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VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING, JAN.-MAR. 1944

The Securities and Exchange Commission today made public its quarterly analysis of the volume and composition of saving by individuals ^{1/} in the United States covering the first quarter of 1944. The volume of liquid saving by individuals during this quarter amounted to \$9.4 billion ^{2/}, reflecting a rise of \$9.0 billion in liquid assets, and a decline of \$400 million in liabilities. This high rate of saving has shown little change since the middle of 1942, in contrast to the rapid increase in saving prior to that time.

During the first three months of this year, individuals added \$5.0 billion to their holdings of U.S. Government bonds; \$2.1 billion to their cash and deposits; \$1.0 billion to their equity in Government insurance; \$900 million to their equity in private insurance, mostly life insurance; and paid off \$300 million of debt other than mortgages. ^{3/} Net purchases of U.S. Government bonds were by far the largest component of saving in this quarter, mainly as a result of the Fourth War Loan Drive. Such purchases were at a level reached only once before, in the third quarter of 1943, also as a reflection of a War Loan Drive.

In contrast to the high level of saving in the form of Government securities, additions to cash and deposits, though substantial, were at the lowest level since the second quarter of 1942. An increase in savings deposits, amounting to about \$1.2 billion, accounted for over half of the rise in individuals' cash and deposits. This rise in savings deposits was at the same rate as in the two preceding quarters which were the highest on record. Currency showed a much smaller increase of approximately \$500 million, reflecting seasonal factors as well as the Fourth War Loan Drive, while individuals' demand deposits increased only \$400 million. It should be noted, however, that most of the unprecedented increase in individuals' cash and deposits since the beginning of the War has taken place in currency and demand deposits.

Of the remaining components of individuals' saving in the first quarter of 1944, private and Government insurance continued to grow at the same high rate as in prior quarters. Individuals also showed the first fairly sizable liquidation of consumer debt for close to a year, largely as a reflection of seasonal factors.

The above discussion is based on data presented in the following table.

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- 1/ In this analysis individuals' saving includes unincorporated business saving of types specified in the attached table. Corporate and Government saving are not included.
 - 2/ This does not reflect the increase in inventories of unincorporated business (net of the change in notes and accounts payable). Although the amount of this increase is not known, it is believed to have been in the neighborhood of \$250 million in the first quarter of 1944, compared with a decrease of \$250 million in the fourth quarter of 1943.
 - 3/ This does not include the reduction in consumer indebtedness to unincorporated business, estimated at less than \$50 million.

Gross Saving by Individuals in the United States ^{1/}
1940 - 1944
(Billions of dollars)

| | 1940 | 1941 | 1942 | 1943 | 1943 | | | | 1944 |
|---|-------|-------|-------|-------|----------------|---------------|----------------|---------------|----------------|
| | | | | | Jan.- March | Apr.- June | July- Sept. | Oct.- Dec. | Jan.- March |
| Gross Saving | 15.8 | 24.9 | 38.4 | 46.1 | 10.7 | 11.4 | 11.8 | 12.2 | 11.1 |
| Liquid Saving ^{2/} | 4.0 | 10.5 | 29.2 | 38.0 | 8.9 | 9.3 | 9.8 | 10.0 | 9.4 |
| Gross Saving by Type | | | | | | | | | |
| 1. Currency and bank deposits | + 3.0 | + 4.9 | +11.2 | +15.4 | + 3.6 | + 2.9 | + 2.9 | + 5.9 | + 2.1 |
| 2. Savings and loan associations | + .2 | + .4 | + .3 | + .6 | + .1 | + .2 | + .1 | + .2 | + .2 |
| 3. Insurance and pension reserves | | | | | | | | | |
| a. Private insurance | + 1.7 | + 2.1 | + 2.5 | + 3.1 | + .8 | + .8 | + .7 | + .8 | + .9 |
| b. Government insurance | + 1.2 | + 1.8 | + 2.4 | + 3.8 | + .8 | + 1.0 | + 1.0 | + 1.0 | + 1.0 |
| c. Total | + 2.9 | + 3.8 | + 4.9 | + 6.9 | + 1.6 | + 1.8 | + 1.7 | + 1.8 | + 1.8 |
| 4. Securities ^{3/} | | | | | | | | | |
| a. U.S. Savings bonds | + .9 | + 2.8 | + 8.0 | +11.1 | + 2.6 | + 3.0 | + 3.4 | + 2.2 | + 3.9 |
| b. Other U.S. Government | - .4 | + .8 | + 1.9 | + 2.7 | 0 | + 1.2 | + 1.6 | - .2 | + 1.1 |
| c. State and local governments | - .1 | - .2 | - .1 | + .1 | 0 | 0 | + .1 | 0 | - .1 |
| d. Corporate and other | - .5 | - .5 | + .3 | 0 | + .1 | 0 | - .3 | + .2 | - .1 |
| e. Total | - .2 | + 2.9 | +10.1 | +13.9 | + 2.7 | + 4.1 | + 4.8 | + 2.2 | + 4.8 |
| 5. Non-farm dwellings | | | | | | | | | |
| a. Purchases ^{4/} | + 2.5 | + 3.0 | + 1.6 | + 1.0 | + .2 | + .2 | + .3 | + .3 | + .2 |
| b. Change in debt | + .9 | + .9 | + .1 | - .4 | - .2 | - .1 | - .1 | - .1 | - .1 |
| c. Saving (a. minus b.) | + 1.7 | + 2.1 | + 1.5 | + 1.4 | + .4 | + .3 | + .4 | + .4 | + .4 |
| 6. Automobiles and other durable consumers' goods ^{5/} | + 9.3 | +11.4 | + 7.6 | + 7.2 | + 1.6 | + 1.9 | + 1.8 | + 1.9 | + 1.5 |
| 7. Liquidation of debt, not elsewhere classified ^{6/} | - 1.1 | - .6 | + 2.8 | + .8 | + .7 | + .2 | + .1 | - .2 | + .3 |

^{1/} Includes unincorporated business saving of the types specified. Does not include corporate or government saving.

^{2/} Gross saving excluding purchases of homes as well as of automobiles and other durable consumers' goods.

^{3/} Does not include net purchases by brokers and dealers or by other individuals financed by bank loans.

^{4/} New construction of one- to four-family nonfarm homes less net acquisition of properties by non-individuals.

^{5/} Purchases. Based on Department of Commerce data on commodity flow currently being revised. The figures shown above include all new passenger cars sold in the United States.

^{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, securities and homes.

Note: Figures are rounded and will not necessarily add to totals.

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.