

With the exception of the unions having atypical funds, there is a relatively narrow range of portfolio proportions for rough categories of assets. If we postulate a portfolio such as the following:

Cash.....	10 percent or less.
Bonds.....	55 to 70 percent.
Stock.....	20 to 30 percent.
Mortgages.....	less than 10 percent.

the aggregate portfolios of 11 of the 18 unions (14 if the atypical ones are excluded) with more than \$15 million in pension assets fall approximately within the percentages cited. Two of the remaining seven (or three typical) deviate from the "average" union portfolio only slightly. In one case this reflects a preponderance of small funds with heavy cash holdings; in the other, a liberal portfolio of common stock.

It is significant to note that the portfolio of bank-associated funds (table I-12) falls squarely in the middle of the "average" union's portfolio.

FUNDS HOLDING STOCKS AND MORTGAGES

The substantial increase in the proportion of common stock and mortgages in multiemployer and union funds raises the question: Does this increase derive primarily from funds adding to their existing holdings of these securities at a faster rate than heretofore, or are more funds moving into stock and mortgages for the first time?

Only four funds in the sample of 87¹⁵ bought common stock for the first time during the period 1960-64, although it should be noted that a large proportion (76 percent) held stock at the beginning of the period (see table I-14). Thus the increase in common stock in the aggregate portfolio appears to have come primarily from increased holdings by the funds already committed to this type of investment.

TABLE I-14.—NUMBER OF MULTIEmployer AND UNION FUNDS IN SAMPLE HOLDING, SELECTED TYPES OF ASSETS, 1959-64

	1959	1960	1961	1962	1963	1964
Total number of funds in sample.....	87	87	87	87	87	87
Total number of funds holding—						
Mortgages.....	27	32	33	41	49	50
Common stock.....	66	68	68	69	70	70

Source: NBER survey.

By contrast, the number of funds in the sample having mortgage investments nearly doubled between 1959 and 1964. In addition, several large funds, for example, the Teamsters' Central States, Southeast, Southwest Areas Pension Fund, channeled the greater proportion of their new moneys into mortgages. Therefore, the growing percentage of mortgages in multiemployer and union pension funds can be traced to a large number of new entrants into the mortgage field as well as to increased holdings by those funds already having substantial mortgage investments.

¹⁵ Although the sample used to estimate asset totals and portfolio distributions numbered 90 funds (see app. I), 3 of these funds did not provide detailed investment breakdowns for each of the years covered.