

Macro Roundup Article

Headline: [Financial Stability Report](#)

Article

Link: <https://www.federalreserve.gov/publications/files/financial-stability-report-20230508.pdf>

Author(s)	Federal Reserve Staff
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Tweet: According to new Financial Stability Report the private sector is deleveraging relative to GDP.

Summary: At the end of Q4 2022 total outstanding private credit was split about evenly between businesses and households, with businesses owing \$19.9 trillion and households owing \$19.0 trillion. The combined total debt of nonfinancial businesses and households grew more slowly than nominal GDP since the November report, leading to a modest decline in the debt-to-GDP ratio, which moved back closer to the level that had prevailed for much of the decade before the pandemic. The decline in the overall ratio was driven by a larger decline in household debt-to-GDP ratio compared to the business debt-to- GDP ratio.

Primary Topic: Business Cycle

Topics: Business Cycle, Financial Markets, GDP, Government/NGO

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