

FUNDS OUTFLOWS

Consumer Market: In this market, intermediaries provide (a) banking services (e.g., checking accounts, ATMs, credit cards), (b) consumer loans (e.g., home mortgage, student auto personal), (c) financial planning, mutual fund investments, stock brokerage and other wealth management services, and (d) personal lines of insurance (e.g., life, home, auto insurance, annuities).

GOVERNMENT FINANCIAL SERVICES MARKET

OUTFLOWS TO GOVERNMENT

The diagram illustrates the flow of funds from various sources to Enterprises and Third Parties. The sources are categorized into three main groups: Treasury & Payment Services, Corporate and Investment Banking, and Investment Banking. The flows are as follows:

- Treasury & Payment Services:**
 - Automatic & Wire-Based Payments → Enterprises
 - Cash Withdrawals & Interest → Enterprises
- Corporate and Investment Banking:**
 - Debt & Equity Capital → Enterprises
- Investment Banking:**
 - Purchase Price Proceeds (from Debt) → Enterprises

Additionally, a separate flow is shown for **Third Parties (on Customer's Behalf)**, which receives funds from the same sources as Enterprises.

COMMERCIAL FINANCIAL SERVICES MARKET

Public Investment

Equities Intermediation

TO

Institutional Investors

COMMERCIAL ENTERPRISES

Private Equity, Venture Capital

Pass Through Dividends, Interest, Principal, Capital, & Capital Gains

Institutional Investors & High

Investing		Individuals
Commercial Insurance	Insurance Proceeds Upon Liability Event	
General Liability	Insurance Proceeds Upon Liability Event	Enterprise
Property & Casualty	Insurance Proceeds Upon Liability Event	Injured Third Party
Bond & Specialty	Insurance Proceeds Upon Liability Event	Government / Injured Third Parties
Reinsurance	Insurance Proceeds Upon Liability Event	Primary Insurer

Investment and Wealth Management	Consumer Market	
Philanthropic Giving	Donations Property Under Trust & Wills	Charities
Trust & Estates	Dividends, Interest, Principal, Capital, & Capital Gains	Heirs & Beneficiaries
Private Banking	Pass Through Dividends, Interest, Principal, Capital, & Capital Gains	High Net Worth Individuals
Mutual Funds & ETFs	Dividends Interest, Principal, Capital, &	Retail & High Net Worth Individuals

RETAIL CONSUMER FINANCIAL SERVICES MARKET

OUTFLOWS TO INDIVIDUALS

INDIVIDUALS







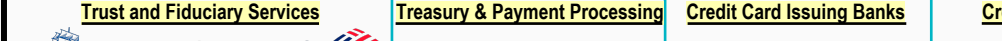

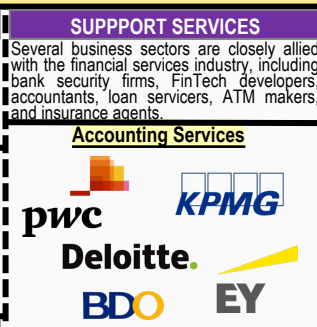









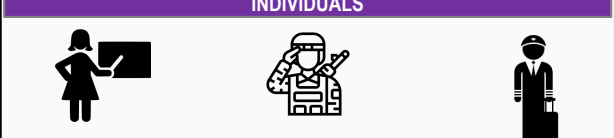







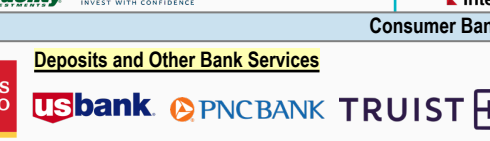



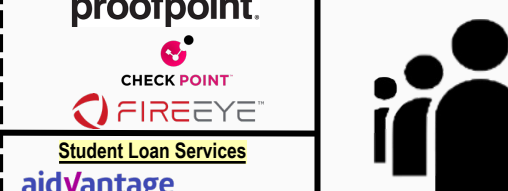



Term Life Insurance		Term Life Insurance
Credit Cards	Credit Card Loans	Individuals
Auto Lending	Car Loans	Car Buyers
Personal Lending	Personal Loans	Students, Travelers
Personal Lines Insurance	Insurance Proceeds upon Death of Policy Holder	Beneficiaries of the Deceased
Life Insurance	Annuity Payments	Annuants
Annuities	Insurance Proceeds Upon Liability Event	Home and Auto Owners
Personal Lines Insurance	Insurance Proceeds Upon Injury	Injured Individuals
Accident and Health Insurance	Medical Care Payments	Medical Care Providers

4 FUNDS OUTFLOWS

<p>Consumer Market. In this market, intermediaries provide (a) banking services (e.g., checking accounts, ATMs, credit cards), (b) consumer loans (e.g., home mortgage, student, auto, personal), (c) financial planning, mutual fund investing, stock investing, and other wealth management services, and (d) personal lines of insurance (e.g., life, home, auto insurance, annuities).</p>	<p>Cyclical Nature: The rendering of financial services creates a stream of funds that are redistributed to borrowers, investors, retirees, governments, home and business sellers, suppliers, and start ups and mature businesses alike. These funds take the form of interest, dividends, annuity payments, insurance proceeds, principal repayments, rent, loans, tax payments, government transfers, and other payments. Such a cycle starts the cycle again, as funds flow back into the economy and, thus, back into the financial services sector...again, and again, and again.</p>
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TO GOVERNMENT



1	SOURCES OF INFLOWS	2	FUNDS INFLOWS	3	FINANCIAL SERVICES	4	FUNDS OUTFLOWS		
<p>The U.S. Economy: To understand the U.S. financial services industry, it is necessary to understand the U.S. economy and its three most significant participants: (1) individuals & households, (2) business firms and enterprises, and (3) the U.S. government. These three players contribute to the U.S. gross domestic product (GDP), which is the value of everything produced within U.S. borders. This figure is used to determine the size of the economy which was \$25.46 trillion in 2022. Virtually every dollar of GDP will circulate through the financial services sector.</p> <p>Government: It consists of the federal government and its judicial, legislative, and executive branches (including various cabinet departments and independent administrative agencies), state and local governments, and their administrative agencies. The government performs several roles in the economy, the most important of which is the provide rules and regulations providing for national defense, fair play in business, consumer protection, and the support of critical and emerging industries. In 2022, U.S. government spending was 23.8% of GDP or \$6.27 trillion.</p>		<p>Commercial Enterprises: Business firms are often thought of as the producers in an economy, even though every business firm is also a consumer of goods and services. Businesses operate at various levels in the stream of economic activity, which conveniently subdivide into four levels: (1) capital markets and professional services, (2) upstream, (3) midstream, and (4) downstream. Business firms connect with other economic players at the downstream level where consumer and industrial goods and services are sold to individuals and households, and government agencies. In 2022, U.S. business investment (i.e., fixed investment + the change in private inventory) was 13.2% of GDP or \$3.36 trillion.</p> <p>Individuals & Households: Individuals and families serve primarily as consumers in the economy. They keep the economy going by buying goods and services. Without their consumption, the economy would screech to a halt. To obtain funds with which to buy goods and services, individuals provide labor to business firms and the government. In 2022, U.S. personal consumption was 63% of GDP or \$16.13 trillion. Clearly, U.S. individuals and households are the primary drivers of the U.S. economy.</p>		<p>What is a Financial Service?: A financial service is the process of acquiring a financial good crucial to the functioning of the economy. At its core, it is something tangible such as a mortgage loan to heart, buy a house, an auto insurance policy, or a credit card. In other words, the financial service is the transaction required to obtain the financial good. Therefore, the financial services money to productive use. Instead of stashing sector covers a variety of types of transactions money under mattresses, consumers give their market (e.g., treasury securities), (2) commercial next great technology or allow someone to buy a market (e.g., business loan, business home acquisition), and (3) consumer market (e.g., lending/borrowing, risk management, and capital home mortgage loan, securities, life insurance). Importance: The financial services sector is the sector intermediates by channeling people who want to lower risk with those willing to take on that risk. Financial services also help put financial good. Therefore, the financial services money to productive use. Instead of stashing sector covers a variety of types of transactions money under mattresses, consumers give their market (e.g., treasury securities), (2) commercial next great technology or allow someone to buy a market (e.g., business loan, business home acquisition), and (3) consumer market (e.g., lending/borrowing, risk management, and capital home mortgage loan, securities, life insurance). Financial services can be broken down into the Commercial Market: The U.S. government market consists of intermediaries providing such services as: (a) checking accounts, (b) consumer credit cards, (c) home mortgage, (d) student, auto, personal, (e) financial planning, mutual fund investments, stock brokerage, and other wealth management services, (f) securities brokerage, and (g) private equity and venture investing. 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<p>GOVERNMENT</p> 		<p>GOVERNMENT FINANCIAL SERVICES MARKET</p> <p>Taxation and Debt Financing</p>  <p>Federal and Self-Regulation</p>  <p>COMMERCIAL FINANCIAL SERVICES MARKET</p> <p>Investment Banking</p> <p>Debt & Equity Offerings</p>  <p>Commercial Lending</p>  <p>Global Markets / Brokerage</p>  <p>Private Equity</p>  <p>Venture Capital</p>  <p>Real Estate Investment and Asset Management</p> 				<p>SUPPORT SERVICES</p> <p>Several business sectors are closely allied with the financial services industry, including bank security firms, FinTech developers, accountants, loan servicers, ATM makers, and insurance agents.</p> <p>Accounting Services</p>  <p>ATMs and POS Devices</p>  <p>FinTech</p>  <p>Traditional Bank Security</p>  <p>Digital Security & Fraud Prevention</p> 		<p>TO GOVERNMENT</p>  <p>TO COMMERCIAL ENTERPRISES</p>  <p>TO INDIVIDUALS</p> 	
<p>COMMERCIAL ENTERPRISES</p> <p>Building/Construction</p>  <p>Telecommunications</p>  <p>Health/Life Sciences</p>  <p>Media/Entertainment</p>  <p>Food</p>  <p>Financial Services</p>  <p>Consumer Goods</p>  <p>Professional Services</p>  <p>Automotive</p>  <p>Retail</p>  <p>Oil & Gas/Petrochemicals</p> <p>Transportation</p> <p>Education</p> <p>Utilities</p> <p>Technology</p> <p>Metals and Mining</p> <p>Defense</p>		<p>CONSUMER FINANCIAL SERVICES MARKET</p> <p>Consumer Loans</p> <p>Non-Bank Lenders</p>  <p>Home Loans</p>  <p>Bank Lenders</p>  <p>Auto Loans</p>  <p>Other Personal Loans</p>  <p>Student Loans</p>  <p>Wealth Management and Insurance</p> <p>Wealth Management</p>  <p>Mutual Funds</p>  <p>Securities Brokerage</p>  <p>Life Insurance</p>  <p>Annuities</p>  <p>Card Networks</p>  <p>Card Issuers</p>  <p>Insurance Brokers</p>  <p>Student Loan Services</p> 				<p>Individuals</p> 			

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3 FINANCIAL SERVICES

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What is a Financial Service?: A financial service is the process of acquiring a financial good crucial to the functioning of the economy. At its core, the sector intermediates by channeling (something tangible such as a mortgage loan to heart, the sector intermediates by channeling buy a house, an auto insurance policy, or a money from savers to borrowers and matching credit card). In other words, the financial people who want to lower risk with those willing to service is the transaction required to obtain the take on that risk. Financial services also help put financial good. Therefore, the financial services money to productive use. Instead of stashing sector covers a variety of types of transactions money under mattresses, consumers give their to obtain financial goods in the (1) government savings to intermediaries to invest in the next market (e.g., treasury securities), (2) commercial great technology or allow someone to buy a market (e.g., equipment loan), and (3) retail home. Without financial services, consumer market (e.g., home mortgage loan, lending/borrowing, risk management, and capital securities, life insurance).

Importance: The financial services sector is crucial to the functioning of the economy. At its core, the sector intermediates by channeling (something tangible such as a mortgage loan to heart, the sector intermediates by channeling buy a house, an auto insurance policy, or a money from savers to borrowers and matching credit card). In other words, the financial people who want to lower risk with those willing to service is the transaction required to obtain the take on that risk. Financial services also help put financial good. Therefore, the financial services money to productive use. Instead of stashing sector covers a variety of types of transactions money under mattresses, consumers give their to obtain financial goods in the (1) government savings to intermediaries to invest in the next market (e.g., treasury securities), (2) commercial great technology or allow someone to buy a market (e.g., equipment loan), and (3) retail home. Without financial services, consumer market (e.g., home mortgage loan, lending/borrowing, risk management, and capital securities, life insurance).

Commercial Market: The U.S. government market involves capital raising through corporate, payroll and personal income taxation and the issuance of Treasury securities, the regulation of securities and commodities markets, providing banking services to federal agencies, promoting the home mortgage market, and regulation of the nation's banking system (e.g., authorization, supervision, licensing, capital and liquidity requirements, deposit insurance premiums, etc.).

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