Table 2: Financial Leverage
Selected Carriers, 1988
Total Liabilities Divided by Shareholder Net Worth

Airline	Financial Leverage
Continental	40.3
Singapore Airlines	10.8
United Airlines	5.1
British Airways	4.7
Japan Airlines	4.2
Canadian Airlines Int'l	**4.2**
Air Canada	**3.4**
American Airlines	3.4
KLM	3.3
USAir	2.6
Delta Airlines	2.5
Northwest	2.2

* Source: Carrier Annual Reports.

the aircraft, airlines had very positive cash flows in most years. This was because part of the revenue collected from customers was used to cover depreciation of the aircraft. However, depreciation is an accounting charge and does not require the actual outlay of cash. Thus, even when carriers were suffering losses, the cash coming in usually exceeded the cash going out.[110]

[110] The exception would be when carriers were taking delivery of (and paying cash for) new aircraft.