could bring about major changes in the structure of markets. A rise in the volume of block transactions of 10,000 shares or more from 3 to 4.5 percent of total New York Stock Exchange volume is the principal consequence to date of greater institutional activity. An inventory of institutional ownership of stocks (SEC estimates) at the end of 1965 is shown below.

	Market value (billions)	Percent of total
Personal trust funds	$71.9	10.7
Investment companies	41.1	6.1
Trusteed private pension funds	39.7	5.9
Foundations	14.1	2.1
Property and casualty insurance companies	12.4	1.8
Life insurance companies	9.1	1.3
College endowments	6.4	.9
Bank common trust funds	3.5	.5
State and local government trust funds	2.2	.3
Total for selected institutions	200.4	29.7
All others, including foreigners	474.3	70.3
Total outstanding	674.7	100.0

Source: Securities and Exchange Commission, "Public Policy Implications of Investment Company Growth," Washington, 1966, pp. 276–277.

No doubt, much more than 30 percent of all stocks are under some form of institutional supervision or professional management. Data on the whole range of investment advisory services are not available. However, if the turnover of outstanding shares is to increase materially in the future, many holders other than pension funds will have to participate on a broad scale.

Neither the proposition that pension funds bid up the share prices for a limited group of "institutional favorites" nor the proposition that they are contributing to price volatility in selected shares can be supported by available evidence. On the contrary, it appears that portfolio managers are broadening their range of investment alternatives and taking advantage of the long time-horizon implicit in their decisions.

A Look at the Future

The longrun future of pension fund activities in the capital market will depend upon the economic environment and the demands for capital which are created. Rather than speculate on these matters, however, it may be more useful to set forth some educated guesses about the future flow of funds to indicate the range of possibilities over the next decade and more.

For this purpose, it is not too important whether insurance companies, bank trustees, or others administer the funds. An equity investment, a directly placed corporate obligation, a real estate mortgage loan, or a real estate purchase does not carry the label of the decision-maker into the capital market. Furthermore, life insurance companies are improving their capabilities to handle equity investments just as bank trustees are building up their facilities for mortgage and real estate investing. In the future, it will clearly make less difference to the flow of funds in the capital market whether a dollar of pension contribution goes to any particular class of institution or type of investment manager.