

TABLE 8-3.—*Ratio of intangible assets to total assets*

	Households	Business enterprises	Governments	Total
1900.....	37.5	54.7	18.4	43.3
1929.....	56.0	61.6	26.1	56.5
1945.....	60.5	71.6	44.8	63.4
1949.....	53.5	64.4	35.9	56.3

Source: Ibid., p. 203.

Goldsmith concludes as follows:⁶⁷

The structural changes in the first half of this century have thus reduced the share of price-sensitive assets of households, banks, and governments, and have increased the share in the case of nonfinancial business enterprises. This means that, since debt-asset ratios have as a rule decreased substantially over the same period, a change in asset prices of the same proportion has now a relatively smaller effect on the net worth of farm and nonfarm households than 50 years ago, but has still about the same repercussion on the equity of nonfinancial business enterprises, and a larger effect on that of certain financial institutions. In other words, the real net worth (i.e., the current net worth divided by an index of the general price level) of individuals is now more susceptible, at least for households in the aggregate, to dilution by inflation than it was 20 or 50 years ago.

In other words, with the rise of prices households are much more sensitive to rising prices, for the value of their assets is not likely to rise as much as in earlier periods. They hold a smaller proportion of price-sensitive assets. Nonfinancial business enterprises, on the other hand, have increased their share of price-sensitive assets as against households, banks, and government which have reduced their shares.⁶⁸

TABLE 8-4.—*Percent price-sensitive to total assets, major saver groups, 1900 to 1949*

	1900	1929	1949
Households.....	81.4	75.6	65.4
Business enterprises.....	50.2	50.4	40.5
Nonfinancial corporations.....	67.1	70.4	74.7
Governments.....	71.3	67.1	50.3

Source: Ibid., p. 205.

A good indication of the effects of inflation on particular groups is given by the debt ratio of the major saver groups. Households are in a less favorable position, business enterprises in a more favorable position, and governments in a much more favorable position.⁶⁹

⁶⁷ Ibid., p. 206.⁶⁸ Ibid., p. 206.⁶⁹ Ibid., p. 210.