Figure 1.7. Policy Stimulus and Corporate Balance Sheets

A tax cut of 10 percent could support higher investment but financing gaps remain.

1. Cash Flow versus Capital Expenditure for S&P 500 Firms, by Sector (Percent of assets)

Cash windfalls from repatriation would likely accrue to cash abundant sectors.

3. Unrepatriated Income, by Sector (Total in U.S. dollars, sectoral shares in percent of total)

Debt has been used to finance both economic and financial risk taking.


Sources: Bloomberg L.P.; S&P 500 company reports; Securities and Exchange Commission; and IMF staff estimates.

Note: See Figure 1.5 for more on the concepts underlying charts in panel 5. Capex = capital expenditures; S&P = Standard and Poor’s.