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Appendixes



Appendix I

Basic Statistical Data

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A. INTRODUCTION

The data used in this portion of the report were taken from the flow of funds accounts wherever possible.¹ In three areas, however, we found it necessary to supplement the flow of funds estimates. First, the published accounts contain no data on the value of tangible assets; we incorporated such estimates as were available from the Office of Business Economics and developed our own series for housing and for public sector tangibles. The data are given in Tables IA-1 through IA-7.

Second, there are several financial institutions which are not shown explicitly in the flow of funds accounts; instead they are included in other sectors, particularly in the household sector. In the interest both of measuring more accurately the financial position of true households and of being able to study the behavior of these institutions which are important participants in the securities market, we created time series for them. These estimates are shown in Tables IA-8 through IA-18.

Third, the focus of the Institutional Investors Study on the market for corporate securities made us reexamine the flow of funds estimates of the amounts outstanding of, and transactions in, such securities. In the case of corporate shares, the market value outstanding series in the flow of

¹ Board of Governors of the Federal Reserve System, *Flow of Funds Accounts 1945-1968*, Washington, D.C., 1970.

funds was replaced by that developed in Appendix VI² although the flow of funds net issue series was retained. In the case of corporate bonds, both the stock and the flow series were replaced by series which, although still based on par values, at least have the virtue of allowing households to hold nonnegative amounts of such securities, a characteristic not shared by their predecessors. These data are given in Tables IA-19 through IA-22.

Finally, these new estimates are combined with the flow of funds estimates of financial assets and liabilities to produce the sector balance sheets shown in Tables IB-1 through IB-9 for selected years.³

B. ESTIMATES OF TANGIBLE ASSETS

1. Land

The land estimates used in this appendix are those given in Milgram's Appendix II with a few exceptions. The land of financial corporations was estimated by multiplying the Internal Revenue Service estimates of the book value of land of all financial institutions by the market-to-book ratio developed in Appendix II for "finance, insurance, and real estate." No adjustment was made for unincorporated financial institutions. These tend to be brokerage houses; and the land holdings of the finance, insurance, and real estate aggregate for partnerships and proprietorships are accounted for primarily by the holdings of real estate firms.

The estimated value of farm land used here differs from that reported in Appendix II. Although both estimates were made by subtracting the value of buildings from the U.S. Department of Agriculture's estimate of the value of farm real estate, Appendix II used the USDA's estimates of structures, while we used the estimates described below.

Transactions were measured by first differences in the holdings, since the net purchase data of Appendix II were rather spotty.

2. Reproducible Tangible Assets

All the estimates of depreciable assets reported here were made using the perpetual inventory method. This method involves the computation of a weighted moving sum of annual data on gross investment in the asset in question; the weights are determined by the particular life and depreciation assumptions employed in the calculation. The difference between the gross investment of a given year and the change in the stock

² The value of investment company shares outstanding differs from the estimates of Appendix VI. See sections C1 and D2 below.

³ At the time of writing, publication of full balance sheets for major sectors on a flow of funds basis was planned.

during that year is by definition the depreciation which has occurred. To derive the replacement cost estimates used in this report, the calculation is first made in terms of constant dollars, and then the stock and depreciation estimates are reflated to current year prices.

The gross investment series used for the estimates of the private stock of depreciable assets are in all cases those used in the gross investment component of the income and product accounts produced by the Office of Business Economics at the Department of Commerce. In the case of public sector estimates, the construction data and equipment series were taken from the income and product accounts wherever possible; data are regularly published, although the two government sectors are not credited with capital formation in the OBE's accounts.

a. Private Nonresidential Structures and Equipment. Stocks of plant and equipment for the private sector were obtained from the OBE's Capital Stock Study; the variant used was straight-line depreciation at Bulletin F lives.⁴ This concept was selected both for comparability with the earlier NBER estimates and because there is some presumption that in their own internal decision making, at least, firms use a much less rapid write-off of their plant and equipment than they demand for tax purposes. A theoretically preferable present-value measure of the stock of capital was not available. To calculate such a measure would have necessitated the specification of a discount rate parameter in addition to the life estimate; furthermore, the OBE estimates embodied much more refined adjustments for the retirement distribution and for asset categories than we could have readily duplicated in calculations using the present-value method.

The flow of funds estimates of corporate and noncorporate investment in plant and equipment are obtained from the OBE. Such estimates were also used by Allan Young in his study of depreciation and corporate profits, which yielded stock estimates by legal form as a by-product.⁵ Although the data used in the Young study have not been kept up to date by the OBE, we did attempt to incorporate the statistical revisions necessary to make the components consistent with revised total stock and investment series. These series embodied both ordinary statistical revisions and the adjustments in the estimates of assets transferred between the

⁴ For a recent publication describing the OBE estimates see Robert C. Wasson, John C. Musgrave, and Claudia Harkins, "Alternative Estimates of Fixed Business Capital in the United States," *Survey of Current Business*, April 1970, pp. 18-36.

⁵ The allocation between corporate and noncorporate is based on the study reported by Allan Young in "Alternative Estimates of Corporate Depreciation and Profits: Parts I and II," *Survey of Current Business*, April 1968, pp. 17-28, and May 1968, pp. 16-28.

public and private sectors necessitated by a shift from sales price to original cost valuation.⁶

Ordinary statistical revisions were assumed to keep relative shares the same as they were in the Young study. The valuation adjustment for assets transferred between public and private ownership was assumed to be 95 per cent corporate for manufacturing equipment and structures, 90 percent corporate for nonmanufacturing equipment, and 100 percent corporate for nonmanufacturing structures.

Institutional structures were defined to be OBE's "institutional structures" plus one-third of the estimated stock of (or investment in) "social and recreational structures." Institutional investment in equipment was estimated residually by subtracting the construction estimates from the flow of funds series on "nonprofit plant and equipment" expenditures; it was assumed to account for a share in the stock of "nonfarm noncorporate manufacturing equipment" (as well as in the depreciation on that stock) equal to its share in the comparable gross investment estimates.

Estimates for farm nonresidential structures and equipment were taken directly from the OBE. Nonfarm noncorporate plant and equipment were the residuals after subtracting corporate farm and institutional plant and equipment from the total privately owned, incorporating the valuation adjustment on assets transferred from public to private ownership.

The subdivision of corporate investment into its financial corporate and nonfinancial corporate subsectors was largely a judgmental procedure. We assumed that in 1948 the investment of financial corporations was split equally between structures and equipment, and that the share allocated to structures steadily increased during the subsequent years, accounting for 55 percent of the total in 1952 and 72 percent of the total by 1968. (This assumption was based largely on the observed rapid growth in investment in structures by life insurance companies.) The annual percentages were then applied to the flow of funds estimates of financial corporate investment in plant and equipment, to obtain the structures and equipment components separately. Nonfinancial corporate investment in structures and equipment are the residuals. These were then depreciated at rates of 2 percent for structures and 8.3 percent for equipment, assuming a 50-year life for structures and a 12-year life for equipment.

b. Private Residual Structures. The basic investment series are again taken from the national income and product accounts as given in the flow of

⁶ See Wasson, Musgrave, and Harkins, *op. cit.*, for a discussion of these valuation methods.

funds accounts. Since OBE estimates of the stock of housing were not available at the time at which this report was written, the investment series were depreciated exponentially in order to estimate the net stocks and associated depreciation series.

For 1-4 family nonfarm housing a depreciation rate of 2.0 percent was used; for multifamily housing a rate of 2.4 percent was employed, and for farm housing a depreciation rate of 1 percent was applied. Initial stocks for the end of 1949 were selected from the estimates developed in earlier work by one of the authors.⁷ The criterion used in selecting the initial stock and the depreciation rate were first, the consistency with the results of the 1950 Census of Housing, and second, whether its computational assumptions in combination with the gross investment series described above yielded housing stocks consistent with the 1960 Census of Housing.⁸

The stock of multifamily dwellings by sector was based on the flow of funds allocation of such investment between corporate and noncorporate purchasers. The 1949 stock was allocated between the two sectors in the same proportion as in an earlier NBER study.⁹

c. Public Sector Structures

(1) *Introduction.* In order to arrive at a total stock figure for public structures by means of a perpetual inventory computation, we need an expenditure estimate and a price index for each year as far back as required by the service life assumption. Our two major categories are federal construction and state and local construction. Each of these is divided into several subcategories, which are listed below.

<i>Federal</i>	<i>State and Local</i>
Residential	Residential
Nonresidential	Nonresidential

⁷ H. S. Tice, "Depreciation, Obsolescence and the Measurement of the Aggregate Capital Stock of the United States," *Review of Income and Wealth*, June 1967, pp. 119-54.

⁸ The application of this test is made more complicated by the fact that the Census estimates measure the value of "real estate," and there exists little evidence on how these estimates should be divided between land and structures. Unfortunately we have no independent estimates of the value of residential land. In Appendix II the land underlying multifamily dwellings is included in the IRS-based estimates of the land holdings of business firms; the value of the land underlying 1-4 family structures was derived as a fraction of the value of those structures. The OBE has completed estimates of the housing stock since this report was written. See Allan H. Young, John C. Musgrave, and Claudia Harkins, "Residential Capital in the United States, 1925-70," *Survey of Current Business*, November 1971, pp. 16-27.

⁹ R. W. Goldsmith and R. E. Lipsey, *Studies in the National Balance Sheet*, Princeton, Princeton University Press for NBER, 1963, Vol. I, p. 260.

<i>Federal (cont.)</i>	<i>State and Local (cont.)</i>
Highway	Highway
Conservation and development	Conservation and development
Military	Public service enterprises
Other	Sewer and water
	Other

The state and local government expenditures include federally aided expenditures. All calculations assume declining balance depreciation. The average service life assumptions are: 50 years for federal civilian and state and local residential structures; 50 years for nonresidential buildings; 30 years for highways; 80 years for conservation and development; 50 years for other federal nonresidential structures; 67 years for sewer and water systems; 50 years for public service enterprises; and 50 years for other state and local nonresidential structures.

(2) *Estimates for 1946-68.* Data on both federal and state and local government expenditures on structures during this time period were taken from unpublished Commerce Department data. There were only two departures from the OBE worksheets. Federal nonresidential expenditures in our system were a combination of their "nonresidential" and "industrial" expenditures. Also, the average of the price indexes of these two categories gave the price index used in our calculations for the overall category, nonresidential.

For state and local governments, between 1963 and 1968, the separation of "other," "sewer and water systems," and "public service enterprises" disappears. In order to compute the stocks, we had to have separate expenditure figures for these years. These were obtained by totaling the three categories for each year over the previous five-year period, and computing the percent share of each in the total. The percentages remained reasonably consistent (within 5 percentage points over this time period), so we extrapolated forward, using the mean percent of the 1958-63 total for each category, i.e.,

	<i>Percent</i>
Sewer and water systems	9.2
Public service enterprises	67.2
Other	23.6

(3) *Estimates for 1915-46.* All figures for expenditures were taken from *Construction Volume and Costs, 1915-1956* (page 10), a statistical supplement to *Construction Review*, by the departments of Commerce and Labor.

The price indexes for this period were derived in two different ways for different time periods: 1915–28 and 1929–46. In the later period, indexes were taken from a supplement to the *Survey of Current Business*, "The National Income and Product Accounts of the U.S., 1929–1965, Statistical Tables," pages 164–65. Indexes in this period are the same for both federal and state and local expenditures.

The indexes for the period from 1915 to 1929 are derived from the above indexes with 1929 as the base year. In R. W. Goldsmith, *A Study of Saving in the United States*, Vol. I, Table R-20, pages 608–609,¹⁰ there are several categories of indexes with base year 1929 = 100. The categories are not as specific as our expenditure data call for, but since they are all that is available, we used the category which was the closest approximation to that needed. We took the 1929 figures from the OBE, and extrapolated backward, basing our work on Goldsmith's indexes in the following way, where the numbers in parentheses refer to columns in Goldsmith, *A Study of Saving*, Table R-20 and the weights are the price indexes for each category in 1929 with the base year equal to 1958. The formula we used is: $X_{1958} = \text{Goldsmith index}_{1929} \times \text{index for } 1929_{1958}$:

<i>Federal</i>		<i>State and Local</i>	
Residential	(4) × .592	Residential	(4) × .592
Nonresidential	(3) × .343	Nonresidential	(3) × .343
Highway	(6) × .475	Highway	(6) × .475
Conservation and develop- ment	(3) × .402	Conservation and develop- ment	(3) × .402
Military	(7) × .380	Sewer and water	(8) × .403
Other	(8) × .342	Public service	(8) × .403
Total	(8) × .413	Other	(8) × .342
		Total	(8) × .413

The price indexes for 1915 to 1946 are virtually the same for both federal and state and local.

(4) *Estimates for 1893–1915.* (a) Federal. Figures for these early years were taken from the Census Bureau publication, *Historical Statistics of the United States—1789–1945*, Table H: 27–32, page 169. The only available categories that correspond to the categories we used for later years were:

	<i>Column</i>
Total federal	27
Nonresidential	30
Conservation and development	29
Military	28

¹⁰ Three vols., Princeton, Princeton University Press, 1955–56.

The figures for the overlapping years (i.e., 1915 to 1919) show that the categories are not exactly the same but are close enough to be usable.

The price indexes for these early years were derived from the Goldsmith indexes in the same way as the later figures, described above.

(b) State and local. For state and local expenditures on structures, the only available data were for total expenditures. This "total" number was computed from Goldsmith's *A Study of Saving in the United States*, Vol. I, as the sum of columns (2) and (6), Table G-6, page 1,053, and column (3), Table G-15, page 1,067.

(5) *Federally Aided State and Local Construction Expenditures, 1915-66*. From 1915 to 1956, the expenditure figures come from *Construction Volume and Costs, 1915-1956*, a statistical supplement to *Construction Review*, by the departments of Commerce and Labor.

For 1957-66, expenditure figures are not available by category. There is only a total federal aid figure for each year. We allocated this total among the components on the basis of the 1956 figures that were available from *Construction Review* (see above), using the following proportions: Public service enterprises, 0.014; highways, 0.860; nonresidential, 0.124; and sewer and water systems, 0.002.

The same price indexes were used for the federal aid category as were used for state and local government expenditures.

d. *Public Sector Equipment*. Equipment stock figures were derived in the way described above for structures. The perpetual inventory method for computing net stocks and depreciation was applied to the investment series. Exponential or declining balance depreciation and a 12-year average life are assumed for all categories.

(1) *Federal Government*. The federal equipment sector is broken down into "civilian" and "military." The military investment series for the early years from 1929 to 1946 come from R. W. Goldsmith, *National Wealth of the United States in the Postwar Period*, Table B-166, column (4), page 394.¹¹ Data for the later years, 1947-68, come from unpublished data from the OBE. The early civilian series, from 1929 to 1946, comes from Goldsmith's *A Study of Saving in the United States*, Vol. I, Table F-16, column (8), page 1,009. The sum of civilian and military investment figures gives the total of federal government equipment.

(2) *State and Local Government*. State and local expenditures for early years, from 1929 to 1946, come from *A Study of Saving in the United States*, Vol. I, Tables G-6, column (5), page 1,053, and G-15, column (3),

¹¹ Princeton, Princeton University Press for NBER, 1962.

TABLE I-1

Assumptions of Service Life and Depreciation Rates of Consumer Durables

	Service Life Assumptions (years)		Flow of Funds Depreciation Rate
	Goldsmith	Flow of Funds	(percent)
	(1)	(2)	(3)
Jewelry and watches	15	10	.20
Furniture, including mattresses and bedsprings	15	10	.20
Kitchen and other household appliances	12	8	.25
China, glassware, tableware, and utensils	10	8	.25
Other durable house furnishings	10	8	.25
Ophthalmic products and orthopedic appliances	4	4	.50
New cars and net purchases of used cars	15 ^a	8	.25
Tires, tubes, accessories, and parts	5	3.3	.60
Books and maps	6	4.76	.42
Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft	10	8	.25
Radio and television receivers, records, and musical instruments	10	8	.25

SOURCES:

Col. 1. R. W. Goldsmith, *The National Wealth of the United States in the Postwar Period*, Princeton, Princeton University Press for NBER, 1962, Table B-31, p. 252.

Col. 2 and col. 3. Unpublished worksheets of the Flow of Funds and Savings Section, Board of Governors of the Federal Reserve System.

^a Nonlinear depreciation over this life.

page 1,067. Expenditure estimates for 1947–68 are unpublished Commerce Department data.

The total of all equipment, federal and state and local, is available as a control total for equipment. This “total” figure can be found in OBE’s publication, *The National Income and Product Accounts of the United States, 1929–1965*, and in the *Survey of Current Business*, July issues, Table 1.4, line 5.

e. Private Consumer Durables. The gross investment series in both current and constant prices are taken from the OBE’s Tables 2.5 and 2.6, “Personal Consumption Expenditures by Type of Product,” published regularly in the *Survey of Current Business* and in its supplements. Since the

flow of funds considers this to be capital expenditure rather than consumption, depreciation charges must be imputed to the household sector; stock estimates are a by-product of this calculation although they are not published.

The flow of funds estimates differ both in life assumption and in accounting convention from the earlier Goldsmith estimates. The flow of funds uses double declining balance depreciation, while Goldsmith used straight-line depreciation; he also assumed much longer lives than does the flow of funds. The comparisons are summarized in Table I-1. The flow of funds estimates were used (1) since they were readily available, (2) since they have been incorporated into the set of social accounts used elsewhere in the appendix, and (3) since the rates seem somewhat more typical of our present throw-away economy than do Goldsmith's. Estimates in preparation at OBE were not available, even in preliminary form, in time for inclusion here.

f. Inventories

(1) *Private Nonfarm Inventories.* Private nonfarm inventories are from the national income and product accounts. The levels are book values; the flows are the inventory change component of GNP and thus include the inventory valuation adjustment. The nonfinancial corporate and non-corporate business components are presumed to account for the total; no attempt was made to estimate inventory holdings for nonprofit institutions, households, and financial corporations.

(2) *Farm Inventories.* Like the estimates of nonfarm private inventory investment, the change in farm inventories was also obtained from the OBE. Year-end holdings come from the *Balance Sheet of Agriculture*, various issues; this series is the sum of "livestock" and "crops stored on and off farms" less "CCC loans" and "CCC-backed loans" from the flow of funds accounts.

(3) *Federal Government Inventories.* Federal inventory year-end levels are taken, for recent years, from Treasury Department data. The *Treasury Bulletin* contains a quarterly balance sheet for "corporations and certain other business-type activities." The table ending December 31, which usually appears at the end of the April *Bulletin*, was used for each year. From 1956 to 1968, we took the total inventories for all corporations and subtracted from them inventories of the Defense Department, assets of the Panama Canal Corporation being considered civilian. We then added to this figure Commodity Credit Corporation gross "loans receivable—U.S. dollar loans" and the flow of funds figure for CCC-backed loans. This procedure gives total federal inventory levels for each year.

From 1952 to 1955, this computation is made difficult by the fact that the Treasury Department had a different balance sheet and different categories during these years. Prior to 1956, defense assets are not included in the table, and the "total inventory" figure is far lower than the comparable total in the later years. Even with defense inventories eliminated from the total in 1956, the 1955 "total" is half of the 1956 "total." The difference is attributable in part to the fact that General Service Administration and Defense Department inventories are left out in the early years. Since we did not want to include defense inventories, the addition of GSA inventories was all that remained. The largest component of GSA inventories was the category "strategic stockpiles." Goldsmith's estimates of "strategic stockpiles"¹² seem to correspond with GSA "strategic stockpiles" from the Treasury *Bulletin* for the years after 1955, and were therefore deemed adequate. To the sum of "total inventories" and GSA "strategic stockpiles," we then added both sets of CCC loans to give the total federal inventory figure for 1951-55.

Annual flows are measured by changes in this stock so defined.

(4) *State and Local Government Inventories.* No estimates were made of the inventories of state and local governments. Goldsmith's earlier work was based on fragmentary evidence which is now out of date.

C. NEW SECTORS

1. *Investment Companies*

Although the flow of funds accounts include those open-end investment companies which are members of the Investment Company Institute, other investment companies are treated only implicitly, if at all. Their retained earnings are included in the gross saving of the flow of funds investment company sector, since the national income and product accounts do not make a distinction between open-end and closed-end companies.

The estimates presented in this study distinguish between open-end companies and all other registered investment companies. The general procedure employed was first to develop balance sheets for the various types of companies, using the SEC series on total assets as the basis for universe asset holdings, and then to distribute this total among the various asset categories on the basis of sample data. With the exception of common stock, flows were taken to be the difference in balance sheet values of the

¹² R. W. Goldsmith, *The National Wealth of the United States in the Postwar Period*, Princeton, Princeton University Press for NBER, 1962, Table B-175 (6), p. 405.

various assets. For stock, in cases where direct flow estimates were not available, an attempt was made to separate unrealized capital gains from net purchases by means of the Standard and Poor's 500-stock price index. The flows thus derived were used as a first approximation; some of them were later modified to reconcile aggregate information from SEC and national income accounts.

a. Open-End Companies. The Investment Company Institute data form the basis of this sector. In the flow of funds accounts, these ICI members are the only companies included. However, data from the SEC on June 30 assets of active registered open-end companies are somewhat larger than the ICI total. Goldsmith's estimates for those years for which the SEC series is not available indicate the same state of affairs.¹³ Therefore estimates for non-ICI open-end companies were made as follows. For years in which the SEC totals were available, the June 30 ICI asset, were subtracted and the non-ICI residual was moved to a December 31 basis, using the assumption that the June-to-June increase in assets for non-ICI members took place over time in the same pattern as did that of ICI members. For earlier years, Goldsmith's estimates of the end of year total were used to derive the non-ICI total. It was further assumed that these non-ICI mutual funds had the same portfolio composition as did the ICI members, and that their net purchases of stock bore the same relationship to the change in their holdings of stock as did the purchases of ICI members.¹⁴

The balance sheet for all open-end companies appears in Table IA-8; their stock purchases are given in Table IA-22.

b. Other Investment Companies. Separate estimates were made for closed-end companies, face-amount companies, and unit trusts.

Estimates of total assets for closed-end companies were derived by linking the Goldsmith series¹⁵ on total assets to the SEC total asset series whose June 30 observations had been put on an end-of-year basis by interpolation. From this total were subtracted the assets of Christiana Securities and, for the two years in which they existed, the assets of dual-purpose funds.¹⁶ This residual estimate of the assets of closed-end companies other than Christiana and of the dual-purpose funds was distributed among the various classes of assets on the basis of portfolio composition

¹³ Goldsmith and Lipsey, *op. cit.*, Vol. II, pp. 168-69.

¹⁴ In the case of portfolio composition and change, the flow of funds breakdowns of the ICI data were used.

¹⁵ Goldsmith and Lipsey, *op. cit.*, pp. 170-71.

¹⁶ These companies were first formed in 1967.

data obtained from a sample of 30 companies;¹⁷ to these estimates were added the assets of Christiana and of the dual-purpose funds. With the exception of stock, net purchases of all assets were taken to be equal to the observed change in the balance sheet over the period; in the case of stock, this change was adjusted to allow for appreciation as measured by the Standard and Poor's 500-stock price index. Stock transactions for Christiana were taken directly from company statistics.

Face-amount companies are dominated by Investors Diversified Services (IDS) and Investors Syndicate of America (ISA). Therefore, the estimates for this group consist of Moody's reports on these two companies blown up slightly to allow for the remaining 5 percent of the assets held by other companies. The flows were derived in the way described above.

In order to estimate the assets of unit trusts, a total asset figure was derived from the SEC June 30 observations. Since the SEC *Annual Report* contains estimates of the fraction of these assets which represent shares in other investment companies, these assets were consolidated out of this sector. The remaining assets were assumed to be either tax-exempt bonds or common stock; a brief survey of the various unit trusts represented in Moody's *Bank and Finance Manual* indicates that these companies exist for the accumulation of mutual fund shares, for the accumulation of specific stock, and for the purchase of tax-exempt securities. Estimates of the net issues of, and security purchases by, tax-exempt bond funds were obtained from the SEC; assets which were neither municipals nor investment company shares were assumed to represent common stock. Net purchases of the latter were estimated as described above for closed-end companies.

Liabilities and share values and issues were estimated in several ways. Open-end companies have only short-term liabilities, and in the ICI data these are netted against cash; the value of mutual fund shares is thus equal to the net asset value of the fund. Closed-end company shares typically trade at a discount (or premium) relative to net asset value. Unit trusts distribute portions of the trust corpus as well as paying out the earnings; the redemption value of units can also vary with the market value of the securities. Prices of shares in IDS and ISA also seem to be less than assets per share. This suggests that in deriving an estimate of the market value of the shares of investment companies other than mutual funds, some write-down of their assets should be made.

¹⁷ The data for the sample and for dual-purpose funds were taken from Moody's *Bank and Finance Manual* and from Arthur Weisenberger Co., *Investment Companies*, various issues. Information about Christiana came from Moody's.

The debt of non-open-end companies was taken from Moody's reports on IDS, ISA, and "Closed End Companies with Senior Capital." Total share issues are the SEC's series on net issues of investment company shares; the breakdown by type of company was supplied by the SEC.

The balance sheet for the aggregate of these three investment company sectors is given in Table IA-9; stock purchases for this aggregation appear in Table IA-22.

2. *Bank-Administered Personal Trusts and Estates*

a. Introduction. The estimates discussed here refer to the amount and composition of the assets held in personal trusts or in estates under bank management. Banks manage other types of accounts, and in fact, these other accounts constitute the more important portion of their business. Data exist on the activities of trust departments as a whole, however, for only a small portion of the period under discussion. The assets of those employee benefit accounts which are bank-managed are presumably covered in the statistics on noninsured pension funds, and the bank has somewhat less freedom in decision-making for agency than for trust accounts.¹⁸

For the period for which data on activities of the entire department exists, some rough estimates were made of the holdings of employee benefit trusts and of agency accounts. These estimates were used as checks on the reasonableness of the estimates of personal trusts and estates. No attempt was made to derive a time series covering the entire portfolio under bank management.

In section b which follows we discuss the sources of information available at the time the estimates were made. Section c contains a description of the estimating procedure used in the two periods into which the nature of the source material available divides the estimates. In this section data are presented on common trust funds, the only component of personal trusts and estates for which a continuous time series is available for a long period of time.

b. The Nature of the Data. With the exception of the early Federal Reserve surveys of common trust funds, the only observations available are of holdings at a point in time; there are no turnover data other than those for common trust funds from 1954 through 1962. Even the balance

¹⁸ On the basis of the IRS tabulations of the 1962 fiduciary income tax returns, banks account for only about one-half of the personal trust and estate business. See Internal Revenue Service, *Statistics of Income—1962, Fiduciary, Gift, and Estate Tax Returns*, Washington, D.C., 1965; and *ibid.*, 1965, Washington, D.C., 1967.

sheet data which do exist cannot be put together in a satisfactory way to construct a time series; for they cover a different set of institutions, they cover a different set of accounts within these institutions, and the date of the observations varies from year to year. The available material is as follows:

1. American Bankers Association's Surveys of Personal Trusts.¹⁹ These contain the value of assets on June 30, for the years 1958, 1959, 1960, and 1963. They cover only personal trusts, whereas estates are commingled with the personal trusts in subsequent bodies of data. Furthermore, the sample used in these surveys has been questioned by some researchers.

2. Comptroller of the Currency's Reports of the Trust Assets of National Banks. These surveys, which include all types of accounts, cover the period 1963 through 1968, although portfolio detail by type of account is available for only the last three years of the period. Some estimates of the assets managed by state-chartered banks were made, but they are highly aggregative and impressionistic. These estimates apply to the end of calendar years; some effort was made to adjust the data for valuation date discrepancies.²⁰

3. The Patman Report, "Commercial Banks and their Trust Departments." This report provides, for the first time, estimates of the assets managed by the entire trust department for all banks as of the end of 1967. The questionnaire, however, contained too little detail by asset group, by account category, and by a cross classification in these two dimensions to be useful for anything more than a broad check on the estimates derived by other means.²¹

¹⁹ American Bankers Association, Trust Division, "National Survey of Personal Trust Accounts," New York, 1959, 1960, 1961, 1965, mimeographed.

²⁰ The results of these surveys were published in a series of articles in the *National Banking Review* and in a recent paper by Hanczaryk. For further information the reader should consult Stanley Silverberg, "Bank Trust Investments: Their Size and Significance," *National Banking Review*, June 1964; "Growth and Performance of Common Trust Funds in 1964," *ibid.*, June 1965; "Bank Trust Investments in 1964," *ibid.*, June 1965; and "Bank Trust Investments in 1965," *ibid.*, June 1966. There are some additional papers by Edwin W. Hanczaryk: "Growth and Performance of Common Trust Funds in 1966," *ibid.*, June 1967; and *Bank Trusts: Investments and Performance*, Department of Banking and Economic Research, Office of the Comptroller of the Currency, Washington, D.C., 1970, mimeographed. Mr. Hanczaryk was kind enough to provide us with a copy of the last of these manuscripts before its publication.

²¹ U.S. Congress, House Committee on Banking and Currency, *Commercial Banks and Their Trust Activities: Emerging Influence on the American Economy*, 90th Cong., 2nd sess., Washington, D.C., July 1968.

4. Trust Assets of Insured Commercial Banks. This survey, conducted by the three bank regulatory agencies, gives universe estimates for all banks as of the end of 1968, cross-classified by asset and by type of account. The portfolio breakdown, while not very detailed, is much less aggregated than that provided by the Patman report.²²

5. The Goldsmith estimates reported in Volume II of *Studies in the National Balance Sheet*, consist of a merger of the ABA surveys available at the time and the earlier estimates of R. W. Goldsmith and Eli Shapiro, "An Estimate of Bank Administered Personal Trust Funds," *Journal of Finance*, March 1959. These figures again may be presumed to cover only personal trusts, with no allowance for estates, agency accounts, or employee benefit accounts.

6. Common Trust Funds have been surveyed both by the Federal Reserve and by the Comptroller of the Currency. Although they account for only a small portion of the assets held in personal trusts and estates, time series of balance sheets and of transactions data for these funds from 1954 to 1968 do exist. Some performance data are also available.²³

7. Fiduciary Income Tax Returns. These triennially tabulated returns give some information on property income by type, on expenses, and the like. There is also information on the fraction of fiduciary income accounted for by estates as opposed to trust accounts, and for 1962 it is possible to ascertain the fraction of fiduciary income accruing on the property managed by banks.

c. Estimating Procedure: Balance Sheets. From the discussion thus far, it is clear that we have two periods with entirely different data sets and capabilities. From 1963 on we have a fair amount of information about the assets managed by national banks; we even have some ideas about the variations in portfolio composition as a function of account type. Given the universe estimates for 1968 and to a limited extent for 1967, it is possible to derive estimates of the portfolios of all bank trust departments by type of account for these years.

Since the longest real time series of annual observations is the series on national banks which has resulted from the surveys of the Comptroller of the Currency, the procedure adopted was first to fill in the missing

²² Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, *Trust Assets of Insured Commercial Banks-1968*, Washington, D.C., October 1969. This survey has been continued on an annual basis.

²³ The estimates appear in the Silverberg and Hanczaryk articles cited previously for 1963-68. Estimates for earlier years are found in articles with the general title, "Survey of Common Trust Funds," which appeared in the *Federal Reserve Bulletin* of June 1957, May 1958, May 1959, May 1960, May 1961, May 1962, and June 1963.

cells on asset types by type of account for the years 1963–65. These figures were then expanded to a total for all banks on the basis of the relationships between state and national banks from the 1968 survey, the Patman study, and some of Silverberg's early estimates.

(1) *National Banks, 1963–68.* Available data from 1966 to 1968 frequently take the form of portfolio percentages; late and incomplete responses frequently led to the reporting of total assets in dollars and a percentage distribution of the portfolio which was observed. Since these portfolio coefficients are somewhat easier to interpret than are dollar amounts of assets, these coefficients were estimated directly. The only time series of portfolio coefficients for the entire period is that for all trust accounts, covering both personal and employee benefit accounts. The total value of assets for all types of accounts is also known for the entire period. The task is then to estimate a set of account coefficients such that when they are summed over all types of accounts, the results will not conflict with the portfolio composition given for the entire department.

One might first assume that these coefficients are the same for all accounts and thus use the department portfolio as the model for both personal trusts and estates and for employee benefit accounts. The evidence available for 1966–68, however, indicates that this assumption is not likely to be true. One might also assume that the coefficients for a particular type of account are constant or move in some simple or regular way over time. Again evidence suggests that this is not a very reliable assumption, and these ratios seem far from predictable on the basis of the brief bit of history we have at our disposal. Finally, we can look for some consistency in an accounts' share in the department's holding of a particular asset. These ratios did in fact prove stable, and this extrapolation was used to produce initial estimates of these account-specific coefficients.

This method in effect assumes that overall investment policy is set for the department, and that the managers of specific classes of accounts attempt to maintain some relative share of total departmental holdings of the asset in question. Any further adjustments in these portfolio coefficients were made in order to meet the accounting constraints in ways which were most consistent with external evidence and with notions of reasonable portfolio policy dictated by the subsequent development of the accounts involved. In particular, employee benefit trusts were adjusted on the basis of some relationships observed between employee benefit trusts and existing data on private noninsured pension funds, which are largely managed by banks. These considerations constrained the estimates

for personal trusts and estates sufficiently to permit making the final estimates for national bank portfolio coefficients shown in Table IA-10.

(2) *All Bank Estimates, 1963-68.* Currently (1970), the only detailed portfolio estimates by type of account are for 1968. The Patman data for 1967 are too aggregated to be of much use in the particular task of estimating the portfolio composition of personal trusts and estates. The early Silverberg estimates relied a bit too heavily on inferences from the portfolios of private noninsured pension funds. For those years, data on portfolio composition by account type are not available even for national banks. We have decided, by default, to accept the time series from these sources on the total assets under management by type of account for all insured banks; but, with the exception of 1968, the earlier estimates of the portfolio composition of these totals were used as checks on our results rather than taken as given. Final estimates were obtained by stepping up the national bank portfolio coefficients by factors derived as the 1968 ratios of all bank to national-bank coefficients. These factors were weighted so as to allow for differences over time in the relative shares of personal trusts and estates in total trust assets for the two sets of banks. The coefficients which result are shown in Table IA-11.

(3) *Estimates Before 1963.* Before 1963 nothing is known explicitly about the employee benefit accounts managed by banks. Existing personal trust estimates refer only to that category of account; thus, the series before and after 1963 are not really comparable, since it is impossible to separate out estates completely from the latter numbers. There is also the problem of converting June 30 data to a year-end basis. Evidence in recent years suggests that most accounts are reviewed during the last quarter of the year; therefore, giving the option of reporting assets at market value as of the last review date before June 30 would tend to produce estimates of the market value of holdings as of the end of the preceding year.

The ABA data also show "units of participation in common trust funds" as a separate asset category, while the questionnaires of the later period ask that the assets held by the common trust fund be distributed among the appropriate categories. Since the valuation date for the common trust fund is somewhat more likely to have occurred on June 30 than is the valuation date for the other accounts in the personal trust category, we first netted out common trust funds from the ABA reports. Subsequently, the time series of end-of-year observations on common trust funds covering the bulk of this early period is added to the end-of-year estimates of the other personal trust accounts.

The estimates for the period before 1963 were based in large measure

on the previous work of Goldsmith. His series on personal trusts other than common trust funds was used through 1957; his procedures were then used in interpolating between the ABA surveys, most of which were not available to Goldsmith at the time his estimates were prepared. In this procedure, one assumes that the ABA's reported values of assets other than corporate stock are an adequate measure of the value of these assets on December 31 of the previous year. Holdings of corporate stock were estimated by assuming that net purchases occurred at a uniform rate over the period in question, and that the pattern of the change in holdings not so accounted for followed the time path of the Standard and Poor's 500-stock price index.

Efforts to apply this method of allowing for price movements in other assets proved less successful; the results for common trust funds did not recapitulate known net acquisitions for these funds. The difficulties of using the existing bond price indexes; the lack of detail on the characteristics of the bond portfolios of these funds, which made it difficult to select among the price indexes and the poor results with the common trust funds, made it seem unwise to attempt to account for any but the most obvious effects of security price movements, i.e. those involved with common stock. The results of these manipulations are shown in Table IA-12, panel A.

In order to make this series comparable with the estimates for later years, three further steps were necessary. First, the series had to be adjusted upward to include estates as well as trusts; this was accomplished by stepping up trust assets by a factor derived from IRS statistics of fiduciary income. This factor is the reciprocal of the share of income from trusts in total income paid by fiduciaries, adjusted for differences in bank fiduciaries' shares of the income from trusts and from estates. Allowance was made for differences in portfolio composition between trusts and trusts and estates on the basis of the relationships prevailing in 1968, the year for which such data by type of account existed. The results of this process are shown in Table IA-12, panel B.

The second step involved adding in the series on common trust funds taken from the Federal Reserve Board's surveys for all but the first two years; these are from Goldsmith's estimates. This series and the results of the addition are shown in Table IA-12, panels C and D. Finally, the large "other assets" category was allocated among time deposits, real estate, and miscellaneous on the basis of the average contribution of these three components to this sum in the years for which the breakdown was available.

The final time series, covering the entire period 1951–68, is given in Table IA-14. The flows were taken to be equal to the first differences in this balance sheet for all assets except corporate stock. The problems of measuring net purchases of stock will be discussed for all the new sectors together in a later section of this appendix.

3. Selected Nonprofit Institutions

This sector is constructed out of several independent elements. The estimates of income, fixed investment, and consumption expenditures of nonprofit institutions are those appearing in the OBE's national income and product accounts. Appendix III's estimates of the income, outlay, and balance sheets of foundations, colleges, and universities provided estimates of the financial assets of these institutions; these were supplemented by the estimates of the financial assets of labor unions in Appendix IV in order to yield the estimates of financial assets for the entire sector. Flow of funds accounts estimates of the debt of nonprofit institutions were used on the liabilities side. Finally, the estimate in Appendix II was used for institutional land.

Thus, the estimates grouped under the label "selected nonprofit institutions" do not provide a reliable picture of the role of nonprofit institutions in the economy, nor of the size of their assets. Presumably, the estimates of tangible assets, of income, and of consumption cover all nonprofit institutions. The estimates of financial assets cover only three institutional groups, however; religious organizations and hospitals are obviously major exclusions. To assume that this collection of estimates constitutes a valid approximation of the nonprofit sector is to assert that the holdings of the excluded institutions would make relatively little contribution to the total financial assets of all nonprofit institutions.

It is therefore preferable to consider the aggregates listed under "selected nonprofit institutions" as an attempt to collect known elements of assets, liabilities, and transactions which do pertain to nonprofit institutions, and which belong neither to households proper nor to any other sector in the present scheme of things.

The financial assets in the balance sheet were taken from the work of Nelson and of Troy as reported in Appendixes III and IV of this report. In the case of foundations, estimates began only in 1953; for colleges and universities, estimates were available only for 1953–66. Since the transactions estimates were based on first differences in the balance sheets, a time series covering the years 1951–68 was necessary; and we extrapolated

Nelson's estimates after consultation with him on the appropriate methodology. Troy's time series on total assets and total liabilities were used, the portfolio composition was taken to be the same as that reported for the more limited aggregates, and the 1962 breakdown was used for earlier years.

We have already pointed out that the estimates of the transactions in financial assets were derived from the change in balance sheet holdings. This is true for all assets with the exception of corporate stock; here an adjustment was made to allow for price movements, details of which are given below in section D2. No such adjustment was made for the assets of labor unions, since the reported holdings are valued at cost rather than at market.

4. Assets of Fraternal Life Insurance Companies, 1951-68

The assets of fraternal life insurance companies in Table IA-15 are derived from accompanying Tables IA-16 and IA-17. Table IA-17 shows the percentages allocated to each asset in a given year by the ten largest fraternal life insurance companies.²⁴ Total assets for all fraternal life insurance companies, shown in column 2 of Table IA-16, come from the *Life Insurance Fact Book*. Table IA-16 also shows the percentage which the assets of the ten largest companies comprise of total assets of all companies (column 3). In Table IA-15, the percentages from Table IA-17 are applied to the total assets of all fraternal insurance companies (Table IA-16, column 2) to arrive at the comprehensive breakdown of assets for all companies for the entire period.

The sector accounts for fraternal insurance presented in Appendix I are based on these data. The composition of the bond account was estimated for 1951 and 1952 in order to derive both flows and balance sheets for 1952. Throughout the period covered, the "unallocated bonds" were assumed to be an addition to "corporate and foreign bonds" held by the sector. Other assets were placed in the "unallocated" category. By analogy with the flow of funds treatment of private insurance and pension funds, their liability for policy reserves was taken to be equal to the value of their assets.

With the exception of corporate stock, the flows are taken to be equal to the change in the holdings as shown on the balance sheet. For stocks, an attempt was made to allow for the appreciation shown by the Dow-Jones Industrial Index in defining net purchases.

²⁴ The figures for these ten largest companies come from survey reports and from *Best's Life Insurance Report*.

5. Mortgage Bankers

These institutions are included in the finance company sector of the flow of funds accounts; thus nothing else in the system is changed by their inclusion or exclusion from explicit consideration. Such stockholdings as they may have are negligible. The data which are given in Table IA-18, therefore, appear here only for the sake of completeness.

From 1951 to 1954, the estimates are those appearing in Saul B. Klaman, *The Postwar Rise of Mortgage Companies*, New York, NBER, 1959. The estimates for 1955 to 1968 are those of the Mortgage Bankers Association; they appear in various issues of *Mortgage Banking*.

D. CORPORATE SECURITIES

1. Value of Corporate Bonds Outstanding

The present flow of funds series consists of Hickman's estimate of the par value of corporate bonds outstanding²⁵ increased each year by the SEC's estimates of net change in corporate debt securities outstanding.²⁶ Meiselman and Shapiro derived similar series for several industrial groups of corporations, as well as for the aggregate of nonfinancial corporations.²⁷ The latter differs from the flow of funds series by amounts which vary from year to year. Since the Meiselman and Shapiro series ends in 1958 and its divergence from the present flow of funds series seems to be the result of statistical revisions for the most part, the flow of funds estimates must be used by default.

Unfortunately, the inclusion of the new institutional sectors for purposes of this study adds reported institutional bond holdings for some years in excess of the residually estimated flow of funds "household" bond holdings. Clearly the bond holdings of these new sectors may be overstated. It is also the case, however, that the SEC net change series has not been checked against a benchmark, since none has been available; and questions have been raised about the completeness of the net change series for many years.

We therefore attempted to provide such a benchmark for 1966 and then to adjust the annual flows in such a way as to account for the change

²⁵ W. Braddock Hickman, *The Volume of Corporate Bond Financing Since 1900*, Princeton, Princeton University Press for NBER, 1953, p. 251.

²⁶ SEC, *Net Change in Corporate Securities Outstanding*, Washington, D.C., 1966, and SEC, *Statistical Bulletin*, various issues.

²⁷ David Meiselman and Eli Shapiro, *The Measurement of Corporate Sources and Uses of Funds*, Technical Paper 18, New York, NBER, 1964.

in the par value of corporate bonds between the Hickman study and 1966. The new series is given in Table IA-19.

The resulting series is a par value series, as is the flow of funds series which it replaces. It consists of the published series on the outstanding debt of railroads and utilities, the flow of funds estimates of the outstanding debt of financial institutions, and an estimate of industrial bonds and notes consistent with the totals derived from summing individual company data for all relevant companies in Moody's *1967 Industrial Manual*. Each of these components is described below.

a. *Regulated Industries*. Data on long-term debt outstanding were taken from statistical reports of regulatory agencies and trade associations.

1. Railroads: Data are those of the Interstate Commerce Commission, Statistics of Class I railroads, as reported in Moody's *Transportation Manual* 1969, pages a49 and a50. The sum of "funded debt unmatured," "equipment obligations," and "long-term debt in default" was adjusted upward to allow for switching and terminal companies and other differences between Hickman's estimates and the ICC series.

2. Electric Utilities: Data were taken from the Federal Power Commission's *Statistics of Privately Owned Electric Utilities in the United States*, various years. The series used was "bonds less bonds reacquired" for class A and B electric utilities.

3. Gas Utilities: Data were found in the American Gas Association's *Historical Statistics of the Gas Industry*, 1963, and *Gas Facts*, various issues. The series used covers bonds and debentures of all investor-owned firms in the gas utility and pipeline industries.

4. Telephone and Telegraph: Data were obtained from the Federal Communications Commission's *Statistics of Communications Common Carriers*, various years. Telephone bonds consist of "mortgage bonds," "debentures," and "other funded debt" of annually reporting Bell companies, annually reporting non-Bell companies, and "selected large telephone carriers not subject to the reporting requirements of the commission." Telegraph bonds cover funded debt of both domestic and overseas carriers.

b. *Industrial Bonds and Notes*. A 1966 benchmark was obtained by summing the long-term debt exclusive of mortgages (bonds and notes including private placements) for all domestic corporations listed in the 1967 edition of Moody's *Industrial Manual*, with some adjustment for the fact that end-of-year data were not available for certain companies. In addition, a similar estimate was derived for nonrail transport, since such companies have issued bonds and their debt was reportedly included in Hickman's

benchmark for utilities in 1943. From this total was subtracted Hickman's estimate for "industrial bonds" for 1947, augmented by the difference between Hickman's "utility" estimate and the sum of the utilities estimates described above. The SEC series on net change in industrial and nonrail transport debt outstanding was then stepped up by a factor defined as the ratio of the benchmark difference to the sum of cumulated net change from 1948 through 1966; and a series on outstandings was derived by the same method employed in the flow of funds estimate, using this revised investment series. No revision was made in the net change series for 1967 and 1968.

c. Finance. This series is taken directly from the flow of funds. It consists of the bonds of banks and finance companies.

2. *Corporate Stock*

The value of outstanding domestic stock other than investment company shares shown in Table IA-20 is the series given in Appendix VI of this report with minor modifications occasioned by the substitution of a more refined estimate of investment company shares elsewhere in the system. The estimates of foreign stock held by U.S. residents come from the balance of payments statistics and are incorporated into the flow of funds accounts.

The domestic total was allocated between the stock of nonfinancial corporations and of all financial corporations on the basis of the data on the industrial composition of outstanding stock appearing in Appendix VI. The estimate of financial stock outstanding was interpolated and extrapolated by the finance component of the NYSE stock price index. Net issues are the sum of investment company net issues and the bank issues from the flow of funds. The estimates for nonfinancial corporations were then derived residually.

The net issue series all come from the SEC series "net change in corporate stock outstanding," and these are shown in Table IA-22. The net purchases were taken from the flow of funds accounts, with the exception of households, nonprofit institutions, and the newly created financial institutions.

For all but households, the estimates of Table IA-22 were derived from the holdings data of Table IA-21 and the indicated price index, using the relationship

$$A_t = \left(A_{t-1} \frac{P_A}{P_{t-1}} + N_t \right) \frac{P_t}{P_A}$$

where:

A_t = holdings at the end of year t

P_t = price index at the end of year t

P_A = midyear price during year t , and

N_t = net purchases during year t .

The resulting series are quite noisy; however, the attempt to use a confidential SEC series on net purchases by all investment companies produced an even more peculiar series for nonmutual funds when the open-end purchases were netted out.

TABLE IA-1

Replacement Cost of Consumer Durables and Estimates of Land Values
Not Appearing in Appendix II

(*\$million*)

	Consumer Durables	Land		Nonfinancial Corporate
		Farms	Financial Institutions	
1952	90,253	67,254	564	21,190
1953	95,603	65,227	659	25,395
1954	99,050	67,562	969	26,564
1955	107,890	70,616	1,044	32,173
1956	117,298	76,084	1,268	37,115
1957	126,533	80,582	1,632	42,123
1958	129,143	87,856	1,710	46,810
1959	136,447	92,540	1,863	53,054
1960	140,845	92,880	2,250	55,883
1961	143,292	98,684	2,681	61,313
1962	150,257	103,940	3,188	66,448
1963	158,569	111,313	3,787	72,332
1964	169,771	119,168	4,412	78,252
1965	183,205	129,002	5,087	83,591
1966	196,879	136,483	6,287	90,190
1967	211,475	144,758	6,727	96,536
1968	233,817	152,599	7,171	102,878

SOURCE: See text.

Institutional Investors

TABLE IA-2
Replacement Cost of the Stock of Residential Structures, 1952-68

	1952	1953	1954	1955	1956	1957	1958	1959
All sector total	289,514	301,341	317,300	346,681	373,932	391,757	412,021	439,165
Total public	7,562	8,193	8,586	8,852	9,111	9,506	10,345	11,343
Federal government	3,530	3,694	3,789	3,715	3,657	3,737	4,075	4,580
State and local governments	4,032	4,499	4,797	5,137	5,454	5,769	6,270	6,763
Total private	281,952	293,148	308,714	337,821	364,821	382,251	401,676	427,822
Households	237,260	247,402	261,634	288,085	312,253	327,707	344,411	366,483
Farm	18,433	19,076	19,581	20,614	21,833	22,500	23,179	24,100
Nonfarm noncorporate	14,807	14,964	15,348	16,184	17,001	17,649	18,655	20,217
Corporate nonfinancial	11,449	11,702	12,147	12,941	13,727	14,413	15,447	17,019

(\$million)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
All sector total	457,723	476,723	502,157	532,296	561,620	590,704	627,501	673,240	715,569
Total public	11,943	12,662	13,580	14,106	14,832	15,624	16,689	18,274	19,368
Federal government	4,828	5,059	5,242	5,353	5,531	5,698	5,914	6,303	6,518
State and local governments	7,115	7,603	8,338	8,753	9,301	9,926	10,775	11,971	12,850
Total private	445,780	464,061	488,577	518,190	546,788	575,080	610,812	654,966	696,201
Households	381,204	395,480	413,697	435,499	455,888	475,936	502,130	536,130	567,055
Farm	24,640	24,943	25,549	26,311	26,911	28,108	29,886	31,609	32,860
Nonfarm noncorporate	21,684	23,837	27,387	32,028	27,357	42,762	48,441	54,344	60,987
Corporate nonfinancial	18,279	19,795	21,939	24,345	26,623	28,493	30,575	32,933	35,527

SOURCE: See text.

	1960	1961	1962	1963	1964	1965	1966	1967	1968
All sector total	466,709	493,634	525,140	557,603	594,320	642,981	701,880	762,306	821,453
Total public	249,245	266,539	286,877	308,833	332,764	361,839	395,752	431,548	459,832
Federal government	65,831	68,395	71,791	75,401	79,308	82,694	87,329	93,438	96,898
State and local governments	183,414	198,144	215,086	233,432	253,456	279,145	308,423	338,110	362,934
Total private	217,464	227,095	238,263	248,770	261,556	281,142	306,128	330,758	361,621
Institutional	27,158	29,370	32,019	34,742	37,785	41,498	45,833	50,297	55,741
Farm	14,232	14,329	14,345	14,497	14,863	15,422	16,087	16,706	17,178
Nonfarm noncorporate	16,162	17,508	19,486	21,386	23,628	27,040	30,926	34,846	39,438
Corporate financial	5,577	6,069	6,544	7,298	8,067	8,913	9,961	11,128	12,330
Corporate nonfinancial	154,335	159,819	165,869	170,847	177,213	188,269	203,321	217,781	236,934

SOURCE: See text.

Institutional Investors

TABLE IA-4
Replacement Cost of the Stock of Producer Durables, 1952-68

	1952	1953	1954	1955	1956	1957	1958	1959
All sector total	138,507	147,919	155,595	170,044	189,057	204,492	212,077	220,232
Total public	12,404	14,557	15,974	17,627	20,170	22,187	23,896	25,414
Federal government	5,755	7,249	7,814	8,300	9,387	10,038	10,571	11,047
State and local governments	6,649	7,308	8,160	9,327	10,783	12,149	13,325	14,367
Total private	126,103	133,362	139,621	152,417	168,887	182,305	188,181	194,818
Institutional	1,708	1,778	1,854	2,023	2,261	2,396	2,474	2,532
Farm	18,430	19,484	20,065	20,996	21,781	22,583	23,623	24,215
Nonfarm noncorporate	25,934	27,032	28,139	30,722	34,240	36,290	37,426	38,272
Corporate financial	2,043	2,269	2,592	3,044	3,575	4,099	4,551	4,995
Corporate nonfinancial	77,988	82,799	86,971	95,632	107,030	116,937	120,107	124,804

(\$million)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
All sector total	227,447	232,566	240,189	249,735	264,133	285,134	314,277	345,085	376,982
Total public	27,051	29,231	30,936	32,636	34,213	36,674	39,710	43,514	47,329
Federal government	11,667	12,814	13,481	13,764	13,783	14,372	14,866	15,455	15,796
State and local governments	15,384	16,417	17,457	18,872	20,430	22,302	24,844	28,059	31,533
Total private	200,396	203,335	209,251	217,099	229,920	248,460	274,567	301,571	329,653
Institutional	2,556	2,549	2,534	2,531	2,577	2,671	2,849	3,065	3,278
Farm	24,052	24,139	24,419	25,263	25,983	27,402	29,412	31,695	34,069
Nonfarm noncorporate	38,667	38,541	38,316	38,264	38,950	40,495	43,301	46,536	50,024
Corporate financial	5,271	5,623	5,938	6,353	6,738	7,178	7,766	8,365	8,974
Corporate nonfinancial	129,850	132,483	138,044	144,688	155,672	170,714	191,239	211,910	233,308

SOURCE: See text.

Institutional Investors

TABLE IA-5
Inventories, 1952-68

(\$million)

	All Sector Total	Federal Government	Total Private	Farm	Nonfarm Non- corporate	Corporate
1952	110,867	7,475	103,392	23,174	14,116	66,102
1953	114,042	12,945	101,097	18,647	14,539	67,911
1954	114,645	15,495	99,150	18,462	14,386	66,302
1955	123,258	17,291	105,967	17,859	15,143	72,965
1956	130,036	15,144	114,892	18,514	15,836	80,542
1957	135,045	15,002	120,043	21,193	16,259	82,591
1958	140,662	17,641	123,021	26,199	16,513	80,309
1959	142,852	17,912	124,940	22,748	17,272	84,920
1960	146,954	18,637	128,317	22,962	17,596	87,759
1961	148,983	17,561	131,422	24,305	17,785	89,332
1962	155,833	18,208	137,625	25,487	18,372	93,766
1963	160,719	17,734	142,985	24,888	18,407	99,690
1964	165,247	16,903	148,344	23,159	19,061	106,124
1965	178,575	15,945	162,630	26,667	20,178	115,785
1966	194,397	12,927	181,470	28,373	21,155	131,942
1967	200,690	12,925	187,765	26,476	21,786	139,503
1968	216,173	14,029	202,144	29,451	23,403	149,290

SOURCE: See text.

TABLE IA-6
Extension of Goldsmith Wealth Estimates: Private Sector, 1952-68

(millions of 1958 dollars)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
1. Total residential structures	308,340	321,626	336,794	354,960	369,891	382,557	395,547	412,139	425,597
2. 1-4 family nonfarm	259,585	271,722	285,627	302,770	316,687	328,036	339,155	353,067	363,918
3. Multifamily nonfarm	28,730	29,292	30,021	30,615	31,172	32,077	33,566	35,876	38,156
4. Noncorporate	16,201	16,436	16,756	17,009	17,243	17,667	18,371	19,471	20,701
5. Corporate	12,527	12,853	13,261	13,601	13,922	14,428	15,212	16,396	17,451
6. Farm residential structures	20,025	20,612	21,146	21,575	22,032	22,444	22,826	23,196	23,523
7. Total nonresidential structures	156,438	162,155	168,052	175,003	183,763	192,164	198,863	205,248	212,813
8. Institutions	16,971	17,844	18,962	20,111	21,347	22,692	24,180	25,660	27,324
9. Noncorporate nonfarm	13,424	13,379	13,655	14,611	15,789	16,269	16,749	17,428	18,318
10. Corporate	114,825	119,346	123,518	128,102	134,147	140,472	144,971	149,010	153,864
11. Farm	11,218	11,586	11,917	12,179	12,480	12,731	12,963	13,150	13,307
12. Total producers' durables	147,259	154,214	159,149	166,433	173,784	180,449	182,424	186,766	192,123
13. Institutions	1,914	2,005	2,069	2,164	2,259	2,346	2,372	2,428	2,498
14. Noncorporate nonfarm	36,347	37,067	37,203	37,854	38,757	39,072	39,326	39,597	39,869
15. Corporate	87,766	92,837	97,081	103,188	109,658	116,029	117,481	121,398	126,801
16. Farm	21,232	22,305	22,796	23,227	23,110	23,002	23,245	23,343	23,955
17. Total consumer durables	94,605	101,382	106,620	117,399	123,602	128,590	129,143	134,563	139,589
18. Total inventories	117,453	114,315	110,162	116,862	122,245	125,107	127,495	128,912	124,358
19. Noncorporate	15,500	15,900	15,700	16,300	16,500	16,700	16,600	17,300	17,600
20. Corporate	77,300	78,300	76,000	81,400	86,500	87,000	84,800	89,000	91,900
21. Farm	24,653	20,115	18,462	19,162	19,245	21,407	26,095	22,612	14,858

Institutional Investors

	1961	1962	1963	1964	1965	1966	1967	1968
1. Total residential structures	438,489	453,265	468,744	483,281	496,970	508,119	517,980	530,566
2. 1-4 family nonfarm	373,447	383,408	393,405	402,195	410,821	417,572	423,957	431,878
3. Multifamily nonfarm	41,207	45,720	50,931	56,453	61,318	65,527	68,816	73,333
4. Noncorporate	22,509	25,382	28,933	32,958	36,912	40,284	42,960	46,449
5. Corporate	18,693	20,333	21,992	23,488	24,595	25,427	26,034	27,058
6. Farm residential structures	23,835	24,137	24,408	24,633	24,831	25,020	25,207	25,355
7. Total nonresidential structures	220,265	227,896	235,221	243,547	255,046	267,937	278,862	289,565
8. Institutions	29,109	31,098	32,902	34,923	37,220	39,554	41,639	43,584
9. Noncorporate nonfarm	19,558	20,959	22,786	24,795	27,166	29,779	31,832	33,769
10. Corporate	158,150	162,262	165,831	169,996	176,747	184,609	191,299	198,062
11. Farm	13,448	13,577	13,702	13,833	13,913	13,995	14,092	14,150
12. Total producers' durables	195,203	201,142	208,355	218,978	233,243	251,448	268,309	284,956
13. Institutions	2,538	2,414	2,500	2,409	2,566	2,514	2,683	2,850
14. Noncorporate nonfarm	39,649	39,538	39,369	39,758	40,244	41,836	43,637	45,672
15. Corporate	130,200	136,374	143,140	153,066	165,834	181,294	195,061	208,588
16. Farm	22,816	22,816	23,346	23,745	24,619	25,804	26,928	27,846
17. Total consumer durables	142,437	149,064	157,937	169,095	183,941	199,270	210,632	227,007
18. Total inventories	135,532	141,835	146,312	151,044	162,117	176,892	176,034	190,994
19. Noncorporate	17,800	18,400	18,300	18,900	19,600	20,000	20,200	20,700
20. Corporate	93,500	98,100	103,200	109,100	116,500	130,100	130,900	143,200
21. Farm	24,232	25,335	24,812	23,044	26,017	26,792	24,954	27,094

SOURCE: See text.

TABLE IA-7
Public Sector Wealth Estimates, 1952-68

(millions of 1958 dollars)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Federal civilian structures	58,220	60,567	62,328	62,920	63,285	63,903	64,769	65,824	66,796
Residential	3,918	3,862	3,789	3,715	3,657	3,737	4,015	4,402	4,585
Nonresidential	54,302	56,705	58,539	59,205	59,628	60,166	60,754	61,422	62,211
Buildings	30,388	32,011	33,261	33,497	33,441	33,373	33,306	33,278	33,314
Highways	1,090	1,119	1,153	1,193	1,230	1,284	1,352	1,403	1,498
Conservation and development	21,810	22,574	23,134	23,533	23,981	24,539	25,124	25,747	26,363
Other	1,014	1,001	991	982	976	970	972	994	1,036
Federal equipment (civilian)	6,938	8,656	9,194	9,321	9,902	10,160	10,467	10,820	11,422
Federal inventories	7,952	13,964	16,679	18,553	15,742	15,154	17,571	17,805	18,507
State and local structures	119,495	125,304	132,396	140,103	147,947	156,595	166,786	177,671	187,721
Residential	4,468	4,959	5,220	5,394	5,564	5,802	6,169	6,498	6,771
Nonresidential	115,027	120,345	127,176	134,709	142,383	150,793	160,617	171,173	180,950
Buildings	37,993	40,266	42,978	46,015	48,916	52,071	55,292	58,203	61,091
Highways	47,714	49,738	52,752	56,023	59,266	62,991	68,039	73,990	79,169
Sewer and water systems	17,940	18,786	19,685	20,637	21,725	22,811	23,872	24,935	25,958
Conservation and development	1,733	1,787	1,846	1,939	2,078	2,211	2,316	2,428	2,553
Publicservice enterprises	6,527	6,618	6,717	6,865	7,138	7,409	7,734	8,147	8,622
Other	3,120	3,150	3,198	3,230	3,260	3,300	3,364	3,470	3,557
State and local equipment	8,016	8,726	9,601	10,474	11,375	12,297	13,194	14,072	15,061

Institutional Investors

	1961	1962	1963	1964	1965	1966	1967	1968
Federal civilian structures	67,973	69,193	70,418	71,743	73,131	74,388	75,213	75,815
Residential	4,764	4,854	4,810	4,804	4,831	4,801	4,725	4,673
Nonresidential	63,209	64,339	65,608	66,939	68,300	69,587	70,488	71,142
Buildings	33,407	33,554	33,853	34,279	34,693	34,440	34,172	33,947
Highways	1,587	1,694	1,822	1,930	2,023	2,129	2,219	2,311
Conservation and development	27,145	27,958	28,757	29,595	30,375	31,278	32,043	32,643
Other	1,070	1,133	1,176	1,195	1,209	1,740	2,054	2,241
Federal equipment (civilian)	12,539	13,185	13,403	13,311	13,682	13,810	13,981	14,104
Federal inventories	17,508	18,099	17,681	16,819	15,556	12,207	12,182	12,906
State and local structures	198,475	209,284	221,208	233,791	246,610	259,874	270,606	281,782
Residential	7,153	7,689	7,890	8,138	8,363	8,659	9,015	9,326
Nonresidential	191,323	201,595	213,318	225,653	238,247	251,215	261,591	272,456
Buildings	64,113	66,914	70,156	73,598	77,362	81,657	86,198	90,628
Highways	84,674	90,315	96,731	103,203	109,348	115,505	118,713	122,088
Sewer and water systems	27,045	28,209	29,444	30,927	32,519	34,007	35,563	37,439
Conservation and development	2,689	2,856	3,125	3,382	3,748	4,103	4,506	4,868
Public service enterprises	9,043	9,364	9,782	10,288	10,825	11,323	11,807	12,402
Other	3,759	3,937	4,080	4,255	4,445	4,620	4,804	5,031
State and local equipment	16,064	17,073	18,376	19,730	21,230	23,079	25,382	28,155

SOURCE: See text.

TABLE IA-8
All Open-End Investment Companies, 1952-68

(*\$million*)

	Total Assets	Cash	U.S. Govern- ment Securities	Corporate and Foreign Bonds	Corporate Shares	Commer- cial Paper
1952	3,990	135	132	347	3,376	—
1953	4,290	161	133	352	3,644	—
1954	6,251	159	158	449	5,485	—
1955	7,989	121	260	482	7,061	65
1956	9,170	140	280	676	7,995	79
1957	8,831	135	281	790	7,510	115
1958	13,399	204	406	946	11,812	31
1959	16,479	251	579	1,136	14,447	66
1960	17,804	271	647	1,304	15,482	100
1961	24,054	365	723	1,668	21,297	1
1962	22,706	346	787	1,726	19,576	271
1963	27,022	412	780	1,916	23,670	244
1964	29,584	483	835	2,341	25,797	128
1965	37,959	578	874	2,754	33,262	491
1966	37,460	570	1,545	3,136	31,130	1,079
1967	49,034	748	924	3,251	43,051	1,060
1968	57,725	880	1,254	3,736	50,494	1,361

SOURCE: See text.

Institutional Investors

TABLE IA-9
All Other Investment Companies, 1952-68

(\$million)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Cash	20	15	16	35	30	41	34	37	46
U.S. government securities	128	127	123	203	179	177	147	110	216
State and local government securities	—	—	—	—	—	—	—	—	—
Corporate and foreign bonds	85	95	161	180	222	292	311	366	479
Corporate shares	3,165	3,251	4,725	5,677	5,237	4,839	5,642	5,925	5,866
Commercial paper	—	—	—	—	—	—	—	—	—
Mortgages	363	376	372	361	348	328	294	263	247
Miscellaneous assets	32	36	35	46	46	53	57	56	95
Total assets	3,793	3,900	5,432	6,502	6,062	5,730	6,485	6,757	6,949
Total liabilities	49	58	68	85	110	123	133	161	149
Bonds	15	15	15	15	23	24	17	17	19
Short-term loans	7	7	7	7	7	6	6	6	7
Miscellaneous liabilities	27	36	46	63	80	93	110	138	123
Net worth	3,744	3,842	5,364	6,417	5,952	5,607	6,352	6,596	6,800

	1961	1962	1963	1964	1965	1966	1967	1968
Cash	73	108	24	74	44	72	97	150
U.S. government securities	170	168	264	229	153	252	353	569
State and local government securities	20	55	82	137	238	292	329	362
Corporate and foreign bonds	452	492	513	544	338	443	605	540
Corporate shares	6,640	6,469	7,601	7,757	6,941	6,499	8,675	9,422
Commercial paper	—	27	3	44	38	7	6	8
Mortgages	242	239	268	289	301	317	330	312
Miscellaneous assets	115	139	146	154	164	160	187	207
Total assets	7,712	7,697	8,901	9,228	8,217	8,042	10,582	11,570
Total liabilities	195	218	237	255	272	296	306	311
Bonds	23	16	21	25	4	25	24	20
Short-term loans	6	7	7	8	20	21	21	21
Miscellaneous liabilities	166	195	209	222	248	250	261	270
Net worth	7,517	7,479	8,664	8,973	7,945	7,746	10,276	11,259

Source: See text.

TABLE IA-10
 Portfolio Composition of Personal Trusts and Estates
 Managed by National Banks, 1963-68

(percent)

Asset Category	1963	1964	1965	1966	1967	1968
I. Bonds and notes	28.02	26.01	24.75	23.97	22.76	22.12
A. U.S. government and agency issues	9.29	8.63	8.31	8.40	7.68	6.59
B. State and local government issues	10.54	10.34	9.66	9.77	8.77	9.43
C. Other bonds and notes	8.19	7.04	6.78	5.80	6.31	6.10
II. Corporate stock	59.92	62.46	63.64	63.47	64.89	65.97
A. Common	58.12	60.59	62.05	61.91	63.40	64.11
B. Preferred	1.80	1.87	1.59	1.56	1.49	1.86
III. Real estate and mortgages	6.72	5.91	6.40	7.80	7.40	7.04
A. Mortgages	2.01	1.33	1.75	2.14	2.17	2.13
B. Real estate	4.71	4.58	4.65	5.66	5.23	4.91
IV. Cash and deposits	3.74	3.80	3.38	3.36	3.42	3.26
A. Time and savings deposits	2.01	2.31	2.25	2.09	2.11	1.90
1. Savings and loan shares	0.37	0.38	0.40	0.36	0.33	0.30
2. Time deposits	1.64	1.93	1.85	1.73	1.78	1.60
a. Own bank	1.16	1.43	1.34	1.07	1.27	1.20
b. Other banks	0.48	0.50	0.51	0.66	0.51	0.40
B. Cash and demand deposits	1.73	1.49	1.13	1.27	1.31	1.36
V. Miscellaneous assets	1.72	1.73	1.64	1.43	1.49	1.59
Total (percent)	100.00	100.00	100.00	100.00	100.00	100.00
Total assets (\$million)	47,932	54,443	60,952	54,272	62,217	71,987

SOURCE: See text.

TABLE IA-11

Portfolio Composition of Personal Trusts and Estates Managed
by All Insured Banks, 1963-68

(percent)

Asset Category	1963	1964	1965	1966	1967	1968
I. Bonds and notes	23.00	22.31	21.99	23.30	22.15	21.64
A. U.S. government and agency issues	7.84	7.42	7.21	7.23	6.62	5.72
B. State and local government issues	10.82	10.52	9.69	10.08	9.03	9.67
C. Other bonds and notes	4.34	4.37	5.09	5.99	6.50	6.25
II. Corporate stock	68.07	68.76	69.17	67.28	68.58	69.30
A. Common	65.84	66.91	67.44	65.65	67.02	67.37
B. Preferred	2.23	1.85	1.73	1.63	1.56	1.93
III. Real estate and mortgages	4.47	4.38	4.66	5.52	5.32	5.11
A. Mortgages	1.01	0.94	1.21	1.50	1.54	1.53
B. Real estate	3.46	3.44	3.45	4.02	3.78	3.58
IV. Cash and deposits	3.24	3.30	2.96	2.89	2.90	2.80
A. Time and savings deposits	1.77	2.02	1.97	1.85	1.83	1.67
1. Savings and loan shares	0.46	0.46	0.48	0.43	0.39	0.35
2. Time deposits	1.31	1.56	1.49	1.42	1.44	1.31
a. Own bank	0.88	1.11	1.05	0.82	0.98	0.94
b. Other banks	0.43	0.45	0.46	0.60	0.46	0.37
B. Cash and demand deposits	1.47	1.28	0.99	1.04	1.07	1.13
V. Miscellaneous assets	1.20	1.24	1.20	1.01	1.06	1.15
Total (percent)	100.00	100.00	100.00	100.00	100.00	100.00
Total assets (\$million)	101,200	105,443	114,952	113,000	126,223	138,368

SOURCE: See text.

TABLE IA-12
Personal Trusts and Estates: Balance Sheets, 1951-62

(Smillion)

	Total Assets ^a	Common Stock	Preferred Stock	State and Local Government			U.S. Government Securities			Cash	Other Assets ^a
				Stock	Government	Bonds	Government Securities	Mortgages			
				<i>A. Personal Trusts Other than Common Trust Funds</i>							
1951	34,590	16,420	1,500	4,600	1,800	7,000	690	640	1,940		
1952	34,880	17,850	1,470	5,260	1,390	5,590	710	690	1,920		
1953	34,290	17,290	1,390	5,400	2,150	4,770	810	580	1,900		
1954	42,080	23,740	1,680	6,100	2,650	4,680	980	410	1,890		
1955	48,000	28,510	1,610	6,620	2,580	4,860	980	970	1,870		
1956	48,860	30,650	1,450	7,210	2,460	3,690	830	680	1,890		
1957	44,103	27,210	1,291	7,791	2,335	2,513	671	385	1,907		
1958	53,355	36,017	1,274	7,787	2,589	2,552	738	475	1,923		
1959	59,351	40,018	1,235	9,098	2,604	2,794	772	496	2,334		
1960	60,723	40,873	1,244	9,182	2,717	2,932	831	530	2,414		
1961	72,592	52,059	1,296	10,064	2,880	2,256	886	536	2,615		
1962	72,975	49,499	1,316	11,644	3,033	2,773	942	552	3,216		
				<i>B. Personal Trusts and Estates Other than Common Trust Funds</i>							
1951	38,326	17,020	1,556	4,762	1,808	8,992	794	828	2,566		
1952	38,647	18,686	1,541	5,500	1,410	7,252	793	899	2,566		
1953	37,822	18,123	1,459	5,654	2,184	6,196	906	757	2,543		
1954	46,246	25,059	1,775	6,431	2,711	6,123	1,048	539	2,560		
1955	53,136	30,359	1,717	7,041	2,663	6,414	1,114	1,286	2,542		
1956	54,528	33,156	1,571	7,791	2,579	4,948	958	916	2,610		
1957	49,660	29,833	1,417	8,533	2,482	3,415	786	526	2,669		

Appendix I—Basic Statistical Data

1958	60,665	40,034	1,418	8,646	2,788	3,516	876	657	2,729
1959	67,541	44,491	1,375	10,104	2,806	3,849	916	687	3,313
1960	69,103	45,420	1,384	10,192	2,926	4,038	985	734	3,425
1961	81,956	57,697	1,438	11,142	3,093	3,099	1,048	739	3,700
1962	81,659	54,167	1,442	12,727	3,217	3,761	1,100	752	4,493
<i>C. Common Trust Funds</i>									
1951	820	310	110	^b	90	290	10	10	^b
1952	1,040	410	130	10	130	340	10	10	^b
1953	1,290	546	160	10	220	331	10	10	3
1954	1,596	748	190	26	289	318	14	10	^b
1955	1,869	911	214	31	358	322	20	11	1
1956	1,974	985	209	39	417	278	27	17	1
1957	1,965	936	205	44	526	211	30	14	^b
1958	2,434	1,292	221	47	647	174	33	19	1
1959	2,668	1,437	211	42	710	210	38	18	^b
1960	2,812	1,454	215	45	810	220	46	22	1
1961	3,551	1,986	232	84	955	219	52	22	1
1962	3,576	1,753	239	152	1,090	258	59	24	3

D. All Personal Trusts and Estates

1951	39,146	17,330	1,666	4,762	1,898	9,282	804	838	2,566
1952	39,687	19,096	1,671	5,510	1,540	7,592	803	909	2,566
1953	39,112	18,663	1,619	5,664	2,404	6,526	916	767	2,543
1954	47,841	25,807	1,965	6,457	3,000	6,441	1,062	549	2,560
1955	55,005	31,270	1,931	7,072	3,021	6,736	1,134	1,297	2,543
1956	56,502	34,141	1,780	7,830	2,996	5,226	985	933	2,611
1957	51,625	30,769	1,622	8,577	3,008	3,626	816	540	2,669
1958	63,099	41,326	1,639	8,693	3,435	3,690	909	676	2,730
1959	70,209	45,928	1,586	10,146	3,516	4,059	954	705	3,313
1960	71,915	46,874	1,599	10,237	3,736	4,258	1,031	756	3,426
1961	85,507	59,684	1,670	11,226	4,048	3,318	1,100	761	3,701
1962	85,235	55,920	1,681	12,879	4,307	4,019	1,159	776	4,496

SOURCE: See text.

^a Includes real estate.

^b Less than \$0.5 million.

Notes to Table IA-13.

n.a. = not available.

SOURCES:

1954: *Federal Reserve Bulletin*, August 1956, p. 801.

1955-56: *ibid.*, June 1957, p. 623.

1957: *ibid.*, May 1958, p. 536.

1958: *ibid.*, May 1959, p. 478.

1959: *ibid.*, May 1960, p. 480.

1960: *ibid.*, May 1961, p. 527.

1961: *ibid.*, May 1962, p. 530.

1962: *ibid.*, June 1963, p. 776.

1963: Stanley Silverberg, *National Banking Review*, May 1965, p. 365.

1965: Edwin W. Hanczaryk, *ibid.*, June 1967, p. 442.

1966-68: Hanczaryk, unpublished manuscript.

^a Less than 0.5 percent.

TABLE IA-14
Assets of Personal Trusts and Estates, 1951-68

(*Smillion*)

	1951	1952	1953	1954	1955	1956	1957	1958	1959
Total assets	39,146	39,687	39,112	47,842	55,005	56,502	51,625	63,089	70,209
Cash	838	909	767	549	1,297	933	540	676	705
U.S. government securities	9,282	7,592	6,326	6,441	6,736	5,226	3,626	3,690	4,059
State and local government securities	4,762	5,510	5,664	6,457	7,072	7,830	8,577	8,693	10,146
Corporate bonds	1,898	1,540	2,404	3,000	3,021	2,996	3,008	3,435	3,516
Mortgages	804	803	916	1,062	1,134	985	816	909	954
Preferred stock	1,666	1,671	1,619	1,965	1,931	1,780	1,622	1,639	1,586
Common stock	17,330	19,096	18,663	25,807	31,270	34,141	30,769	41,326	45,928
Total, other assets	2,566	2,566	2,543	2,560	2,543	2,611	2,669	2,730	3,313
Real estate	1,403	1,403	1,390	1,399	1,390	1,428	1,459	1,492	1,811
Time deposits	720	720	713	718	713	732	749	766	929
Miscellaneous	443	443	440	443	440	451	461	472	573

Institutional Investors

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Total assets	71,915	85,507	85,235	101,200	105,443	114,952	113,000	126,223	138,368
Cash	756	761	776	1,491	1,347	1,143	1,170	1,354	1,560
U.S. government securities	4,258	3,318	4,019	7,930	7,829	8,292	8,166	8,358	7,910
State and local government securities	10,237	11,226	12,879	10,953	11,092	11,142	11,395	11,396	13,377
Corporate bonds	3,736	4,048	4,307	4,390	4,610	5,851	6,764	8,199	8,654
Mortgages	1,031	1,100	1,159	1,027	995	1,386	1,698	1,939	2,123
Preferred stock	1,599	1,670	1,681	2,258	1,948	1,986	1,844	1,963	2,676
Common stock	46,874	59,684	55,920	66,626	70,553	77,518	74,184	84,594	93,220
Total, other assets	3,426	3,701	4,496	6,524	7,069	7,633	7,778	8,422	8,847
Real estate	1,873	2,023	2,458	3,506	3,622	3,967	4,548	4,767	4,955
Time deposits	961	1,038	1,261	1,802	2,137	2,292	2,091	2,317	2,298
Miscellaneous	592	640	777	1,216	1,310	1,374	1,139	1,338	1,594

SOURCE: See text.

TABLE IA-15
Portfolio of Fraternal Life Insurance Companies, 1951-68

(*\$million*)

Assets	1951	1952	1953	1954	1955	1956	1957	1958	1959
Mortgages	385.1	423.0	452.6	493.5	595.7	651.1	677.3	716.6	738.4
Corporate stocks	97.0	103.6	94.0	102.9	99.5	98.1	92.2	118.8	132.7
Total bonds	1,570.5	1,606.0	1,628.2	1,665.1	1,694.8	1,730.3	1,700.4	1,743.8	1,834.4
Corporate	938.0	959.0	923.2	1,008.2	1,025.1	1,058.6	1,060.3	1,107.8	1,173.0
State and local governments	392.0	401.0	376.4	424.6	432.3	445.1	436.4	438.4	451.2
U.S. government	174.5	178.0	171.0	192.5	196.6	183.5	162.1	155.9	168.3
Unallocated	66.0	68.0	157.6	39.8	40.8	43.1	41.6	41.7	42.0
Real estate	56.0	68.9	79.4	86.8	93.3	93.7	105.6	110.3	115.9
Certified loans	86.3	88.7	92.6	98.8	105.4	110.4	113.2	119.7	127.2
Time and savings deposits	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Cash and bank deposits	30.1	28.3	35.6	39.8	28.7	21.7	25.4	26.3	26.4
Other	34.6	40.3	53.3	65.9	64.1	74.5	79.9	82.9	89.2
Total	2,260.0	2,359.0	2,436.0	2,553.0	2,682.0	2,780.0	2,794.0	2,919.0	3,065.0

Institutional Investors

Assets	1960	1961	1962	1963	1964	1965	1966	1967	1968
Mortgages	726.1	810.1	829.2	857.0	884.8	917.1	1,035.3	1,112.1	1,061.0
Corporate stocks	142.3	148.7	152.2	180.7	210.0	214.7	220.6	244.9	259.3
Total bonds	1,951.3	1,852.4	1,940.6	2,030.2	2,101.6	2,158.9	2,315.7	2,394.9	2,435.9
Corporate	1,336.0	1,312.3	1,429.7	1,536.8	1,614.0	1,742.5	1,916.8	2,010.5	2,051.9
State and local governments	460.4	379.6	306.8	275.1	276.4	257.4	259.9	256.1	229.0
U.S. government	154.9	122.9	166.0	179.3	168.0	159.1	139.0	127.8	110.0
Unallocated	—	37.7	38.1	39.1	43.1	—	—	0.4	45.0
Real estate	125.9	133.5	152.2	170.0	168.0	175.1	171.0	190.0	202.2
Certified loans	141.4	141.3	147.9	158.7	164.4	174.4	192.7	210.8	210.0
Time and savings deposits	1.0	0.6	0.7	0.7	0.7	0.8	0.4	0.4	0.9
Cash and bank deposits	25.4	30.3	25.6	33.0	35.0	33.5	23.8	23.3	24.7
Other	99.3	108.0	119.2	119.6	121.2	132.9	139.8	142.5	135.1
Total	3,213.0	3,225.0	3,368.0	3,550.0	3,685.0	3,807.0	4,100.0	4,319.0	4,329.0

Source: See text.

TABLE IA-16
Assets of Fraternal Life Insurance Companies, 1951-68

(Smillion)

	Total Assets		Ratio: Ten Largest to All (percent)
	Ten Largest	All	
1951	\$ 990.38	\$2,260.00	43.8
1952	1,052.08	2,359.00	44.6
1953	1,101.02	2,436.00	45.2
1954	1,164.49	2,553.00	45.6
1955	1,220.93	2,682.00	45.5
1956	1,289.20	2,780.00	46.4
1957	1,359.47	2,794.00	48.7
1958	1,447.36	2,919.00	49.6
1959	1,536.29	3,065.00	50.1
1960	1,582.59	3,213.00	49.3
1961	1,732.64	3,225.00	53.7
1962	1,830.74	3,368.00	54.4
1963	1,968.52	3,550.00	55.5
1964	2,106.06	3,685.00	57.2
1965	2,275.99	3,807.00	59.8
1966	2,417.25	4,100.00	59.0
1967	2,530.79	4,319.00	58.6
1968	2,775.63	4,329.00	64.1

SOURCE: See text.

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Mortgages	22.60	25.12	24.62	24.14	24.01	24.09	25.25	25.75	24.51
Corporate stocks	4.43	4.61	4.52	5.09	5.70	5.64	5.38	5.67	5.99
Total bonds	60.73	57.44	57.62	57.19	57.03	56.71	56.48	55.45	56.27
Corporate	41.58	40.69	42.45	43.29	43.80	45.77	46.75	46.55	47.40
State and local governments	14.33	11.77	9.11	7.75	7.50	6.76	6.34	5.93	5.29
U.S. government	4.82	3.81	4.93	5.05	4.56	4.18	3.39	2.96	2.54
Unallocated	—	1.17	1.13	1.10	1.17	—	—	0.01	1.04
Real estate	3.92	4.14	4.52	4.79	4.56	4.60	4.17	4.40	4.67
Certified loans	4.40	4.38	4.39	4.47	4.46	4.58	4.70	4.88	4.85
Time and savings deposits	0.03	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.02
Cash and bank deposits	0.79	0.94	0.76	0.93	0.95	0.88	0.58	0.54	0.57
Other	3.09	3.35	3.54	3.37	3.29	3.49	3.41	3.30	3.12
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

SOURCE: See text.

TABLE IA-18
Balance Sheet of Mortgage Banking, 1951-68

(*\$million*)

	1951	1952	1953	1954	1955	1956	1957	1958	1959
Total assets	692.6	861.1	955.9	1,202.5	1,447.3	1,541.7	1,501.8	1,870.6	2,259.9
Cash (including escrow)	113.7	127.8	151.3	157.5	169.7	185.3	208.3	246.3	289.1
Mortgage and construction loans	454.1	597.8	623.6	882.6	1,113.6	1,155.2	1,045.9	1,333.5	1,615.4
Mortgage loans	—	490.5	501.0	713.0	878.0	944.4	861.0	1,069.5	1,287.2
Construction	—	107.3	122.6	169.6	235.6	210.8	184.9	264.0	328.2
Notes and accounts receivable	33.8	34.7	54.8	30.2	41.7	47.1	53.3	43.8	55.1
Title I and other small loans	2.5	3.7	3.4	1.2	3.9	4.4	9.7	15.0	13.1
Other current assets	17.8	18.1	20.0	34.2	33.3	37.2	47.1	34.3	40.0
Noncurrent assets	70.7	79.1	102.8	96.8	85.1	112.5	137.5	197.7	247.2
Total liabilities	692.6	861.1	955.9	1,202.5	1,447.3	1,541.7	1,501.8	1,870.6	2,259.9
Escrows	69.3	82.0	95.5	101.2	108.4	121.1	133.0	166.9	191.9
Notes payable	383.3	485.9	544.1	738.1	970.0	998.6	907.8	1,157.4	1,439.9
To banks	364.1	466.5	522.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
To others	19.2	19.4	21.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts payable	20.5	19.7	20.5	22.3	29.6	28.9	28.0	30.3	38.3
Undisbursed mortgage loans	25.5	53.7	52.2	49.0	36.8	28.2	26.0	58.7	50.8
Other current liabilities	22.8	23.0	22.2	44.5	55.9	57.6	55.7	69.4	70.1
Noncurrent liabilities	19.1	27.2	34.1	36.7	34.7	76.6	86.2	89.8	119.9
Net worth	152.1	169.5	187.3	210.7	211.9	230.7	265.1	298.1	349.0

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Total assets	2,360.2	2,884.5	3,262.5	4,474.2	4,686.6	5,226.4	4,535.8	4,543.1	4,371.5
Cash (including escrow)	316.2	366.9	398.4	716.7	850.5	791.6	838.9	890.2	971.8
Mortgage and construction loans	1,615.0	1,972.1	2,216.0	3,117.5	3,172.1	3,683.4	2,904.7	2,829.5	3,315.1
Mortgage loans	1,227.6	1,513.0	1,638.2	2,255.2	2,382.8	2,744.1	2,155.5	2,135.2	2,369.1
Construction	387.4	459.1	577.8	862.3	789.3	939.3	749.2	694.3	946.0
Notes and accounts receivable	71.3	87.5	117.1	100.8	142.3	152.8	111.2	126.0	113.8
Title I and other small loans	18.9	15.4	28.7	89.0	113.7	89.2	107.0	114.0	137.9
Other current assets	57.8	55.8	83.3	140.3	134.4	130.2	143.2	160.9	202.5
Noncurrent assets	281.0	386.8	419.0	309.9	273.6	379.2	430.8	422.5	474.6
Total liabilities	2,360.2	2,884.5	3,262.5	4,474.2	4,686.6	5,226.4	4,535.8	4,543.1	4,371.5
Escrows	217.3	255.8	281.2	623.4	734.0	684.6	733.6	770.6	844.3
Notes payable	1,450.3	1,754.9	2,012.1	2,982.5	3,144.6	3,642.1	2,854.9	2,774.5	3,223.3
To banks	n.a.	n.a.	n.a.	2,877.0	3,014.1	3,522.8	2,722.8	2,656.7	3,064.0
To others	n.a.	n.a.	n.a.	105.5	130.5	119.3	132.1	117.8	159.3
Accounts payable	39.9	42.7	50.6	78.2	71.3	96.4	64.8	77.4	95.0
Undisbursed mortgage loans	53.9	62.2	68.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other current liabilities	82.9	90.4	91.0	139.6	95.4	79.8	97.6	104.3	153.7
Noncurrent liabilities	132.8	195.6	233.4	157.7	156.5	219.5	276.3	277.3	293.9
Net worth	383.1	482.9	525.6	492.8	484.8	504.0	508.6	539.0	605.7

n.a. = not available.
Sources: See text.

TABLE IA-19

Par Value of Corporate Bonds Outstanding, 1947-68

(\$million)

	Railroad	Utility	Industrial	Finance ^a	Total
1947	9,630	10,667	6,853	548	27,698
1948	9,698	12,689	8,698	973	32,058
1949	9,896	14,081	9,832	1,403	35,212
1950	9,990	15,176	10,314	1,778	37,258
1951	10,332	16,632	12,332	1,946	41,242
1952	10,587	18,222	15,441	2,176	46,426
1953	10,798	20,601	16,938	3,418	51,755
1954	10,666	22,108	18,884	3,682	55,340
1955	10,719	23,792	20,101	4,852	59,464
1956	10,845	25,298	22,053	5,983	64,179
1957	10,975	29,193	24,264	6,978	71,410
1958	10,972	31,902	27,305	7,184	77,363
1959	10,739	34,059	28,348	8,178	81,324
1960	10,565	36,537	29,316	9,750	86,168
1961	10,395	38,253	32,126	10,525	91,299
1962	10,297	40,515	33,831	11,358	96,001
1963	10,281	42,278	36,315	13,164	102,038
1964	10,386	45,081	38,458	15,808	109,733
1965	10,630	46,031	42,047	18,515	117,223
1966	11,217	50,220	47,975	19,379	128,791
1967	11,480	55,138	57,668	20,681	144,967
1968	10,770	59,893	65,434	21,750	157,847

SOURCE: See text.

^a Includes insurance and real estate.

TABLE IA-20
Corporate Stock Outstanding, 1952-68

(*Smillion*)

	Total Out- standing	Invest- ment Company	Other Domestic	Foreign	Domestic Non- financial	Domestic Financial ^a
1952	189,682	7,199	180,235	2,248	152,834	34,600
1953	186,182	7,569	176,565	2,048	151,234	32,900
1954	256,191	10,976	242,809	2,406	213,685	40,100
1955	306,125	13,632	289,672	2,821	257,904	45,400
1956	308,426	14,301	291,103	3,022	259,204	46,200
1957	278,990	13,797	262,500	2,693	221,997	54,300
1958	395,017	19,232	372,095	3,690	318,527	72,800
1959	444,506	22,503	417,774	4,229	351,277	89,000
1960	445,935	23,858	417,410	4,667	348,368	92,900
1961	590,860	31,172	554,086	5,602	444,458	140,800
1962	506,890	29,701	472,475	4,714	390,376	111,800
1963	637,801	34,955	597,701	5,145	396,856	135,800
1964	721,504	39,498	676,736	5,270	567,934	147,300
1965	811,817	45,163	761,606	5,048	616,569	190,200
1966	741,954	44,299	693,331	4,324	566,830	170,800
1967	948,075	58,481	884,356	5,238	738,187	204,650
1968	1,126,238	68,569	1,051,205	6,464	828,874	290,900

SOURCE: See text.

^a Includes investment company shares.

TABLE IA-21
Corporate Stock Outstanding, 1952-68

(\$million)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Total outstanding:	189,682	186,182	256,191	306,125	308,426	278,990	395,017	444,506	445,935
Investment company	7,199	7,569	10,976	13,632	14,301	13,797	19,232	22,503	23,858
Other domestic	180,235	176,565	242,809	289,672	291,103	262,500	372,095	417,774	417,410
Foreign	2,248	2,048	2,406	2,821	3,022	2,693	3,690	4,229	4,667
Memo:									
Domestic nonfinancial	152,834	151,234	213,685	257,904	259,204	221,997	318,527	351,277	348,368
Domestic financial (including investment companies)	34,600	32,900	40,100	45,400	46,200	54,300	72,800	89,000	92,900
Held by:									
Households	142,772	138,382	191,130	225,244	222,040	198,811	288,670	323,612	320,874
Investment company shares	7,199	7,569	10,976	13,632	14,301	13,797	19,232	22,503	23,858
Other	135,573	130,813	180,154	211,612	207,739	185,014	269,438	301,109	297,016
Foundations	4,433	4,569	5,508	6,916	7,510	6,894	7,855	9,287	8,964
Colleges and universities	1,770	1,808	2,478	3,064	3,354	3,098	4,014	4,294	4,165
Personal trusts	20,767	20,282	27,772	33,201	35,921	32,391	42,965	47,514	48,473
Mutual savings banks	336	431	571	655	705	767	862	813	829
Life insurance companies	2,446	2,573	3,268	3,633	3,503	3,391	4,109	4,561	4,981
Property and casualty insurance companies	4,326	4,459	5,942	6,930	7,219	6,664	8,374	9,149	9,372

	1961	1962	1963	1964	1965	1966	1967	1968
Fraternal insurance companies	104	94	103	100	98	92	119	133
Private pension funds	1,843	2,392	3,154	6,085	7,065	7,489	11,561	14,525
State and local government pension funds	56	75	99	127	161	212	270	345
Open-end investment companies	3,376	3,644	5,485	7,061	7,995	7,510	11,812	14,447
Other investment companies	3,165	3,251	4,725	5,677	5,237	4,839	5,642	5,925
Brokers and dealers	583	572	702	857	657	741	459	538
Rest of the world	3,705	3,650	5,254	6,575	6,961	6,091	8,305	9,363
	1961	1962	1963	1964	1965	1966	1967	1968
Total outstanding:	590,860	506,890	637,801	721,504	811,817	741,954	948,075	1,126,238
Investment company	31,172	29,701	34,955	39,498	45,163	44,299	58,481	68,569
Other domestic	554,086	472,475	597,701	676,736	761,606	693,331	884,356	1,051,205
Foreign	5,602	4,714	5,145	5,270	5,048	4,324	5,238	6,464
Memo:								
Domestic financial	444,458	390,376	496,856	567,934	616,569	566,830	738,187	828,874
Domestic financial (including investment companies)	140,800	111,800	135,800	148,300	190,200	170,800	204,650	290,900
Held by:								
Households	431,314	356,844	458,105	522,874	587,617	529,867	686,624	827,978
Investment company shares	31,172	29,701	34,955	39,498	45,163	44,299	58,481	68,569
Other	400,142	327,143	423,150	483,376	542,454	485,568	628,143	759,409
Foundations	10,623	9,760	10,922	13,124	14,924	14,127	15,621	17,472
Colleges and universities	5,003	4,564	5,488	6,207	7,012	6,282	7,754	8,143
Personal trusts	61,354	57,601	68,884	72,501	79,567	76,028	86,557	95,896

(continued)

TABLE IA-21 (concluded)

	1961	1962	1963	1964	1965	1966	1967	1968
Held by (cont.):								
Mutual savings banks	894	1,043	1,158	1,259	1,426	1,467	1,686	1,937
Life insurance companies	6,258	6,302	7,135	7,938	9,126	8,755	11,779	13,230
Property and casualty insurance companies	11,755	11,124	12,955	14,745	15,304	13,759	17,709	18,114
Fraternal insurance companies	149	152	180	210	215	221	245	259
Private pension funds	22,856	21,895	27,670	33,527	39,692	38,509	49,491	59,577
State and local government pension funds	583	780	989	1,262	1,614	2,102	2,772	4,051
Open-end investment companies	21,297	19,576	23,670	25,797	33,262	31,130	43,051	50,494
Other investment companies	6,640	6,469	7,601	7,757	6,941	6,499	8,675	9,422
Brokers and dealers	326	444	559	468	518	565	600	137
Rest of the world	11,808	10,336	12,485	13,835	14,599	12,643	15,511	19,528

SOURCE: See text.

TABLE IA-22
Issues and Purchases of Corporate Stock, 1952-68

(\$million)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Total issues:	3,149	2,400	2,650	3,001	3,890	3,993	4,292	4,617	3,633
Investment company	648	519	592	935	1,231	1,245	1,833	2,046	1,851
Other domestic	2,441	1,932	1,802	1,893	2,548	2,713	2,127	2,376	1,696
Foreign	60	-51	256	173	111	35	332	195	86
Memo:									
Total domestic issues	3,089	2,451	2,394	2,828	3,779	3,958	3,960	4,422	3,547
Domestic nonfinancial	2,302	1,818	1,574	1,944	2,281	2,440	2,073	2,244	1,574
Domestic financial (including invest- ment companies)	787	633	820	884	1,498	1,518	1,887	2,178	1,973
Purchased by:									
Households	-409	171	2,612	1,084	-791	181	3,212	3,380	-6,920
Investment company shares	648	519	592	935	1,231	1,245	1,833	2,046	1,851
Other	-1,057	-348	2,020	149	-2,022	-1,064	1,379	1,334	-8,771
Foundations ^a	180	298	-883	239	479	329	-1,164	134	545
Colleges and universities ^a	142	103	-103	64	239	168	66	-352	273
Personal trusts ^a	1,766	293	-1,178	-309	2,169	936	-359	-2,323	5,401
Mutual savings banks	109	95	140	84	50	62	95	-49	16

(continued)

TABLE IA-22 (concluded)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Purchased by (cont.)									
Life insurance companies	164	93	270	65	-2	43	78	192	352
Property and casualty insurance companies	181	190	163	163	136	125	134	267	264
Fraternal insurance companies ^a	0	-6	-27	-22	-4	7	-4	-5	21
Private pension funds	478	545	709	739	941	1,135	1,381	1,743	1,946
State and local government pension funds	15	19	24	28	34	51	58	75	86
Open-end investment companies	473	563	297	511	560	815	987	1,295	1,021
Other investment companies ^b	0	-9	360	73	23	-90	146	-170	452
Brokers and dealers	49	-10	131	155	-200	84	-284	79	-27
Rest of the world	1	55	135	127	256	147	-54	351	203
	1961	1962	1963	1964	1965	1966	1967	1968	
Total issues:	6,194	3,170	1,364	3,738	3,309	5,569	6,984	5,273	
Investment company	3,219	2,381	1,673	2,513	3,639	4,653	4,671	5,999	
Other domestic	2,650	688	-249	1,431	-37	1,169	2,267	-900	
Foreign	325	101	-60	-206	-293	-253	46	174	
Memo:									
Total domestic issues	5,869	3,069	1,424	3,944	3,602	5,822	6,938	5,099	
Domestic nonfinancial	2,472	592	-300	1,386	25	1,180	2,304	-843	
Domestic financial (including investment companies)	3,397	2,477	1,724	2,558	3,577	4,642	4,634	5,942	

Purchased by:	-1,974	-4,374	-4,314	5,299	-1,191	-16,413	-3,335	-13,593
Households	3,219	2,381	1,673	2,513	3,639	4,653	4,671	5,999
Investment company shares	-5,193	-6,755	-5,987	2,786	-4,830	-21,066	-8,006	-19,592
Other	-17	280	-462	579	349	2,234	-636	1,134
Foundations ^a	55	100	138	-76	122	605	504	56
Colleges and universities ^a	3,604	2,824	1,386	-6,087	-832	12,747	-999	5,406
Personal trusts ^a	65	149	115	101	167	41	219	251
Mutual savings banks	465	433	246	546	708	268	1,064	1,427
Life insurance companies								
Property and casualty insurance companies	260	248	156	103	87	391	588	1,071
Fraternal insurance companies ^a	-19	19	2	4	-17	51	-9	3
Private pension funds	2,258	2,198	2,170	2,212	3,124	3,676	4,991	4,713
State and local government pension funds	152	197	209	273	352	488	670	1,279
Open-end investment companies	1,131	909	759	1,131	1,237	1,335	2,061	1,653
Other investment companies ^b	-64	-41	619	39	-448	416	1,129	368
Brokers and dealers	-45	119	115	-94	51	35	37	-463
Rest of the world	323	109	225	-292	-400	-305	700	1,968

SOURCE: See text.

^a Assuming price appreciation as in Dow-Jones Industrial Average.

^b Assuming price appreciation as in Standard and Poor's Composite Index.

E. SECTOR BALANCE SHEETS

These balance sheets are the result of supplementing the flow of funds accounts with the data discussed in sections B through D of this appendix. The aggregate corporate stock and bond series were replaced by those covered in section D. The estimates of tangibles from section B were added to these modified flow of funds estimates of financial assets and liabilities in order to produce the full balance sheets of Tables IB-1 through IB-9.

The remaining differences between these estimates and the flow of funds accounts come from two sources. One is the difference in sectoring which results from the exclusion of some nonhouseholds from the household sector given here. The other is the differences in asset categories which result from a higher degree of aggregation.

The entries for the NBER finance sector exceed the corresponding flow of funds aggregates by an amount equal to the sum of the holdings of personal trusts and estates, fraternal insurance companies, and those investment companies not members of the Investment Company Institute. The holdings of the NBER's household sector are less than the corresponding household holdings in the flow of funds accounts by the amount of the holdings of these newly created financial institutions; in addition, the portfolios of nonprofit institutions have been subtracted from the flow of funds household account as well. Additional assets in the form of claims on life insurance and personal trusts were given to the remaining household sector by analogy with the treatment of life insurance and pension fund claims in the flow of funds accounts. Finally, since household holdings of corporate bonds and stock are derived residually, the holdings reported in Table IB-2 also reflect the difference between the series on corporate securities outstanding in the two systems.

The asset categories differ from the flow of funds categories in several additional respects. "Monetary reserves" is the sum of the flow of funds categories gold, foreign exchange, and Treasury currency. Currency and demand deposits, time deposits, and short-term U.S. government securities are equivalent in the two systems. "Other short-term claims" consists of bank loans n.e.c., other loans, consumer credit, security credit, trade credit, taxes payable, and interbank items.

The bonds entry in the present accounts covers all U.S. government and agency issues not included in the short-term claims, state and local government securities, and corporate and foreign bonds, the latter modified as described above. Mortgages covers all mortgages in the flow of

funds system; claims on life insurance, pension and personal trusts consists of the flow of funds items life insurance reserves and pension fund reserves plus the total assets of fraternal insurance and of bank-administered personal trusts.

The estimate of corporate shares is the total discussed above in section D2. Equity in unincorporated business is equal to the sum of the net worth of farm and nonfarm noncorporate business. Miscellaneous assets and liabilities are taken directly from the flow of funds accounts; thus the category includes direct investment, other identifiable claims, and various floats and unallocated items.

The totals shown here are those for all domestic sectors. In addition to the discrepancy for any instrument between total assets and total liabilities introduced by removing the rest of the world sector from the flow of funds accounts, there are other discrepancies in the system as well. Bank and holder records differ on currency and demand deposits; the trade credit and miscellaneous accounts both show discrepancies in the flow of funds. These have been preserved in the balance sheet tables appearing below.

TABLE IB-1

Balance Sheet, All Domestic Sectors, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	1,115.3	1,851.3	3,079.5
Land	199.4	411.7	715.4
Reproducible tangible assets	915.9	1,439.6	2,364.1
Structures	576.2	924.4	1,537.1
Durables	228.8	368.2	610.8
Inventories	110.9	147.0	216.2
Financial assets	1,398.2	2,291.8	4,348.7
Monetary reserves	29.5	25.1	22.5
Currency and demand deposits	136.4	150.9	208.6
Short-term claims	335.2	564.1	1,136.0
Time deposits	82.6	173.3	402.6
Short-term U.S. government securities	61.0	80.5	112.6
Other short-term claims	191.6	310.3	620.9
Long-term claims	464.0	771.2	1,342.5
Bonds	237.5	313.4	479.4
Mortgages	91.4	206.8	397.5
Claims on life insurance, pensions, and personal trusts	135.2	251.0	465.6
Corporate shares	186.0	436.6	1,106.7
Equity in unincorporated business	210.3	269.2	392.2
Miscellaneous assets	36.8	74.7	140.2
Total assets	2,513.5	4,143.1	7,428.2
Total liabilities	971.8	1,555.5	2,791.2
Monetary reserves	2.4	2.7	5.1
Currency and demand deposits	137.4	152.2	211.1
Short-term debt	319.0	535.6	1,060.5
Time deposits	84.9	176.8	412.1
Short-term U.S. government securities	63.9	88.2	119.4
Other short-term debt	170.2	270.6	529.0
Long-term debt	462.3	769.1	1,337.3
Bonds	235.7	311.3	474.2
Mortgages	91.4	206.8	397.5
Claims on life insurance, pensions, and personal trusts	135.2	251.0	465.6
Miscellaneous liabilities	50.7	95.9	177.2
Net worth	1,541.7	2,587.6	4,637.0

SOURCE: See text.

TABLE IB-2
Balance Sheet, Households, 1952, 1960, and 1968

(*\$billion*)

	1952	1960	1968
Tangible assets	386.3	670.6	1,051.8
Land	58.7	148.6	250.9
Reproducible tangible assets	327.6	522.0	800.9
Structures	237.3	381.2	567.1
Consumer durables	90.3	140.8	233.8
Inventories	—	—	—
Financial assets	716.9	1,196.7	2,312.0
Monetary reserves	—	—	—
Currency and demand deposits	59.3	63.9	107.4
Short-term claims	84.4	173.1	374.7
Time deposits	78.5	164.4	355.1
Short-term U.S. government securities	5.2	7.6	16.3
Other short-term claims	0.7	1.1	3.3
Long-term claims	211.0	358.5	593.8
Bonds	58.6	78.0	93.6
Mortgages	17.3	29.6	34.5
Claims on life insurance, pensions, and personal trusts	135.2	251.0	465.6
Corporate shares	142.8	320.9	828.0
Equity in unincorporated business	210.3	269.2	392.2
Miscellaneous assets	9.1	11.1	15.9
Total assets	1,103.2	1,867.3	3,363.8
Total liabilities	95.4	216.6	409.8
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	38.1	77.4	161.4
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	38.1	77.4	161.4
Long-term debt	56.1	136.8	244.1
Bonds	—	—	—
Mortgages	56.1	136.8	244.1
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	1.2	2.4	4.3
Net worth	1,007.8	1,650.7	2,954.0

SOURCE: See text.

TABLE IB-3

Balance Sheet, Selected Nonprofit Institutions, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	23.0	44.7	87.6
Land	6.3	14.9	28.6
Reproducible tangible assets	16.7	29.8	59.0
Structures	15.0	27.2	55.7
Producer durables	1.7	2.6	3.3
Inventories	—	—	—
Financial assets	10.1	20.4	37.0
Monetary reserves	—	—	—
Currency and demand deposits	0.1	0.2	0.5
Short-term claims	—	—	—
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term claims	—	—	—
Long-term claims	3.2	5.5	7.1
Bonds	3.1	5.2	6.6
Mortgages	0.1	0.3	0.4
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	6.2	13.1	25.7
Equity in unincorporated business	—	—	—
Miscellaneous assets	0.6	1.6	3.8
Total assets	33.1	65.1	124.6
Total liabilities	3.4	9.8	20.7
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	^a	0.6	2.9
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	^a	0.6	2.9
Long-term debt	3.4	9.2	17.8
Bonds	—	—	—
Mortgages	3.4	9.2	17.8
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	—	—	—
Net worth	29.7	55.3	103.9

SOURCE: See text.

^a Less than \$50 million.

TABLE IB-4

Balance Sheet, Nonfinancial Corporations, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	281.4	446.2	757.9
Land	21.2	55.9	102.9
Reproducible tangible assets	260.2	390.3	655.0
Structures	116.1	172.6	272.4
Producer durables	78.0	129.9	233.3
Inventories	66.1	87.8	149.3
Financial assets	126.3	206.7	357.3
Monetary reserves	—	—	—
Currency and demand deposits	28.8	32.2	28.1
Short-term claims	70.6	129.2	247.9
Time deposits	0.9	2.8	24.8
Short-term U.S. government securities	10.7	15.1	9.8
Other short-term claims	59.0	111.3	213.3
Long-term claims	9.9	6.8	8.7
Bonds	9.9	6.8	8.7
Mortgages	—	—	—
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	—	—	—
Equity in unincorporated business	—	—	—
Miscellaneous assets	17.0	38.5	72.6
Total assets	407.7	652.9	1,115.2
Total liabilities	165.6	275.0	499.9
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	82.0	120.0	222.1
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	82.0	120.0	222.1
Long-term debt	60.2	108.3	204.1
Bonds	44.1	76.3	136.8
Mortgages	16.1	32.0	67.3
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	23.4	46.6	73.8
Net worth	242.1	377.9	615.3

SOURCE: See text.

TABLE IB-5

Balance Sheet, Farm Business, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	138.1	178.8	266.2
Land	67.3	92.9	152.6
Reproducible tangible assets	70.8	85.9	113.6
Structures	29.2	38.8	50.1
Producer durables	18.4	24.1	34.1
Inventories	23.2	23.0	29.4
Financial assets	8.3	7.6	9.4
Monetary reserves	—	—	—
Currency and demand deposits	7.1	5.8	6.1
Short-term claims	—	—	—
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term claims	—	—	—
Long-term claims	—	—	—
Bonds	—	—	—
Mortgages	—	—	—
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	—	—	—
Equity in unincorporated business	—	—	—
Miscellaneous assets	1.2	1.8	3.3
Total assets	146.4	186.4	275.6
Total liabilities	13.9	23.6	51.4
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	6.7	10.9	23.8
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	6.7	10.9	23.8
Long-term debt	7.2	12.8	27.5
Bonds	—	—	—
Mortgages	7.2	12.8	27.5
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	—	—	—
Net worth	132.5	162.8	224.2

SOURCE: See text.

TABLE IB-6

Balance Sheet, Nonfarm Noncorporate Business, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	74.0	112.4	202.8
Land	10.8	18.2	29.0
Reproducible tangible assets	63.2	94.2	173.8
Structures	23.2	37.9	100.4
Producer durables	25.9	38.7	50.0
Inventories	14.1	17.6	23.4
Financial assets	16.2	20.8	26.6
Monetary reserves	—	—	—
Currency and demand deposits	10.4	12.4	12.5
Short-term claims	4.0	5.3	8.8
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term claims	4.0	5.3	8.8
Long-term claims	—	—	—
Bonds	—	—	—
Mortgages	—	—	—
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	—	—	—
Equity in unincorporated business	—	—	—
Miscellaneous assets	1.7	3.0	5.3
Total assets	90.2	133.2	229.4
Total liabilities	12.4	26.8	61.4
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	4.3	13.2	24.8
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	4.3	13.2	24.8
Long-term debt	8.0	13.6	36.6
Bonds	—	—	—
Mortgages	8.0	13.6	36.6
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	—	—	—
Net worth	77.8	106.4	168.0

SOURCE: See text.

TABLE IB-7

Balance Sheet, Federal Government, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	72.0	119.3	166.7
Land	10.8	18.4	33.5
Reproducible tangible assets	61.2	100.9	133.2
Structures	48.1	70.6	103.4
Producer durables	5.6	11.7	15.8
Inventories	7.5	18.6	14.0
Financial assets	50.0	55.9	91.5
Monetary reserves	1.6	1.7	3.3
Currency and demand deposits	7.4	7.2	6.6
Short-term claims	37.0	37.2	67.7
Time deposits	0.4	0.3	0.4
Short-term U.S. government securities	—	—	—
Other short-term claims	36.6	36.9	67.3
Long-term claims	2.9	5.7	9.8
Bonds	^a	^a	1.4
Mortgages	2.9	5.7	8.4
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	—	—	—
Equity in unincorporated business	—	—	—
Miscellaneous assets	1.2	4.1	4.1
Total assets	122.0	175.2	258.2
Total liabilities	243.6	263.4	333.2
Monetary reserves	2.4	2.7	5.1
Currency and demand deposits	—	—	—
Short-term debt	66.7	91.3	124.5
Time deposits	—	—	—
Short-term U.S. government securities	63.9	88.2	119.4
Other short-term debt	2.8	3.1	5.1
Long-term debt	171.6	168.1	203.6
Bonds	157.0	146.3	171.1
Mortgages	—	1.3	1.7
Claims on life insurance, pensions, and personal trusts	14.6	20.5	30.8
Miscellaneous liabilities	2.9	1.2	^a
Net worth	-121.7	-88.2	-75.0

SOURCE: See text.

^a Less than \$50 million.

TABLE IB-8

Balance Sheet, State and Local Governments, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	135.0	266.5	518.0
Land	23.7	60.6	110.7
Reproducible tangible assets	111.3	205.9	407.3
Structures	104.6	190.5	375.8
Producer durables	6.7	15.4	31.5
Inventories	—	—	—
Financial assets	20.9	30.8	62.3
Monetary reserves	—	—	—
Currency and demand deposits	7.4	6.4	10.0
Short-term claims	4.0	12.3	31.4
Time deposits	1.6	4.6	19.1
Short-term U.S. government securities	1.5	6.8	10.0
Other short-term claims	0.9	0.9	2.3
Long-term claims	9.5	12.1	20.8
Bonds	9.1	10.8	18.5
Mortgages	0.4	1.3	2.3
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	—	—	—
Equity in unincorporated business	—	—	—
Miscellaneous assets	—	—	—
Total assets	155.9	297.3	580.3
Total liabilities	32.7	74.5	132.8
Monetary reserves	—	—	—
Currency and demand deposits	—	—	—
Short-term debt	2.5	3.7	9.2
Time deposits	—	—	—
Short-term U.S. government securities	—	—	—
Other short-term debt	2.5	3.7	9.2
Long-term debt	30.2	70.8	123.7
Bonds	30.2	70.8	123.7
Mortgages	—	—	—
Claims on life insurance, pensions, and personal trusts	—	—	—
Miscellaneous liabilities	—	—	—
Net worth	123.2	222.8	447.5

SOURCE: See text.

TABLE IB-9

Balance Sheet, Financial Institutions, 1952, 1960, and 1968

(\$billion)

	1952	1960	1968
Tangible assets	5.1	13.2	28.5
Land	0.6	2.3	7.2
Reproducible tangible assets	4.5	10.9	21.3
Structures	2.5	5.6	12.3
Producer durables	2.0	5.3	9.0
Inventories	—	—	—
Financial assets	441.7	741.3	1,432.3
Monetary reserves	27.9	22.9	19.2
Currency and demand deposits	7.9	11.2	17.0
Short-term claims	135.4	206.9	405.6
Time deposits	1.2	1.3	3.2
Short-term U.S. government securities	43.7	50.8	76.5
Other short-term claims	90.5	154.8	325.9
Long-term claims	227.6	382.9	702.4
Bonds	156.9	212.9	350.7
Mortgages	70.7	169.9	351.8
Claims on life insurance, pensions, and personal trusts	—	—	—
Corporate shares	37.0	102.6	253.0
Equity in unincorporated business	—	—	—
Miscellaneous assets	6.0	14.6	35.2
Total assets	446.8	754.5	1,460.8
Total liabilities	404.8	666.1	1,282.2
Monetary reserves	—	—	—
Currency and demand deposits	137.4	152.2	211.1
Short-term debt	118.7	218.5	491.8
Time deposits	84.9	176.8	412.1
Short-term U.S. government securities	—	—	—
Other short-term debt	33.8	41.7	79.7
Long-term debt	125.5	249.4	479.8
Bonds	4.4	17.8	42.6
Mortgages	0.5	1.2	2.4
Claims on life insurance, pensions, and personal trusts	120.6	230.4	434.8
Miscellaneous liabilities	23.2	46.0	99.2
Net worth	42.0	88.4	178.6

SOURCE: See text.