

in mortgages and a smaller proportion in Government bonds than the corresponding distribution for agency companies. TIAA varied its portfolio distribution only slightly over the years 1951-64, but, with the addition of increasing amounts in CREF, the lower panel of table II-9 shows a large growth in common stock and decreases in nongovernment bonds and mortgages. These trends are expected to continue, especially since a change in TIAA-CREF rules allows as much as 75 percent of each pension premium due on or after January 1, 1967, to be allocated to CREF and the remainder to TIAA. Previously not more than 50 percent could go to CREF. The TIAA-CREF portfolio for 1964 shows 27 percent in common stock, practically the same as the corresponding book-value distribution of noninsured funds of nonprofit organizations. The main difference between the two funds is TIAA-CREF's larger holdings of mortgages and lower holdings of bonds.

In table II-10, all the insured and noninsured pension funds of nonprofit organizations are combined. The table shows that over the years 1958-64 Government securities, other bonds, and preferred stock fell slightly while common stock rose markedly and mortgages showed little change. In spite of these changes, in each of the years shown, the three most important items remained in the same order: Corporate and other bonds, mortgages, and common stock.

TABLE II-10.—PERCENTAGE DISTRIBUTION OF PORTFOLIOS OF TOTAL PENSION FUNDS FOR NONPROFIT ORGANIZATIONS, YEAREND, 1958-64

	1958	1959	1960	1961	1962	1963	1964
Total assets (billions of dollars).....	1.7	1.9	2.2	2.4	2.7	3.0	3.4
Cash and deposits.....	1.1	1.1	1.0	.9	.9	.7	.6
U.S. Government securities.....	6.3	6.7	6.3	6.2	4.9	4.3	4.3
Corporate and other bonds.....	44.1	43.5	42.3	41.4	40.9	40.2	38.5
Preferred stock.....	3.4	2.8	2.2	2.0	1.6	1.2	1.0
Common stock.....	12.8	13.7	15.4	17.0	18.9	20.4	22.0
Mortgages.....	27.8	27.7	27.8	27.4	27.2	27.5	28.1
Other assets.....	4.5	4.5	5.0	5.1	5.6	5.7	5.5

Source: Based on combined portfolio for (1) noninsured funds of nonprofit organizations plus (2) funds insured with, TIAA-CREF and (3) agency-insured funds for nonprofit organizations. See app. II.

Table II-11 shows that the funds were large purchasers of each of these three types of securities. In fact, they purchased \$100 million or more of each type in 1964, more than a half billion dollars each of nongovernment bonds and common stock, and only slightly less of mortgages over the 6-year period.

TABLE II-11.—USES OF TOTAL PENSION FUNDS BY NONPROFIT ORGANIZATIONS IN THE CAPITAL MARKETS, 1959-64

[In millions of dollars]						
	1959	1960	1961	1962	1963	1964
Cash and deposits.....	+1	+2	-1	+3	-3	-3
U.S. Government securities.....	+20	+9	+14	-21	-1	+15
Corporate and other bonds.....	+74	+87	+77	+99	+103	+100
Preferred stock.....	-4	-5	(1)	-5	-8	(1)
Common stock.....	+43	+71	+76	+96	+103	+136
Mortgages.....	+53	+74	+57	+67	+92	+127
Other assets.....	+10	+22	+15	+27	+19	+15
Total.....	+197	+260	+238	+266	+305	+390

Source: Based on the same data as table II-19.

¹ Less than 0.5.