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APPENDIX L

DERIVATION OF THE AGGREGATE MORTGAGE SERIES

THE annual series of the nonfarm residential mortgage debt presented in this study is essentially based upon Raymond Goldsmith's mortgage estimates in his *A Study of Saving in the United States*, but modified by two major revisions:

1. The most important alteration of Goldsmith's series involves the pre-1925 data. Goldsmith's basic sources for this period are the 1890 and 1920 censuses of owner-occupied mortgaged dwellings. He expanded the aggregate mortgage debt on this portion of the housing inventory to a nonfarm total by using four relationships between tenant-occupied and owner-occupied housing. These relationships are (a) the ratio of the number of mortgaged tenant-occupied units to the number of mortgaged owner-occupied dwelling units; (b) the ratio of the average values of tenant-occupied and owner-occupied housing; (c) the ratio of the proportion of tenant-occupied dwellings with mortgages to the proportion of owner-occupied dwellings with mortgages; and (d) the relationship between the debt-to-value ratio of tenant-occupied dwellings and that of owner-occupied dwellings.

The last three relationships, which were obtained from Wickens' *Residential Real Estate*, the 1940 *Census of Housing*, and the 1948 *Survey of Consumer Finances*, were considered acceptable for this study. An error, however, was found in the use of the first relationship. The use of an expansion factor based on the ratio of the number of tenant-occupied to owner-occupied *dwelling units* overlooks the fact that both the 1890 and 1920 mortgage censuses reported mortgage debt on owner-occupied *structures*. Since many owner-occupied structures contain one or more rented dwelling units, the aggregate mortgage debt of the owner-occupied portion of the inventory reported in 1890 and 1920 includes a large number of tenant-occupied units. Thus Goldsmith's estimate of mortgage debt on rental units involves some double counting.

The probable magnitude of the error and a corresponding correction factor could be ascertained from the 1940 *Census of Housing*, which presented a tabulation of tenant- and owner-occupied dwelling units by type of structure. In that year the number of dwelling units in owner-occupied structures was 22 per cent greater than the number of units actually occupied by owners, i.e. owner-occupied structures contained 50 per cent of all dwelling units as compared with a tenure ratio of 41 per cent. This correction factor reduced Goldsmith's 1920 estimate

from \$10,025,000,000 to \$9,120,000,000 and his 1890 estimate from \$2,733,000,000 to \$2,292,000,000. Indirect evidence indicates that the correction was in the right direction. First, Goldsmith's test expansion of the 1940 census mortgage data on one- to four-family owner-occupied dwellings by the use of an unadjusted tenure ratio produced an aggregate one- to four-family mortgage debt \$3.7 billion higher than the Federal Home Loan Bank Board estimate. When the adjusted tenure ratio was substituted, the derived total compared quite closely with the FHLBB series. Second, the lowered 1920 estimate resulted in a movement in the residential mortgage debt between 1920 and 1925 more related to the movement in the total nonfarm mortgage debt. Use of Goldsmith's 1920 estimate would have led to a falling ratio of residential to total mortgage debt between 1920 and 1925, an unlikely result in view of the rising ratio of residential to total construction during this period, and to a suspiciously low 1920-1925 increment of residential debt.

There is considerable doubt about the reliability of the second estimating ratio, the relationship between the average values of a mortgaged tenant-occupied dwelling unit and a mortgaged owner-occupied structure, particularly for 1890. On the assumption that the relative differences in value between the two tenure classes were smaller before the turn of the century than in later decades, Goldsmith uses a 90 per cent ratio in 1890 compared with a 75 per cent ratio in 1920. The evidence seems to indicate that the reverse was true.

The average value of an owner-occupied mortgaged structure increased by about 52 per cent between 1890 and 1920 while costs of construction rose by 130 per cent. This suggests that the incidence of mortgage indebtedness was extending further down the house value distribution. That is, the typical owner-occupied mortgaged structure in 1890 was further above the average in 1890 than it was in 1920. Ely points out that in a sample of twenty-six large cities there were, relatively, twice as many mortgaged homes having a value over \$25,000 in 1890 as in 1920, notwithstanding the enormous rise in price levels.¹ Elsewhere in his monograph (page 53), Ely states, "If the increase in building costs as calculated by reputable statisticians is correct, the average mortgaged home [in 1920] is a smaller home than the average mortgaged home in 1890 [and] bears out the assumption that there has been a new class of home owners developing since 1890."

Thus the 1890 value ratio used by Goldsmith appears to be a significant overstatement and leads to an unduly large residential

¹ *Mortgages on Homes in the United States, 1920*, Bureau of the Census, Census Monographs II, 1923, pp. 120-121.

mortgage debt estimate for 1890. But no estimate of the magnitude of error could be ascertained and no adjustment was attempted.

2. A second difference between Goldsmith's residential mortgage debt series and the one presented here arises from changes in official series—especially the FHLBB revision of its 1925-1953 estimates of the mortgage debt on one- to four-family homes—which were published after Goldsmith's tables had been completed. These changes affect not only the aggregate debt series but the distribution by type of holder as well. The latter changes are noted in Appendix N. Other, minor revisions are listed in notes to the tables.

The residential mortgage debt series is intended to represent the aggregate indebtedness on residential real estate regardless of the priority of the mortgage or type of residential structure. However, there is reason to believe that mortgages on nonhousekeeping residential real estate, such as transient hotels, are usually classified as nonresidential.² On the other hand, mortgage loans on housekeeping residential real estate include those on property predominantly residential but including stores or other commercial facilities.

As the notes to the tables indicate, the compilation of a sixty-year annual mortgage debt series entails the frequent substitution of assumptions for facts and considerable interpolation. The residential mortgage debt series is especially weak for the pre-1925 period, based as it is upon the two widely separated mortgage censuses of 1890 and 1920 and on the movement of total nonfarm debt, itself an inadequate series. From 1925 on the Federal Home Loan Bank Board estimates of mortgage debt on one- to four-family homes provide a more satisfactory basis for the aggregate series. However, the estimates of mortgage debt on multi-family dwellings and especially of real estate bonds are of a lower quality even for more recent decades. For the earlier decades the series reflects approximate levels and underlying trends rather than accurate annual movements.

² See the instructions given in Schedule A-3 of the May 1950 Call Report issued by the Board of Governors of the Federal Reserve System.

TABLE L-1
 Total Nonfarm Mortgage Debt and Total Nonfarm Residential
 Mortgage Debt, Excluding Real Estate Bonds, 1890-1952
 (dollars in millions)

| | <i>Total Nonfarm Mortgage Debt (1)</i> | <i>Total Nonfarm Residential Mortgage Debt (2)</i> | <i>Ratio of Column 2 to Column 1 (3)</i> |
|------|--|--|--|
| 1890 | \$ 3,811 | \$ 2,292 | .6014 |
| 1896 | 4,400 | 2,711 | .6161 |
| 1897 | 4,439 | 2,746 | .6185 |
| 1898 | 4,483 | 2,783 | .6209 |
| 1899 | 4,547 | 2,835 | .6234 |
| 1900 | 4,661 | 2,917 | .6258 |
| 1901 | 4,793 | 3,011 | .6283 |
| 1902 | 4,918 | 3,102 | .6307 |
| 1903 | 5,045 | 3,194 | .6332 |
| 1904 | 5,256 | 3,341 | .6356 |
| 1905 | 5,517 | 3,520 | .6380 |
| 1906 | 5,739 | 3,676 | .6405 |
| 1907 | 5,903 | 3,795 | .6429 |
| 1908 | 6,117 | 3,948 | .6454 |
| 1909 | 6,434 | 4,168 | .6478 |
| 1910 | 6,806 | 4,426 | .6503 |
| 1911 | 7,115 | 4,644 | .6527 |
| 1912 | 7,451 | 4,881 | .6551 |
| 1913 | 8,103 | 5,329 | .6576 |
| 1914 | 8,672 | 5,724 | .6600 |
| 1915 | 9,075 | 6,012 | .6625 |
| 1916 | 9,606 | 6,387 | .6649 |
| 1917 | 10,612 | 7,082 | .6674 |
| 1918 | 11,058 | 7,407 | .6698 |
| 1919 | 11,617 | 7,809 | .6722 |
| 1920 | 13,516 | 9,120 | .6748 |
| 1921 | 14,744 | 10,017 | .6794 |
| 1922 | 16,197 | 11,080 | .6841 |
| 1923 | 18,766 | 12,924 | .6887 |
| 1924 | 21,335 | 14,794 | .6934 |
| 1925 | 24,684 | 17,231 | .6981 |
| 1926 | 27,823 | 19,956 | .7172 |
| 1927 | 31,042 | 22,491 | .7245 |
| 1928 | 34,319 | 24,958 | .7272 |
| 1929 | 36,851 | 27,001 | .7327 |
| 1930 | 37,726 | 27,649 | .7329 |
| 1931 | 36,511 | 26,673 | .7305 |
| 1932 | 34,362 | 24,918 | .7252 |
| 1933 | 30,466 | 23,083 | .7577 |
| 1934 | 29,486 | 22,811 | .7736 |

(continued on next page)

TABLE L-1 (continued)
(dollars in millions)

| | Total Nonfarm Mortgage Debt (1) | Total Nonfarm Residential Mortgage Debt (2) | Ratio of Column 2 to Column 1 (3) |
|-------------------|---|---|--|
| 1935 | \$28,415 | \$22,211 | .7817 |
| 1936 | 28,046 | 21,915 | .7814 |
| 1937 | 27,995 | 21,924 | .7831 |
| 1938 | 28,218 | 22,046 | .7813 |
| 1939 | 28,930 | 22,740 | .7868 |
| 1940 | 29,986 | 23,810 | .7940 |
| 1941 | 31,250 | 24,875 | .7960 |
| 1942 | 30,771 | 24,667 | .8016 |
| 1943 | 29,906 | 24,056 | .8044 |
| 1944 | 29,744 | 24,000 | .8069 |
| 1945 | 30,792 | 24,643 | .8003 |
| 1946 | 36,879 | 29,459 | .7988 |
| 1947 | 43,853 | 35,061 | .7995 |
| 1948 | 50,904 | 40,861 | .8027 |
| 1949 | 57,077 | 45,896 | .8041 |
| 1950 | 66,733 | 54,362 | .8146 |
| 1951 | 75,555 | 62,026 | .8209 |
| 1952 ^p | 83,740 | 69,121 | .8254 |

^p Preliminary.

Column

Source

- 1 The total nonfarm mortgage debt series is taken from Raymond W. Goldsmith, *A Study of Saving in the United States*, Princeton University Press, 1955, Vol. I, Tables R-34 and R-35, with the exceptions noted below. Goldsmith's work should therefore be consulted for the details of the derivation. Only a general summary is given here.
- 1890: From *Census of the United States, 1890, Real Estate Mortgages*, Bureau of the Census. The total represents mortgages on lots, assumed to be equivalent to nonfarm real estate. Railroad and public utility mortgage indebtedness was excluded. The census obtained the essential data from mortgage recordings in public registers. In order to adjust to an outstanding balance basis, the Census Bureau conducted surveys in a number of sample counties, which involved personal interviews, and mailed questionnaires to mortgagors and mortgagees to determine the average ratio of repayments and the average duration of loans. Goldsmith's downward revision of this estimate by 10 per cent does not seem warranted and has not been followed. The annual values between 1890 and 1912, which are derived by interpolation, will therefore differ from Goldsmith's series for the same period.
- 1916-1928: From *Survey of Current Business*, Dept. of Commerce, September 1946. Goldsmith's series, however, reflects a later, but not the latest, revision of the one- to four-family mortgage series and hence differs from the Commerce Department series. For the period 1916-1928, furthermore, Goldsmith stepped up the Commerce series to allow for mortgage debt of corporate borrowers, which Commerce reports separately.
- (notes continued on next page)

Notes to Table L-1 (continued)

| Column | Source |
|--------|--|
| | <p>rately only for years since 1929. The 1912 estimate is taken as a ratio to the adjusted 1922 Commerce estimate. The ratio is derived from the 1912 and 1922 estimates of nonfarm mortgage debt given by Donald Horton in <i>Long-Term Debts in the United States</i> (Dept. of Commerce, 1937). The 1913-1915 estimates are interpolated between 1912 and 1916 with reference to the movements in Kuvin's series for those years (see Leonard Kuvin, <i>Private Long-Term Debt and Interest in the United States</i>, National Industrial Conference Board, 1936, p. 36). 1929-1952: From <i>Survey of Current Business</i>, Dept. of Commerce, September 1953, p. 18.</p> |
| 2 | <p>1890-1920: Based on Goldsmith's residential mortgage debt estimates for 1890 and 1920 (<i>op. cit.</i>, Vol. I, Table R-40), corrected, however, for the double-counting error discussed earlier in this appendix. The annual estimates between 1890 and 1920 are derived, following Goldsmith's procedure, by interpolating the ratios of nonfarm residential to total nonfarm mortgage debt between the ratios derived for the two benchmark years. The differences in the bench-mark estimates between the values presented here and those given by Goldsmith produce differences, of course, in the interpolated values. 1921-1924: Estimates taken directly from Goldsmith, <i>op. cit.</i>, Vol. I, Table R-34. They were derived by interpolation between the 1920 estimate and the 1925 estimate. The latter estimate, except for mortgages on multi-family dwellings, is based on the Federal Home Loan Bank Board series, which starts in 1925. 1925-1952: The sum of columns 1 and 2 in Table L-4.</p> |

TABLE L-2
Total Real Estate Bonds and Residential
Real Estate Bonds Outstanding, 1890-1952
(millions of dollars)

| | Total (1) | Residential (2) | | Total (1) | Residential (2) |
|------|--------------|--------------------|------|--------------|--------------------|
| 1890 | .. | .. | 1924 | 1,800 | 720 |
| 1896 | 15 | .. | 1925 | 2,905 | 1,162 |
| 1897 | 20 | .. | 1926 | 3,861 | 1,544 |
| 1898 | 25 | .. | 1927 | 4,668 | 1,867 |
| 1899 | 30 | .. | 1928 | 5,699 | 2,280 |
| 1900 | 35 | .. | 1929 | 6,098 | 2,439 |
| 1901 | 40 | .. | 1930 | 6,318 | 2,527 |
| 1902 | 45 | .. | 1931 | 6,500 | 2,600 |
| 1903 | 50 | .. | 1932 | 6,300 | 2,520 |
| 1904 | 55 | .. | 1933 | 5,952 | 2,381 |
| 1905 | 60 | .. | 1934 | 5,000 | 2,000 |
| 1906 | 65 | .. | 1935 | 4,200 | 1,680 |
| 1907 | 70 | .. | 1936 | 3,800 | 1,520 |
| 1908 | 80 | .. | 1937 | 3,400 | 1,360 |
| 1909 | 90 | .. | 1938 | 3,200 | 1,280 |
| 1910 | 100 | 40 | 1939 | 3,000 | 1,200 |
| 1911 | 115 | 46 | 1940 | 2,800 | 1,120 |
| 1912 | 130 | 52 | 1941 | 2,600 | 1,040 |
| 1913 | 150 | 60 | 1942 | 2,450 | 980 |
| 1914 | 190 | 76 | 1943 | 2,250 | 900 |
| 1915 | 230 | 92 | 1944 | 2,050 | 820 |
| 1916 | 270 | 108 | 1945 | 1,850 | 740 |
| 1917 | 320 | 128 | 1946 | 1,700 | 680 |
| 1918 | 370 | 148 | 1947 | 1,600 | 640 |
| 1919 | 472 | 189 | 1948 | 1,500 | 600 |
| 1920 | 584 | 234 | 1949 | 1,400 | 560 |
| 1921 | 640 | 256 | 1950 | 1,300 | 520 |
| 1922 | 903 | 361 | 1951 | 1,200 | 480 |
| 1923 | 1,306 | 522 | 1952 | 1,100 | 440 |

Column

Source

- 1 The estimates of real estate bonds outstanding are taken directly from Raymond W. Goldsmith, *A Study of Saving in the United States*, Princeton University Press, 1955, Vol. I, Table R-41. The data upon which the series is based are quite fragmentary and represent orders of magnitude rather than precise totals, but the importance of real estate bond issues, particularly during the twenties, makes inclusion of the series necessary. The series of total bonds outstanding was constructed by Goldsmith with extensive recourse to extrapolation for the pre-1913 and post-1934 periods, and interpolations for the 1914-1919 period. Furthermore, Goldsmith found it necessary to adjust the basic 1920-1934 data in order to link the estimates of different investigators. The 1950-1952 estimates were added to the series by extending Goldsmith's 1946-1949 extrapolation.
- 2 The estimates are those by Goldsmith (*ibid.*, Vol. I, Table R-43). The residential component of outstanding real estate bonds is taken as 40 per cent throughout the period. The extension to 1952 was made by applying the same ratio. For the period before 1910 it was assumed that there were no residential real estate bonds outstanding.

TABLE L-3
 Total Nonfarm Mortgage Debt and Total Nonfarm Residential
 Mortgage Debt, Including Real Estate Bonds, 1890-1952
 (dollars in millions)

| | <i>Total Nonfarm Mortgage Debt (1)</i> | <i>Total Nonfarm Residential Mortgage Debt (2)</i> | <i>Ratio of Column 2 to Column 1 (3)</i> |
|------|--|--|--|
| 1890 | \$ 3,811 | \$ 2,292 | .6014 |
| 1896 | 4,415 | 2,711 | .6140 |
| 1897 | 4,459 | 2,746 | .6158 |
| 1898 | 4,508 | 2,783 | .6173 |
| 1899 | 4,577 | 2,835 | .6194 |
| 1900 | 4,696 | 2,917 | .6211 |
| 1901 | 4,833 | 3,011 | .6230 |
| 1902 | 4,963 | 3,102 | .6250 |
| 1903 | 5,095 | 3,194 | .6268 |
| 1904 | 5,311 | 3,341 | .6290 |
| 1905 | 5,577 | 3,520 | .6311 |
| 1906 | 5,804 | 3,676 | .6333 |
| 1907 | 5,973 | 3,795 | .6353 |
| 1908 | 6,197 | 3,948 | .6370 |
| 1909 | 6,524 | 4,168 | .6388 |
| 1910 | 6,906 | 4,466 | .6466 |
| 1911 | 7,230 | 4,690 | .6486 |
| 1912 | 7,581 | 4,933 | .6507 |
| 1913 | 8,253 | 5,389 | .6529 |
| 1914 | 8,862 | 5,800 | .6544 |
| 1915 | 9,305 | 6,104 | .6559 |
| 1916 | 9,876 | 6,495 | .6576 |
| 1917 | 10,932 | 7,210 | .6595 |
| 1918 | 11,428 | 7,555 | .6610 |
| 1919 | 12,089 | 7,998 | .6615 |
| 1920 | 14,100 | 9,354 | .6634 |
| 1921 | 15,384 | 10,273 | .6678 |
| 1922 | 17,100 | 11,441 | .6691 |
| 1923 | 20,072 | 13,446 | .6699 |
| 1924 | 23,135 | 15,514 | .6706 |
| 1925 | 27,589 | 18,393 | .6667 |
| 1926 | 31,684 | 21,500 | .6786 |
| 1927 | 35,710 | 24,358 | .6821 |
| 1928 | 40,018 | 27,238 | .6806 |
| 1929 | 42,949 | 29,440 | .6855 |
| 1930 | 44,044 | 30,176 | .6851 |
| 1931 | 43,011 | 29,293 | .6811 |
| 1932 | 40,662 | 27,438 | .6748 |
| 1933 | 36,418 | 25,464 | .6992 |
| 1934 | 34,486 | 24,811 | .7195 |

(continued on next page)

TABLE L-3 (continued)
(dollars in millions)

| | <i>Total Nonfarm Mortgage Debt (1)</i> | <i>Total Nonfarm Residential Mortgage Debt (2)</i> | <i>Ratio of Column 2 to Column 1 (3)</i> |
|------|--|--|--|
| 1935 | \$32,615 | \$23,891 | .7325 |
| 1936 | 31,846 | 23,435 | .7359 |
| 1937 | 31,395 | 23,284 | .7416 |
| 1938 | 31,418 | 23,326 | .7424 |
| 1939 | 31,903 | 23,940 | .7504 |
| 1940 | 32,786 | 24,930 | .7604 |
| 1941 | 33,850 | 25,915 | .7656 |
| 1942 | 33,221 | 25,647 | .7720 |
| 1943 | 32,156 | 24,956 | .7761 |
| 1944 | 31,794 | 24,820 | .7807 |
| 1945 | 32,642 | 25,383 | .7776 |
| 1946 | 38,579 | 30,139 | .7812 |
| 1947 | 45,453 | 35,701 | .7854 |
| 1948 | 52,404 | 41,461 | .7912 |
| 1949 | 58,477 | 46,456 | .7944 |
| 1950 | 68,033 | 54,882 | .8067 |
| 1951 | 76,755 | 62,506 | .8144 |
| 1952 | 84,840 | 69,561 | .8199 |

| Column | Source |
|--------|--|
| 1 | Sum of column 1, Table L-1, and column 1, Table L-2. |
| 2 | Sum of column 2, Table L-1, and column 2, Table L-2. |

TABLE L-4
 Nonfarm Residential Mortgage Debt on One- to Four-Family Homes
 and on Multi-family Dwellings, 1925-1952
 (millions of dollars)

| | <i>1- to 4- Family (1)</i> | <i>Multi- family (2)</i> | | <i>1- to 4- Family (1)</i> | <i>Multi- family (2)</i> |
|------|------------------------------------|----------------------------------|-------------------|------------------------------------|----------------------------------|
| 1925 | 12,984 | 4,247 | 1940 | 17,346 | 6,464 |
| 1926 | 14,809 | 5,147 | 1941 | 18,358 | 6,517 |
| 1927 | 16,433 | 6,058 | 1942 | 18,226 | 6,441 |
| 1928 | 17,904 | 7,054 | 1943 | 17,835 | 6,221 |
| 1929 | 18,912 | 8,089 | 1944 | 17,947 | 6,053 |
| 1930 | 18,891 | 8,758 | 1945 | 18,543 | 6,100 |
| 1931 | 18,104 | 8,569 | 1946 | 23,059 | 6,400 |
| 1932 | 16,655 | 8,263 | 1947 | 28,161 | 6,900 |
| 1933 | 15,352 | 7,731 | 1948 | 33,261 | 7,600 |
| 1934 | 15,630 | 7,181 | 1949 | 37,496 | 8,400 |
| 1935 | 15,437 | 6,774 | 1950 | 45,072 | 9,290 |
| 1936 | 15,385 | 6,530 | 1951 | 51,872 | 10,154 |
| 1937 | 15,518 | 6,406 | 1952 ^p | 58,155 | 10,966 |
| 1938 | 15,765 | 6,281 | | | |
| 1939 | 16,337 | 6,403 | | | |

^p Preliminary.

Column

Source

- 1 The series is taken from *Estimated Home Mortgage Debt and Financing Activity*, Federal Home Loan Bank Board, 1952.
- 2 1925-1928: From Raymond W. Goldsmith, *A Study of Saving in the United States*, Princeton University Press, 1955, Vol. I, Table R-34. Goldsmith estimated the values for these years by extrapolation of the 1929 ratio of multi-family mortgage debt to total nonfarm residential mortgage debt. The extrapolation was guided by the share of multi-family construction in total new residential construction for these years.
 1929-1943: From *Survey of Current Business*, Dept. of Commerce, September 1946, p. 17. These data are based on an older estimate of debt on one- to four-family houses.
 1944-1949: From Goldsmith, *op. cit.*, Vol. I, Table R-35. These are rough estimates based on construction expenditures for multi-family dwellings.
 1950-1952: Estimates were obtained by extrapolating the 1949 estimate by the percentage increase from 1949 to 1952 in the Commerce series of mortgages on multi-family and commercial real estate (see *Survey of Current Business*, September 1953, p. 18).

TABLE L-5
Share of Total Nonfarm Mortgage Debt, Total Nonfarm Residential Mortgage Debt,
and Total Nonfarm Nonresidential Mortgage Debt
in Net Private Long-Term Debt,
Various Years, 1900-1952
(dollars in billions)

| | Net Private Long-Term Debt (1) | Total Mortgage Debt (2) | Total Residential Debt (3) | Nonresidential Debt (4) | Share of Total Mortgage Debt (5) | Share of Total Residential Debt (6) | Share of Total Debt (7) |
|------|---|----------------------------------|-------------------------------------|-------------------------------|--|---|----------------------------------|
| 1900 | \$ 18.0 | \$ 4.7 | \$ 2.9 | \$ 1.8 | 26.1% | 16.1% | 10.0% |
| 1916 | 43.3 | 9.6 | 6.4 | 3.2 | 22.1 | 14.8 | 7.4 |
| 1925 | 70.7 | 24.7 | 17.2 | 7.5 | 34.9 | 24.3 | 10.6 |
| 1929 | 88.1 | 36.9 | 27.0 | 9.9 | 41.9 | 30.6 | 11.2 |
| 1934 | 77.7 | 29.5 | 22.8 | 6.7 | 38.0 | 29.3 | 8.6 |
| 1939 | 76.0 | 28.9 | 22.7 | 6.2 | 38.0 | 29.9 | 8.2 |
| 1950 | 125.6 | 66.7 | 54.4 | 12.3 | 53.1 | 43.3 | 9.8 |
| 1952 | 151.8 | 83.7 | 69.1 | 14.6 | 55.1 | 45.5 | 9.6 |

Column

Source

Column

Source

1 1900: From Simon Kuznets, "Factors in the Demand for Capital Funds," mimeographed, National Bureau of Economic Research, Work Memorandum 43, 1952.
1916-1952: From *Survey of Current Business*, Dept. of Commerce, September 1953, p. 14. These data represent the sum of net corporate long-term debt and

farm and nonfarm mortgage debt.

2 From Table L-1, column 1.

3 From Table L-1, column 2.

4 Column 2 minus column 3.

5-7 Ratios of columns 2, 3, and 4, respectively, to column 1.

TABLE L-6
 Ratio of Nonfarm Residential Mortgage Debt to
 Nonfarm Residential Wealth, 1890-1952
 (current dollars in millions)

| <i>End of Year</i> | <i>Debt (current dollars) (1)</i> | <i>Wealth (current dollars) (2)</i> | <i>Ratio of Debt to Wealth (3)</i> |
|------------------------|---|---|--|
| 1890 ^a | \$ 2,292 | \$ 14,973 | 15.3% |
| 1896 | 2,711 | 18,103 | 15.0 |
| 1897 | 2,746 | 18,387 | 14.9 |
| 1898 | 2,783 | 19,703 | 14.1 |
| 1899 | 2,835 | 21,607 | 13.1 |
| 1900 | 2,917 | 22,936 | 12.7 |
| 1901 | 3,011 | 23,116 | 13.0 |
| 1902 | 3,102 | 24,256 | 12.8 |
| 1903 | 3,194 | 25,494 | 12.5 |
| 1904 | 3,341 | 25,739 | 13.0 |
| 1905 | 3,520 | 28,118 | 12.5 |
| 1906 | 3,676 | 31,971 | 11.5 |
| 1907 | 3,795 | 34,255 | 11.1 |
| 1908 | 3,948 | 33,977 | 11.6 |
| 1909 | 4,168 | 36,369 | 11.5 |
| 1910 | 4,466 | 38,397 | 11.6 |
| 1911 | 4,690 | 38,417 | 12.2 |
| 1912 | 4,933 | 40,063 | 12.3 |
| 1913 | 5,389 | 39,401 | 13.7 |
| 1914 | 5,800 | 40,251 | 14.4 |
| 1915 | 6,104 | 41,986 | 14.5 |
| 1916 | 6,495 | 45,527 | 14.3 |
| 1917 | 7,210 | 52,987 | 13.6 |
| 1918 | 7,555 | 61,972 | 12.2 |
| 1919 | 7,998 | 72,163 | 11.1 |
| 1920 | 9,354 | 92,155 | 10.2 |
| 1921 | 10,273 | 74,791 | 13.7 |
| 1922 | 11,441 | 71,329 | 16.0 |
| 1923 | 13,446 | 83,501 | 16.1 |
| 1924 | 15,514 | 86,633 | 17.9 |
| 1925 | 18,393 | 90,802 | 20.3 |
| 1926 | 21,500 | 95,999 | 22.4 |
| 1927 | 24,358 | 98,639 | 24.7 |
| 1928 | 27,238 | 102,438 | 26.6 |
| 1929 | 29,440 | 108,429 | 27.2 |
| 1930 | 30,176 | 105,430 | 28.6 |
| 1931 | 29,273 | 96,761 | 30.3 |
| 1932 | 27,438 | 80,537 | 34.1 |
| 1933 | 25,464 | 79,100 | 32.2 |
| 1934 | 24,811 | 84,669 | 29.3 |

(continued on next page)

TABLE L-6 (continued)
(current dollars in millions)

| <i>End of Year</i> | <i>Debt (current dollars) (1)</i> | <i>Wealth (current dollars) (2)</i> | <i>Ratio of Debt to Wealth (3)</i> |
|------------------------|---|---|--|
| 1935 | \$23,891 | \$ 81,314 | 29.4% |
| 1936 | 23,435 | 84,770 | 27.6 |
| 1937 | 23,284 | 94,297 | 24.7 |
| 1938 | 23,326 | 96,831 | 24.1 |
| 1939 | 23,940 | 99,264 | 24.1 |
| 1940 | 24,930 | 104,102 | 23.9 |
| 1941 | 25,915 | 113,548 | 22.8 |
| 1942 | 25,647 | 118,922 | 21.6 |
| 1943 | 24,956 | 122,450 | 20.4 |
| 1944 | 24,820 | 130,960 | 19.0 |
| 1945 | 25,838 | 137,348 | 18.8 |
| 1946 | 30,139 | 153,140 | 19.7 |
| 1947 | 35,701 | 188,396 | 18.9 |
| 1948 | 41,461 | 214,358 | 19.3 |
| 1949 | 46,456 | 212,430 | 21.9 |
| 1950 | 54,882 | 233,623 | 23.5 |
| 1951 | 62,506 | 257,833 | 24.2 |
| 1952 | 69,561 | 270,918 | 25.7 |

^a June 1.

| | |
|--------|------------|
| Column | Source |
| 1 | Table L-3. |
| 2 | Table D-1. |