

which, as we have seen, follow the model rather closely. Only since 1958 has it been possible to break agency-insured pension funds down into reserves for nonprofit organizations and for all others. The period is rather short for detecting trends, but all funds except those for nonprofit organizations include such a large proportion of all agency-insured funds that one would expect the former to follow the trend of the latter. In the 6-year period that expectation appears to come true. In 4 of the 6 years insured funds for nonprofit organizations show quite different growth rates from those of all agency-insured or all insured pension plans. This suggests that growth rates of plans for nonprofit organizations, whether self-administered (non-insured) or insured, and whether insured with TIAA-CREF or agency companies, tend to have a wavelike pattern and probably will continue for some time to show an upward trend. This is in contrast to corporate funds, whether insured or noninsured.

9. PORTFOLIO COMPOSITION

The investment portfolios of noninsured pension funds of nonprofit organizations and corporations are distributed as shown in tables II-6 and II-7. Table II-6 shows that in nonprofit funds the proportions of common stock and mortgages increased and Government bonds and preferred stock fell over the period 1951-64. The proportion of non-Government (corporate and other) bonds increased through 1960, but has since decreased slightly.¹⁴

Comparison of tables II-6 and II-7 suggests that, on the average, the investment managers of nonprofit and corporate funds have followed similar policies, although the former have been slower in increasing their holdings of common stock and decreasing their holdings of non-Government bonds. In general, the nonprofit funds have professional investment counsel, and their trustees include businessmen and bankers. However, ministers, Y secretaries, social workers, and others are also on their boards, and some of them have conservative leanings. In addition, some of the funds must observe investment restrictions that can only be changed at statutory meetings of the parent body. The proportion of the portfolio in mortgages has been larger for nonprofit than for corporate funds. The latter, however, have recently been increasing this proportion more rapidly than nonprofit funds.

Table II-8 shows that, in general, the ratio of market to book value was as high for the nonprofit organization funds as for the corporate funds.

Before 1962 the assets behind insured pension plans were entirely commingled with all other assets of life insurance companies and, therefore, were subject to the same investment regulations. Greater

¹⁴ These distributions were obtained from aggregate figures. Individual funds show wide variations, but the aggregate does not seem to be dominated by large atypical funds. In 1964, approximately 80 percent of the number of funds fell within the following ranges:

U.S. Government securities-----	3-15 percent.
Corporate and other bonds-----	20-60 percent.
Preferred stock-----	Less than 3 percent.
Common stock-----	10-40 percent.
Mortgages-----	Less than 20 percent.