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SECURITIES AND EXCHANGE COMMISSION

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STATISTICAL SERIES

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Volume and Composition of Individuals' Saving, July-Sept., 1953 1/

Individuals saved \$3.3 billion in liquid form during the third quarter of 1953, according to estimates made public today by the Securities and Exchange Commission. This rate of saving was approximately the same as in the preceding quarter but was substantially lower than in the third quarter of 1952 when liquid saving exceeded \$5 billion.

Although total liquid saving in the third quarter of this year was practically unchanged from the preceding quarter, the composition of saving differed considerably. Individuals' holdings of currency and bank deposits increased by \$1.6 billion almost three times the increase of the second quarter. In contrast, there was a decline in new securities investments, individuals' net purchases amounting to \$1.2 billion, as against \$2.6 billion in the preceding quarter. Net purchases of shares in savings and loan associations amounted to only \$600 million, about half as much as in the preceding quarter. Individuals' saving in insurance, which has comprised the most stable form of saving in the post-war years, was unchanged. In addition to the above changes in holdings of liquid assets, there was a slackening in the growth of consumer debt. Mortgage debt continued to grow at about the same high rate as in the preceding quarter.

The increase in currency and bank deposits in the third quarter included an expansion in time and savings deposits of \$800 million, an increase in demand deposits of \$700 million and a rise in currency holdings of \$100 million. The increase in checking accounts of individuals was moderate as compared with the third quarter of 1952 when there was a rise of \$2.4 billion.

Individuals' purchases of U. S. Savings Bonds showed a small increase in the third quarter while net new investments in other U. S. Government issues were negligible. A smaller amount of both corporate and municipal securities was bought by individuals than in the preceding quarter reflecting the lower volume of new offerings. Of the \$800 million of corporate securities added to individuals' holdings, approximately \$500 million were common and preferred stock and somewhat over \$300 million were bonds, notes and debentures.

Individuals' saving in private and Government insurance amounted to \$2.1 billion with private life insurance accounting for \$1.2 billion of the total and Government pension reserves (i.e., Social Security funds, etc.) amounting to \$900 million.

Reflecting the high level of home construction, mortgage debt of individuals increased by \$1.6 billion. Consumer indebtedness rose by \$500 million during the third quarter as compared with an increase of \$1.2 billion in the second quarter of this year and an increase of \$900 million in the third quarter of 1952.

In addition to the concept of liquid saving discussed above, there are other concepts of individuals' saving with varying degrees of coverage currently in use. The series with the most complete coverage, the personal saving estimates of the Department of Commerce, is derived as the difference between personal income and expenditures. Conceptually, Commerce saving includes the following items not included with S.E.C. liquid saving: Housing net of depreciation, unincorporated business and farm items such as net plant and equipment, changes in net receivables and changes in inventories. Government insurance is excluded from the Commerce saving series.

1/ Individuals' saving in addition to personal holdings, covers saving of unincorporated business, trust and pension funds and non-profit 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.

Saving by Individuals in the United States 1/

1948 - 1953

(Billions of dollars)

Type of Saving	1948	1949	1950	1951	1952	1952		1953		
						July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	July- Sept.
1. Currency and bank deposits	-1.8	-1.5	4.3	5.7	7.1	3.6	4.5	-1.3	0.6	1.6
a. Currency	-0.5	-0.8	(*)	0.8	1.1	0.4	0.6	-0.3	0.2	0.1
b. Demand deposits	-2.2	-1.5	3.9	3.0	1.7	2.4	2.7	-2.1	-1.0	0.7
c. Time and savings deposits	0.8	0.9	0.5	1.9	4.2	0.9	1.2	1.0	1.4	0.8
2. Savings and loan associations	1.2	1.5	1.5	2.1	3.1	0.5	1.0	0.9	1.1	0.6
3. Insurance	7.3	6.1	5.0	8.2	9.1	2.1	2.1	2.1	2.1	2.1
a. Private	3.7	3.7	3.9	4.0	4.8	1.2	1.4	1.2	1.1	1.2
b. Government	3.6	2.3	1.1	4.2	4.3	1.0	0.7	0.9	1.0	0.9
4. Securities <u>2/</u>	3.2	3.0	1.2	2.7	4.8	1.4	1.3	2.6	2.6	1.2
a. U. S. savings bonds	2.1	1.5	0.6	-0.4	0.3	0.1	0.2	0.4	-0.3	0.1
b. Other U. S. Government	-1.5	-0.1	-1.3	-0.4	-0.5	-0.2	-0.1	1.3	1.0	(*)
c. State and local government	1.1	0.6	0.7	0.4	1.1	0.6	0.1	0.3	0.7	0.3
d. Corporate and other	1.5	1.0	1.3	3.2	3.9	0.9	1.1	0.6	1.1	0.8
5. Liquidation of mortgage debt <u>3/</u>	-4.6	-3.9	-7.2	-6.4	-6.0	-1.6	-1.6	-1.3	-1.7	-1.6
6. Liquidation of debt not elsewhere classified <u>4/</u>	-2.3	-2.4	-3.2	-0.5	-3.8	-0.9	-2.0	-0.3	-1.2	-0.5
7. Total liquid saving	3.0	2.9	1.7	11.8	14.4	5.2	5.3	2.7	3.4	3.3
8. Nonfarm dwellings <u>5/</u>	8.5	8.1	12.6	11.5	11.6	3.2	3.1	2.5	3.1	3.4
9. Other durable consumers' goods	22.9	23.8	29.2	27.3	26.7	6.2	8.2	6.7	7.5	7.4
10. Total gross saving	34.3	34.8	43.5	50.6	52.6	14.6	16.6	11.9	14.0	14.1

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 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.

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.