

institutional investor groups for which there are no chapters are savings and loan associations¹³ and noninsured pension funds.¹⁴

Each of the chapters review, to the extent data are available, the patterns of investments in municipal securities and in obligations issued by private, nonprofit organizations for the years 1946-65. In addition, they provide some projections regarding future investments in these securities during the decade 1966-75.

1. *Relating Municipal Security Investments to State and Local Government Capital Outlays*

Those who have had occasion to analyze the municipal securities market and those who have endeavored to compare statistics on municipal bond sales with State and local government debt outstanding or with capital outlays will appreciate that, while all sorts of data are available on these subjects, very little has been done to link the statistics together. Inasmuch as a systematic linkage of the available data on State and local government capital outlays, outstanding indebtedness, municipal bond sales, and holdings of municipal securities by investor group was needed for this study, supplements B and C (which appear at the end of this chapter) have been prepared.

Supplement B presents four tables that trace the relationships of State and local government capital outlays to State and local government indebtedness and to the annual volume of municipal bonds sold. The first table presents estimates of capital outlays that tie in with construction put in place statistics, on a calendar year basis. The second table relates data on annual municipal bond sales to long-term debt issued by State and local governments, which, in turn, is linked to State and local government capital outlays. The third table compares annual long-term debt issued with estimated retirements and outstanding State and local government debt (long term and short term). On the basis of these three tables which deal with the decade 1956-65, the fourth table translates the projected public facility capital requirements for 1966-75, developed in volume 1, into estimated long-term borrowings. These, in turn, are converted into estimated net changes in State and local government debt for each of the years 1966-75.

Since the distributions of holdings of State and local government obligations heretofore published by the Federal Reserve Board and by the Treasury Department are not sufficiently broken down into identifiable investor groups that tie in with the groups surveyed in part 4 of this study, a "new" set of estimated holdings for the years 1946-65 is presented in supplement C. This distribution of holdings differs from existing series in several respects. First, it shows separately the municipal security holdings of such identifiable institutional groups (that are significant investors in municipal securities) as fire and casualty insurance companies, personal trust funds, and municipal bond investment funds. Second, it delineates the holdings of Federal credit agencies and "other identifiable financial institutions" and removes them from the residual category termed "Households and nonprofit organizations." Third, it distinguishes the holdings of State and

¹³ The U.S. Savings & Loan League did not comply with the committee's request for a chapter on savings and loan associations.

¹⁴ The Securities and Exchange Commission, which is the best source of knowledge on such funds, indicated that it was unable to comply with the committee's request for a chapter on private, noninsured pension funds.