

Glossary: Net financial worth

Statistics Explained

Net financial worth is the difference between the stock of financial assets and the stock of liabilities, measured at the end of each reporting period (normally year or quarter). Financial assets and liabilities are valued at market value, notably for debt securities, financial derivatives and shares and other equity. This means that the stock of financial assets and liabilities fluctuates due to transactions, but also due to "other flows", notably revaluations (nominal holdings gains and losses). In addition to financial assets, governments also hold non-financial assets, which are not covered by the financial accounts. Net financial worth is a good measure of the financial position of government at any point in time – for example, whether its financial assets exceed its liabilities. It does not take into account non-financial assets such as land, buildings, etc.

Definition

- Net financial worth = stock of financial assets - stock of liabilities
- Change in net financial worth (stock at t minus stock at $t-1$) = net financial transactions in t + net other flows in t

Further information

- [Manual on Quarterly Financial Accounts for General Government](#)
- [Quarterly financial accounts for general government](#) (Metadata file)

Related concepts

- [EDP](#)
- [General government](#)
- [European system of national and regional accounts \(ESA 2010\)](#)

Statistical data

- [Government finance statistics - quarterly data](#)