

TABLE 8.—*Estimated holdings of New York Stock Exchange listed stocks by certain exempt institutions*

[Dollar amounts in billions]

DOLLAR HOLDINGS

	1949	1956	1960	1961	1962	1963
Foundations:						
Listed stocks.....	\$1.1	\$4.1	\$5.3	\$7.2	\$6.7	\$8.0
Ford stock held by Ford Foundation.....	.9	2.1	2.3	3.1	2.1	2.7
Total.....	2.0	6.2	7.6	10.3	8.8	10.7
College and university endowments.....	1.1	2.4	2.9	3.7	3.3	4.0
Other nonprofit organizations.....	1.0	3.1	4.4	5.6	5.0	5.9
Noninsured pension funds.....	.5	5.8	(¹)	18.9	18.2	23.4
Market value of all listed stocks ²	77.2	221.3	309.3	390.1	347.9	414.0

PERCENTAGES ²

	1949	1956	1960	1961	1962	1963
Foundations (including Ford stock).....	2.6	2.8	2.5	2.6	2.5	2.6
College and university endowments.....	1.4	1.1	.9	.9	.9	1.0
Other nonprofit organizations.....	1.3	1.4	1.4	1.4	1.5	1.4
Total nonprofit organizations.....	5.3	5.3	4.8	5.0	4.9	5.0
Noninsured pension funds.....	.7	2.6	(¹)	4.8	5.2	5.7

¹ Comparable figure not available.² Includes Ford stock held by Ford Foundation.

Source: "NYSE Fact Book," 1963 and 1964. Ford figures obtained from Ford Foundation. The 1949 figure was obtained using the book equity of the Ford Motor Co.

The two sets of data in tables 7 and 8 seem to suggest two different conclusions about the relative growth of foundations. The total estimates in table 7 suggest a growth in the relative share continuing through the 1950's. The stockholding data in table 8, however, suggest a cessation in the growth in the relative share of foundations after 1950.

The quality of the data available does not admit of any precise reconciliation of these two sets of statistics. The early survey was admittedly incomplete as to coverage of foundations, and this coverage gradually improved. Also, the later surveys reflected a mixture of market values and ledger values. The stockholding data are based on a limited sample.

A large part of the discrepancy is accounted for by the fact that foundations have a very large portion of their investment in common stock compared to individuals and even compared to higher education endowments. Common stock has advanced far more in price in the last 15 years than other assets. This has been caused by both the growth in dividends and an increase in the price-earnings ratio. The implications of the stockholding data are that stock investments of foundations were not growing faster than the stock investments of other stock investors. All stock investors were gaining compared to people who owned just bonds, bank accounts, and insurance. Since foundations are heavily invested in stocks, this resulted in better than average growth for foundations, compared to total individual wealth.

If foundations were growing faster than other investors due to either an increasing flow of contributions or due to a parsimonious policy of distribution to charity, this should show up in the NYSE data as growth relative to other stock investors. It is significant that there is so little growth of this sort in the NYSE data.