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# Debt Bubble

## B.100 Balance Sheet of Households and Nonprofit Organizations (1)

Billions of dollars; amounts outstanding end of period, not seasonally adjusted

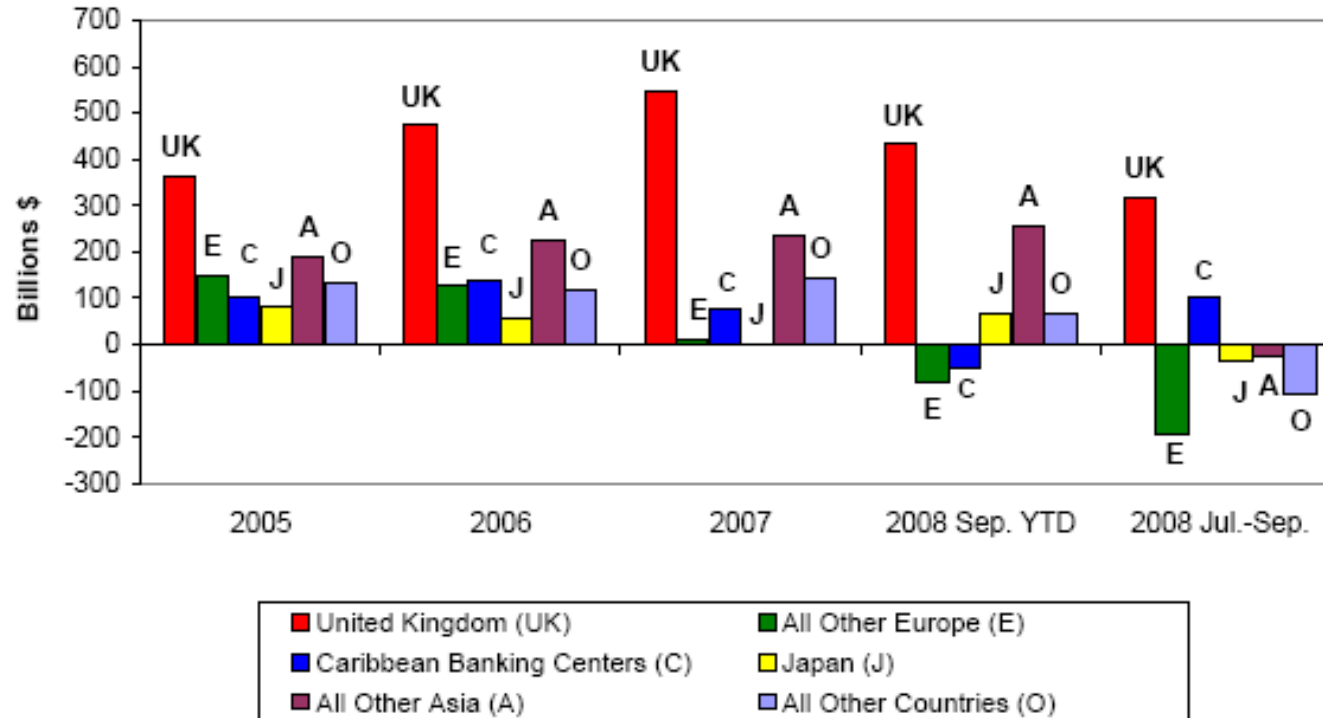
	2002	2003	2004	2005	2006	2007				2008		
						Q1	Q2	Q3	Q4	Q1	Q2	
1 Assets	48048.0	54114.1	59305.1	64146.2	69417.2	70448.3	71957.9	72845.9	72479.1	70937.7	70488.4	1
2 Tangible assets	18330.1	19899.5	22002.7	24369.2	25930.7	26241.0	26539.5	26641.9	26573.8	26331.3	26148.7	2
3 Real estate	14888.4	16335.7	18238.6	20429.2	21822.4	22091.2	22345.7	22410.3	22302.2	22001.7	21780.6	3
4 Households (2,3)	13579.3	14923.7	16673.0	18638.3	19781.3	19988.5	20160.9	20159.7	19976.1	19652.0	19429.4	4
5 Nonprofit organizations	1309.0	1412.1	1565.7	1790.9	2041.1	2102.7	2184.9	2250.6	2326.0	2349.8	2351.2	5
Equipment and software owned by												
6 nonprofit organizations (4)	168.7	183.4	199.3	214.2	230.8	234.9	238.9	242.2	246.2	249.6	254.2	6
7 Consumer durable goods (4)	3273.0	3380.3	3564.8	3725.8	3877.4	3914.9	3954.9	3989.5	4025.5	4080.0	4113.9	7
8 Financial assets	29717.9	34214.6	37302.5	39777.1	43486.5	44207.3	45418.4	46203.9	45905.3	44606.4	44339.8	8

# Liability Growth outstrips

31	Liabilities	8835.8	9861.4	11042.5	12200.4	13474.0	13642.5	13949.7	14162.6	14398.1	14506.6	14495.4	31
32	Credit market instruments	8515.7	9501.2	10582.8	11763.3	12967.8	13146.6	13396.5	13644.3	13848.5	13913.8	13974.9	32
33	Home mortgages (8)	6036.2	6887.1	7845.4	8875.7	9872.9	10063.7	10263.7	10409.2	10542.7	10611.9	10639.9	33
34	Consumer credit	1999.9	2104.4	2219.4	2313.9	2418.3	2399.5	2433.3	2505.1	2554.3	2535.2	2564.6	34
35	Municipal securities (9)	164.2	178.3	188.6	205.1	226.9	232.0	238.6	242.2	249.2	252.1	261.0	35
36	Bank loans n.e.c.	21.1	52.8	35.5	48.3	96.3	92.0	91.8	103.5	116.4	123.1	112.4	36
37	Other loans and advances	120.2	118.7	119.0	119.0	123.8	124.4	125.6	126.9	127.0	128.0	129.8	37
38	Commercial mortgages (9)	174.0	159.9	174.9	201.3	229.7	234.8	243.4	257.4	258.9	263.5	267.2	38
39	Security credit	148.2	182.5	264.0	232.4	292.1	279.0	334.0	296.5	325.5	365.3	290.4	39
40	Trade payables (9)	152.0	156.8	173.3	182.3	191.3	193.5	195.8	198.0	200.3	202.5	204.8	40
41	Deferred and unpaid life insurance premiums	20.0	20.9	22.5	22.4	22.8	23.4	23.4	23.8	23.9	25.0	25.3	41
42	Net worth	39212.1	44252.7	48262.6	51945.9	55943.2	56805.8	58008.2	58683.2	58081.0	56431.1	55993.1	42

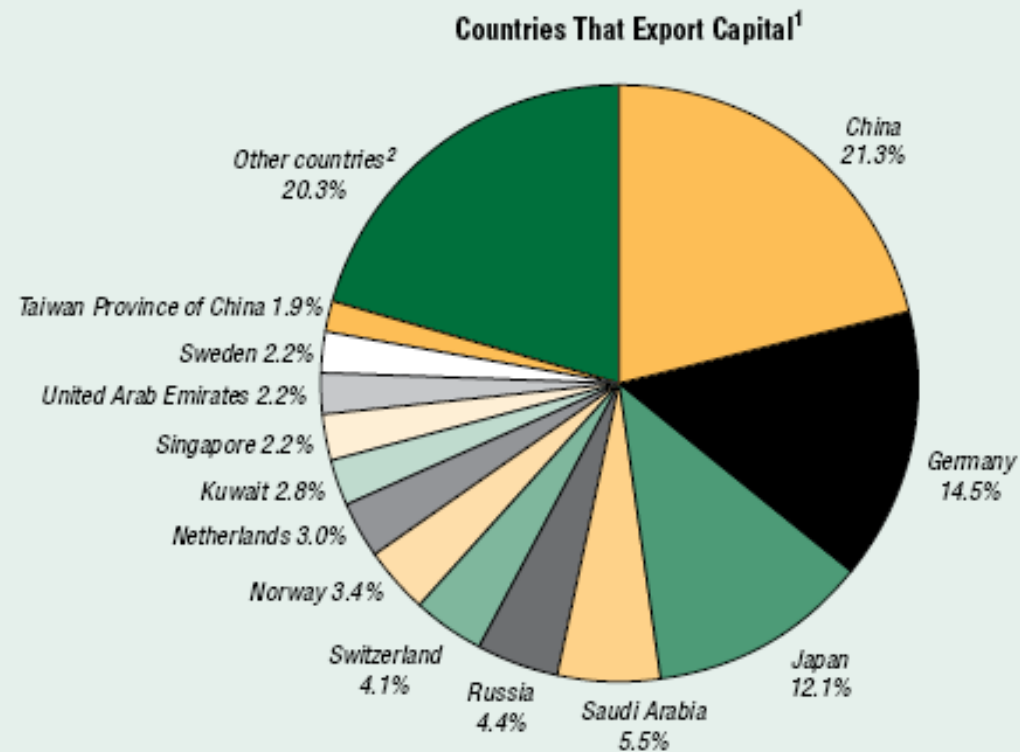
# Global Lending=US Consumer Debt

Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries

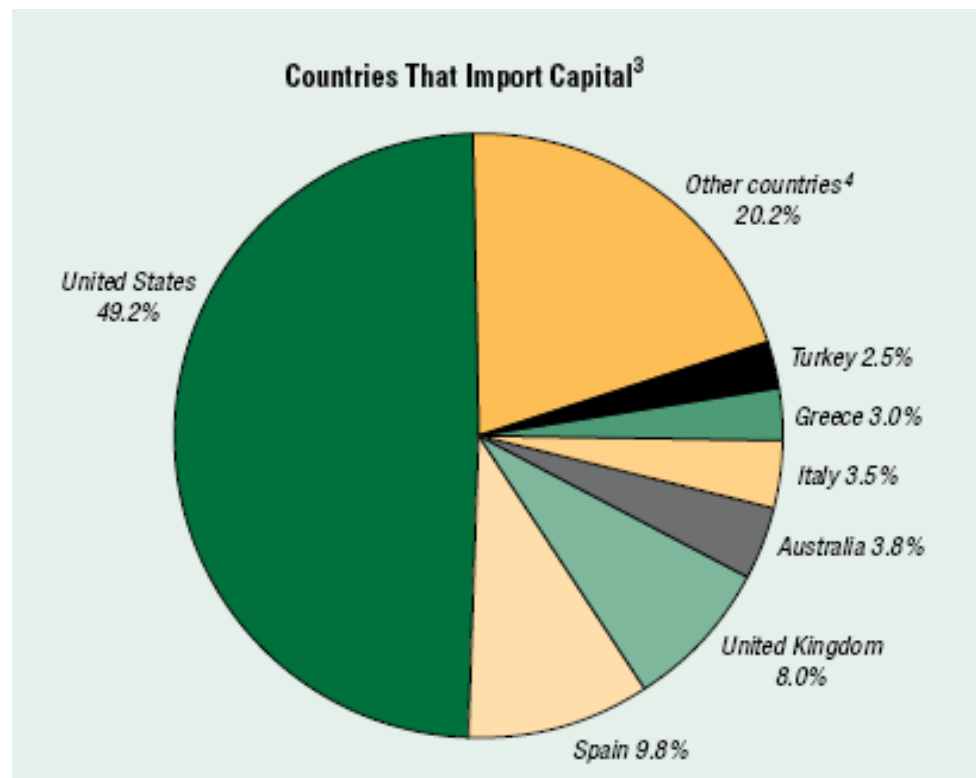


# International Capital Imbalance

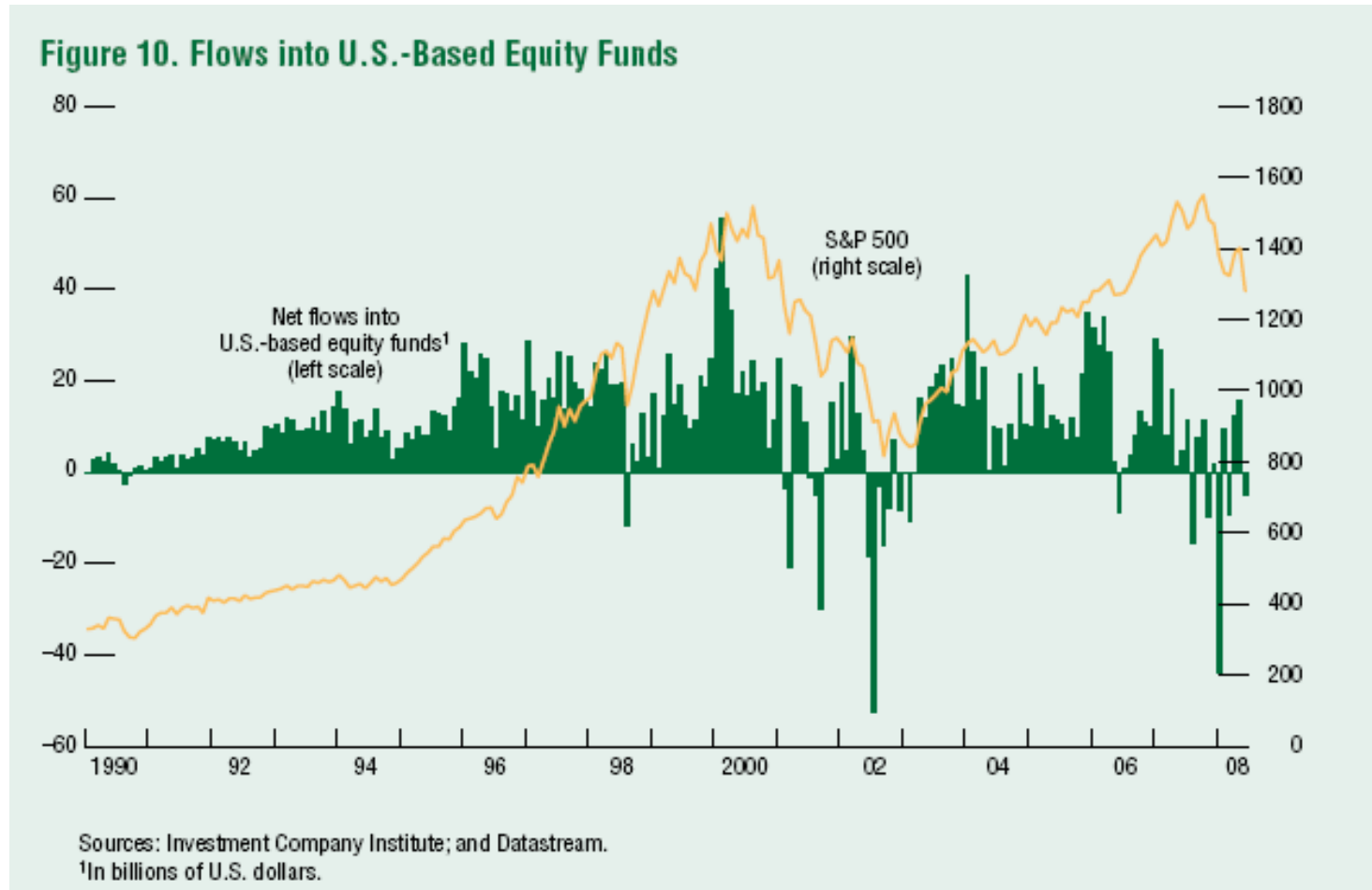
Figure 1. Major Net Exporters and Importers of Capital in 2007



# The other side of imbalance

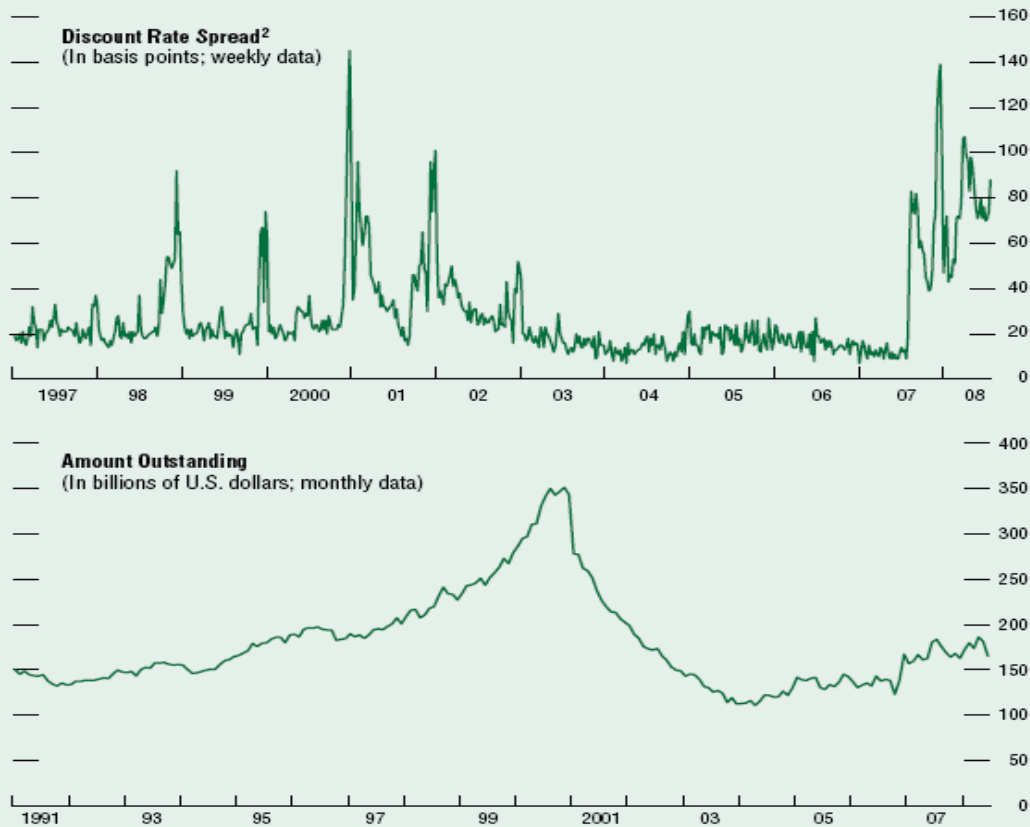


# Crisis Changes Flow of Funds



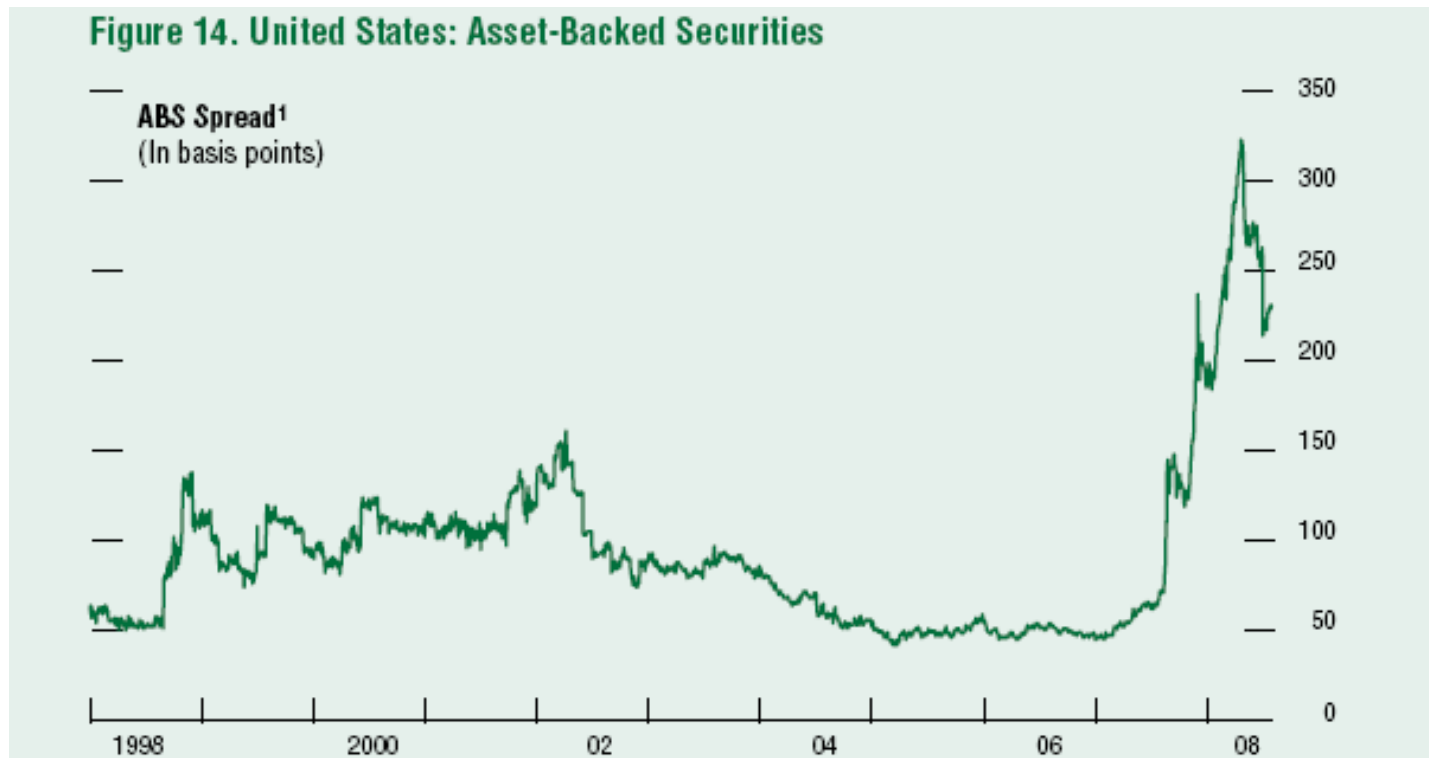
# Crisis Strikes Corporate Funding

Figure 13. United States: Commercial Paper Market<sup>1</sup>

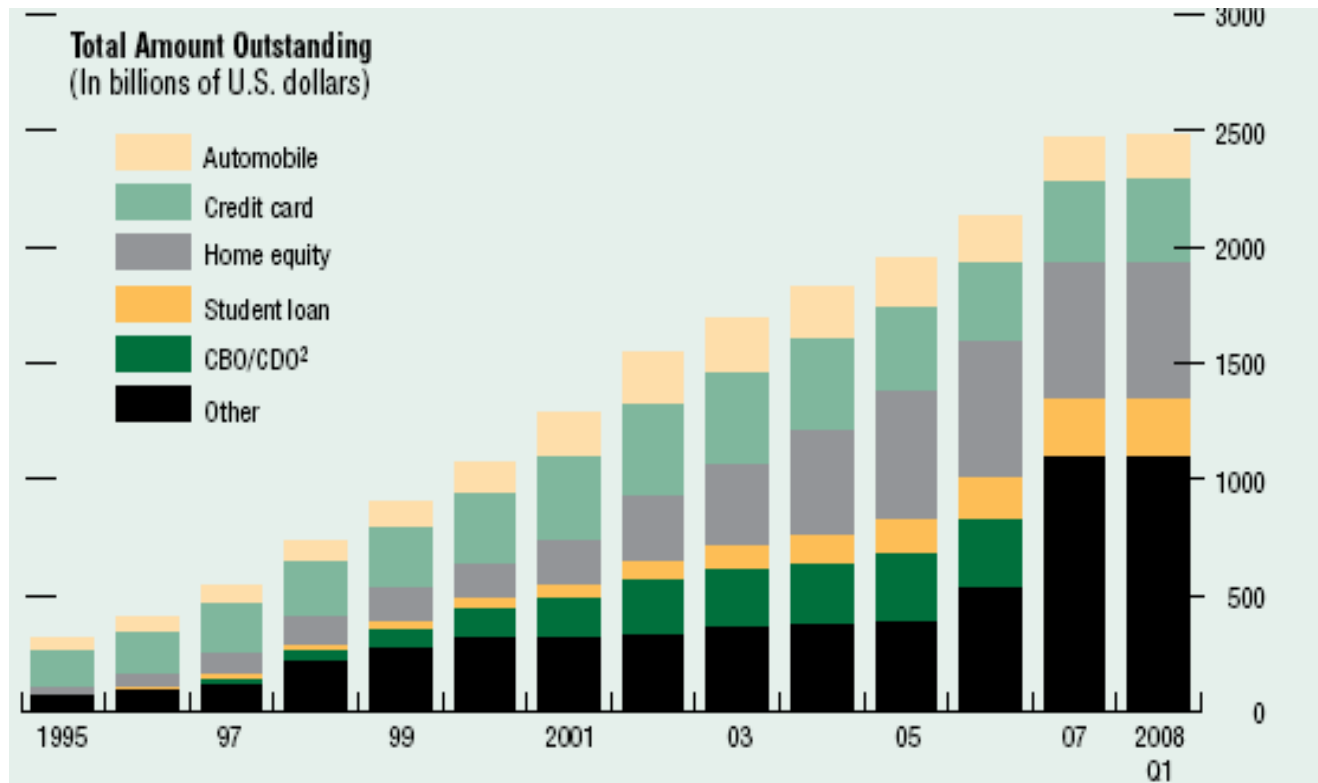


Source: Board of Governors of the Federal Reserve System.  
<sup>1</sup>Nonfinancial commercial paper.  
<sup>2</sup>Difference between 30-day A2/P2 and AA commercial paper.

# Asset backed securities (ABS)



# Consumer Spigot Turned Off



# Sector Balance Sheets

**Table 7. United States: Sectoral Balance Sheets**

*(In percent)*

	2002	2003	2004	2005	2006	2007
<b>Corporate sector</b>						
Debt/net worth	49.7	47.7	44.4	42.0	40.7	40.2
Short-term debt/total debt	29.9	26.7	26.5	25.2	25.1	25.9
Interest burden <sup>1</sup>	14.4	11.8	8.6	6.8	6.3	6.4
<b>Household sector</b>						
Net worth/assets	81.5	81.7	81.3	80.9	80.5	80.0
Equity/total assets	21.0	24.3	24.4	23.9	24.5	23.4
Equity/financial assets	34.1	38.5	39.0	38.6	39.2	37.1
Net worth/disposable personal income	498.8	540.0	553.6	568.8	578.2	556.2
Home mortgage debt/total assets	12.6	12.8	13.3	13.9	14.3	14.6
Consumer credit/total assets	4.2	3.9	3.8	3.6	3.5	3.5
Total debt/financial assets	29.9	29.0	29.8	30.9	31.2	31.7
Debt-service burden <sup>2</sup>	13.4	13.6	13.6	14.0	14.3	14.3