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3

The Pattern of Savings Bond Ownership

Reflecting the basic objective of spreading direct ownership of Treasury securities among individual investors, the bulk of the amount of savings bonds outstanding is held by individuals, while only a small amount is held by financial institutions, corporations, and government. According to estimates of the Treasury Department, individuals (including partnerships and personal trust accounts) held nearly $46 billion, or 96 per cent, of the total amount of savings bonds outstanding at the end of 1960. All other investors held only about $2 billion. Throughout the fifteen-year period from the end of 1945 to the end of 1960, the share of individuals in the total amount of savings bonds outstanding never was less than about 85 per cent.

While the Treasury has stimulated widespread ownership by individuals, it has limited the accumulation of savings bonds by financial institutions and other large investors by imposing ceilings on annual purchases of savings bonds by a single investor and by offering relatively low yields in recent years on series of savings bonds available to nonindividual investors. Moreover, institutional investors hold negligible amounts of savings bonds because they value the protection from market risk provided by nonmarketable securities much less highly than do individuals with limited financial resources and investment knowledge. In contrast to individuals, financial institutions hold the bulk of their Treasury securities in marketable obligations.

Savings Bonds in the Pattern of Individuals' Financial Asset Holdings

Savings bonds are widely held by individuals and represent a significant share of their financial assets. The role of savings bonds in individuals' financial asset holdings appears to be similar to that of savings accounts at private financial intermediaries. With respect to the role of savings accounts, Raymond W. Goldsmith concluded, on the basis of 1950 survey data and other information, that:

> There appears to be an inverse relationship between the degree of financial sophistication of a group and the share of savings deposits among its total assets. It may reflect the fact that savings deposits are standardized, are regarded as particularly safe by a large part of the population, but at the same time yield some interest and generally require no minimum balance. This explanation, suggested by the occupational differences in the ratio of savings deposits to total assets, is confirmed by the variations among income groups of households.[1]

Although data on savings bonds comparable to those used by Goldsmith for savings accounts are not available, it appears that the same conclusion is broadly applicable also to savings bonds. This is suggested by survey findings that show that the distribution of ownership of savings bonds among consumer spending units in different economic circumstances broadly parallels that of savings accounts, in that both types of assets are held widely in most income and wealth groups, in sharp contrast with the narrow distribution of corporate stock ownership in all but the top income and wealth groups. Indeed, similarities of patterns of ownership are to be expected, in view of similarities of basic investment characteristics between the two types of financial assets.

It also seems clear, however, that in recent years most individuals have found savings accounts more attractive than savings bonds. In sharp contrast with the early postwar period, savings accounts currently are held more widely, and in larger amounts, than savings bonds.

Share of Savings Bonds in Nonfarm Households' Financial Assets

Savings bonds represented only 4.5 per cent of total financial assets of nonfarm households' total holdings of financial assets at the end of 1958, according to estimates prepared for the NBER capital market study (Table 3). Their relative importance was found to be much greater, however, when the comparison was confined to assets broadly

[1] *Financial Intermediaries in the American Economy Since 1900* (Princeton University Press for NBER, 1958), p. 294.

TABLE 3

SHARE OF SAVINGS BONDS IN FINANCIAL ASSETS OF NONFARM HOUSEHOLDS, END OF YEAR, 1945, 1950, AND 1958

Type of Asset	1945	1950	1958
Amounts in billions of dollars:			
Savings bonds	40.00	46.30	43.20
Total financial assets[a]	419.75	538.40	953.80
Liquid assets[b]	138.04	164.20	236.80
Fixed-value, redeemable claims[c]	92.69	115.80	183.63
Percentage of savings bonds to:			
Total financial assets	9.5	8.6	4.5
Liquid assets	29.0	28.2	18.2
Fixed-value, redeemable claims	43.2	40.0	23.5

SOURCE: Balance sheet data, "Studies in the National Balance Sheet" (MS., NBER). Data include holdings of personal trust accounts and nonprofit organizations.

[a] Includes currency and demand deposits, savings deposits and share accounts, life insurance reserves, private and government pension and retirement funds, mortgages, United States government securities, state and local government securities, other bonds and notes, preferred and common stock, equity in mutual financial organizations, equity in other businesses, other loans, and other intangible assets.

[b] Currency, demand deposits, savings deposits and share accounts, and savings bonds.

[c] Includes time and savings deposits in commercial banks and mutual savings banks, postal savings, shares in savings and loan associations and credit unions, and savings bonds.

similar in terms of safety, liquidity, and convenience to the small investor. Thus, savings bonds represented 24 per cent of nonfarm households' holdings of "fixed-value, redeemable claims" (savings accounts and savings bonds).[2] They represented, furthermore, 18 per cent of total liquid assets (currency, demand deposits, savings accounts, and savings bonds).

[2] Estimates made, in connection with the NBER Capital Market Study, of the amount of savings bonds held by nonfarm households differ from Treasury Department estimates of individuals' holdings, which are used by the Securities and Exchange Commission and the Federal Reserve in estimates of individuals' financial assets and saving. Unlike Treasury Department estimates, NBER data exclude estimated holdings of farmers and include holdings of nonprofit organizations. The term "fixed-value, redeemable claims" is taken from the Federal Reserve flow-of-funds accounts.

The sharp change in the relative attractiveness to nonfarm households of savings bonds and savings accounts during the postwar period is indicated by the decline in the relative importance of savings bonds in total fixed-value, redeemable claims, from 43 per cent at the end of 1945 to 24 per cent at the end of 1958. Savings bonds also declined relative to total financial assets and total liquid assets. E and H bonds alone declined over the same period from 31 to 21 per cent of fixed-value, redeemable claims, from 21 to 16 per cent of liquid assets, and from 7 to 4 per cent of total financial assets.

Frequency of Savings Bond Ownership

According to sample data gathered for the Survey of Consumer Finances, conducted by the Survey Research Center of the University of Michigan, 30 per cent of all consumer spending units held savings bonds early in 1960.[3] A comparison of the frequency of ownership of savings bonds with that of other types of financial assets shows that in early 1960 life insurance, checking accounts, and savings accounts (including savings accounts in commercial and mutual savings banks and shares in credit unions and savings and loan associations) were each held by a considerably larger proportion of consumer spending units than were savings bonds.[4] Corporate stock and marketable bonds, however, were held by fewer spending units:[5]

	Percentage of Spending Units Holding Selected Types of Assets
Life insurance	78
Checking accounts	57
Savings accounts	53
Savings bonds	30
Corporate stock	14
Marketable U.S. government securities	1

[3] Except where otherwise indicated, data from the Survey of Consumer Finances cited in the text are from the *1960 Survey of Consumer Finances* (Ann Arbor, Survey Research Center, Institute for Social Research, the University of Michigan, 1961). Data are as of interview dates, generally early in survey years.

[4] The possibility that the frequency of ownership of bank accounts and savings and loan shares is underestimated by the Survey of Consumer Finances is discussed in "The Financial Position of Consumers," *Federal Reserve Bulletin,* September 1958, p. 1,049.

[5] Data are as of 1960, except the figure for stock, which is based on results of surveys conducted late in 1959 and early in 1960 and that for marketable bonds, which is as of 1957. The figure for stock refers to percentage of family units holding publicly traded common stock.

The distribution of ownership of savings bonds in 1960 was much narrower proportionally than at the end of World War II, when savings bonds were held by close to two-thirds of all spending units. Paralleling the postwar decline in the dollar amount of savings bonds in individuals' total financial asset holdings, the proportion of spending units holding savings bonds has declined sharply from the extraordinary level reached at the end of World War II, in marked contrast to the greatly increased proportion of spending units holding savings accounts and checking accounts:

	Percentage of Spending Units Holding Selected Types of Assets		
	1946	1951	1960
Savings bonds	63	41	30
Savings accounts	39	45	53
Checking accounts	34	41	57

Comparison of Ownership of Savings Bonds and Savings Accounts

Similarities between the pattern of ownership of savings bonds and that of savings accounts are shown in Table 4. Savings bonds, like savings accounts, were held by a substantial proportion of spending units in all income groups in early 1957. The proportion of holders increased with income, but leveled off in the top income groups. Checking accounts, which are included by the Survey of Consumer Finances with savings bonds and savings accounts in data on liquid assets, were also widely held throughout the income range.

Both the distribution of savings bonds and that of savings accounts differed from that of corporate stock (Table 4). Unlike savings accounts and savings bonds, stock was held by relatively few spending units in the four lowest income groups and by a substantial proportion of spending units only in the top three income groups.

Similar patterns of ownership were found among spending units classified by holdings of "total" financial assets (Table 5).[6] A substantial proportion in all financial asset groups, including the lowest, held savings bonds and savings accounts, while few spending units with small financial asset holdings owned any stock. In contrast, in the "$25,000 and over" group, the proportion of spending units holding savings bonds and savings accounts was about the same as, or smaller than, the proportion holding stock.

Most spending units in low financial asset groups held the total amount of their financial assets in liquid form—in savings accounts, savings bonds, or checking accounts[7]—presumably reflecting a desire

[6] Items included in "total" financial assets are indicated in the note to Table 5.

[7] *Federal Reserve Bulletin,* August 1957, Supplementary Table 10, p. 897.

TABLE 4

PERCENTAGE OF SPENDING UNITS HOLDING SELECTED TYPES OF FINANCIAL ASSETS, BY INCOME, EARLY 1957

Income of Spending Unit (dollars)	Savings Bonds	Savings Accounts	Checking Accounts	Corporate Stock
Under 1,000	12	31	26	3
1,000-1,999	22	28	33	5
2,000-2,999	27	33	41	5
3,000-3,999	27	44	44	4
4,000-4,999	29	53	51	6
5,000-7,499	37	64	68	12
7,500-9,999	52	70	80	20
10,000 and over	54	72	94	43
Total	32	50	55	11

SOURCE: *Federal Reserve Bulletin,* August 1957, Supplementary Table 6, p. 894.

NOTE: Data are percentages of spending units holding savings bonds, savings accounts (savings accounts in banks, postal savings, and shares in savings and loan associations and credit unions), checking accounts, and corporate stock (excluding stock of privately owned corporations). Spending units are classified by 1956 money income before taxes.

to keep such little financial wealth as they had readily available for emergencies or for future spending. In higher financial asset groups, a much greater degree of diversification of assets and increased ownership of stock were evident. Thus, only a small minority of spending units with $25,000 or more in "total" financial assets held liquid assets exclusively, while about one-half held 60 per cent or more of their financial assets in stock.

While survey data suggest that the role of savings bonds in the pattern of financial assets is similar to that of savings accounts, they also reveal a pervasive tendency for the frequency of ownership and the average size of holdings to be lower in recent years for savings bonds than for savings accounts in different groups of spending units, classified by financial asset holdings, income, age, and occupation (Tables 5-8). The apparently greater frequency of savings bonds among farmers is one exception. That more farmers hold savings bonds than savings accounts may be due to the absence in many rural areas of savings and loan associations, mutual savings banks, and credit unions, which pay relatively high rates of return to depositors and shareholders. In these areas, the uniform yields of savings bonds are relatively attractive.

TABLE 5

PERCENTAGE OF SPENDING UNITS HOLDING SELECTED TYPES OF FINANCIAL ASSETS, BY AMOUNT OF FINANCIAL ASSETS, EARLY 1957

Amount of Financial Assets Held by Spending Unit (dollars)	Savings Bonds	Savings Accounts	Checking Accounts	Corporate Stocks
1-199	20	39	64	1
200-499	26	59	69	1
500-999	42	69	70	5
1,000-1,999	52	74	68	10
2,000-4,999	57	84	77	13
5,000-9,999	65	86	79	38
10,000-24,999	70	87	82	55
25,000 and over	71	75	95	77
All owners of financial assets	43	66	72	14
All spending units	32	50	55	11

SOURCE: *Federal Reserve Bulletin*, August 1957, Table 3, p. 883, and Supplementary Table 10, p. 897.

NOTE: Data are percentages of spending units holding savings bonds, savings accounts (savings accounts in banks, postal savings, and shares in savings and loan associations and credit unions), checking accounts, and corporate stock (excluding stock of privately owned corporations). Spending units are classified by amount of financial assets held, including savings bonds, savings accounts, checking accounts, corporate stock, marketable United States government bonds, state and local government bonds, and corporate bonds.

Survey data for 1957 reveal a particularly pronounced tendency for savings bonds to be held less frequently than savings accounts and checking accounts among spending units that held all their liquid assets in one form:[8]

	Percentage of spending units
Savings bonds only	3
Savings accounts only	12
Checking accounts only	17

That savings bonds have been regarded as somewhat less attractive than savings accounts for liquidity purposes is further suggested by

[8] Liquid assets here include checking accounts, savings accounts, and savings bonds. Data are from *Federal Reserve Bulletin*, August 1957, p. 882.

TABLE 6

Ownership of Savings Bonds and Savings Accounts, by Income Quintile, 1958

Income Quintile	*Percentage of Spending Units Holding*		*Median Holdings*	
	Savings Bonds	Savings Accounts	Savings Bonds	Savings Accounts
Lowest fifth	12.8%	24.2%	$ 340	$ 796
Second	21.3	40.1	438	741
Third	27.4	52.0	305	455
Fourth	35.9	64.8	361	561
Highest fifth	44.9	70.7	503	1,060
Total	28.6	50.4	405	723

Source: Unpublished tabulations of the Survey Research Center of the University of Michigan, Economic Behavior Program. Data on savings accounts include savings deposits in commercial and mutual savings banks, postal savings, and shares in savings and loan associations and credit unions. Medians are interpolated from frequency distributions and refer to holders of savings accounts and savings bonds only.

TABLE 7

Ownership of Savings Bonds and Savings Accounts, by Age of Head of Spending Unit, 1958

Age of Head of Spending Unit	*Percentage of Spending Units Holding*		*Median Holdings*	
	Savings Bonds	Savings Accounts	Savings Bonds	Savings Accounts
18-24	20.0%	41.3%	$ 150	$ 289
25-34	26.7	50.7	180	374
35-44	28.3	54.8	369	613
45-54	35.4	54.8	481	962
55-64	31.0	47.5	738	1,617
65 and over	27.1	48.1	918	2,429
All spending units	28.6	50.4	405	723

Source: Unpublished tabulations of the Survey Research Center of the University of Michigan, Economic Behavior Program. See note to Table 6.

TABLE 8

OWNERSHIP OF SAVINGS BONDS AND SAVINGS ACCOUNTS, BY OCCUPATION OF HEAD OF SPENDING UNIT, 1958

Occupation of Head of Spending Unit	*Percentage of Spending Units Holding*		*Median Holdings*	
	Savings Bonds	Savings Accounts	Savings Bonds	Savings Accounts
Professional	43.0%	71.5%	$ 518	$ 809
Managerial	42.7	67.2	450	1,368
Farmers	33.1	17.0	421	499
Foremen and skilled	31.9	58.0	298	511
Clerical and sales	30.2	66.1	391	540
Miscellaneous	29.4	42.8	262	395
Self-employed business	28.2	48.9	531	929
Operatives	27.4	46.8	368	391
Retired	25.2	50.8	825	2,715
Farm and nonfarm labor	17.3	36.7	295	483
Unemployed	14.0	31.8	229	595
All spending units	28.6	50.4	405	723

SOURCE: Based on unpublished tabulations of the Survey Research Center of the University of Michigan, Economic Behavior Program.

NOTE: See note to Table 6. Persons in "Miscellaneous" group include members of armed services, students, government protective service workers, and widows and housewives under fifty-five. "Retired" persons include widows and housewives over fifty-five.

results of surveys of individuals' investment attitudes. The reason most frequently given for holding savings bonds is their "safety," while "liquidity" is most frequently cited in favor of savings accounts.[9]

Compared to savings accounts, furthermore, savings bonds seem to be least attractive to spending units with relatively small holdings of financial assets, and most attractive to spending units with large holdings. Thus, while the frequency of ownership of savings bonds was one-half that of savings accounts for spending units with less than $500 in total financial assets, it was only slightly lower for spending units with portfolios of $25,000 or more.

[9] See, for example, *Federal Reserve Bulletin*, August 1957, p. 886.

TABLE 9

Holdings of Savings Bonds, by Type of Investor, December 31, 1960
(dollars in millions)

Series	Total Outstanding	6,314 Commercial Banks[a]	512 Mutual Savings Banks[b]	307 Life Insurance Cos.	529 Fire, Casualty, and Marine Insurance Cos.	U.S. Govt. Investment Accounts and Federal Reserve Banks	12,490 Corporate Pension Trust Funds[c]	489 Savings and Loan Associations	497 Corporations	Others[d]
E	$37,597		[e]	[e]	[e]	$2	$ 73	[e]	[e]	$37,521
F	365	$ 49	$ 1	$ 1	$10	[e]	8	$4	[e]	293
G	1,705	117	21	20	35	3	23	17	$2	1,468
H	5,540		[e]	[e]	[e]	1	[e]	1	[e]	5,538
J	555	[e]		1	5	1	4	4	1	539
K	1,397	2	11	4	14	4	13	29	2	1,318
Total amount	47,159	168	32	26	65	11	121	55	5	46,677
Percentage of total holdings of U.S. govt. securities	16.4%	0.3%	0.5%	0.4%	1.4%	[f]	6.5%	2.1%	[f]	39.7%

Source: *Treasury Bulletin*, March 1961, pp. 52 and 54. Interest-bearing securities only. Series E, F, and J bonds are included at current redemption values; Series G, H, and K, at par value.

[a] Excludes trust departments of commercial banks, but includes trust companies and stock savings banks.

[b] Excludes trust companies.

[c] Consists of corporate pension trust funds and profit-sharing plans which involve retirement benefits, accounting for about 90 per cent of United States government securities held by all corporate pension trust funds.

[d] Includes those banks, insurance companies, savings and loan associations, corporations, and trust funds not shown separately.

[e] Less than $0.5 million.

[f] Less than 0.05 per cent.

Share of Savings Bonds in Institutional Holdings of Treasury Securities

For reasons indicated earlier, savings bonds are not held in large amounts by institutional investors. As Table 9 shows, nonindividual investors held relatively small proportions of their total United States government securities in savings bonds at the end of 1960.[10] Corporations had a minute proportion in savings bonds, reflecting mainly their overwhelming preference for short-term marketable securities, particularly bills. Next to corporations, commercial banks had the smallest proportion of total holdings of Treasury securities in savings bonds of any of the types of investors shown in Table 9, reflecting the fact that they were not permitted to purchase savings bonds during most of World War II and the postwar periods. Corporate pension trust funds had the largest holdings of savings bonds relative to their total Treasury security portfolios. Their holdings were higher relatively than those of savings banks, insurance companies, and savings and loan associations, as well as those of commercial banks and corporations, largely because, in the case of pension funds, ceilings imposed on purchases of savings bonds by a single investor apply to a larger number of investor units.

Banks and insurance companies never were large investors in savings bonds, although in the early postwar period, when yields on all series of savings bonds were relatively attractive, they held somewhat larger proportions of their total Treasury securities portfolios in savings bonds than in 1960. Corporate pension funds, however, had nearly 35 per cent of their total holdings of United States government securities

[10] Additional information, of a fragmentary nature, relating to nonindividual holdings of savings bonds is also available. Fifteen state governments, which accounted for more than one-half of total state holdings of U.S. government securities, were found to hold $85.1 million of savings bonds at the end of fiscal 1958 (James L. Bower, "Investments in United States Government Securities by State Governments," *National Tax Journal,* June 1960, p. 131). Rough estimates of savings bonds holdings of nonindividual investors at the end of 1957, compiled in connection with preliminary versions of the Federal Reserve flow-of-funds accounts, suggest that F, G, J, and K bonds not held by consumers, commercial banks, the insurance sector, corporations, and savings institutions were held mainly by nonprofit institutions and state and local governments.

in savings bonds at the end of 1950.[11]

Although financial institutions have not been large investors in savings bonds, they have been more prominent holders of other nonmarketable securities, chiefly Investment Series A and B bonds, mainly because they were permitted to purchase Investment Series bonds on less restrictive terms.[12] At year-end 1960, nonindividual investors covered by the Treasury Survey of Ownership of Federal Obligations—commercial banks, mutual savings banks, life insurance companies, fire, casualty, and marine insurance companies, savings and loan associations, corporations, and corporate pension trust funds—held 34 per cent of the total amount of nonmarketable Investment Series A and B bonds, compared with 1 per cent of the outstanding amount of interest-bearing savings bonds.

The relative share of *total* nonmarketable securities in institutional holdings of Treasury securities varies sharply. Life insurance companies at the end of 1960 had a relatively large proportion of their total Treasury security holdings in *total* nonmarketable Treasury securities of all types —24 per cent, compared with 1 per cent for commercial banks; 5 per cent for mutual savings banks; 4 per cent for fire, casualty, and marine insurance companies; 5 per cent for savings and loan associations; 9 per cent for corporate pension trust funds. Corporations had a negligible amount of nonmarketables. The fact that life insurance companies and corporate pension trust funds held comparatively large proportions of their Treasury securities in nonmarketables suggests that institutional investors whose cash inflows and outflows are relatively stable and predictable, and who hold governments as long-term investments, have regarded nonmarketable securities with more favor than other institu-

[11] The figure for corporate pension trust funds for 1950 is based on 2,594 funds. The share of savings bonds in financial institutions' holdings of interest-bearing Treasury securities at the end of 1950 was 2 per cent for commercial banks, 5 per cent for mutual savings banks, 2 per cent for life insurance companies, and 11 per cent for fire, casualty, and marine companies (*Treasury Bulletin*, March 1951, pp. 34 and 36 and March 1954, p. 30).

[12] Investment Series A bonds, which were sold in one offering in 1947, were adapted from Series G savings bonds, but had higher purchase limits and were available in restricted amounts to commercial banks. Investment Series B bonds were first offered in April 1951, in exchange for certain marketable bond issues, and again in May 1952, in a combined cash and exchange offering. In addition to savings bonds and investment bonds, substantial amounts of short-term nonmarketable savings notes were sold through 1953, mainly to corporations for the investment of funds accumulated for tax payments; and small amounts of depositary bonds were sold to commercial banks.

tional investors. At the same time, as indicated earlier, savings bond holdings of life insurance companies have been limited more severely than those of corporate pension trust funds by annual purchase quotas because of the relatively small number of units in the life insurance industry.

Ownership of Different Savings Bond Series

As indicated in Chapter 2, individual series of savings bonds have been designed for and held by different types of investors. Prewar bonds of Series A through D, while available prior to April 1940 to institutional and other investors, presumably were held mainly by individuals, who accounted for about three-fourths of total purchases from March 1, 1935, to June 30, 1940.[13] Throughout most of the period covered by this paper, E and H bonds were held entirely by individuals. Series E and H bonds were sold only to "natural persons" until 1954, when new issues of E bonds became available to employee savings plans. Both E and H bonds were made available to personal trust estates in 1955, and to corporations, partnerships, financial institutions other than commercial banks, and other nonindividual investors in 1958. Series F, G, J, and K bonds, in contrast, were available from the first both to individual and to nonindividual investors other than commercial banks. In a number of special offerings, commercial banks were also permitted to purchase F and G bonds.

Although individuals have been the principal holders of F, G, J, and K bonds, financial institutions and other types of investors also hold substantial amounts. According to Treasury estimates, individuals (including partnerships and personal trust accounts) held about 61 per cent of the total amount of F, G, J, and K bonds outstanding at the end of 1960. Many of these individuals presumably were wealthy persons who had accumulated their full quotas of higher-yield E and H bonds. Mutual savings banks, commercial banks, insurance companies, savings and loan associations, and corporate pension trust funds covered by Treasury survey data held about 11 per cent. The remainder was held by nonprofit institutions, state and local governments, and other nonindividual investors.

13 Computed from figures reported in *Annual Report*, Treasury, 1940, p. 62.

TABLE 10

DISTRIBUTION OF ACCUMULATED SAVINGS BOND SALES, BY SERIES, BY DENOMINATION OF BOND, MAY 1941 — JUNE 1958

Denomination (maturity value in dollars)	Percentage of Dollar Amounts (issue prices)			Percentage of Number of Pieces		
	E and H[a]	F and J[b]	G and K[c]	E and H	F and J	G and K
10	[d]			1		
25	27	[d]		67	21	
50	13			17		
100	18	2	2	11	30	30
200	2			1		
500	12	4	6	2	10	18
1,000	26	22	28	2	28	41
5,000	1	18	18	[d]	4	5
10,000 }	1	51	44	[d]	6	6
100,000 }		3	2		[d]	[d]
All Denominations	100	100	100	100	100	100

SOURCE: Based on data in *Annual Report,* Treasury, various issues.

[a] Series H bonds have been available only in denominations ranging from $500 to $10,000. Series E bonds were sold in $10 denominations to armed forces personnel from June 1941 through March 1950. Series E bonds were sold in $200 denominations for the first time in October 1945. Sales of $10,000 E bonds were authorized on May 1, 1952. E bonds in denominations of $100,000 are issued to trustees of employee savings plans and in reissue transactions.

[b] Sales of $25 F bonds were authorized in December 1941. Data on $100,000 denomination are for Series J bonds.

[c] Figures on $100 bonds refer to Series G bonds, while those for $100,000 are for Series K bonds.

[d] Less than 0.5 per cent.

Another indication of differences in ownership among the various savings bond series is the relative importance of large- and small-denomination bonds in accumulated sales (Table 10). Small denominations have been much more prominent in E-bond sales (which accounted for the bulk of accumulated sales of E and H bonds combined) than in sales of F, G, J, and K bonds. To the extent that the denomination of the bond reflects the income or wealth of the purchaser, it is clear that Series E bonds have been sold to investors with lower incomes or wealth than have F, G, J, and K bonds. Differences in the denomination pattern and ownership of the various series of savings bonds reflect partly the fact that E bonds have been available in smaller denominations than other series sold during the postwar period (except F and J). They also reflect the effect, during much of the period covered by this paper, of ownership restrictions which prevented purchases of E bonds by institutional investors, and purchase quotas which limited the accumulation of these bonds by wealthy individuals, who, presumably, would have been prone to select higher denominations.