

OCT - 8 1952

For Release in MORNING Newspapers of Sunday, October 5, 1952

SECURITIES AND EXCHANGE COMMISSION
Washington 25, D. C.STATISTICAL SERIES
Release No. 1114VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING, APR.-JUNE, 1952 1/

During the second quarter of 1952 individuals in the United States saved \$1.7 billion in liquid form, according to the quarterly estimates made public today by the Securities and Exchange Commission. This rate of saving compares with \$2.6 billion in the first quarter of this year and \$3.0 billion in the second quarter of 1951.

Individuals continued to add to their saving in more permanent types of investments such as insurance, time and savings deposits in banks, shares in savings and loan associations, and also substantially increased their holdings of corporate and municipal securities. Offsetting these items of saving, individuals during the second quarter reduced their equity in U. S. Government securities, added further to their mortgage indebtedness, and also incurred a large amount of other debt in connection with purchases of consumers' goods.

Insurance again constituted the largest component of liquid saving, amounting to \$2.0 billion. This was about equally divided between individuals' equity in private life insurance and their equity in government insurance and government pension reserves, including Social Security funds.

Individuals' holdings of currency and bank deposits increased by almost \$1.2 billion in the second quarter, compared with a decrease of \$2.3 billion in the first quarter and a \$200 million increase in the second quarter of 1951. Time and savings deposits rose by \$1.1 billion, slightly higher than in the first quarter, and representing the largest increase in this form since the third quarter of 1946. Currency holdings also expanded, the increase amounting to \$400 million. Against these increases, a reduction of \$300 million in demand deposits of individuals took place.

Investments in savings and loan associations during the second quarter were larger than for any previous quarterly period, and amounted to over \$800 million. In the preceding period, net investments of this type totalled \$700 million and in the second quarter of 1951 amounted to \$600 million.

Net new corporate securities issues in the second quarter of this year amounted to \$2.5 billion, a higher rate than at any time since 1929. Although institutional investors absorbed the bulk of these securities, individuals' net equity increased by \$600 million. This was less than in the two preceding quarters but was still substantially above the rate of saving in this form that prevailed prior to 1951. In addition to their increased holdings of

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

corporate securities, individuals' equity in state and municipal securities rose by \$500 million, reflecting the large volume of these issues which have been offered especially in connection with the building of new highways and schools.

U. S. Savings bonds held by individuals remained practically unchanged during the second quarter. While more attractive terms were provided for Savings Bonds beginning May 1, investors' response with higher purchases was not sufficient to offset redemptions during the quarter. Holdings of other U. S. Government issues decreased by almost \$800 million due in part to a shifting in investment funds incident to the large Treasury financing completed on July 1.

Mortgage debt of individuals increased by \$1.4 billion in the second quarter, following a seasonal increase in new home construction. Other consumer debt, primarily instalment credit, also rose by \$1.3 billion, in part because of seasonal influences, and also because of suspension in early May of Regulation W governing minimum down payments and maximum repayment periods on automobiles and household goods.

Saving by Individuals in the United States ^{1/}

1940 - 1952

(Billions of dollars)

Type of Saving	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1951				1952	
													Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
1. Currency and bank deposits	2.9	4.8	11.0	16.2	17.5	19.1	10.6	2.0	-1.8	-1.3	4.2	5.8	-2.2	0.2	4.1	3.7	-2.3	1.2
a. Currency	0.8	2.2	4.1	4.7	4.6	3.0	0.1	-0.4	-0.5	-0.8	(*)	0.8	-0.8	1.1	-0.2	0.6	-0.3	0.4
b. Demand deposits	1.5	2.6	6.1	7.1	5.9	7.3	5.2	0.2	-2.2	-1.3	3.8	3.1	-1.3	-1.6	3.8	2.2	-3.0	-0.3
c. Time and savings deposits	0.7	(*)	0.8	4.3	7.1	8.8	5.3	2.2	0.8	0.9	0.5	2.0	-0.2	0.7	0.5	0.9	1.0	1.1
2. Savings and loan associations	0.2	0.4	0.3	0.6	0.8	1.1	1.2	1.2	1.2	1.5	1.5	2.1	0.3	0.6	0.4	0.7	0.7	0.8
3. Insurance	3.1	4.0	5.0	6.8	8.2	8.6	7.0	7.1	7.3	6.1	5.2	8.0	2.0	2.0	2.0	2.1	2.2	2.0
a. Private	1.8	2.1	2.5	2.8	3.2	3.5	3.4	3.6	3.7	3.7	3.9	4.2	1.1	0.9	1.0	1.2	1.2	1.1
b. Government	1.3	1.9	2.6	3.9	5.0	5.1	3.5	3.5	3.6	2.3	1.3	3.8	0.9	1.1	1.0	0.9	0.9	1.0
4. Securities ^{2/}	-0.2	2.8	10.2	13.8	15.0	9.4	0.9	3.6	3.2	2.8	0.7	3.5	0.7	1.6	0.2	1.1	2.1	0.3
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	-0.4	-0.2	-0.2	-0.1	0.1	0.1	(*)
b. Other U. S. Government	-0.4	0.7	2.4	3.0	3.9	3.6	-0.4	0.5	-1.5	-0.4	-1.5	-0.2	0.2	0.1	-0.1	-0.4	0.8	-0.8
c. State and local government	-0.5	-0.3	-0.2	-0.1	(*)	-0.2	-0.2	0.4	1.1	0.6	0.5	0.8	0.1	0.5	(*)	0.3	0.3	0.5
d. Corporate and other	-0.2	-0.4	0.1	-0.2	-0.7	-0.9	0.7	0.9	1.5	1.1	1.2	3.3	0.7	1.1	0.5	1.0	1.0	0.6
5. Liquidation of mortgage debt ^{3/}	-1.0	-0.8	-0.1	0.4	0.1	-0.2	-3.7	-4.5	-4.6	-6.3	-7.0	-5.7	-1.4	-1.6	-1.4	-1.3	-1.2	-1.4
6. Liquidation of debt not elsewhere classified ^{4/}	-1.2	-1.0	3.3	1.3	-0.2	-0.8	-3.3	-3.4	-2.5	-2.3	-3.2	-0.4	0.8	0.2	-0.1	-1.3	1.1	-1.3
7. Total liquid saving	4.0	10.3	29.7	39.0	41.4	37.0	12.6	6.0	2.8	2.9	1.5	13.4	0.1	3.0	5.3	5.0	2.6	1.7
8. Nonfarm dwellings ^{5/}	3.4	3.9	2.0	1.2	1.0	1.2	4.1	6.2	8.5	8.1	12.6	11.5	2.7	2.9	3.0	2.8	2.3	2.9
9. Other durable consumers' goods ^{6/}	7.9	9.8	7.1	6.8	7.1	8.5	16.6	21.4	22.9	23.9	29.2	26.8	6.9	6.3	6.2	7.4	5.5	6.4
10. Total Gross Saving	15.2	23.9	38.8	47.0	49.6	46.7	33.4	33.5	34.1	34.9	43.2	51.7	9.8	12.2	14.5	15.2	10.4	10.9

1/ Includes unincorporated business saving of the types specified.

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

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

4/ 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.

5/ 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.

6/ 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.