

# Nonfinancial Assets in the U.S. GFS

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# The source of U.S. GFS

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- Based on national accounts
- Collaboration
  - Bureau of Economic Analysis
    - Current and capital transactions
  - Federal Reserve
    - Financial accounts
    - Balance sheets
- Source data
  - Central government
    - Federal Budget, Monthly Treasury Statement, administrative data, etc.
  - State and local government
    - Census Bureau surveys of government finances
      - 50 states, District of Columbia, and approximately 90,000 local governments

# Reporting: Transactions vs. Assets



		Transactions	Assets
61	Nonfinancial assets	Yes	Yes
611	Fixed assets	Yes	Yes
6111	Building and structures	Yes	Yes
6112	Machinery and equipment	Yes	Yes
6113	Other fixed assets	Yes	Yes
6114	Weapons systems	Yes	No
612	Inventories	Yes	No
613	Valuables	No	No
614	Nonproduced assets	Yes	No
6141	Land	No	No
6142	Mineral and energy resources	No	No
6143	Other naturally occurring assets	No	No
6144	Intangible nonproduced assets	No	No

# Nonfinancial Assets: 2015



Billions of dollars

	Central	State & Local	General Government
Nonfinancial assets	3268.0	10135.7	13403.6
Fixed assets	3268.0	10135.7	13403.6
Building and structures	1508.2	9755.8	11264.0
Highways and streets	57.9	3327.8	3385.7
Educational buildings	25.6	2333.8	2359.4
Other	1424.7	4094.2	5518.9
Machinery and equipment	743.3	249.5	992.8
Other fixed assets	1016.4	130.4	1146.8
R&D	956.6	99.6	1056.2
Software	59.9	30.8	90.7

# Reporting Challenges

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- Fixed assets
  - Other
  - Weapons systems
- Inventories
- Valuables
- Nonproduced assets

## Fixed Assets: Other

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- Cultivated biological resources – no values
- **Intellectual Property Products**
  - Research and Development (R&D)
    - Includes basic research
    - Ownership determined by funder
      - U.S. Federal Government funds significant amount of R&D
  - Mineral exploration and evaluation – no values
  - Computer software and databases
  - Entertainment, literary, and artistic originals – no values
  - Other intellectual property products – no values

# Fixed Assets: Weapons Systems

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- Defense price index project: 1973-early-1980's
  - Department of Defense contract with BEA to develop price indexes for defense purchases
    - Source data on weapons prices and quantities
    - Continued assistance from the Department of Defense following the termination of the contract with BEA
- National accounts
  - Detailed data beginning in 1972
  - Total equipment extrapolated back to 1929 – no details
  - Fixed assets by category beginning in 1972
- GFS
  - Transactions: Subset of defense equipment, including aircraft, missiles, ships, combat vehicles
  - Assets: Included with machinery and equipment

- Inventories

- Limited data for central government

- Commodity Credit Corporation – created in 1933 to help stabilize agriculture prices by buying, storing, and selling excess crops
    - Strategic Petroleum Reserve – created in 1975 as emergency storage for crude petroleum

- No data for state and local government

- Valuables

- U.S. national accounts don't currently measure valuables

- GFSM 2014 guidance

- Many items fitting the description of a valuable owned by general government will be classified as machinery and equipment not elsewhere classified because they are not held primarily as stores of value, but used in production (museum displays, for example).*



# Nonproduced Assets

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- National accounts:

- BEA records transactions in selected nonproduced assets to derive estimates of government net lending or net borrowing

- Land
    - One-time bonuses paid by winning bidders to mine subsoil assets
    - Radio spectrum

- GFS

- Transactions: Same as national accounts

- Assets: No value reported

- Challenges—Measurement!

- Governments own vast tracts of land (national and state parks, for example)
      - Mineral and energy resources on federal lands valued at time of lease (bonus) and extraction (royalties/rent)