Corporate Finance Briefing: Nonfinancial Corporate Finance (Flows)

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Figure 1.

**NONFINANCIAL CORPORATE BUSINESS**
(billion dollars, saar)

- Blue line: Profits Before Taxes (1105.5)
- Red line: Profits After Taxes* (961.3)

* Profits before taxes minus taxes on corporate income.
Source: Federal Reserve Board Financial Accounts of the United States.

Figure 2.

**NONFINANCIAL CORPORATE BUSINESS: EFFECTIVE TAX RATE**

- Blue line: Taxes on corporate income (as a percent of profits before tax)** (14.0)

* Includes US federal taxes and taxes paid to other domestic and foreign taxing authorities.
** Using 4-quarter sums of each series.
Source: Federal Reserve Board, Financial Accounts of the United States.
**Figure 3.**

Net Dividends (as a percent of after tax profits)* (51.8)

* Based on 4-quarter sums of each series.

Source: Federal Reserve Board, Flow of Funds Accounts.

**Figure 4.**

Foreign Earnings Retained Abroad (26.8)

Source: Federal Reserve Board, Flow of Funds Accounts.
Figure 5.

**NONFINANCIAL CORPORATE BUSINESS**

Foreign Earnings Retained Abroad
(as a percent of profits before tax plus foreign earnings retained abroad)* (2.4)

* Based on 4-quarter sums of each series.
Source: Federal Reserve Board, Flow of Funds Accounts.

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Figure 6.

**NONFINANCIAL CORPORATE BUSINESS**

Foreign Earnings Retained Abroad
(as a percent of total internal funds + IVA)* (1.2)

* Based on 4-quarter sums of each series.
Source: Federal Reserve Board, Flow of Funds Accounts.
Figure 7.

**NONFINANCIAL CORPORATE BUSINESS**
(trillion dollars, 4-quarter sum, ratio scale)

- **Capital Expenditures** (2.1)
- **Internal Cash Flow** (2.2)

* Includes nonresidential fixed investment plus residential fixed investment, and inventory change with IVA.

Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 8.

**NONFINANCIAL CORPORATE BUSINESS: FINANCING GAP**
(billion dollars, 4-quarter sum)

- Capital Expenditures* Minus Internal Funds (-37.4)

* Includes nonresidential fixed investment plus residential fixed investment, and inventory change with IVA.

Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 9.

DIVIDENDS PLUS BUYBACKS
(billion dollars, 4-quarter sum, ratio scale)

Nonfinancial Corporate Business
Dividends Plus Buybacks (net) (899.3)
S&P 500 Dividends Plus Buybacks (1246.7)

Source: Federal Reserve Board, Flow of Funds Accounts and Standard & Poor’s.

Figure 10.

NONFINANCIAL CORPORATIONS: NET NEW ISSUES
(billion dollars, 4-quarter sum)

NFC Net New Issues
Bonds (245.8)
Equities (-408.5)

Source: Federal Reserve Board, Financial Accounts of the United States.
Nonfinancial Corporate Business

Figure 11.

NONFINANCIAL CORPORATE BUSINESS
(trillion dollars, 4-quarter sum, ratio scale)

- Gross Fixed Investment (2.1)
- Capital Consumption Allowance* (1.7)

* Consumption of fixed capital plus the capital consumption adjustment.
Source: Federal Reserve Board, Financial Accounts of the United States.

Figure 12.

NONFINANCIAL CORPORATE BUSINESS
(billion dollars, 4-quarter sum)

- Net Fixed Investment* (388.8)

* Gross fixed investment less consumption of fixed capital plus the capital consumption adjustment.
Source: Federal Reserve Board, Financial Accounts of the United States.
NONFINANCIAL CORPORATE BUSINESS (trillion dollars, 4-quarter sum, ratio scale)

- Internal Cash Flow Plus Net Bond Issuance (2.4)
- Internal Cash Flow (2.2)

Source: Federal Reserve Board, Financial Accounts of the United States.

BUYBACKS (billion dollars, 4-quarter sum)

- Nonfinancial Corporate Business Buybacks (net) (408.5)
- S&P 500 Buybacks (770.1)

Source: Federal Reserve Board, Financial Accounts of the United States and Standard & Poor’s.
Figure 15.

DIVIDENDS
(billion dollars, 4-quarter sum)

Source: Federal Reserve Board, Flow of Funds Accounts and Standard & Poor’s.

Figure 16.

NONFINANCIAL CORPORATIONS: CASH FLOW
(billion dollars, saar)

* After-tax operating retained earnings plus tax-return-based depreciation.
Source: Federal Reserve Board, Financial Accounts of the United States.
Figure 17.

INVENTORY INVESTMENT
(billion dollars, 4-quarter sum, saar)

- In nominal GDP
- Nonfinancial Corporate Business: Inventory Change + IVA


Figure 18.

NONFINANCIAL CORPORATE BUSINESS
(trillion dollars, 4-quarter sum, ratio scale)

- Capital Expenditures*
  Plus Buybacks (2.5)
- Internal Cash Flow
  Plus Net Bond Issuance (2.4)

* Includes nonresidential fixed investment plus residential fixed investment, and inventory change with IVA.

Source: Federal Reserve Board, Financial Accounts of the United States.
**Figure 19.**

**MONETARY INTEREST & DIVIDENDS PAID: DOMESTIC NONFINANCIAL CORPORATIONS**
(billion dollars)

- Interest Paid (567.1)
- Dividends (4-quarter sum) (490.7)

Source: Bureau of Economic Analysis.

**Figure 20.**

**MONETARY INTEREST PAID: DOMESTIC NONFINANCIAL CORPORATIONS**
(as a percent of nonfinancial corporations: total debt*)

* Debt securities (commercial paper, industrial revenue bonds, corporate bonds) plus loans (depository institutions loans, other loans and advances, mortgages).

Source: Federal Reserve Board, Financial Accounts of the United States and Bureau of Economic Analysis.
Nonfinancial Corporate Business

**Figure 21.**

NONFINANCIAL CORPORATE BUSINESS: CASH FLOW
(trillion dollars, 4-quarter sum)

Cash Flow
- Total Internal Funds + IVA* (2.2)
- Capital Consumption Allowance** (1.7)

* Inventory Valuation Adjustment.
** Consumption of fixed capital plus the capital consumption adjustment.

Source: Federal Reserve Board, Financial Accounts of the United States.
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