

lion in 1946 to \$135 billion (book value) at the end of 1965. The gradually decreasing slope of the total funds graph in Figure 1 indicates a high but declining growth rate. From around 16 percent in the early years, the annual growth rate has fallen to about 10.5 percent in the last few years.

That the growth rate will fall still further (but not necessarily indefinitely) is suggested by the growth of annual increments to pension funds, also shown in Figure 1. They fluctuate somewhat, but have grown since 1952 at an average rate of about 8.7 percent, with no apparent declining trend. By way of illustration (but *not* by way of prophecy) if annual increments continued to grow at 8.7 percent, the growth rate in total funds would fall asymptotically toward 8.7 percent also. These matters are discussed in more detail in Section IV below.

The relationship of pension saving to total household saving is shown in Table 1, as is the Personal Disposable Income-Personal Saving relationship. Both of these latter aggregates are adjusted slightly from the concepts used by the National Income Division, Office of Business Economics. Employer and employee contributions, and investment earnings of certain Government funds, are included here in both personal disposal income and personal saving, whereas they are excluded in official U.S. data. The adjustment is made here to treat State and local government funds, and the Federal Civil Service Retirement Fund, in a manner consistent with private funds. My figures are slightly distorted by the inclusion of realized capital gains in pension fund increments. The amounts, however, are quite small.

TABLE 1.—PERSONABLE DISPOSABLE INCOME, PERSONAL SAVING, AND PENSION SAVING, 1946-65

[In billions of current dollars]

Year	Personal disposable income	Personal saving		Pension saving	
		Amount	Percent of personal disposable income	Amount	Percent of personal saving
1946.....	160.7	15.9	9.9	1.6	10.1
1947.....	170.6	8.1	4.7	1.8	22.2
1948.....	190.0	14.3	7.5	2.1	14.7
1949.....	189.6	10.4	5.5	2.9	27.9
1950.....	208.2	14.4	6.9	3.0	20.8
1951.....	227.8	18.5	8.1	3.4	18.4
1952.....	239.9	19.8	8.3	4.3	21.7
1953.....	254.1	19.8	7.8	4.5	22.7
1954.....	258.8	17.8	6.9	4.8	27.0
1955.....	277.1	17.6	6.4	5.4	30.7
1956.....	295.4	22.8	7.7	6.0	26.3
1957.....	310.5	22.8	7.3	6.5	28.5
1958.....	321.5	25.0	7.8	7.3	29.2
1959.....	340.1	21.9	6.4	8.2	37.4
1960.....	353.1	20.1	5.7	8.1	40.3
1961.....	367.9	24.7	6.7	11.4	46.2
1962.....	389.0	25.3	6.5	9.4	37.2
1963.....	407.7	25.3	6.0	10.3	42.4
1964.....	440.1	30.6	7.0	11.6	37.9
1965.....	469.9	29.7	6.3	12.8	43.1

Source: Author's estimates, prepared from data by Department of Commerce, Securities and Exchange Commission; data adjusted for saving through Government funds.

For private pension funds, contributions and fund earnings appear in national income and, not being subtracted, remain in personal dis-