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## 1948 SURVEY OF CONSUMER FINANCES<sup>1</sup>

### PART III. Consumer Ownership and Use of Liquid and Nonliquid Assets

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Consumers have added to their stock of liquid assets at a moderate rate during the past two years. They increased their holdings by approximately 7 billion dollars in 1946 and about 5 billion dollars in 1947, according to estimates compiled by the Federal Reserve Board from over-all Treasury and banking statistics. These additions brought the total amount of liquid assets (i.e., United States Government bonds and savings and checking accounts but excluding some 20 billion dollars of currency) held by individuals to approximately 130 billion dollars at the end of 1947. Holdings are so large that, notwithstanding a much slower rate of growth recently than during the war years, they continue to have an important bearing upon the present and future course of consumer expenditures and investments.

The 1948 Survey of Consumer Finances, conducted for the Board by the Survey Research Center of the University of Michigan, furnishes information regarding the distribution of these liquid assets among the population in early 1948, the purposes for which some had been spent in 1947 and some might be spent in 1948, and, by comparison with two previously conducted surveys,<sup>2</sup> the changes in liquid asset distribution among various popu-

lation groups since 1946. This report on the survey also includes a discussion of the ownership of selected types of nonliquid assets, as well as the ownership of terminal leave bonds and their uses by veterans of World War II.

Information presented from the 1948 Survey of Consumer Finances is based upon the results of about 3,500 interviews taken in 66 sampling points throughout the nation. The sample covers the entire population of the United States residing in private households.<sup>3</sup> The interview unit of the surveys is the spending unit, defined as all persons living in the same dwelling and belonging to the same family who pooled their incomes to meet major expenses.

#### SUMMARY OF FINDINGS ON LIQUID AND NONLIQUID ASSETS

1. Approximately 35 million of the total number of 48.4 million spending units reported having some type of liquid asset in early 1948.

2. While there was no change in the total number of spending units holding liquid assets, there was an appreciable decline in the number of holders of United States Government bonds.

3. The median amount of liquid assets held by all spending units was smaller at the beginning of 1948 than in early 1947. Clerical and sales people, and skilled, semiskilled, and unskilled workers all showed some decline in the median amounts of assets held. At the same time managerial and self-employed persons reported somewhat larger holdings and professional persons reported little change in holdings. There was some indication of an increase in the proportion of liquid assets held by top income people.

4. Approximately 29 million spending units had changes in their liquid asset holdings during 1947. Many reported substantial changes, either additions or withdrawals.

5. About 13 million spending units added to their Government bonds, savings accounts, or

<sup>1</sup> This article was prepared by Duncan McC. Holthausen of the Board's Division of Research and Statistics. It is the third in a series to be issued presenting the results of the Board's 1948 Survey of Consumer Finances. The first two articles appeared in the June BULLETIN and other articles will appear in succeeding issues.

From the Survey Research Center, University of Michigan. Rensis Likert, Director, and Angus Campbell, Assistant Director, were in general charge of the survey. Responsibility for detailed planning and supervision of the survey, including interviewing, editing, tabulation of survey results, and preparation of survey studies was carried by George Katona in collaboration with Miss Janet Austrian. Charles F. Cannell served as head of the field staff and Roe Goodman as head of the sampling section of the Center.

From the Board of Governors, general supervision of the survey has been under the direction of Woodlief Thomas, Director, and Ralph A. Young, Associate Director, of the Division of Research and Statistics. Mr. Holthausen has been in charge of the analysis of the data and the preparation of reports.

<sup>2</sup> The second survey was made for the Board of Governors early in 1947 by the Survey Research Center and results of that survey were reported in 1947 in the June, July, and August issues of the BULLETIN. The first survey was made for the Board of Governors early in 1946 by the Division of Program Surveys, Bureau of Agricultural Economics, U. S. Department of Agriculture. The Survey Research Center staff currently in charge of the survey work was associated with the Division of Program Surveys at the time of the first survey. Results of that survey were reported in the June, July, and August issues of the BULLETIN under the general title National Survey of Liquid Assets.

<sup>3</sup> For additional information on survey techniques and design, see the June 1948 BULLETIN, pp. 643-46.

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checking accounts during the year, increasing their holdings appreciably. Approximately one-third of the spending units, or 16 million, reduced their liquid asset holdings during 1947. These spending units withdrew approximately 15 billion dollars. About half of this amount was used to buy houses or placed in various types of investments, approximately one-third was used for consumer nondurable goods and services, and the remainder was used for the purchase of automobiles and other durable goods.

6. Over two-thirds of the spending units receiving terminal leave bonds cashed them during 1947, primarily for use in buying consumer goods.

7. Ownership of nonliquid assets varied greatly by type of asset, with almost four-fifths of all spending units, or 38 million, having at least one member with a life insurance policy as compared to almost one-tenth, or 4.5 million spending units, with at least one member owning stocks and bonds other than United States Government bonds.

8. Most spending units continued to indicate a preference for holding assets of fixed value such as Government bonds and bank deposits rather than assets of changing value. Nevertheless about one-tenth of the spending units holding \$1,000 or more in liquid assets planned to transfer substantial amounts during 1948 to various types of investment including real estate, corporate securities, and unincorporated businesses.

## THE DISTRIBUTION OF LIQUID ASSETS IN EARLY 1948

Survey data show that liquid assets continue to be very broadly distributed. The proportion of all spending units that held liquid assets was slightly smaller at the beginning of 1948 than a year earlier (73 per cent as compared to 76 per cent), but the number that held some type of liquid asset remained approximately 35 million.

For spending units having some liquid assets, the median amount held in early 1948 was approximately \$820, or one-twelfth less than at the beginning of 1947. When nonholders as well as holders of liquid assets are considered, the median was \$350 early this year as compared with \$470 last year.

The amounts of liquid assets held by individual spending units varied greatly in early 1948 and the distribution differed little from the pattern of the preceding two years. As is indicated in

Table 1, somewhat more than one-fourth of all spending units had no liquid assets, one-seventh had only \$1 to \$199, one-fourth had \$200 to \$999, and more than one-third had \$1,000 or more in liquid assets.

TABLE 1  
DISTRIBUTION OF SPENDING UNITS, BY SIZE OF LIQUID ASSET HOLDINGS, EARLY 1948, 1947, AND 1946<sup>1</sup>  
(Per cent)

Amounts of liquid assets held <sup>2</sup>	1948	1947	1946
None	27	24	24
\$1-\$199	15	14	15
\$200-\$499	13	12	14
\$500-\$999	12	14	14
\$1,000-\$1,999	12	14	14
\$2,000-\$2,999	6	7	7
\$3,000-\$4,999	6	7	6
\$5,000-\$9,999	5	5	4
\$10,000 and over	4	3	2
All units	100	100	100
Median holdings of all units	\$350	\$470	\$400
Median holdings of those with assets	\$820	\$890	\$750

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey); for 1947 on interviews in January-March 1947 (second survey); for 1946 on interviews in January-March 1946 (first survey).

<sup>2</sup> Includes all types of U. S. Government bonds, checking accounts, and savings accounts in banks and savings and loan associations, postal savings, and shares in credit unions. Excludes currency holdings.

A somewhat smaller proportion of spending units with incomes of less than \$4,000 held liquid assets at the beginning of 1948 than a year earlier. Table 2 shows the percentage of spending units within each income group that held assets in early 1948, 1947, and 1946. Care must be exercised in the interpretation of this table because the liquid asset holdings at the beginning of each year are related to the income of the spending unit in the previous year and there was an upward movement in the income distribution between 1945 and 1947.

As has been pointed out in the two earlier surveys, there is a great deal of variation within every income group in the size of liquid asset holdings. This is clearly indicated by Table 3, which gives the holdings at the various quartile points for spending units within each income group when ranked according to size of assets. This table shows, for example, that one-half of all spending units with incomes of \$3,000 to \$3,999 held over \$490 in liquid assets and as many as one-fourth held over \$1,550. At the same time one-fourth of these spending units held less than \$60. This extreme variation in size of holdings was evident in each income category. As compared to a year ago, the median

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TABLE 2

SPENDING UNITS HOLDING VARIOUS TYPES OF LIQUID ASSETS, BY INCOME GROUPS, EARLY 1948, 1947, AND 1946<sup>1</sup>

Annual money income before taxes	Percentage of spending units in each income group having:											
	Any liquid asset <sup>2</sup>			U. S. Government bonds <sup>3</sup>			Savings accounts <sup>4</sup>			Checking accounts		
	1948	1947	1946	1948	1947	1946	1948	1947	1946	1948	1947	1946
Under \$1,000	44	49	49	22	25	31	22	26	22	24	21	21
\$1,000-\$1,999	59	65	68	34	44	54	34	37	32	24	30	29
\$2,000-\$2,999	73	80	85	49	62	74	43	50	43	33	30	28
\$3,000-\$3,999	83	89	92	56	69	80	55	60	50	41	39	42
\$4,000-\$4,999	90	92	94	61	77	89	58	62	55	50	56	50
\$5,000-\$7,499	97	100	98	69	86	91	67	69	60	69	72	67
\$7,500 and over	99	100	100	86	91	96	73	69	52	86	89	88
All units	73	76	76	48	56	63	46	47	39	39	37	34

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey); for 1947 on interviews in January-March 1947 (second survey); for 1946 on interviews in January-March 1946 (first survey). Holdings in early 1948 are related to 1947 income; 1947 holdings to 1946 income; and 1946 holdings to 1945 income.

<sup>2</sup> Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

<sup>3</sup> Includes all types of U. S. Government bonds.

<sup>4</sup> Includes savings accounts in banks and savings and loan associations, postal savings, and shares in credit unions.

TABLE 3

DISPERSION OF LIQUID ASSET HOLDINGS WITHIN INCOME GROUPS, EARLY 1948

1947 annual money income before taxes	Amount of liquid assets held by spending unit at: <sup>1</sup>		
	First quartile	Median	Third quartile
Under \$1,000	\$ 0	\$ 0	\$ 440
\$1,000-\$1,999	0	80	590
\$2,000-\$2,999	0	240	1,030
\$3,000-\$3,999	60	490	1,550
\$4,000-\$4,999	240	840	2,290
\$5,000-\$7,499	520	1,760	4,200
\$7,500 and over	2,610	6,290	15,260

<sup>1</sup> Figures refer to spending units within each income group selected as follows:

*First quartile*—holdings of the spending unit which separates the fourth with smallest holdings from the upper three-fourths.

*Median*—holdings of the spending unit which is the mid-point of the distribution; half of the spending units are below and half above.

*Third quartile*—holdings of the spending unit which separates the fourth with largest holdings from the lower three-fourths.

For comparable 1947 data, see Federal Reserve BULLETIN, July 1947, Table 9, p. 798. Similar data as published from the 1946 survey (see BULLETIN for July 1946, Table 5, p. 718) are not strictly comparable since they include savings in the form of currency.

and quartile holdings within most income groups were somewhat smaller. This change reflects the smaller proportion of spending units in each income category that held liquid assets and, to a minor extent, reduced holdings on the part of some of those with assets.

## TYPES OF LIQUID ASSETS HELD

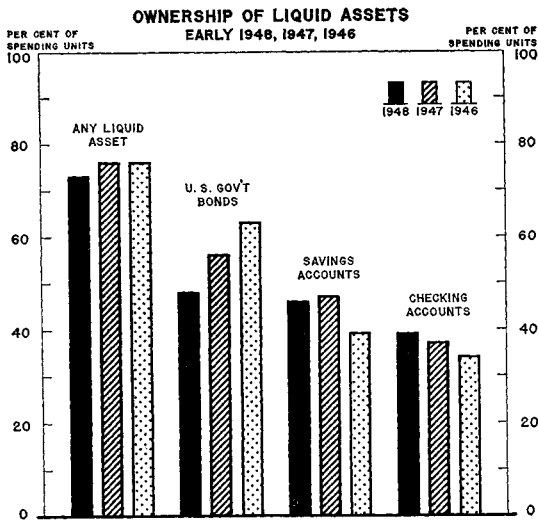
There have been very pronounced shifts in the types of liquid assets held between the close of the

war and the current period, as is indicated by the accompanying chart. The number of spending units having checking accounts increased somewhat both in 1946 and 1947, and the number holding some type of savings account (including shares with savings and loan associations), although it changed little during 1947, increased by approximately 4 million between early 1946 and 1947. On the other hand, approximately 5 million to 6 million fewer spending units held United States Government securities early in 1948 than early in 1946.

The decline in the number of Government bond holders reflects the less urgent patriotic motivation of the public to buy bonds after the war and the more limited Treasury program to sell bonds in the past two years. In the first year or so after the war there was a sizable drop in the number of persons buying bonds through payroll deduction plans and for many people it may have become more convenient to place current savings in various types of savings accounts rather than in Government bonds. A number of institutions handling savings accounts, including commercial banks, mutual savings banks, and savings and loan associations, may have attracted a substantial volume of additional deposits through aggressive solicitation of personal savings accounts.

United States Government bonds are nevertheless still the most widely held type of liquid asset. Early in 1948, approximately 48 per cent of all spending units held Government bonds as compared to 46 per cent with some type of savings

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NOTE.—For sources and coverage of data, see Table 2.

account and 39 per cent with checking accounts. Also, as great a percentage if not a greater percentage of the spending units in each income group owned Government bonds as owned any other type of liquid asset. This is indicated by Table 2. Data presented in this table confirm the finding of the two previous surveys that the distribution of Government bonds and savings accounts among different income groups is similar to the distribution of total holdings of liquid assets. In each case the proportion of holders increases quite steadily from lower to higher income groups. Checking accounts, on the other hand, are held by a relatively small percentage of units in the lower and middle income brackets and by a relatively large percentage of those in the highest brackets.

It is clear from Table 2 that the sharp reduction in the number of holders of United States Government bonds was not confined to any particular income group. Considerably fewer spending units at all income levels held Government bonds in 1948 than in either 1947 or 1946.

Despite the sizable drop in the number of savings bond holders, there was little change in the number of spending units with \$2,000 or more in savings bonds. Table 16 in the appendix following this article shows that the proportion of spending units that held less than \$2,000 in savings bonds was much smaller at the beginning of 1948 than early in 1947 or 1946. The same change in bond holdings was evident at all income levels.

More consumer units at most income levels had savings accounts in 1948 than in 1946. Between 1947 and 1948 an increase in the number of these holders at upper income levels was accompanied by little change or some decline in the number of holders at lower income levels. A somewhat higher proportion of spending units at lower income levels had checking accounts in 1948 than in 1947. There was little shift between these two years in the size of savings and checking accounts, as shown by Table 16 following this article.

PROPORTION OF TOTAL LIQUID ASSETS HELD AT VARIOUS INCOME LEVELS

Some increase occurred during 1947 in the proportion of liquid assets held by top income receivers. The 10 per cent of the spending units with the highest incomes in 1947, those with incomes of \$5,700 and above, held 43 per cent of total liquid assets in early 1948. The 10 per cent of the spending units with the highest incomes in 1946 held 39 per cent of total liquid assets in early 1947. Because of sampling variations, this is not to be construed as a precise measure of the change in liquid asset holdings among top income receivers.

The proportion of liquid assets held by the other nine-tenths of the nation's spending units was still large at the beginning of 1948. Forty per cent of the nation's spending units had incomes under \$2,100 in 1947 and, as is shown by Table 4, they held

TABLE 4

PROPORTION OF LIQUID ASSETS HELD BY EACH TENTH OF THE NATION'S SPENDING UNITS, WHEN RANKED BY SIZE OF INCOME, EARLY 1948, 1947, AND 1946

Spending units ranked according to their incomes	Percentage of liquid assets held:					
	By each tenth			Cumulative		
	1948 <sup>1</sup>	1947 <sup>2</sup>	1946 <sup>3</sup>	1948	1947	1946
Highest tenth.....	43	39	40	43	39	40
Second.....	14	15	13	57	54	53
Third.....	8	9	10	65	63	63
Fourth.....	7	7	7	72	70	70
Fifth.....	5	7	8	77	77	78
Sixth.....	6	7	6	83	84	84
Seventh.....	4	5	5	87	89	89
Eighth.....	4	4	4	91	93	93
Ninth.....	4	4	3	95	97	96
Lowest tenth.....	5	3	4	100	100	100

<sup>1</sup> For spending units ranked in order of their 1947 annual incomes (third survey).

<sup>2</sup> For spending units ranked in order of their 1946 annual incomes (second survey).

<sup>3</sup> For spending units ranked in order of their 1945 annual incomes (first survey).

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about 17 per cent of total liquid assets in early 1948. The remaining 50 per cent of the spending units had incomes of \$2,100 to \$5,700 and held 40 per cent of total liquid assets.

The total amounts of liquid assets held by the various income tenths can be roughly calculated. Such data must be used with caution, however, because of differences between estimates of aggregate individual holdings compiled by using Treasury and banking statistics (130 billion dollars) and estimates compiled by expanding the survey data. First, there is a certain amount of under-reporting of liquid assets on the part of spending units interviewed in the survey. Secondly, survey information refers to the noninstitutional population only, while other estimates include the institutional population. Finally, the classification of individual liquid asset holdings considered as personal or nonpersonal by their holders differs in the two sets of estimates. With these qualifications, and after allowing approximately 5 billion dollars for institutional population holdings, it is estimated that the remaining 125 billion dollars in liquid assets held in early 1948 would be distributed among the various income tenths as follows: roughly 55 billion dollars held by the 4.8 million spending units which are the 10 per cent with the highest incomes, 50 billion dollars by the next 24.2 million (50 per cent of spending units), and roughly 20 billion dollars by the 19.4 million (40 per cent of spending units) with the

lowest incomes. These allocations of dollar amounts among the various income tenths assume that the differences between survey data and Treasury and banking data did not vary percentagewise from one income tenth to the next.

A distribution of the proportion of liquid assets held by the various income groupings of both spending units and family units is presented in Table 18 following the article.

## CHARACTERISTICS OF LIQUID ASSET HOLDERS

As was pointed out in last year's survey, there are significant differences among occupational groups in the amounts of liquid assets held. Professional and business people hold relatively large amounts, on the average, and few spending units in these groups are without any. Clerical and sales personnel have moderate amounts of liquid assets—the majority hold less than \$1,000—and there are relatively few spending units in this category that hold either very large amounts or no liquid assets. A somewhat smaller proportion of skilled and semiskilled workers hold liquid assets, and their holdings are somewhat smaller than those of the clerical and sales group. Among unskilled workers about half have no liquid assets and large holdings are exceptional. About one-fourth of the farm operators and two-fifths of the retired people have no liquid assets, but those who are holders have relatively large amounts.

TABLE 5  
SIZE OF LIQUID ASSET HOLDINGS WITHIN DIFFERENT OCCUPATIONAL GROUPS, EARLY 1948 AND 1947<sup>1</sup>  
[Per cent]

Amounts of total liquid assets held <sup>2</sup>	Occupational group of head of spending unit											
	Professional		Managerial and self-employed		Skilled and semi-skilled		Clerical and sales personnel		Unskilled		Retired	
	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947
None.....	6	6	11	10	27	22	17	12	53	48	38	40
\$1-\$499.....	23	20	21	18	34	30	32	31	26	28	17	18
\$500-\$1,999.....	28	32	26	32	23	30	31	34	15	19	19	17
\$2,000-\$4,999.....	24	19	18	22	12	13	14	17	5	5	10	13
\$5,000 and over.....	19	23	24	18	4	5	6	6	1	( <sup>3</sup> )	16	12
All units.....	100	100	100	100	100	100	100	100	100	100	100	100
Median asset holdings.....	\$1,350	\$1,300	\$1,400	\$1,250	\$250	\$400	\$500	\$600	0	\$50	( <sup>4</sup> )	( <sup>4</sup> )

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey); for 1947 on interviews in January-March 1947 (second survey).

<sup>2</sup> Includes all U. S. Government bonds, savings accounts, and checking accounts.

<sup>3</sup> Less than one-half of 1 per cent.

<sup>4</sup> Data not available.

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Between early 1947 and early 1948 there was a decline in the proportion of clerical and sales people and of skilled, semiskilled, and unskilled workers that had liquid assets, but no change in the proportion of professional and business people. Also, as is shown by Table 5, there was a decline in the median liquid asset holdings of all occupational groups except professional and business people. The distributions of liquid asset holdings by occupation of the head of the spending unit, shown by this table for both early 1948 and 1947, should be considered as only rough guides to the true distribution of these holdings as well as to the changes in their distribution. The number of sample cases for the separate occupations is relatively small.

Estimates of the percentage of total liquid assets held by the various occupational groups in 1948 show that the managerial and self-employed and the professional persons held somewhat more than two-fifths of total liquid assets, whereas they composed no more than one-fifth of the total population. Skilled and semiskilled workers and clerical and sales personnel held about one-fourth of the total liquid assets, or considerably less than their population weight. Farm operators held one-tenth of liquid assets, retired persons somewhat less, and unskilled workers no more than one-twentieth. As in the case of the liquid asset distributions by occupational groups, these data should be considered rough approximations only.

There are interesting differences in the types of liquid assets held by the various occupational groups. As large a percentage of the professional group as of any group held each type of liquid asset, and in some cases a larger percentage. Unskilled workers had the smallest percentage of holders of United States savings bonds and checking accounts, while farm operators had the smallest percentage having savings accounts. Approximately two-thirds of the spending units in the professional, managerial and self-employed, and farm operator groups had checking accounts in early 1948, while two-fifths or less of other groups had checking accounts. The type and size of liquid asset holdings within the different occupational groups is shown in Table 17 following this article.

A comparison of the size of liquid asset holdings according to the place of residence of the spending unit reveals that spending units in metropolitan

areas generally had somewhat larger holdings than spending units living in other urban or in rural areas. Moreover, about four-fifths of the spending units in metropolitan areas had some type of liquid asset as compared with three-fourths of spending units in other urban areas and about two-thirds of those in rural areas. This information is included in Table 19 at the end of this article.

## CHANGES IN LIQUID ASSET HOLDINGS DURING 1947

The frequent and substantial changes in the liquid asset holdings of individuals noted for 1945 and 1946 in the first two surveys continued during 1947. Roughly one-third of all spending units reported decreases in their liquid asset holdings, more than one-fourth reported increases, and about one-sixth reported no change. The remaining one-fifth, as shown by Table 6, had no liquid assets either at the beginning of 1948 or a year earlier. Since a considerable number of spending units with incomes under \$2,000 had no liquid assets at either date, the bulk of the turnover in asset holdings occurred at income levels of \$2,000 and above. While the differences were slight, a somewhat smaller proportion of spending units reported increases or decreases in liquid asset holdings during 1947 than during 1946.

In relation to the total number of spending units holding each type of liquid asset, more spending units reported a decline in savings and checking accounts than in United States Government bonds. One of every four spending units holding Government bonds reported a decline in such holdings as compared to one of every three holders of other liquid assets. On the other hand, one of every three holders of savings accounts in early 1948 reported a net increase in such holdings as compared to one of every four holders of checking accounts and one of every five holders of Government bonds. Amounts of increases or decreases were much larger in the case of savings and checking accounts than in the case of Government bonds.

It should be noted in connection with the data showing these changes that there may be a tendency to understate increases and overstate decreases. Changes in liquid asset holdings were obtained by asking the heads of spending units about their holdings both at the time of the interview and a year earlier. Respondents appeared to recall withdrawing liquid assets more readily than acquiring them,

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TABLE 6

CHANGES IN LIQUID ASSET HOLDINGS OF SPENDING UNITS DURING 1947, WITHIN INCOME GROUPS<sup>1</sup>

Changes in liquid asset holdings	Percentage distribution of all spending units within income groups							
	All spending units	1947 annual money income before taxes						
		Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Increase.....	27	12	20	27	31	33	38	46
No change.....	16	13	14	16	15	17	16	17
Decrease.....	33	20	29	35	39	40	40	30
No liquid assets now or year ago.....	22	53	35	19	12	6	3	1
Not ascertained.....	2	2	2	3	3	4	3	6
All units.....	100	100	100	100	100	100	100	100

<sup>1</sup> Based on liquid asset holdings in early 1948 and a year earlier as reported by spending units during January-March 1948.

and it may be that respondents disregarded the receipt of interest on savings accounts. Thus it is possible that both the number and amount of additions to holdings may be too small in relation to withdrawals.

Among spending units with incomes under \$2,000, roughly one and one-half spending units had decreases in liquid assets during 1947 for every one having an increase. As is indicated in Table 6, about equal numbers of spending units with incomes of \$5,000 and above reported decreases and increases in liquid asset holdings.

No differences were noted between 1947 and 1946 in the relative number of liquid asset holders with incomes under \$3,000 that either increased or decreased their holdings during the year. More holders of assets with incomes of \$3,000 or more, however, showed decreases in their holdings during 1947 than during 1946, and at the same time fewer reported additions to their holdings.

## THE USE OF LIQUID ASSETS IN 1947

For the third consecutive year, information concerning the purposes for which liquid assets were withdrawn during the year was obtained from spending units that reported a net decline in their holdings. As has already been indicated, approximately one-third of all spending units reported a net decline in holdings from early 1947 to early 1948.

Somewhat more than half of all spending units reducing their liquid assets used the proceeds exclusively for nondurable consumers goods and services. As Table 7 shows, approximately one-seventh used their liquid assets to buy automobiles

or other durable goods and another one-seventh to purchase a house, other real estate, or corporate securities, or to invest in business. One-fifth sought to accomplish several purposes, primarily the pur-

TABLE 7

PURPOSES OF REDUCTION IN LIQUID ASSETS BY SPENDING UNITS WITHIN VARIOUS INCOME GROUPS, 1947<sup>1</sup>

Purpose	Net reduction (Per cent)	Percentage distribution of spending units that reduced liquid assets			
		All income groups	Income group		
			Under \$2,000	\$2,000-\$4,999	\$5,000 and over
Nondurable consumers goods and services (including taxes) <sup>2</sup> .....	25	54	70	48	28
Automobiles and other durable goods.....	9	13	7	15	16
Houses and investments <sup>3</sup> .....	31	13	7	14	24
Several purposes <sup>4</sup> .....	35	20	16	23	32
All units.....	100	100	100	100	100

<sup>1</sup> Only spending units that had smaller amounts of liquid assets at the beginning of 1948 than at the beginning of 1947 are included in this table. These units were asked the following question: "Now adding all that together I find that you now have in bonds and deposits \$..... less than you did a year ago. You used about \$..... from your savings. Is that right? What sort of things did you use this money for?"

<sup>2</sup> Includes living expenses, emergencies and sickness, repair of houses, and other nondurable consumption (repairs of automobiles and other durable goods, purchase of luxury goods, moving, travel, amusement, education, and taxes).

<sup>3</sup> Includes purchases of real estate, investment in business or securities, and repayment of debt.

<sup>4</sup> The distribution of spending units reducing liquid assets for several purposes is as follows:

	Per cent
Nondurable consumers goods, etc., and durable goods.....	8
Nondurable consumers goods, etc., and houses and investments.....	5
Durable goods and houses and investments.....	4
Other combinations.....	3

Several purposes..... 20

For comparable data in 1946, see Federal Reserve BULLETIN, June 1947, Table 5, p. 654.

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chase of nondurable consumers goods and services in combination with some other use, as is shown in the footnote to Table 7.

By income groups the use of liquid assets in 1947 was very similar to that observed in 1946. Lower income groups used their assets most frequently for nondurable consumers goods and services. In the case of at least three-fourths of the withdrawals by spending units with incomes under \$2,000 the proceeds were used for such purposes. Spending units with incomes above \$2,000, who accounted for a substantial majority of all spending units reducing liquid assets, made as frequent use of their assets for purchase of durable goods or houses or for investment purposes as they did for nondurable consumers goods and services.

In terms of the amounts of liquid assets used for various purposes in 1947, it is estimated that approximately one-half of the total decrease in holdings was used for the purchase of houses or for investment purposes. Approximately one-third of the total decrease was used for nondurable consumers goods and services, and roughly one-fifth for automobiles and other durable goods. Table 7 (first column) shows a distribution of the amounts spent for various purposes before allocation of amounts spent by spending units for a combination of purposes.

Amounts of liquid assets used by individual spending units for houses or investment were substantially larger than amounts used for consumers goods. According to Table 8, about three-fourths of those reducing assets for houses or investment used \$500 or more. In contrast, about three-fourths of those reducing assets for nondurable consumers goods and services and about half of those reducing assets for automobiles or other durable goods showed a net decline in holdings of less than \$500. It is also evident from this table that the distribution of amounts spent for several purposes is more similar to the distribution for houses and investment than for consumption purposes. It is probable, of course, that some spending units used somewhat larger amounts at the time of the purchase or investment than would be indicated in Table 8. The amounts of reduction included here represent the net decline in the liquid asset holdings of a spending unit for the year as a whole.

Spending units were more likely to show a net reduction in liquid assets during the year if they had purchased a house or invested in their own

TABLE 8

SIZE OF REDUCTION IN LIQUID ASSETS IN 1947, BY PURPOSE

Size of decrease in liquid assets	Percentage distribution of spending units reducing liquid assets for:				
	All purposes	Non-durable consumers goods and services (incl. taxes)	Automobiles and other durable goods	Houses and investment	Several purposes
\$1-\$199.....	31	44	21	8	16
\$200-\$499.....	26	28	33	19	23
\$500-\$999.....	19	17	26	18	21
\$1,000 and above..	24	11	20	55	40
All spending units reducing liquid assets.....	100	100	100	100	100

business or in securities than if they had bought consumers goods. About two of every three house purchasers and one of every two investors reduced their liquid asset holdings as compared to three of every ten automobile buyers, and one of every seven purchasers of other durable goods.

A reduction in the liquid assets of a spending unit during the year does not necessarily imply that the spending unit dissaved during the year. First of all, when liquid assets are spent for the purpose of buying a house, or investing in other real estate, corporate securities, or an unincorporated business, they are merely transferred from one type of asset to another and no change takes place in the saving of the spending unit. If the liquid assets are spent for the purchase of consumers goods or services, all of which by definition represent expenditures and are not considered assets, then the spending unit will have dissaved during the year if amounts saved in other forms (insurance, retirement funds, repayment of instalment debt, etc.) did not offset the reduction in liquid assets.<sup>4</sup>

There were no striking differences in the purposes for which liquid assets were reduced during 1947 and 1946. Table 9 provides a comparative breakdown of these purposes for the years 1945-47, based on the three Surveys of Consumer Finances. Despite the much larger number of spending units purchasing automobiles and other durable goods in 1947 than in 1946, there was little change in the number of spending units reporting a reduction in assets for such purposes. There was some indication that a smaller number of spending units

<sup>4</sup> The August 1948 issue of the Federal Reserve BULLETIN will contain a detailed discussion of consumer saving in 1947.



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TABLE 9  
PURPOSES OF REDUCTION IN LIQUID ASSETS, 1947

Purpose	Percentage distribution of spending units reducing liquid assets		
	1947	1946	1945
Nondurable consumers goods.....	34	32	34
Emergencies, sickness.....	19	24	23
Repairs to home.....	5	8	6
Other consumption <sup>1</sup> .....	19	12	10
Automobiles and other durable goods.....	23	24	11
Farm expenses.....	3	3	1
Purchases of real estate.....	12	11	11
Investment in business or securities.....	7	7	6
Repayment of debts.....	3	2	2
Purpose not ascertained.....	6	5	12
All units <sup>2</sup> .....	131	128	116

<sup>1</sup> Includes repairs of automobiles and other durable goods, purchase of luxury goods, moving, travel, amusement, education, and taxes.

<sup>2</sup> More than 100 per cent because some people mentioned several purposes.

reduced assets for emergencies and sickness and a larger number reduced assets for certain miscellaneous consumption purposes.

## CASHING OF TERMINAL LEAVE BONDS BY VETERANS

During 1946 and 1947 many veterans of World War II received terminal leave bonds which they were able to cash beginning in September 1947. Each veteran entitled to \$50 or more received a single bond. Roughly 2 billion dollars was distributed in bonds to about 9 million veterans. In the 1948 Survey of Consumer Finances veterans of World War II were asked whether they had received a terminal leave bond and, if so, the amount received and the amount cashed for any purpose.

As of early 1948, about three-fifths of all spending units having received terminal leave bonds indicated that they had cashed these bonds. Table 20 in the appendix indicates that the proportion of veterans that cashed their bonds was higher in lower income groups than in other income groups, although as many as 55 per cent of spending units in each income group cashed their bonds. The cashing of terminal leave bonds was more directly related to the amount of liquid assets held than to size of income. The proportion of veterans that cashed these bonds was much higher among those with no holdings of liquid assets than among those with some holdings. About four-fifths of veterans with no liquid assets cashed their terminal leave bonds as compared to about three-fifths of those holding

\$1 to \$999 in assets and somewhat more than two-fifths of those holding \$1,000 or more.

The purposes for which veterans cashed their terminal leave bonds were quite similar to those for which spending units reduced their liquid assets during 1947. As Table 10 shows, about one-third used the proceeds of their leave bonds to buy nondurable consumers goods while about one-fourth used the proceeds to buy consumers durable goods. More than one-tenth reported using the bonds for emergencies and sickness while another one-tenth indicated that they had paid back bills. The payment of back bills may have in part represented payment of bills for various types of consumers goods bought in anticipation of the statute allowing veterans to cash their bonds.

TABLE 10  
USES OF TERMINAL LEAVE BONDS CASHED

Use	Percentage distribution of spending units cashing terminal leave bonds
Nondurable consumers goods.....	32
Durable consumers goods.....	26
Emergencies and sickness.....	13
Payment of back bills.....	10
Luxuries.....	4
Repairs (home).....	1
Miscellaneous expenses.....	1
Savings and checking accounts.....	7
Investment in business (nonfarm).....	3
Payment of mortgage or business debt.....	1
Investment in real estate.....	5
Investment in securities.....	3
Farm expenses or machinery.....	1
Taxes.....	1
Other.....	7
All units.....	115 <sup>1</sup>

<sup>1</sup> Totals over 100 per cent as some respondents mentioned two uses.

Relatively speaking, not quite as many spending units used leave bonds for investment purposes as used liquid assets. This is understandable in view of the relatively small amounts of the bonds. It should also be pointed out that almost one-tenth of those cashing leave bonds placed some part of the proceeds in savings and checking accounts. Since the veteran received only one bond, those who cashed them but had immediate use for only part of the proceeds, may have placed the remainder in some type of savings or checking account.

## OWNERSHIP OF SELECTED NONLIQUID ASSETS

Some consumer assets other than Government bonds, savings accounts, and checking accounts are

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liquid in nature but perhaps not as readily converted to cash and converted at a known and fixed value. In the 1948 Survey of Consumer Finances, information was collected about the ownership of some of these less liquid assets including houses, farms, corporation stock, bonds other than United States Government bonds, unincorporated businesses, and life insurance. Except for corporate stocks and bonds other than United States Government issues, no information was obtained on the valuation of these nonliquid assets.

There was wide variation in the extent of ownership of nonliquid assets. At one extreme, 78 per cent of the nation's spending units reported that at least one member carried life insurance; 45 per cent reported that they owned either a house or a farm. At the other extreme, 9 per cent of the nation's spending units reported ownership of stocks and bonds other than Federal and the same percentage owned an unincorporated business either partly or fully. Table 21 in the appendix indicates the percentage of spending units and also family units reporting ownership of these assets.

As with liquid asset holdings, there were proportionally more spending units owning nonliquid assets among higher income groups than among lower income groups. The differences in the extent of ownership among the various income groups were not as great in the case of the more widely held nonliquid assets as in the case of less widely held assets such as corporate securities and unincorporated businesses. Table 11 shows the variance in ownership of nonliquid assets by income groups.

TABLE 11  
SPENDING UNITS OWNING VARIOUS TYPES OF NONLIQUID  
ASSETS, BY INCOME GROUPS, EARLY 1948

1947 annual money income before taxes	Percentage of spending units in each income group having:			
	Life insur- ance	Home <sup>1</sup>	Unincor- porated business	Stocks and bonds (excl. U. S. Govt.) <sup>2</sup>
Under \$1,000 . . . . .	45	43	2	3
\$1,000-\$1,999 . . . . .	67	35	5	5
\$2,000-\$2,999 . . . . .	84	36	8	5
\$3,000-\$3,999 . . . . .	90	45	8	8
\$4,000-\$4,999 . . . . .	89	46	11	10
\$5,000-\$7,499 . . . . .	93	53	21	21
\$7,500 and over . . . . .	91	73	36	49
All units . . . . .	78	39	9	9

<sup>1</sup> Nonfarm owner-occupied houses.

<sup>2</sup> Includes corporate, State, county, and municipal securities.

Ownership of nonliquid assets was less closely correlated to the size of a spending unit's liquid asset holdings than to its income. Except for units with no liquid assets, for example, the proportion of spending units having life insurance policies was about the same whether the amount of liquid assets held was large or small. For homes, the proportion of owners did not vary greatly between groups holding \$500 to \$5,000 in liquid assets. On the other hand, the frequency of ownership of unincorporated businesses and of non-Federal securities increased with the amounts of liquid assets held.

## OWNERSHIP OF STOCKS AND BONDS

Information was obtained in 1948 for the first time in these surveys about the relative amounts (at current values) of stocks and bonds other than United States Government bonds held by spending units, and the extent to which the various members of a spending unit were owners of such securities.

One or more members of approximately 9 per cent of the spending units owned common or preferred stock, and one or more members of 1 per cent of the spending units owned corporate, State, or municipal bonds.

Among stock-owning spending units, it was usual for the stocks to be in the name of the head of the spending unit, and quite often two members of the unit including the head owned stock.<sup>5</sup> There was stock ownership in approximately 4.5 million spending units which included an estimated 5.5 million persons (adults and children) who were stockholders. It is estimated that an additional half million persons owned bonds of corporations, States, or municipalities. Thus holders of stocks and bonds other than United States Government bonds numbered approximately 6 million.<sup>6</sup> This should perhaps be considered the minimum number of persons owning stocks and bonds.

Approximately two-fifths of the spending units owning stocks and bonds reported that they held amounts below \$1,000 while somewhat more than one-fourth reported that they held amounts of \$5,000 or more. Table 12 indicates that owners of stocks and bonds among spending units with in-

<sup>5</sup> In approximately 7 per cent of the spending units, one person only, generally the head of the unit, owned corporate stock. In 2 per cent of the spending units, two persons owned stock; and in less than one-half of 1 per cent of the spending units, three or more persons owned stock.

<sup>6</sup> Exclusive of the institutional population of the United States.

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TABLE 12

SIZE OF STOCK AND BOND HOLDINGS OF SPENDING UNITS WITHIN VARIOUS INCOME GROUPS, EARLY 1948  
(Excluding U. S. Government securities)

Amounts of stocks and bonds held <sup>1</sup>	Percentage distribution of stock and bond holders within income groups <sup>2</sup>			
	All income groups	1947 annual money income before taxes		
		Under \$3,000	\$3,000-\$4,999	\$5,000 and over
\$1-\$999.....	38	54	49	29
\$1,000-\$4,999.....	26	22	31	27
\$5,000-\$24,999.....	17	12	11	22
\$25,000 and over.....	10	1	2	12
Amount not ascertained.....	9	11	7	10
All owners.....	100	100	100	100

<sup>1</sup> Includes corporate, State, county, and municipal securities valued at early 1948 prices.  
<sup>2</sup> Excludes spending units that held no stocks and bonds.

comes of \$5,000 or more held considerably larger amounts than those in lower income groups.

Amounts of stocks and bonds owned by spending units generally varied directly with the size of liquid asset holdings. About one-third of the spending units with liquid assets of \$5,000 or more reported stock and bond ownership and half of these owners reported stocks and bonds to the amount of \$5,000 or more. Only 1 per cent of spending units with no liquid assets and fewer than 10 per cent of those with less than \$2,000 in liquid assets, reported stock or bond ownership. Table 13

TABLE 13

AMOUNTS OF STOCKS AND BONDS HELD, BY SIZE OF LIQUID ASSET HOLDINGS  
(Excluding U. S. Government securities)

Amounts of stocks and bonds held <sup>1</sup>	Percentage distribution of spending units within liquid asset groups				
	None	\$1-\$499	\$500-\$1,999	\$2,000-\$4,999	\$5,000 and over
None <sup>2</sup> .....	99	95	90	81	65
\$1-\$199.....	(3)	2	6	7	7
\$1,000-\$4,999.....	(3)	1	2	6	10
\$5,000-\$24,999.....	(3)	(3)	1	4	9
\$25,000 and over.....	(3)	(3)	(3)	1	7
Amount not ascertained.....	(3)	1	1	1	2
All units.....	100	100	100	100	100

<sup>1</sup> Includes corporate, State, county, and municipal securities.  
<sup>2</sup> Includes 1 per cent of all spending units for which stock ownership was not ascertained.  
<sup>3</sup> Less than one-half of 1 per cent.

shows the amounts of stocks and bonds held by units having various amounts of liquid assets.

Other characteristics of spending units owning stocks and bonds (excluding U. S. Government bonds) are given in Table 14. Higher percentages of professional persons and managerial and self-employed people than of other occupational groups owned stocks and bonds, and there were very few owners among skilled, semiskilled, and unskilled workers. Stock and bond owners in the professional, business, and retired groups were more often large holders than were owners in other occupational groups.

TABLE 14

SIZE OF STOCK AND BOND HOLDINGS OF SPENDING UNITS WITHIN OCCUPATIONAL AND OTHER GROUPS, EARLY 1948  
(Excluding U. S. Government securities)  
(Per cent)

Amounts of stocks and bonds held <sup>1</sup>	Occupation of head of spending unit					Residence of head of spending unit					Age of head of spending unit					
	Professional	Managerial and self-employed	Clerical and sales personnel	Skilled, semi-skilled and unskilled workers	Retired	Metropolitan	City 50,000 and over	City 2,500 to 50,000	Town under 2,500	Open country	18-24	25-34	35-44	45-54	55-64	65 and over
None <sup>2</sup> .....	73	79	91	97	86	88	92	92	91	93	97	94	90	87	88	88
\$1-\$999.....	9	6	4	2	4	4	3	3	3	4	3	3	4	5	4	2
\$1,000-\$4,999.....	7	4	4	1	3	3	2	3	2	(3)	1	3	3	3	3	3
\$5,000-\$24,999.....	6	5	1	(3)	4	3	1	2	1	0	1	1	2	2	2	4
\$25,000 and over.....	3	4	(3)	0	3	1	1	(3)	1	(3)	0	(3)	1	2	1	2
Amount not ascertained.....	2	2	(3)	(3)	0	1	1	(3)	2	1	0	1	1	1	2	1
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

<sup>1</sup> Includes corporate, State, county, and municipal securities.  
<sup>2</sup> Includes 1 per cent of all spending units for which stock ownership was not ascertained.  
<sup>3</sup> Less than one-half of 1 per cent.

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In metropolitan areas, the proportion of spending units that owned stocks and bonds was higher than it was in other urban and in rural areas. Large holders were also more numerous in metropolitan areas. As is indicated in Table 14, spending units with younger people as heads owned stocks and bonds less frequently than did other spending units.

## PREFERENCE FOR VARIOUS TYPES OF ASSETS

In early 1948 the great majority of spending units indicated that they preferred assets with fixed value (bank deposits and Government bonds) to assets with changing value (real estate and securities). This preference, given in replies of spending units with incomes of \$2,000 or more, was a repetition of the preference expressed in the two previous years.

Even in the group having incomes of \$7,500 or more, a definite preference for assets of fixed value was expressed by at least two-thirds of the spending units. About one-fourth of this group expressed a preference for having all or at least part of their holdings in assets of changing value. About one-tenth of the spending units with incomes of \$2,000 to \$5,000 indicated that they preferred assets of changing value or a combination of assets of fixed and changing value.

Although the 1948 data on preferences for various types of assets are not strictly comparable with information available for earlier years, there do not appear to have been any significant changes in the indicated preferences of spending units between early 1947 and early 1948. Government bonds were still given preference over bank deposits, and among spending units that preferred assets of changing value, real estate was mentioned most frequently. Between 1946 and 1947, however, there had been a significant shift in preferences from Government bonds to bank deposits, as was pointed out in last year's survey. A second change during this period was a decline in the number of spending units expressing a preference for assets of changing value, particularly real estate.

In the 1948 survey, more detailed information was obtained on the reasons given by people for and against holding various types of assets. These data are shown in Table 15. Not all, but substantial numbers of spending units, gave reasons for or against holding each type of asset.

The principal arguments advanced by people with

TABLE 15  
REASONS FOR AND AGAINST HOLDING VARIOUS TYPES OF  
ASSETS, EARLY 1948<sup>1</sup>

(Spending units with incomes of \$2,000 or above)

[Per cent]

Reasons for and against holding various types of assets	Type of asset			
	Bank deposits	Savings bonds	Real estate	Common stock
<b>For</b> .....	<b>32</b>	<b>60</b>	<b>9</b>	<b>5</b>
Safe, not a gamble....	18	37	4	1
Interest rate or return satisfactory.....	2	18	4	4
Liquid.....	12	2	( <sup>2</sup> )	( <sup>2</sup> )
Familiar with.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Help country.....	( <sup>2</sup> )	3	( <sup>2</sup> )	( <sup>2</sup> )
<b>Against</b> .....	<b>23</b>	<b>9</b>	<b>58</b>	<b>62</b>
Not safe, a gamble....	4	1	12	26
Interest rate or return low.....	19	4	1	( <sup>2</sup> )
Not liquid.....	( <sup>2</sup> )	3	1	( <sup>2</sup> )
Not familiar with.....	( <sup>2</sup> )	1	6	30
Takes lots of money to buy.....	( <sup>2</sup> )	( <sup>2</sup> )	4	3
Price too high, capital loss expected.....	( <sup>2</sup> )	( <sup>2</sup> )	34	3
<b>No reason given</b> <sup>4</sup> .....	<b>44</b>	<b>30</b>	<b>33</b>	<b>33</b>
<b>All units</b> .....	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>1</sup> The questions were: "Suppose a man decides not to spend his money. He can either put it in a bank or in bonds or he can invest it. What do you think would be the wisest thing for him to do with the money nowadays—put it in the bank, buy savings bonds with it, invest it in real estate, or buy common stock with it? Why do you make that choice?"

<sup>2</sup> Less than one-half of 1 per cent.

<sup>3</sup> Not applicable, not coded.

<sup>4</sup> Most of the respondents gave reasons for or against holding one of the four types of assets, but some respondents, as indicated by this line, did not discuss each one of the four types of assets.

incomes of \$2,000 or more in favor of bank deposits were "safety" (mentioned by 18 per cent) and "liquidity" (12 per cent), but the fact that little interest is earned was regarded as a disadvantage by 19 per cent of these spending units. In the case of savings bonds, three-fifths of all spending units expressed reasons in favor of holding them, primarily because of safety and secondarily because of the rate of interest received. Roughly three-fifths of all spending units gave reasons against holding real estate. Most thought real estate prices too high and others considered such holdings "not safe." Least attractive of the four types of assets was common stock. Its high returns were considered only a minor advantage as compared to the disadvantages occasioned by lack of familiarity and lack of safety.

Relative safety or lack of safety received first consideration when deciding which of the four types of assets should be acquired. The rate of return was next in importance. Although not as

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many spending units mentioned liquidity as an important consideration, it is possible that they did not distinguish between safety and liquidity.

CONTEMPLATED INVESTMENT OF LIQUID ASSETS  
IN 1948

At the beginning of 1948, as a year earlier, only a small percentage of holders of substantial amounts of liquid assets expressed intentions to transfer any part of these assets to other forms of investment such as real estate, corporate securities, or business, but the amounts that these holders expected to transfer were comparatively large.

There was no marked preference for any one type of nonliquid investment. From 5 to 6 per cent of the substantial holders of liquid assets (those holding \$1,000 or more) indicated a preference to invest these assets in either real estate, corporate securities, or unincorporated businesses. There was some indication that the proportion of spending units planning to transfer liquid assets to a business of their own was smaller in early 1948 than at the beginning of 1947, but there was little

change in the proportion of spending units planning to transfer liquid assets to real estate or corporate securities. Altogether, 10 per cent of the spending units with \$1,000 or more in liquid assets planned to use them to acquire less liquid investments.

By income groups, there was some difference in the extent to which the substantial holders of liquid assets planned to transfer them, but the difference was not as marked as might have been anticipated. Among the spending units with liquid assets of \$1,000 or more, as many as 9 per cent of those having incomes of \$1,000 to \$5,000, and no more than 17 per cent of those with incomes of \$7,500 or more had such plans. Of course, the proportion of spending units with incomes under \$5,000 that held \$1,000 or more in liquid assets was considerably smaller than the proportion of such holders with incomes of \$7,500 or more. It is nevertheless interesting that income status did not make a vast difference in the investment plans of substantial holders of liquid assets.

Tables 16 through 21 contain supplementary information relating to results presented in the text.

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TABLE 16  
TYPE AND SIZE OF LIQUID ASSET HOLDINGS WITHIN VARIOUS INCOME GROUPS, EARLY 1948, 1947, AND 1946<sup>1</sup>

Amounts of liquid assets held	Percentage distribution of spending units within income groups														
	All spending units			Under \$1,000			\$1,000-\$2,999			\$3,000-\$4,999			\$5,000 and over		
	1948	1947	1946	1948	1947	1946	1948	1947	1946	1948	1947	1946	1948	1947	1946
<i>Total liquid assets:</i> <sup>2</sup>															
None.....	27	24	24	56	51	51	34	27	24	14	10	7	2	0	2
\$1-\$499.....	27	26	29	21	27	29	32	31	35	31	24	23	13	10	4
\$500-\$1,999.....	24	28	29	14	15	15	23	30	29	30	34	41	24	22	25
\$2,000-\$4,999.....	13	14	12	6	5	3	7	9	9	18	24	22	27	27	29
\$5,000 and over.....	9	8	6	3	2	2	4	3	3	7	8	7	34	41	40
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<i>U. S. savings bonds (Series A-F):</i> <sup>3</sup>															
None.....	53	44	37	79	75	69	60	47	37	43	28	18	25	13	9
\$1-\$499.....	26	32	37	17	19	24	28	37	45	32	36	39	20	21	21
\$500-\$1,999.....	14	18	20	2	4	6	9	13	15	19	30	35	30	34	40
\$2,000 and over.....	7	6	6	2	2	1	3	3	3	6	6	8	25	32	30
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<i>Savings accounts:</i> <sup>4</sup>															
None.....	55	53	61	77	74	78	62	56	63	44	39	49	31	31	43
\$1-\$499.....	19	18	16	9	15	13	20	21	18	24	20	19	15	15	8
\$500-\$1,999.....	15	18	16	8	8	6	13	17	14	19	25	22	23	18	27
\$2,000 and over.....	11	11	7	6	3	3	5	6	5	13	16	10	31	36	22
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<i>Checking accounts:</i>															
None.....	61	63	66	77	79	79	72	70	72	56	56	55	25	21	25
\$1-\$499.....	23	21	18	13	14	17	19	19	19	30	26	26	28	26	25
\$500-\$1,999.....	11	12	14	8	6	3	7	9	8	10	14	14	29	30	30
\$2,000 and over.....	5	4	2	2	1	1	2	2	1	4	4	5	18	23	20
All units.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey); for 1947 on interviews in January-March 1947 (second survey); for 1946 on interviews in January-March 1946 (first survey).

<sup>2</sup> Includes all types of U. S. Government bonds, savings accounts, and checking accounts.

<sup>3</sup> Amounts for 1948 are shown at 80 per cent of maturity value except for recent purchases, which are shown at purchase price; amounts for 1947 and 1946 are shown at purchase price.

<sup>4</sup> Includes savings accounts in banks and savings and loan associations, postal savings, and shares in credit unions.

TABLE 17  
TYPE AND SIZE OF LIQUID ASSET HOLDINGS WITHIN DIFFERENT OCCUPATIONAL GROUPS, EARLY 1948<sup>1</sup>  
[Per cent]

Amounts of liquid assets held	Occupational group of head of spending unit						
	Professional	Managerial and self-employed	Skilled and semi-skilled	Clerical and sales personnel	Unskilled	Farm operators	Retired
<i>U. S. savings bonds (Series A-F):</i> <sup>2</sup>							
None.....	29	40	54	43	73	57	63
\$1-\$499.....	30	23	29	32	23	25	18
\$500-\$1,999.....	24	21	14	19	3	12	9
\$2,000 and over.....	17	16	3	6	1	6	10
All units.....	100	100	100	100	100	100	100
<i>Savings accounts (In banks only):</i> <sup>3</sup>							
None.....	44	55	55	50	72	83	67
\$1-\$499.....	23	11	23	26	15	5	6
\$500-\$1,999.....	17	15	14	17	10	5	13
\$2,000 and over.....	16	19	8	7	3	7	14
All units.....	100	100	100	100	100	100	100
<i>Checking accounts:</i>							
None.....	32	31	74	59	87	38	64
\$1-\$499.....	39	31	20	29	9	25	14
\$500-\$1,999.....	22	24	5	9	3	25	13
\$2,000 and over.....	7	14	1	3	1	12	9
All units.....	100	100	100	100	100	100	100

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey).

<sup>2</sup> Valued at 80 per cent of maturity value except for recent purchases, which are valued at purchase price.

<sup>3</sup> Savings accounts in banks only. Excludes other savings accounts, such as those with savings and loan associations, postal savings and shares in credit unions.

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**TABLE 18**  
PROPORTION OF LIQUID ASSETS HELD BY SPENDING UNITS AND FAMILY UNITS AT VARIOUS INCOME LEVELS, EARLY 1948<sup>1</sup>  
[Per cent]

1947 annual money income before taxes	Spending units		Family units	
	Percentage distribution	Proportion of liquid assets held	Percentage distribution	Proportion of liquid assets held
Under \$1,000	14	6	13	5
\$1,000-\$1,999	22	10	18	8
\$2,000-\$2,999	23	12	20	9
\$3,000-\$3,999	17	13	17	10
\$4,000-\$4,999	10	9	11	9
\$5,000-\$7,499	9	16	13	19
\$7,500 and over	5	34	8	40
All units	100	100	100	100

<sup>1</sup> The 1947 income data and early 1948 liquid assets data are based on interviews in January-March 1948. For comparable spending unit data in early 1947 and 1946, see Federal Reserve BULLETIN, July 1947, Table 14, p. 801. For comparable family unit data, see same BULLETIN, Table 18, p. 802.

**TABLE 20**  
CASHING OF TERMINAL LEAVE BONDS BY SPENDING UNITS WITHIN VARIOUS INCOME GROUPS

Amount of terminal leave bonds	Percentage distribution, within income groups, of spending units with terminal leave bonds			
	All income groups	1947 annual money income before taxes		
		Under \$2,000	\$2,000-\$4,999	\$5,000 and over
<b>Cashed</b>	<b>63</b>	<b>74</b>	<b>61</b>	<b>54</b>
Under \$100	8	15	5	9
\$100-\$199	21	31	20	14
\$200-\$499	31	27	33	26
\$500 and over	2	0	3	5
Not ascertained	1	1	0	0
<b>Not cashed</b>	<b>37</b>	<b>26</b>	<b>39</b>	<b>46</b>
Under \$100	3	3	4	2
\$100-\$199	11	8	12	14
\$200-\$499	19	11	21	22
\$500 and over	3	0	2	7
Not ascertained	1	4	0	1
All units	100	100	100	100

Footnotes for Table 21.

<sup>1</sup> Includes single individuals as well as families of two or more persons.  
<sup>2</sup> Owner-occupied homes of nonfarm population. If expressed as percentages of nonfarm units, the figures would be 43 per cent and 49 per cent, respectively. If owner-occupancy of nonfarm dwellings were related to the total number of private dwellings, the percentage of owner-occupancy would be higher than 50.  
<sup>3</sup> Not available.  
<sup>4</sup> Includes corporate, State, county, and municipal securities.

**TABLE 19**  
TYPE AND SIZE OF LIQUID ASSET HOLDINGS BY PLACE OF RESIDENCE, EARLY 1948<sup>1</sup>

Amounts of liquid assets held	Percentage distribution of spending units within place of residence		
	Metro-politan area	Other urban area	Rural area
<b>Total liquid assets:<sup>2</sup></b>			
None	20	28	33
\$1-\$499	29	28	26
\$500-\$1,999	24	26	21
\$2,000-\$4,999	17	10	12
\$5,000 and over	10	8	8
All units	100	100	100
<b>U. S. savings bonds (Series A-F):<sup>3</sup></b>			
None	46	53	60
\$1-\$499	28	27	24
\$500-\$1,999	18	14	10
\$2,000 and over	8	6	6
All units	100	100	100
<b>Savings accounts (In banks only):<sup>4</sup></b>			
None	45	61	75
\$1-\$499	23	19	10
\$500-\$1,999	18	13	8
\$2,000 and over	14	7	7
All units	100	100	100
<b>Checking accounts:</b>			
None	69	61	54
\$1-\$499	19	24	24
\$500-\$1,999	9	10	15
\$2,000 and over	3	5	7
All units	100	100	100

<sup>1</sup> Liquid asset data for early 1948 are based on interviews in January-March 1948 (third survey).  
<sup>2</sup> Includes all types of U. S. Government bonds, savings accounts (both in banks and other institutions), and checking accounts.  
<sup>3</sup> Valued at 80 per cent of maturity value except for recent purchases, which are valued at purchase price.  
<sup>4</sup> Savings accounts in banks only. Excludes other savings accounts, such as those with savings and loan associations, postal savings, and shares in credit unions.

**TABLE 21**  
PERCENTAGE OF SPENDING UNITS AND FAMILY UNITS OWNING SPECIFIED NONLIQUID ASSETS

Type of nonliquid asset	Spending units	Family units <sup>1</sup>
Life insurance	78	83
Home <sup>2</sup>	39	44
Farm	6	( <sup>3</sup> )
Unincorporated business	9	10
Stocks and bonds (excl. U. S. Government) <sup>4</sup>	9	11

See opposite column for footnotes.