accepting an obligation to make future payment(s) to a creditor.

Divided by

b. Private non-financial corporations' equity (at market value): Equity refers to the value of the interest of an owner or partial owner in a corporation. It includes common shares, preferred shares, contributed surplus and accumulated retained earnings when measured at book value. At market value, equity is valued using market prices.

What the ratio tells us: This ratio is a measure of the private non-financial corporate sector's financial leverage. A higher total debt to equity ratio indicates that the sector has been increasing the relative share of debt in external financing. A lower debt to equity ratio indicates that the sector is financing a decreasing proportion of its activities through debt as compared to financing through retained earnings and net new share issuance. Fluctuations in the market value of equity can also cause changes in the ratio.

2. Private non-financial corporations' credit market debt to equity (at book value)

a. Private non-financial corporations' credit market debt (at book value): Defined as debt instruments in the form of loans (mortgage and non-mortgage loans) and securities (bonds and short-term paper).

Divided by

b. Private non-financial corporations' equity (at book value): Equity refers to the value of the interest of an owner or partial owner in a corporation. It includes common shares, preferred shares, contributed surplus and accumulated retained earnings when measured at book value.

What the ratio tells us: This measure is similar to the total debt to equity measure with the exception that only credit market debt is used in the calculation of debt, and debt and equity are measured at book value. A higher total debt to equity ratio generally means that the sector is increasingly financing its growth with debt. A lower debt to equity ratio generally indicates that the sector is financing an increasing proportion of its activities through retained earnings and net new issues of shares.

Government sector financial indicators

The government sector represents all departments, agencies, and funds (budgetary and non-budgetary) of the federal, provincial and local levels of government, as well as institutions that are either primarily funded or controlled by governments. This includes certain school boards, universities, colleges, hospitals, residential care facilities and the Canada and Quebec pension plans. The financial indicators developed for the government sector examine the level of gross and net debt[7] relative to GDP.

1. General government gross debt (at book value) to GDP

a. General government gross debt (at book value): Total financial liabilities at of governments, measured at book value, including debt securities (bonds, short-term paper), loans and pension liabilities.

Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

7. Both gross and net debt are measured at book value.

The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: The debt to GDP ratio is a key indicator that can be used to assess the sector's overall health and ability to incur additional debt or manage current debt levels. It represents a scaling of the sector's debt to a common denominator.

2. Federal government gross debt (at book value) to GDP

a. Federal government gross debt (at book value): Total financial liabilities of the federal government, measured at book value, including debt securities (bonds, short-term paper), loans and pension liabilities.

Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: See General government gross debt to GDP.

3. Other levels of government gross debt (at book value) to GDP

a. Other levels of government gross debt (at book value): Total financial liabilities of other levels of government (i.e., provincial, local and aboriginal general governments), measured at book value. It includes debt securities (bonds, short-term paper), loans and pension liabilities.

Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: See General government gross debt to GDP.

4. General government net debt (at book value) to GDP

a. General government net debt (at book value): Total financial liabilities (at book value) less total financial assets (at book value) of government.

Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: The General government net debt to GDP ratio is calculated at the consolidated federal, provincial and local government level. Net debt differs from gross debt in that it contains a measure of a government's ability to fund its debt repayments through liquidation of its financial asset holdings.

5. Federal government net debt (at book value) to GDP

a. Federal government net debt (book value): Total financial liabilities (at book value) less total financial assets (at book value) of the federal government.

   Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

   The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: See General government net debt to GDP.

6. Other levels of government net debt (at book value) to GDP

a. Other levels of government net debt (at book value): Total financial liabilities (at book value) less total financial assets (at book value) of the other levels of government.

   Divided by

b. GDP: The total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

   The calculation utilizes a four-quarter moving sum of quarterly GDP, unadjusted for seasonality. This methodology has the advantage of placing both ratio components on the same unadjusted basis.

What the ratio tells us: See General government net debt to GDP.

Appendix A
Table references

Indicator Table/ Series vector ID			Formula and components used in the derivation	
Household sector financial indicators Table 38-10-0235				
1	Household debt to gross domestic product	V62698062	= (V62693968/msum(V62295576))*100[1]	
			V62693968	Households; Total financial liabilities; Market value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
2	Household debt to disposable income	V62698063	= (V62693968/msum(V62306027 + V105775423))*100	
			V62693968	Households; Total financial liabilities; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V105775423	Households; change in pension entitlements; Unadjusted
3	Household credit market debt to disposable income	V62698064	= (V626993985/msum(V62306027 + V105775423))*100	
			V62693985	Households; Loans; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V105775423	Households; change in pension entitlements; Unadjusted
4	Household consumer credit and mortgage liabilities to disposable income	V62698065	= ((V62693986 + V62693988)/msum(V62306027 + V105775423))*100	
			V62693986	Households; Consumer credit; Market value
			V62693988	Households; Mortgages; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V105775423	Households; change in pension entitlements; Unadjusted
5	Household net worth as a percentage of disposable income	V62698066	= (V62694002/msum(V62306027 + V105775423))*100	
			V62694002	Households; Net worth; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V105775423	Households; change in pension entitlements; Unadjusted
6	Household debt to total assets	V62698067	= (V62693968/V62693919)*100	
			V62693968	Households; Total financial liabilities; Market value
			V62693919	Households; Total assets; Market value
7	Household debt to net worth	V62698068	= (V62693968/V62694002)*100	
			V62693968	Households; Total financial liabilities; Market value
			V62694002	Households; Net worth; Market value
8	Household credit market debt to net worth	V62698069	= (V62693985/V62694002)*100	
			V62693985	Households; Loans; Market value
			V62694002	Households; Net worth; Market value
9	Household consumer credit and mortgage liabilities to net worth	V62698070	= ((V62693986 + V62693988)/V62694002)*100	
			V62693986	Households; Consumer credit; Market value
			V62693988	Households; Mortgages; Market value
			V62694002	Households; Net worth; Market value
10	Household total assets to net worth	V62698071	= (V62693919/V62694002)*100	
			V62693919	Households; Total assets; Market value
			V62694002	Households; Net worth; Market value

Indicator Table/ Series vector ID			Formula and components used in the derivation	
11	Household financial assets to net worth	V62698072	= (V62693932/V62694002)*100	
			V62693932	Households; Total financial assets; Market value
			V62694002	Households; Net worth; Market value
12	Household financial asset to non-financial assets	V62698073	= (V62693932/V62693920)*100	
			V62693932	Households; Total financial assets; Market value
			V62693920	Households; Non-financial assets; Market value
13	Household owner's equity as a percentage of real estate	V62698074	= ((V62693922 + V62693923 + V62693930 - V62693988)/(V62693922 + V62693923 + V62693930))*100	
			V62693922	Households; Residential structures; Market value
			V62693923	Households; Non-residential structures; Market value
			V62693930	Households; Land; Market value
			V62693988	Households; Mortgage liabilities; Market value
14	Real estate as a percentage of disposable income	V62698075	= ((V62693922 + V62693923 + V62693930)/msum(V62306027+V105775423))*100	
			V62693922	Households; Residential structures; Market value
			V62693923	Households; Non-residential structures; Market value
			V62693930	Households; Land; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V105775423	Households; change in pension entitlements; Unadjusted
Combined household and NPISH sectors financial indicators Table 38-10-0235				
15	Household and non-profit institutions serving households debt to gross domestic product	V62698076	= (V62693863/msum(V62295576))*100	
			V62693863	Households and non-profit institutions serving households; Total financial liabilities; Market value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
16	Household and non-profit institutions serving households debt to disposable income	V62698077	= (V62693863/msum(V62306027 + V62306094))*100	
			V62693863	Households and non-profit institutions serving households; Total financial liabilities; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V62306094	Non-profit institutions serving households; Non-profit institutions serving households' disposable income; Unadjusted
17	Household and non-profit institutions serving households credit market debt to disposable income	V62698078	= ((V62693880)/msum(V62306027 + V62306094))*100	
			v62693880	Households and non-profit institutions serving households; Loans; Market value
			V62306027	Households; Household disposable income; Unadjusted
			V62306094	Non-profit institutions serving households; Non-profit institutions serving households' disposable income; Unadjusted
Corporate sector financial indicators Table 38-10-0236				
1	Private non-financial corporations' total debt to equity	V62698054	= (V62694388/V62694411)*100	
			V62694388	Non-financial private corporations; Total financial liabilities; Market value
			V62694411	Non-financial private corporations; Equity and investment fund shares; Market value

Indicator Table/ Series vector ID			Formula and components used in the derivation	
2	Private non-financial corporations' credit market debt to equity (at book value)	V62698055	= (V62698018/V62694438)*100	
			V62698018	Non-financial private corporations; Credit market debt; Book value
			V62694438	Non-financial private corporations; Equity and investment fund shares; Book value
Government sector financial indicators Table 38-10-0237				
1	General government gross debt (at book value) to gross domestic product	V62698056	= (V62694788/msum(V62295576))*100	
			V62694788	General governments; Total financial liabilities; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
2	Federal government gross debt (at book value) to gross domestic product	V62698057	= (V62695233/msum(V62295576))*100	
			V62695233	Federal general government; Total financial liabilities; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
3	Other levels of government gross debt (at book value) to gross domestic product	V62698058	= (V62695403/msum(V62295576))*100	
			V62695403	Other levels of general government; Total financial liabilities; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
4	General government net debt (at book value) to gross domestic product	V62698059	= (V62694752/msum(V62295576))*100	
			V62694752	General governments; Net financial assets; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
5	Federal government net debt (at book value) to gross domestic product	V62698060	= (V62695197/msum(V62295576))*100	
			V62695197	Federal general government; Net financial assets; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted
6	Other levels of government net debt (at book value) to gross domestic product	V62698061	= (V62695367/msum(V62295576))*100	
			V62695367	Other levels of general government; Net financial assets; Book value
			V62295576	Gross domestic product, income-based, at market prices; Unadjusted

1. Where the msum function represents the four-quarter moving sum of the quarterly series.