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STATISTICAL SERIES

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**VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING,
SECOND QUARTER, 1969**

Individuals' saving during April-June of 1969 totaled \$6.9 billion, according to estimates released today by the Securities and Exchange Commission. The individuals' sector referred to herein includes households, private trust funds, nonprofit institutions, farms and other noncorporate businesses. Saving, as defined under the Securities and Exchange Commission data, equals change in financial assets plus net investment in tangible assets, less increase in debt. The amount of second quarter 1969 saving is almost identical to the same period of 1968, but is lower than the \$10.4 billion of the first quarter 1969. On a seasonally adjusted basis, however, the first two quarters of this year registered about the same amount of saving.

Increase in Financial Assets

The increase in total financial assets in the second quarter was \$10.4 billion, which after seasonal adjustment almost equaled the first quarter. A breakdown of these assets shows a good deal of switching between components. Currency and demand deposits, which decreased by a sizeable \$6.7 billion in the first three months, registered a slight \$0.6 billion increase in the second three-month period. Savings accounts at commercial banks, mutual savings banks, savings and loan associations, and credit unions increased only \$2.9 billion, an unusually low figure.

Individuals continued to make unprecedented additions to their holdings of municipal securities. Net investment by individuals in state and local securities during the first half of 1969 exceeded their total net purchases of such obligations for the years 1966, 1967 and 1968 combined. Corporate and foreign bond holdings of individuals decreased by a small amount. Net investment in U. S. Government obligations totaled \$200 million, considerably less than in the preceding period. Growth in holdings of investment company shares was less in the second quarter than earlier in 1969; and the net liquidation of other corporate stock, which has been proceeding for years, was \$2.0 billion in the second quarter, as it was in the first. Individuals' miscellaneous financial assets increased very little; increases in insurance and pension reserves, both Government and private, showed no change other than that associated with seasonal factors.

Investment in Tangible Assets

Net tangible investment equaled \$10.3 billion in the second quarter, higher than both the previous quarter and in the comparable 1968 quarter. Investment in homes was \$4.3 billion and in consumer durables was \$4.9 billion during the second quarter. The balance, \$1.1 billion, represented the net investment of unincorporated business in inventories and fixed investments.

Increase in Debt

Total change in outstanding debt of individuals was \$13.8 billion during the second quarter, higher than the \$3.8 billion of the first quarter -- primarily reflecting seasonal influences. Mortgage debt on nonfarm homes was up \$3.9 billion, about the same as in the previous quarter. Consumer credit, installment and noninstallment, increased \$4.0 billion in the second quarter, above the seasonally-depressed first quarter change; but this sector now has a lower rate of growth than that of the latter half of 1968. Security credit, concurrent with the experience earlier in the year, had a very substantial decline of \$1.9 billion in the second quarter.

With a resemblance to the situation in 1966, individuals were once again turning to policy loans on their insurance contracts for needed funds. The second quarter \$0.7 billion increase in this type of debt exceeded that recorded in any previous quarter. 'Other debt' increased \$5.3 billion during the second quarter.

VOLUME AND COMPOSITION OF INDIVIDUALS' SAVING

(Billions of dollars)

	1965	1966	1967	1968	1968				1969		
					1Q	2Q	3Q	4Q	1Q	2Q	
					Unadjusted Quarterly						
1	Increase in financial assets.....	55.0	51.6	63.5	68.5	12.0	15.3	18.0	23.1	7.9	10.4
2	Currency and demand deposits.....	7.2	1.9	12.5	15.9	-4.2	2.3	7.2	10.7	-6.7	.6
3	Savings accounts.....	26.5	19.2	32.4	27.6	8.1	5.4	6.3	7.8	5.9	2.9
4	Securities.....	3.1	10.9	-3.4	.7	3.0	.7	-.7	-2.4	4.3	1.3
5	U.S. savings bonds.....	.6	.6	.9	.4	.1	.1	.2	.1	-.6	.1
6	Other U.S. Government securities.....	2.3	7.4	-1.7	2.7	1.2	1.7	.8	-.9	2.7	.2
7	State and local obligations.....	2.1	2.2	*	1.4	.4	.2	-.1	.9	1.8	2.4
8	Corporate and foreign bonds.....	-.3	1.2	1.5	3.9	.5	1.5	.8	1.0	.7	-.1
9	Investment company shares.....	3.1	3.7	2.6	4.7	1.8	.5	.9	1.6	1.8	.7
10	Other corporate stock.....	-4.8	-4.2	-6.9	-12.5	-1.0	-3.3	-3.2	-5.0	-2.0	-2.0
11	Miscellaneous financial assets.....	1.8	1.7	2.9	3.8	.5	1.3	.4	1.6	-.2	.1
12	Private life insurance reserves.....	4.7	4.5	4.6	4.7	1.2	1.2	1.2	1.2	1.2	1.2
13	Private insured pension reserves.....	2.1	2.1	2.2	2.6	.6	.6	.7	.7	.7	.7
14	Private noninsured pension reserves.....	4.9	6.2	6.3	7.8	1.7	1.6	1.9	2.5	1.4	1.4
15	Government insurance & pension reserves...	4.8	5.1	5.9	5.4	1.1	2.2	1.0	1.1	1.2	2.3
16	Gross investment in tangible assets.....	108.7	110.5	112.0	129.2	28.0	32.7	32.0	36.5	31.0	35.5
17	Nonfarm homes.....	22.9	21.5	20.3	25.4	5.4	6.0	7.0	7.0	6.2	6.5
18	Noncorporate business construction and equipment.....	17.8	17.8	18.4	19.7	4.1	5.6	5.2	4.8	4.4	5.8
19	Consumer durables.....	66.3	70.8	73.0	83.3	17.8	20.8	20.1	24.7	19.8	22.9
20	Inventories.....	1.7	.4	1.0	.8	.7	.3	-.3	*	.6	.3
21	Capital consumption allowances.....	75.1	80.2	86.6	94.2	22.9	23.3	23.8	24.2	24.7	25.2
22	Nonfarm homes.....	7.1	7.4	7.8	8.2	2.0	2.0	2.1	2.1	2.1	2.1
23	Noncorporate business plant & equipment...	16.4	17.2	18.2	19.5	4.8	4.8	4.9	5.0	5.0	5.1
24	Consumer durables.....	51.5	55.6	60.6	66.5	16.1	16.4	16.8	17.2	17.6	18.0
25	Net investment in tangible assets (16-21)...	33.7	30.3	25.4	35.1	5.2	9.4	8.3	12.2	6.3	10.3
26	Nonfarm homes.....	15.8	14.1	12.5	17.2	3.4	3.9	5.0	4.9	4.1	4.3
27	Noncorporate business construction and equipment.....	1.4	.6	.2	.3	-.6	.8	.3	-.2	-.7	.7
28	Consumer durables.....	14.8	15.2	12.4	16.9	1.7	4.4	3.3	7.5	2.2	4.9
29	Inventories.....	1.7	.4	1.0	.8	.7	.3	-.3	*	.6	.3
30	Increase in debt.....	41.2	33.3	34.0	47.3	3.3	17.9	13.0	13.2	3.8	13.8
31	Mortgage debt on nonfarm homes.....	16.1	11.4	10.9	15.2	3.7	3.5	3.8	4.3	3.8	3.9
32	Noncorporate business mortgage debt.....	6.4	6.4	6.1	6.6	1.4	1.9	1.6	1.7	1.5	1.7
33	Consumer credit.....	9.4	6.9	4.4	11.1	-1.2	3.6	3.0	5.6	-1.2	4.0
34	Security credit.....	.8	-.2	3.3	2.2	-1.0	1.3	.5	1.4	-1.4	-1.9
35	Policy loans.....	.6	1.5	1.0	1.3	.3	.4	.3	.3	.3	.7
36	Other debt.....	7.9	7.3	8.2	11.0	*	7.2	3.8	*	.7	5.3
37	Individuals' saving (1+25-30).....	47.4	48.6	54.9	56.2	13.9	6.8	13.3	22.2	10.4	6.9

* Less than \$50 million.