can economy, of course, also grew substantially over the same interval. Gross National Product rose almost 50%—from $520 billion to its present $775 billion; annual personal savings are 80% higher; corporate profits after taxes are up about 70%. The number of shareowners has risen by 42%—from an estimated 15.5 million in 1961 to the present 22 million. Financial institutions making broad use of the stock market, such as mutual funds and pension funds, have enjoyed particularly strong gains. These factors plus the fact that the economy was able to move ahead without recession in unprecedented fashion all have had their impact on Stock Exchange volume.

All the major groups who use the stock market have increased their activity over the past six years. The table below shows the results of two Public Transaction Studies which can be used to compare the volume attributable to public individuals, institutions and New York Stock Exchange members themselves in 1961 and 1966.

MAJOR SOURCES OF NYSE VOLUME—SHARES BOUGHT AND SOLD IN ROUND LOTS AND ODD LOTS, 1961 AND 1966 [1]

[Shares in millions]

	1961		1966		Percent growth
	Shares	Percent	Shares	Percent	
Public individuals	3.8	51.4	6.1	43.2	60.5
Institutions and intermediaries	1.9	26.2	4.6	32.5	142.1
NYSE members	1.7	22.4	3.4	24.3	100.0
Total	7.4	100.0	14.1	100.0	90.5

[1] "NYSE Public Transaction Studies," Sept. 13, 1961, and Oct. 19, 1966.

The Public Transaction Studies indicate that financial institutions and intermediaries have led the way toward expanded volume on the Exchange. The data on large blocks, the SEC's statistics on institutional transactions and analyses of the reports of institutions themselves confirm this finding.

The latest information released by the SEC, covering the first quarter of 1967, indicates that the four major groups of institutions bought and sold $10.4 billion of common stock in all markets, about three times the quarterly average in 1961. Even more dramatic is the sharp climb in the turnover of institutional portfolios. In the first quarter of this year, the turnover ratio (transactions divided by holdings) reached almost 24%, in contrast to about 15% in recent years. Mutual funds have increased their turnover to 41%, against 19% as recently as 1964. Individual mutual funds—particularly the so-called performance funds—are thought to have even higher turnover rates.

Judging from current figures on odd-lot trading and new account openings, non-professional market participants have not expanded their relative share of activity in the NYSE market during 1967, nor have they been purchasing on balance. This is confirmed by reports from our member organizations, showing that the larger part of our volume attributable to individuals is now coming from the higher-income, better-educated, and more knowledgeable segment of the investing public. This contrasts with conditions in 1961, when the Exchange felt required to caution the public on the unrealistic attitudes prevalent among some investors.

While the share volume in 1967 has been at record levels, it is not unprecedented in terms of the turnover in shares listed. This year's pace of 22% is about what it was in the post-war years of 1946 and 1950. In 1961 the turnover rate was 15%. From the turnover viewpoint, today's volume can be considered as catching up to the marked growth in the past six years in the number of securities listed on the Exchange. At the beginning of 1961 there were 1,143 companies and 6.5 billion shares listed, compared with the current total of 1,277 companies and 11.3 billion shares.

None of these influences in the market is really new. As emphasis has shifted among different groups of investors and different groups of securities, the Exchange's continuing research and surveillance activities have enabled us to keep abreast of changing trends.