measure of saving through private pension plans, the past and projected trend in this form of saving is shown below.

Addition to Fund Assets

Year	*Billions*
1950	$1.8
1955	3.6
1960	5.3
1965	7.6
1970	7.5
1975	7.6
1980	7.4

Source: Institute of Life Insurance, Securities and Exchange Commission, and Holland's projections for 1970–80.

These figures are designed to reflect changes in book values without taking account of realized and unrealized capital gains on common stocks and other investments with equity characteristics. They do not recognize, therefore, the addition to assets represented by the equity in corporate retained savings. This is another way of saying that the earnings on fund accumulations are substantially understated. In chapter V, we attempt to recognize this factor, which became of major significance after 1955, in projecting possible future asset accumulations.

If full recognition were given to appreciation in equity investments at an arbitrary 5-percent rate, the changes in fund accumulations at market values might be more like $9, $10, $13, and $15 billion for 1965, 1970, 1975, and 1980. However, if these high returns are realized, there might well be a reduction in contributions because of the earlier achievement of substantially full funding, an increase of benefits, or a combination of the two. In that event, these higher projected levels of saving through private plans based on the recognition of market values would not be realized.

On balance, the trends suggest that the contribution to aggregate saving of these programs for individuals in private employment will be reaching a peak in another decade or so. The implications for capital formation and the capital markets are discussed in chapter V.

Transfers: The Contribution Aspect

A measure of the dynamic growth in private arrangements is the increase in contributions. The record of the recent past and Holland's projections are as follows:

Contributions

Year	*Billions*
1950	$2.1
1955	3.8
1960	5.5
1965	7.8
1970	8.1
1975	9.3
1980	10.3

Despite the growth of collectively bargained plans, which are rarely contributory, and a gradual reduction in the proportion of conventional plans requiring employee contributions, the fraction of total contributions provided by the employer has apparently remained