

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.

STATISTICAL SERIES
Release No. 823

LIBRARY

VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING, 1/ APRIL-JUNE 1948

Individuals' liquid saving was estimated at \$900 million in the second quarter of 1948, 2/ according to the quarterly analysis of saving by individuals in the United States made public today by the Securities and Exchange Commission. While this was less than half the amount saved in liquid form in the same quarter of 1947, total individuals' saving was at about the same level taking into consideration saving in forms such as purchases of homes and durable consumer goods. In addition there was a considerable amount of new physical investment by unincorporated business during the second quarter of 1948. The rate of saving in the second quarter was higher than in the first quarter of this year, attributable in large part to the rise in disposable income and to seasonal influences.

Individuals' holdings of currency and bank deposits increased by \$200 million during the second quarter of 1948. Total net investment in securities rose by \$300 million and about the same amount was added to individuals' investment in savings and loan associations. Insurance and pension reserves represented the largest component of saving, increasing by \$1.8 billion, about evenly divided between government and private insurance. Offsetting these increases in liquid assets, mortgage indebtedness of individuals increased by \$1.1 billion and other consumer indebtedness by \$700 million.

During the three months April through June, the \$200 million increase in currency and bank deposits comprised an increase of \$300 million in time and savings deposits, offset in part by declines in individuals' holdings of currency and checking accounts. This may be compared with a \$500 million increase in savings accounts and large declines in currency and checking accounts during the preceding quarter.

Individuals' equity in U. S. Government securities declined by \$300 million during the quarter consisting of an increase of \$200 million in U. S. savings bonds and a \$500 million drop in other U. S. Government securities. The increase in U. S. savings bonds comprised an increase of \$150 million in Series F and G bonds and of \$50 million in Series E bonds. The drop in individuals' equity in other U. S. Government securities reflected a decline in the amount outstanding and an increase in collateral loans of about \$200 million.

Holdings of state and local government securities increased \$100 million, while investment in corporate and other securities increased by \$400 million, about equally divided between stocks and bonds. During the quarter net issues of corporate bonds amounted to about \$1.2 billion, of which institutions, largely insurance companies, purchased \$1.0 billion. The \$200 million increase in individuals' investment in corporate stock reflected purchases of new issues of \$300 million less an increase in their collateral loans of \$100 million.

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 a part of individuals' savings.

2/ This does not reflect the change in inventories of unincorporated business.

Saving by Individuals in the United States

1940 - 1948

(Billions of dollars)

Type of Saving	1940	1941	1942	1943	1944	1945	1946	1947	1947			1948	
									Apr.- June	July Sept.	Oct. Dec.	Jan.- March	Apr.- June
1. Currency and bank deposits	+ 2.9	+ 4.9	+10.9	+16.1	+17.5	+18.9	+11.9	+ 3.0	+ 0.9	+ 2.5	+ 1.8	- 4.3	+ 0.2
2. Savings and loan associations	+ 0.2	+ 0.4	+ 0.3	+ 0.6	+ 0.8	+ 1.1	+ 1.2	+ 1.2	+ 0.3	+ 0.2	+ 0.3	+ 0.3	+ 0.3
3. Insurance and pension reserves	+ 3.1	+ 4.0	+ 5.0	+ 6.8	+ 8.2	+ 8.6	+ 6.9	+ 6.9	+ 1.7	+ 1.7	+ 1.8	+ 1.6	+ 1.8
a. Private insurance	+ 1.8	+ 2.1	+ 2.5	+ 2.9	+ 3.2	+ 3.5	+ 3.4	+ 3.5	+ 0.8	+ 0.9	+ 0.9	+ 0.9	+ 0.9
b. Government insurance	+ 1.3	+ 1.9	+ 2.5	+ 3.9	+ 5.0	+ 5.1	+ 3.5	+ 3.4	+ 0.9	+ 0.8	+ 0.9	+ 0.7	+ 0.9
4. Securities ^{2/}	(*)	+ 2.9	+10.4	+13.8	+15.1	+ 9.8	+ 1.1	+ 4.1	+ 0.9	- 0.1	+ 0.6	+ 2.5	+ 0.3
a. U.S. savings bonds	+ 0.9	+ 2.8	+ 8.0	+11.1	+11.8	+ 6.8	+ 0.9	+ 1.8	+ 0.3	+ 0.3	+ 0.3	+ 0.8	+ 0.2
b. Other U.S. Government ^{3/}	- 0.3	+ 0.7	+ 2.4	+ 3.0	+ 3.9	+ 3.6	(*)	+ 1.0	+ 0.4	- 0.6	- 0.4	+ 0.9	- 0.5
c. State and local government	- 0.5	- 0.3	- 0.2	- 0.1	- 0.1	- 0.2	- 0.4	+ 0.3	+ 0.1	+ 0.1	(*)	+ 0.4	+ 0.1
d. Corporate and other	- 0.1	- 0.3	+ 0.2	- 0.2	- 0.6	- 0.5	+ 0.6	+ 1.0	+ 0.1	+ 0.1	+ 0.7	+ 0.5	+ 0.4
5. Liquidation of mortgage debt ^{4/}	- 0.9	- 0.9	- 0.1	+ 0.3	+ 0.1	- 0.2	- 3.3	- 3.8	- 1.0	- 1.0	- 1.1	- 0.7	- 1.1
6. Liquidation of debt not elsewhere classified ^{5/}	- 1.2	- 1.0	+ 3.3	+ 1.3	- 0.2	- 0.8	- 3.3	- 3.1	- 0.8	- 0.4	- 1.7	(*)	- 0.7
7. Total Liquid Saving	+ 4.2	+10.3	+29.8	+38.9	+41.5	+37.3	+14.4	+ 8.2	+ 2.0	+ 2.9	+ 1.8	- 0.5	+ 0.9
8. Nonfarm dwellings ^{6/}	+ 3.1	+ 3.6	+ 1.8	+ 1.1	+ 1.0	+ 1.1	+ 3.9	+ 5.8	+ 1.2	+ 1.6	+ 1.9	+ 1.5	+ 1.9
9. Other durable consumers' goods ^{7/}	+ 7.9	+ 9.7	+ 6.8	+ 6.5	+ 6.9	+ 8.3	+16.2	+21.0	+ 5.0	+ 5.0	+ 6.5	+ 4.9	+ 5.3
10. Total Gross Saving (7 + 8 + 9)	+15.1	+23.6	+38.5	+46.5	+49.4	+46.6	+34.5	+35.0	+ 8.3	+ 9.5	+10.3	+ 5.8	+ 8.1

^{1/} Includes unincorporated business saving of the types specified. Does not include corporate or government saving. Considerable revisions have been made in some of the series.

^{2/} Does not include net purchases by brokers and dealers or by other individuals financed by bank loans.

^{3/} Includes Armed Forces Leave bonds.

^{4/} Mortgage debt to institutions on one-to-four family nonfarm dwellings.

^{5/} 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.

^{6/} Construction of one-to-four family nonfarm dwellings less net acquisition of properties by non-individuals. Also includes a small amount of construction by non-profit institutions.

^{7/} 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.

—oOo—