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VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING, JAN.--MARCH 1951

Individuals in the aggregate managed to put aside only a very small amount of saving in liquid form in the first quarter of 1951 according to the quarterly estimates made public today by the Securities and Exchange Commission. ^{1/} In the first quarter of this year individuals' liquid saving amounted to \$100 million compared with \$1.8 billion in the preceding quarter and less than \$50 million in the first quarter of 1950. Individuals made substantially higher income tax payments during the first quarter of this year than previous quarters.

Saving in non-liquid forms in the first three months of 1951 was substantial. Home construction and construction by non-profit institutions alone amounted to \$2.7 billion in the quarter as compared with \$2.2 billion in the corresponding quarter of last year.

Individuals' holdings of cash and bank deposits fell off in the first quarter, following the usual seasonal pattern. The drop in cash and bank deposits was much larger, however, than in the first quarter of last year, showing a decline of \$2.2 billion this year as compared with an \$800 million decline last year. Currency holdings were reduced \$300 million and demand deposits \$1.7 billion. Time and savings deposits also showed a decline, although it amounted to only a little more than \$100 million.

Insurance and pension reserves constituted the largest form of liquid saving of individuals in the first quarter of this year. Private insurance increased \$1.1 billion, approximately the same as in the corresponding quarter of last year. Government insurance and pension reserves increased \$900 million, slightly less than in the last quarter of 1950. In the first quarter of last year, government insurance and pension reserves showed a drop of \$1.4 billion as the result of the special dividend payment from the national service life insurance fund.

Net purchases of securities of \$800 million were made by individuals in the first quarter of this year, compared with \$1.4 billion in the first quarter of last year. Holdings of U. S. savings bonds were reduced \$300 million in the first quarter of this year, reflecting the redemption of matured Series D bonds. Sales of Series E bonds just about equalled redemptions. Holdings of U. S. government securities other than savings bonds were increased \$400 million in the quarter. Corporate security holdings were increased \$700 million, \$600 million in bonds and \$100 million in stocks. There was little change in individuals' net holdings of state and local government securities.

Net new issues of corporate bonds in the quarter amounted to \$1.1 billion. Insurance companies and other institutions absorbed about \$400 million in the three-month period. Net new issues of stock in the first quarter amounted to \$400 million, of which institutions absorbed about \$100 million and individuals, \$300 million. Individuals' purchases of stocks, however, were offset by a \$200 million increase in borrowings for the purpose of purchasing securities.

Mortgage debt of individuals continued to increase at a near record rate in the first quarter, growing by \$1.5 billion. On the other hand, other consumer debt was reduced by \$800 million in the first quarter, reflecting seasonal influences as well as credit restrictions imposed in September 1950.

^{1/} Individuals' saving, in addition to personal holdings, covers saving of unincorporated business, trust and pension funds, and non-profit institutions. Liquid saving comprises saving in the form of currency and bank deposits, equity in savings and loan associations, private and government insurance and pension reserves, securities, and repayment of mortgage debt and other consumer debt.

Saving by Individuals in the United States 1/

1940 - 1951

(Billions of dollars)

Type of Saving	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1950				1951
												Jan.- March	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- March
1. Currency and bank deposits	+ 2.9	+ 4.8	+11.0	+16.2	+17.5	+19.1	+10.6	+ 2.0	- 1.2	- 1.2	+ 4.3	- 0.8	+ 0.2	+ 2.3	+ 2.5	- 2.2
2. Savings and loan associations	+ 0.2	+ 0.4	+ 0.3	+ 0.6	+ 0.8	+ 1.1	+ 1.2	+ 1.2	+ 1.2	+ 1.4	+ 1.5	+ 0.4	+ 0.5	(*)	+ 0.6	+ 0.3
3. Insurance and pension reserves	+ 3.1	+ 4.0	+ 5.0	+ 6.8	+ 8.2	+ 8.6	+ 7.0	+ 7.1	+ 7.3	+ 6.1	+ 5.6	- 0.3	+ 1.4	+ 2.1	+ 2.3	+ 2.0
a. Private insurance	+ 1.8	+ 2.1	+ 2.5	+ 2.8	+ 3.2	+ 3.5	+ 3.4	+ 3.6	+ 3.7	+ 3.7	+ 4.3	+ 1.1	+ 0.9	+ 1.0	+ 1.3	+ 1.1
b. Government insurance	+ 1.3	+ 1.9	+ 2.5	+ 3.9	+ 5.0	+ 5.1	+ 3.5	+ 3.5	+ 3.6	+ 2.3	+ 1.2	- 1.4	+ 0.4	+ 1.1	+ 1.0	+ 0.9
4. Securities 2/	- 0.2	+ 2.8	+10.2	+13.8	+15.0	+ 9.5	+ 0.8	+ 3.5	+ 3.8	+ 2.6	+ 1.4	+ 1.4	+ 0.9	- 0.1	- 0.7	+ 0.8
a. U.S. savings bonds	+ 0.9	+ 2.8	+ 8.0	+11.1	+11.8	+ 6.9	+ 0.9	+ 1.8	+ 2.1	+ 1.5	+ 0.6	+ 0.5	+ 0.1	- 0.2	+ 0.1	- 0.3
b. Other U.S. Government 3/	- 0.3	+ 0.7	+ 2.4	+ 3.0	+ 3.9	+ 3.6	- 0.4	+ 0.5	- 0.9	- 0.3	- 0.3	+ 0.4	+ 0.4	- 0.2	+ 0.9	+ 0.4
c. State and local government	- 0.5	- 0.3	- 0.2	- 0.1	(*)	- 0.1	- 0.3	+ 0.4	+ 1.0	+ 0.5	+ 0.1	+ 0.2	- 0.1	- 0.2	+ 0.1	+ 0.1
d. Corporate and other 4/	- 0.2	- 0.4	+ 0.1	- 0.2	- 0.7	- 0.9	+ 0.7	+ 0.9	+ 1.6	+ 0.8	+ 1.1	+ 0.3	+ 0.4	+ 0.5	(*)	+ 0.7
5. Liquidation of mortgage debt 5/	- 1.0	- 0.8	- 0.1	+ 0.4	+ 0.1	- 0.2	- 3.7	- 4.5	- 4.6	- 3.8	- 7.0	- 1.3	- 1.7	- 1.9	- 2.1	- 1.5
6. Liquidation of debt not elsewhere classified 6/	- 1.2	- 1.0	+ 3.3	+ 1.3	- 0.2	- 0.8	- 3.3	- 3.4	- 2.5	- 2.3	- 3.2	+ 0.5	- 1.3	- 1.7	- 0.7	+ 0.8
7. Total Liquid Saving	+ 4.0	+10.3	+29.7	+39.0	+41.4	+37.2	+12.6	+ 6.0	+ 4.0	+ 2.7	+ 2.5	(*)	- 0.1	+ 0.8	+ 1.8	+ 0.1
8. Nonfarm dwellings 7/	+ 3.4	+ 3.9	+ 2.0	+ 1.2	+ 1.0	+ 1.2	+ 4.1	+ 6.2	+ 8.5	+ 8.1	+12.5	+ 2.2	+ 3.1	+ 3.9	+ 3.4	+ 2.7
9. Other durable consumers' goods 8/	+ 7.9	+ 9.7	+ 7.1	+ 6.8	+ 7.1	+ 8.5	+16.6	+21.4	+22.9	+23.8	+29.2	+ 5.9	+ 6.5	+ 8.6	+ 8.3	+ 7.0
10. Total Gross Saving (7+8+9)	+15.2	+23.9	+38.8	+47.0	+49.6	+46.8	+33.3	+33.5	+35.4	+34.7	+44.3	+ 8.1	+ 9.5	+13.3	+13.5	+ 9.9

1/ Includes unincorporated business saving of the types specified; does not include corporate or government saving.

2/ After deducting change in bank loans made for the purpose of purchasing or carrying securities.

3/ Includes Armed Forces Leave bonds.

4/ Revised on the basis of new data on retirements of corporate securities.

5/ Mortgage debt to institutions on one-to-four family nonfarm dwellings.

6/ Largely attributable to purchases of automobiles and other durable consumers' goods, although including some debt arising from purchases of consumption goods. The other segments of individuals' debt have been allocated to the assets to which they pertain, viz., saving in savings and loan associations, insurance and securities.

7/ Construction of one-to-four family nonfarm dwellings less net acquisition of properties by non-individuals; also includes a small amount of construction of nonprofit institutions.

8/ Consumer expenditures on durable goods as estimated by the Department of Commerce.

NOTE: Figures are rounded and will not necessarily add to totals. Asterisk (*) indicates less than \$50 million. The foregoing data have been compiled by the Commission from many different sources. Because of the nature of the figures, current data are necessarily estimates and, therefore, are subject to revision.