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ASSETS OF PRIVATE NONINSURED PENSION FUNDS: SECOND QUARTER OF 1981

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ASSETS OF PRIVATE NONINSURED PENSION FUNDS: SECOND QUARTER OF 1981

During the second quarter of this year, the book value of assets of the nation's private noninsured pension funds expanded by \$7.9 billion, or 3%, to \$269.5 billion. Compared to the second quarter of 1980, assets at book value grew by \$33.4 billion (14.1%). Table Q-510 presents quarterly data on the value and composition of private noninsured pension funds assets at book value since the beginning of 1979.

Private noninsured pension funds are the largest group of institutional investors in the U.S. equity markets, and as has been the case for several quarters, increases in the value of their common stock portfolio paced the growth of total assets. The book value of common stock holdings rose by \$4.5 billion (3.4%) to slightly more than \$137 billion. This percentage increase is roughly in keeping with the trend growth rate for common stock holdings which has averaged 3.3% during the past nine quarters. Compared to the same quarter of 1980, the value of common stock holdings gained 16.9%, or \$19.8 billion.

Holdings of U.S. government securities grew to \$30.8 billion in the second quarter, up \$1.0 billion (3.2%) over the previous quarter, and \$5.2 billion (20.4%) over the second quarter of 1980. The value of corporate debt holdings, which had grown only marginally during the previous three quarters, rose \$0.9 billion (1.3%) to \$64.9 billion. In percentage terms, however, "other assets" was the most rapidly growing asset category, reversing a first quarter decline and rising by 8.2% (\$1.7 billion) to \$22.4 billion. Holdings of cash and deposits fell by \$0.3 billion (3.0%), while the book value of preferred stock holdings declined slightly during the second quarter. In keeping with the experience of the previous quarter, mortgages expanded \$79 million or 1.9%.

As a result of these changes, the composition of the aggregate portfolio altered slightly. Common stock holdings continued to expand as a percentage of total assets, rising to 50.8%. Mortgages, preferred stock, and U.S. government securities retained their proportions from the first quarter, while cash and deposits and corporate debt holdings declined as a percentage of total assets.

Q-510: ASSETS OF PRIVATE NONINSURED PENSION FUNDS

Quarterly, Book Value

(Millions of Dollars)

	1979				1980				1981			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cash and depts	7,840	7,767	8,741	8,609	8,199	7,475	7,854	9,290	9,011	8,745		
U.S. Gov't sec.	21,011	21,376	21,357	22,459	24,720	25,612	27,237	28,312	29,833	30,835		
Corp. & other debt	55,589	57,021	58,091	59,537	60,926	62,665	63,422	63,910	64,055	64,916		
Preferred stock	1,072	1,328	1,324	1,350	1,251	1,190	1,521	1,322	1,329	1,321		
Common stock	102,233	104,375	108,161	110,943	114,395	117,235	123,038	128,473	132,472	137,007		
Mortgages	2,791	2,801	2,991	3,091	2,934	3,161	3,669	4,035	4,180	4,259		
Other assets	16,841	17,196	17,342	17,476	17,897	18,750	21,643	21,506	20,678	22,377		
Total Assets	207,382	212,364	218,007	223,465	230,322	236,033	248,434	256,898	261,608	269,460		

As a percent of Total Assets												
Cash and depts	3.8	3.7	4.0	3.9	3.6	3.2	3.2	3.6	3.4	3.2		
U.S. Gov't sec.	10.1	10.3	9.8	10.1	10.7	10.3	11.0	11.0	11.4	11.4		
Corp. & other debt	26.8	26.9	26.6	26.6	26.5	26.5	25.5	24.9	24.5	24.1		
Preferred stock	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5		
Common stock	49.3	49.1	49.6	49.6	49.7	49.7	49.5	50.0	50.6	50.8		
Mortgages	1.3	1.3	1.4	1.4	1.3	1.3	1.5	1.6	1.6	1.6		
Other assets	8.1	8.1	8.0	7.8	7.8	7.9	8.7	8.4	7.9	8.3		
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

NOTE: Includes deferred profit sharing and pension funds of corporations, unions, multiemployer groups and nonprofit organizations.