Individuals continued to save at a high rate in the third quarter of 1945, according to the quarterly analysis of saving by individuals 1/ in the United States made public today by the Securities and Exchange Commission. Total liquid saving during this quarter amounted to $10.0 billion. 2/ This rate of saving was about the same as in the previous quarter, reflecting the fact that income in the hands of individuals after payment of taxes was approximately equal in the two quarters. There was no indication during the third quarter of the normal seasonal rise in the rate of saving.

A $6.6 billion increase in cash and deposits constituted by far the largest component of individuals' saving in the third quarter of 1945. During these three months individuals also added $800 million to their holdings of U.S. Government securities; $400 million to their equity in corporate and other securities; $1.3 billion to their equity in Government insurance; $800 million to their equity in private insurance, mostly life insurance; and $300 million to their investment in savings and loan associations.

The rate of growth in individuals' cash and deposits during the third quarter reached a new high. The total increase of $6.6 billion reflected a $1.0 billion rise in individuals' currency, $2.9 billion in their demand deposits, and $2.7 billion in time and savings deposits. The increase in time and savings deposits, the largest on record, was a continuation of the trend established in 1944. The rise in demand deposits, which was the largest since the fourth quarter of 1943, was in part a reflection of the absence of any new war loan drive. During the war, bond drives had the effect of channeling a considerable amount of saving from demand deposits into Government securities. In the absence of a new drive in the third quarter of 1945, not only was saving in demand deposits at a very high level but also individuals' additions to their holdings of U.S. Governments were the lowest since the third quarter of 1941.

Of the remaining components of individuals' saving in the third quarter of 1945, only the $400 million increase in individuals' saving in corporate and other securities is of particular interest. This was mainly a reflection of a fairly substantial net increase in corporate equity securities almost entirely taken up by individuals. There was also a sizable temporary increase in corporate bonds outstanding, but these issues which were mainly absorbed by institutions were for the purpose of retiring outstanding securities in the following quarter.

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

1/ In this analysis individuals' saving includes unincorporated business saving of types specified in the attached table. Corporate and Government saving are not included. The change in individuals' equity in Government insurance is, however, considered as part of individuals' saving.

2/ This does not reflect the change in inventories of unincorporated business (net of the change in notes and accounts payable). Although the amount of this change is not known, it is believed to have been negligible in the third quarter of 1945.
Gross Saving by Individuals in the United States 1/ 1940 - 1945

(Billions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
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<tr>
<td></td>
<td>Gross Saving</td>
<td>Liquid Saving</td>
<td></td>
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<tr>
<td>1940</td>
<td>15.3</td>
<td>4.0</td>
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<td></td>
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<tr>
<td>1941</td>
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<td>10.4</td>
<td>29.5</td>
<td>37.8</td>
<td>40.5</td>
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<td>1942</td>
<td>38.7</td>
<td>25.9</td>
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<td>1943</td>
<td>45.4</td>
<td>37.8</td>
<td>48.4</td>
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</tr>
<tr>
<td>1944</td>
<td>51.9</td>
<td>45.4</td>
<td>53.5</td>
<td>51.9</td>
<td>57.0</td>
</tr>
<tr>
<td>1945</td>
<td>57.0</td>
<td>51.9</td>
<td>53.5</td>
<td>51.9</td>
<td>57.0</td>
</tr>
</tbody>
</table>

Gross Saving by Type

1. Currency and bank deposits + 3.0 + 4.9 + 11.4 + 15.3 + 16.9 + 6.2 + 5.4 + 5.0 + 2.7 + 6.6
2. Savings and loan associations + 0.2 + 0.4 + 0.3 + 0.6 + 0.8 + 0.2 + 0.2 + 0.2 + 0.3 + 0.3
3. Insurance and pension reserves
   a. Private insurance + 1.7 + 2.1 + 2.5 + 3.1 + 3.4 + 0.7 + 1.0 + 0.9 + 0.9 + 1.3
   b. Government insurance + 1.2 + 1.8 + 2.4 + 3.8 + 4.7 + 1.3 + 1.3 + 1.3 + 1.5 + 1.3
   c. Total + 2.9 + 3.8 + 4.9 + 6.9 + 8.1 + 2.0 + 2.3 + 2.2 + 2.5 + 2.1
4. Securities 3/
   a. U. S. Savings bonds + 0.9 + 2.8 + 8.0 + 11.1 + 11.8 + 2.3 + 3.0 + 1.4 + 3.0 + 0.9
   b. Other U. S. Government - 0.4 + 0.8 + 1.9 + 2.7 + 3.6 - 0.1 + 1.5 - 0.1 + 2.2 - 0.1
   c. State and local governments - 0.1 - 0.2 - 0.1 - 0.2 - 0.2 - 0.2 - 0.1 - 0.1 - 0.1 - 0.1
   d. Corporate and other - 0.5 - 0.5 - 0.3 - 0.2 - 0.3 - 0.1 - 0.3 - 0.5 + 0.4
   e. Total - 0.2 + 2.9 + 10.1 + 13.8 + 15.0 + 2.2 + 4.6 + 1.0 + 4.7 + 1.1
5. Non-farm dwellings
   a. Purchases 4/ + 2.5 + 3.0 + 1.6 + 1.0 + 0.8 + 0.2 + 0.2 + 0.1 + 0.2 + 0.3
   b. Change in debt + 0.9 + 0.9 + 0.1 - 0.3 0 + 0.1 - 0.2 + 0.1 + 0.1
   c. Saving (a. minus b.) + 1.7 + 2.1 + 1.5 - 1.3 + 0.8 + 0.2 + 0.1 + 0.3 + 0.1 + 0.1
6. Automobiles and other durable consumers' goods 5/
   + 8.8 +10.8 + 7.6 + 6.6 + 7.2 + 1.8 + 2.0 + 1.7 + 1.9 + 1.9
7. Liquidation of debt, not elsewhere classified 6/ - 1.1 - 0.6 + 2.9 + 1.0 - 0.3 0 - 0.4 + 0.2 + 0.1 0

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 non-farm homes less net acquisition of properties by non-individuals.
5/ Purchases. Based on revised Department of Commerce data. 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.