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SECURITIES AND EXCHANGE COMMISSION
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STATISTICAL SERIES
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VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING, APR.-JUNE, 1954^{1/}

Individuals saved \$3.5 billion in liquid form during the second quarter of 1954, according to estimates made public today by the Securities and Exchange Commission, about the same as in the first quarter of 1954. The high rate of saving during the first six months of this year reflects the continued high level of personal income after payment of taxes.

Although there were some changes in the composition of liquid saving in the second quarter of 1954, saving in the more stable forms, including insurance, savings deposits and shares in savings and loan associations, was maintained at about the same high rate as the last few years. Individuals again, as in the first quarter, made substantial investments in corporate securities and state and municipal bonds, but, in contrast to the first quarter, their equity in Government obligations, other than Savings Bonds, was greatly reduced. Currency holdings of individuals expanded more than seasonally, while demand deposits showed only a small decline. Offsetting the increases in liquid assets during the second quarter, there was a substantial rise in mortgage indebtedness of individuals and a moderate increase in other consumer indebtedness.

Individuals' net purchases of corporate securities during the second quarter amounted to \$900 million, including \$600 million of bonds and notes and \$300 million of preferred and common stock. In addition, they added to their portfolios \$400 million of state and local obligations and \$200 million of U. S. Savings Bonds. Holdings of other U. S. Government issues were reduced by one billion dollars of which \$400 million was accounted for by increased borrowings on securities, principally by brokers and dealers who are included with individual investors in this survey.

Individuals' holdings of currency and bank deposits expanded by \$2.0 billion, the greatest increase for any second quarter since 1946. The expansion included a \$700 million increase in currency holdings and an increase of \$1.4 billion in time and savings deposits, the same as in the second quarter of 1953. A slight decline was indicated in checking accounts of individuals, in contrast to a decline of one billion dollars in the similar period of 1953. Net new investments in savings and loan associations amounted to a record \$1.2 billion.

^{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. Individuals' 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.

During the second quarter, saving in the form of insurance, including private life insurance and Government insurance and pension reserves, such as Social Security funds, totalled \$2.1 billion. Of this, saving in private insurance amounted to \$1.3 billion, slightly more than the corresponding period of last year. Equity in Government insurance increased \$800 million, less than in the similar 1953 period due to substantial payments out of the unemployment trust fund.

Mortgage debt of individuals increased by \$1.9 billion, a near-record amount, while consumer indebtedness rose by \$400 million as compared with a net repayment of \$1.5 billion in the first quarter of the year. The increase in consumer credit was only one-third as great as in the second quarter of 1953.

In addition to the concept of liquid saving discussed above, there are other concepts of individuals' saving with different 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 Commerce saving.

A more restricted concept of individuals' saving is the selected items series of the Federal Home Loan Bank Board. This series covers the following components included in S.E.C. liquid saving: Time and savings deposits, savings and loan associations, private life insurance, and U. S. Savings Bonds.

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

1950 - 1954

(Billions of dollars)

Type of Saving	1950	1951	1952	1953	1953			1954	
					Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
1. Currency and bank deposits	3.6	6.0	7.1	4.7	0.6	1.7	3.7	-2.2	2.0
a. Currency	-0.1	0.8	1.1	0.6	0.2	(*)	0.6	-1.1	0.7
b. Demand deposits	3.2	3.2	1.7	-0.1	-1.0	0.9	2.1	-2.4	-0.1
c. Time and savings deposits	0.4	2.0	4.2	4.2	1.4	0.8	1.0	1.3	1.4
2. Savings and loan associations	1.5	2.1	3.1	3.7	1.0	0.6	1.1	1.1	1.2
3. Insurance	5.0	8.3	9.3	8.3	2.1	2.1	1.9	2.0	2.1
a. Private	3.9	4.0	4.9	5.1	1.1	1.2	1.5	1.4	1.3
b. Government	1.1	4.2	4.4	3.2	1.0	0.9	0.4	0.6	0.8
4. Securities ^{2/}	2.0	2.6	4.2	6.2	2.4	1.1	0.2	2.4	0.5
a. U. S. savings bonds	0.6	-0.4	0.3	0.3	-0.3	0.1	0.1	0.2	0.2
b. Other U. S. Government	-0.6	-0.6	-0.7	1.0	0.9	-0.1	-1.0	0.8	-1.0
c. State and local government	0.7	0.4	0.9	1.8	0.6	0.4	0.6	0.3	0.4
d. Corporate and other	1.4	3.2	3.7	3.0	1.2	0.7	0.5	1.1	0.9
5. Liquidation of mortgage debt ^{3/}	-7.2	-6.5	-6.3	-6.7	-1.9	-1.8	-1.5	-1.3	-1.9
6. Liquidation of debt not elsewhere classified ^{4/}	-3.2	-0.5	-3.8	-2.8	-1.2	-0.5	-0.8	1.5	-0.4
7. Total Liquid Saving	1.8	11.8	13.6	13.4	3.1	3.2	4.7	3.5	3.5
8. Nonfarm dwellings ^{5/}	12.6	11.5	11.6	12.3	3.2	3.4	3.2	2.6	3.3
9. Other durable consumers' goods	29.2	27.3	26.7	30.1	7.5	7.4	8.4	6.3	7.5
10. Total Gross Saving	43.6	50.6	51.8	55.8	13.8	14.0	16.3	12.3	14.3

^{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.