SAVINGS AND LOAN FACT BOOK '7

STATES LEAGUE of SAVINGS ASSOCIATIONS

SAVINGS AND LOAN FACT BOOK '77

United States League of Savings Associations
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PREFACE '77

THIS IS THE 24th edition of the Savings and Loan Fact Book, an annual publication of the United States League of Savings Associations. In each year since 1954 the scope of the book has been expanded with the view of providing a comprehensive reference source on savings, home ownership, and residential construction and financing. No effort has been spared to ascertain that all data used were the most accurate available at the time of publication.

The Fact Book is distributed to U.S. League member institutions,* educators, school and public libraries, financial writers and editors, members of Congress and other government officials, mutual savings banks, life insurance companies, chambers of commerce and home builders. Copies may be obtained from the United States League of Savings Associations, 111 East Wacker Drive, Chicago, Illinois 60601.

The League is indebted to the many organizations and agencies that cooperated in providing data for the 1977 Fact Book. They are listed on page 123.

Assistance in preparing the Fact Book is provided by many members of the Research Department. Completion of this book would not have been possible without the diligent and professional efforts of Diana Cheseldine, Research Associate, the Fact Book's editor; and Noel Fahey, Research Assistant, who prepared most of the textual material.

JOHN STAFFORD
Staff Vice President
Director of Research

**Savings and loan associations, building and loan associations, co-operative banks (in New England), homestead associations (in Louisiana), building associations and savings associations.*

United States League of Savings Associations

THE PRIMARY FUNCTION of the United States League is to serve the savings and loan business and the public interest by furthering thrift and home ownership. Organized 85 years ago, the League is regarded as one of the finest trade associations in the country. This reputation stems from a broadly based program having the following objectives: the support of thrift promotion; the encouragement of private investment in the purchase of homes; the development of safe, efficient operating methods for member institutions; and the improvement of statutes and regulations affecting the savings and loan business and the public interest.

The League functions primarily in support of member institutions but its services extend far beyond the savings and loan business, especially in the field of education. Currently this program includes seminars for educators at the local and national levels, as well as motion pictures, slide shows, texts and other special materials for grade, high school and college students.

United States League membership currently is 4,304 savings associations. Located in every state, the District of Columbia, Puerto Rico, the Virgin Islands and Guam, these members represent approximately 98% of total savings and loan assets. The League is the recognized organization through which members—large and small, across the nation—exchange experience and knowledge, thus elevating the standards and services of individual institutions and the business as a whole.

Closely affiliated with the League are several organizations whose specialized services are important to member institutions and the entire savings and loan business:

The Institute of Financial Education (formerly the American Savings and Loan Institute) is the educational and professional arm of the business. It sponsors more than 225 chapters and study clubs having a total membership of more than 62,000 savings association employees. It offers home study courses to employees in communities where there are no organized chapters, and current enrollments stand at approximately 7,500. Management education programs are conducted in residence at nine major universities.

Under an agreement with the United States government's Agency for International Development, The Institute makes its specialized educational services available to savings and loan associations around the world. Among these services are the publication of textbooks in Spanish, the establishment of chapters in Latin America and the development of training programs for executives from the Far East, the Middle East and Africa, as well as Latin America.

Systems and Forms (formerly known as AS & AS Inc.), is a specialized source of internal operations information, forms, franchise funds transfer systems and other services designed exclusively for savings and loan associations and co-operative banks. Income from the operations of SAF goes to further the educational service of The Institute and to finance research in savings and loan operations.

The Advertising Division, Inc., is a self-sustained agency which develops advertising and promotional materials for member savings and loan associations. Specialized assistance includes syndicated materials and programs, as well as individual counseling service.

The Financial Managers Society is a professional organization with a membership of 3,700. It, too, sponsors local chapters throughout the nation for the advancement of accounting and auditing techniques and savings institution personnel.

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REGIONS USED IN TABLES

NORTHEAST:

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Middle Atlantic: New Jersey, New York, Pennsylvania, Puerto Rico, Virgin Islands

NORTH CENTRAL:

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

SOUTH:

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
South Central: Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas

WEST:

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
Pacific: Alaska, California, Hawaii, Oregon, Washington, Guam

1 SAVINGS AND HOUSING IN THE ECONOMY

Income and Savings

IN 1976 THE U. S. ECONOMY entered its second year of recovery from the deep 1973-75 recession. Growth was rapid in the first quarter of 1976, but slowed down in subsequent quarters, giving rise to apprehensions that the recovery was in danger.

The 1973-75 recession depressed the level of real Gross National Product—that is, GNP adjusted to remove the effects of inflation. From a peak of $1,243 billion in the last quarter of 1973, real GNP fell to a low of $1,161 billion in the first quarter of 1975. With the strengthening economy, GNP expanded once more, but did not return to its prerecession high until the first quarter of 1976.

Real Gross National Product grew by 6.1% in 1976; however, this growth was not spread evenly throughout the year. The economy expanded at a 9.2% annual rate during the first quarter of the year, but then it slowed to an average annual rate of growth of 3.6% in the three subsequent quarters.

The very high first quarter growth was largely due to inventory reaccumulation. In 1972 and 1973 a speculative buildup in inventories occurred in response to shortages, price controls and accelerating inflation. Subsequently, inventories were allowed to run down. In the final quarter of 1975 they contracted at a $5.5 billion annual rate. In contrast, in the first three months of 1976, inventory investment took place at a $10.4 billion annual rate. This $15.9 billion swing between the two quarters accounted for more than half of the annualized $27.1 billion growth in real Gross National Product for the first quarter of 1976.

Investment in inventory remained at a stable level during the second and third quarters, but fell drastically in the fourth quarter.

The fluctuations in the growth rate of GNP can largely be explained by these swings in inventory, as can be seen from an examination of real final sales. Final sales are GNP less changes in business inventories. Real final sales grew steadily during 1976, at a rate of 3.7% in the first quarter, 4.2% in both the second and third quarters, and 5.4% in the last three months of the year.

Economic stimuli came from different sectors of the economy at varying times during the recovery. During the first four quarters of the recovery, consumers provided most of the increase in demand, particularly through purchases of durable goods. The growth in personal consumption expenditures dropped off in the second quarter of 1976, however, and has remained rather sluggish since.

Business fixed investment, on the other hand, did not bottom out until the fall of 1975. It then grew at an average annual rate of 6.6% for the next four quarters before slowing down in the final three months of 1976.

Residential construction started its recovery in mid-1975. It leveled off again for a six-month period after February 1976, but started a renewed growth in September.

Inflation and Unemployment

In recent years the U. S. economy has been beset by two major problems that usually have not occurred simultaneously. A traditional recession is characterized by rising unemployment and falling prices, while the recent recession confronted the country with rising unemployment and rising prices. This combination of ailments produced a particularly intractable situation, since many of the traditional means of tackling one of these problems only serve to aggravate the other.

In the two years since the trough of the recession, inflation has been controlled more successfully than has unemployment. In 1974 the Consumer Price Index increased by 11%, a rate which would cause prices to double in only six and a half years. The increase declined to 9.1% in 1975 and further to 5.8% in 1976. This is the lowest annual increase in the CPI since 1972; at this rate, it would take more than 12 years for prices to double.

Nevertheless, the current rate of price increases is high by historical standards. And, because it is accompanied by actual or threatened shortages in areas such as food production and energy supply, many people fear a return of the virulent inflation rates of 1974.

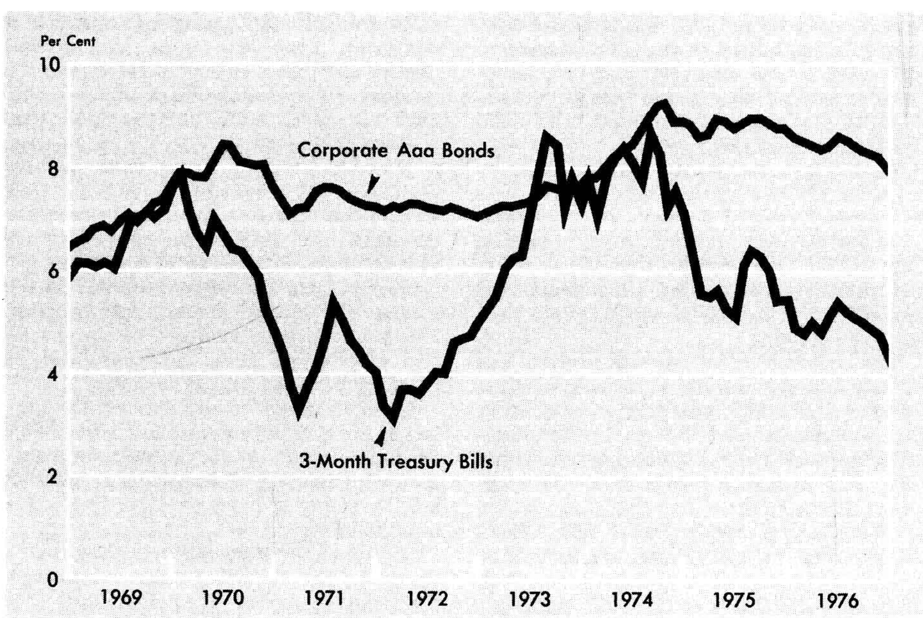
Efforts to reduce unemployment have met with less success. The unemployment rate reached 8.5% in 1975, the highest since World War II. It dropped to 7.3% by May 1976, but then climbed again, reaching 8% in November.

The persistence of a high unemployment rate was not due to a lack of success in creating new jobs. Rather, the increase in employment was matched by an almost equal growth in the labor force, due to increased participation by women and young people.

Interest Rates

In general, interest rates declined during 1976. Short-term rates peaked in August 1974 at 8.74% for three-month Treasury bills (Chart 1). There was a general downward trend throughout 1975, and by February 1976 rates had fallen to 4.85%. They increased slightly in the spring but showed further declines in the summer and fall. By December, Treasury bill rates had fallen to 4.35%, the lowest

CHART 1 • Short-Term and Long-Term Interest Rates



Sources: Federal Reserve Board; Moody's Investors Service.

TABLE 1 • Distribution of Total Personal Income
(Dollar Amounts in Billions)

Year	Personal Income	Personal Taxes	Disposable Personal Income	Personal Outlays	Personal Savings: Amount	Personal Savings: As Pct. of Disposable Income
1950	$ 226.1	$ 20.6	$ 205.5	$ 194.7	$10.8	5.3%
1955	308.8	35.4	273.4	258.5	14.9	5.4
1960	399.7	50.4	349.4	332.3	17.1	4.9
1965	537.0	64.9	472.2	441.9	30.3	6.4
1966	584.9	74.5	510.4	477.4	33.0	6.5
1967	626.6	82.1	544.5	503.7	40.9	7.5
1968	685.2	97.1	588.1	550.1	38.1	6.5
1969	745.8	115.4	630.4	595.3	35.1	5.6
1970	801.3	115.3	685.9	635.4	50.6	7.4
1971	859.1	116.3	742.8	685.5	57.3	7.7
1972	942.5	141.2	801.3	751.9	49.4	6.2
1973	1,052.4	150.8	901.7	831.3	70.3	7.8
1974	1,153.3	170.4	982.9	910.7	72.2	7.3
1975	1,249.7	168.8	1,080.9	996.9	84.0	7.8
1976*	1,375.3	193.6	1,181.7	1,105.2	76.5	6.5

*Preliminary.
Source: Department of Commerce.

level since 1972.

This was an unusual situation: after almost two years of economic expansion, short-term interest rates were lower than at any time during the preceding recession or the earlier stages of recovery. The probable explanation for this is the decrease from 1974 to 1976 in inflation rates and inflationary expectations.

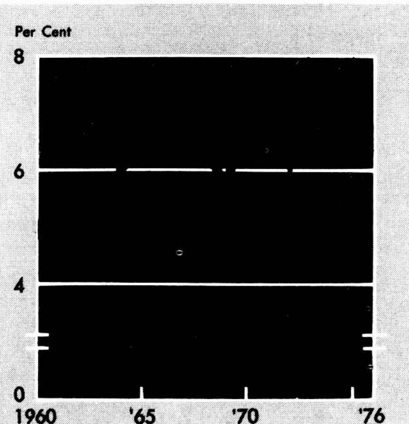
Interest rates on long-term securities followed a similar path, although the fluctuations were less pronounced. From a high of 9.27% in October 1974, corporate Aaa bond yields declined to 8.40% in April 1976, rose slightly in the next two months and then declined to 7.98% in December.

With the large drop in short-term rates, the yield curve returned to its more normal upward slope. The typical premium that long-term rates have over short-term rates, which disappeared in 1973-74, was restored in 1975 and increased in 1976. This provided a more healthy environment for financial institutions, and particularly for associations, which have most of their assets tied up in long-term loans.

Sources of Data

This capsule summary of the economy identifies the context within which financial institutions and credit markets operate. It sets the background for outlining major changes in the three classifications of savings that are closely watched by those interested in the flows of savings

CHART 2 • Personal Savings as a Percentage of Disposable Personal Income



Source: Department of Commerce.

and mortgage markets.

These classifications are: (1) personal savings, from the National Income Accounts developed by the U. S. Department of Commerce; (2) household savings, from the Flow of Funds Accounts published by the Federal Reserve Board; and (3) over-the-counter flows to depository institutions, from supervisory agencies such as the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board.

Personal savings, in the Department of Commerce data, is calculated by subtracting estimated outlays for goods and services from the after-tax income of families and individuals. The remainder is called personal savings.

While this widely publicized figure gives a useful measure of the relationship between income and outlays, it does not accurately measure financial forms of saving. One reason for this is that expansion of credit, as well as income, can be used to acquire goods, services and financial assets. Furthermore, cash can be used to reduce debt rather than for personal outlays.

Household savings figures are one component of the Federal Reserve Board's Flow of Funds Accounts. This series presents a systematic and consistent account of actual dollar changes in the financial assets and liabilities of households, businesses, financial institutions and government units at all levels. The Flow of Funds data are useful in tracing shifts in the financial holdings of all major sectors of the economy.

Like personal savings, household savings takes in a broad range of financial assets, including time and savings deposits at financial institutions, investments in life insurance and pension plans, and purchases of direct market instruments such as stocks and bonds.

TABLE 2 • Allocation of Household Funds

(Dollar Amounts in Billions)

Item	1973	1974	1975	1976*
Disposable Personal Income	$903.1	$ 982.9	$1,080.9	$1,181.7
Plus: Increase in Credit	94.1	60.0	62.7	102.0
Equals: Total Funds Available	$997.2	$1,042.9	$1,143.6	$1,283.7
Less: Spending on Nondurable Goods and Services	685.7	765.8	841.5	923.2
Less: Increase in Currency and Demand Deposits	12.7	5.1	6.9	6.4
Leaves: Amount Available for Investment in Tangible and Financial Assets	$298.8	$ 272.0	$ 295.2	$ 354.1
Invested in:				
Tangible Assets	$173.4	$ 143.6	$ 141.2	$ 184.3
Financial Assets	125.4	128.4	154.0	169.8
Financial Assets Placed in:				
Savings Accounts	$ 67.9	$ 57.9	$ 84.9	$ 104.7
Insurance and Pension Funds	32.9	36.0	43.7	53.1
Credit and Equity Instruments	24.6	34.5	25.4	12.0
Percentage Distribution of Household Investments				
Total Investments	100.0%	100.0%	100.0%	100.0%
Tangible Assets	58.0	52.8	47.8	52.0
Financial Assets	42.0	47.2	52.2	48.0
Savings Accounts as a Percentage of:				
Total Investments	22.7	21.3	28.8	29.6
Financial Investments	54.1	45.1	55.1	61.7

*Preliminary.
Sources: Department of Commerce; Federal Reserve Board.

Although the definitions of personal and household savings include nearly the same categories—households, nonprofit institutions and some other minor groupings—the resulting savings figures differ greatly. A later section of this chapter explains some of these differences in more detail.

Over-the-counter savings consists of savings accounts and time deposits at depository-type financial institutions. This classification essentially includes the funds of corporations, unincorporated businesses and partnerships, as well as the categories encompassed by personal and household savings.

Personal Income, Spending and Savings

Personal income totaled $1.4 trillion in 1976, with after-tax income amounting to $1.2 trillion (Table 1). This disposable income was 9.3% higher than the 1975 figure. Real disposable personal income amounted to $890.5 billion in 1976, a 4.1% increase over 1975. This compares favorably with the meager 1.7% growth in real disposable income in 1975.

TABLE 3 • Annual Change in Financial Assets of Households

(Dollar Amounts in Billions)

Year	Savings Associations	Mutual Savings Banks	Commercial Banks	Credit Unions	Life Insurance Reserves	Pension Fund Reserves	Credit and Equity Instruments	Total
1950	$ 1.5	$ 0.7	$ 0.1	$0.2	$ 2.9	$ 3.9	$ 0.5	$ 9.8
1955	4.9	1.8	1.6	0.4	2.9	5.6	8.7	25.9
1960	7.6	1.4	2.7	0.5	3.2	8.3	6.2	29.9
1965	8.5	3.6	14.9	1.0	4.8	12.1	2.8	47.7
1966	3.6	2.6	11.9	1.0	4.7	14.5	16.5	54.8
1967	10.6	5.1	18.7	0.9	5.1	14.0	– 0.9	53.5
1968	7.5	4.2	18.1	1.3	4.6	15.6	5.7	57.0
1969	4.1	2.6	0.7	1.7	5.0	16.3	26.9	57.3
1970	11.0	4.4	27.0	1.2	5.2	19.2	– 1.6	66.4
1971	28.0	9.9	28.1	1.7	6.2	21.1	– 4.5	90.5
1972	32.7	10.2	25.6	2.5	6.6	22.6	7.7	107.9
1973	20.2	4.7	39.5	3.5	7.3	25.6	24.6	125.4
1974	16.1	3.1	35.5	3.2	6.4	29.6	34.5	128.4
1975	42.8	11.2	25.7	5.2	7.6	36.1	25.4	154.0
1976*	50.7	12.8	35.5	5.7	10.0	43.1	12.0	169.8
				Percentage Distribution				
1950	15.3%	7.1%	1.0%	2.0%	29.6%	39.8%	5.1%	100.0%
1955	18.9	6.9	6.2	1.5	11.2	21.6	33.6	100.0
1960	25.4	4.7	9.0	1.7	10.7	27.8	20.7	100.0
1965	17.8	7.5	31.2	2.1	10.1	25.4	5.9	100.0
1966	6.6	4.7	21.7	1.8	8.6	26.5	30.1	100.0
1967	19.8	9.5	35.0	1.7	9.5	26.2	– 1.7	100.0
1968	13.2	7.4	31.8	2.3	8.1	27.4	10.0	100.0
1969	7.2	4.5	1.2	3.0	8.7	28.4	46.9	100.0
1970	16.6	6.6	40.7	1.8	7.8	28.9	– 2.4	100.0
1971	30.9	10.9	31.0	1.9	6.9	23.3	– 5.0	100.0
1972	30.3	9.5	23.7	2.3	6.1	20.9	7.1	100.0
1973	16.1	3.7	31.5	2.8	5.8	20.4	19.6	100.0
1974	12.5	2.4	27.6	2.5	5.0	23.1	26.9	100.0
1975	27.8	7.3	16.7	3.4	4.9	23.4	16.5	100.0
1976*	29.9	7.5	20.9	3.4	5.9	25.4	7.1	100.0

Note: Components may not add to totals due to rounding.
*Preliminary.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

During 1976, growth in real personal income paralleled growth in real GNP. In the first quarter, real after-tax personal income grew at a 5.9% annual rate, but slowed thereafter to an average 2.9% for the following three quarters. Increases in consumer spending followed a similar pattern, with the most rapid growth occurring in the first quarter.

Since the growth rate for consumer expenditure was higher throughout the year than the increase in disposable personal income, the personal savings rate fell. Americans saved 6.5% of their disposable income in 1976 as against 7.8% in the previous year (Chart 2).

Expanded View of Savings Flows

Table 2 has been developed to give a clearer view of the relationship between income, credit, and the investment by households in tangible and financial assets. It brings together data from the Department of Commerce's National Income Accounts and the Federal Reserve's Flow of Funds. The annual increase in credit has been added to personal income to give a better picture of the total resources available. The table shows the investment of households in both tangible and financial assets, and then the allocation to the major types of financial assets.

Household Funds

The latter part of the decade of the '60s showed a marked volatility in the allocation of household funds to depository institutions and market instruments.

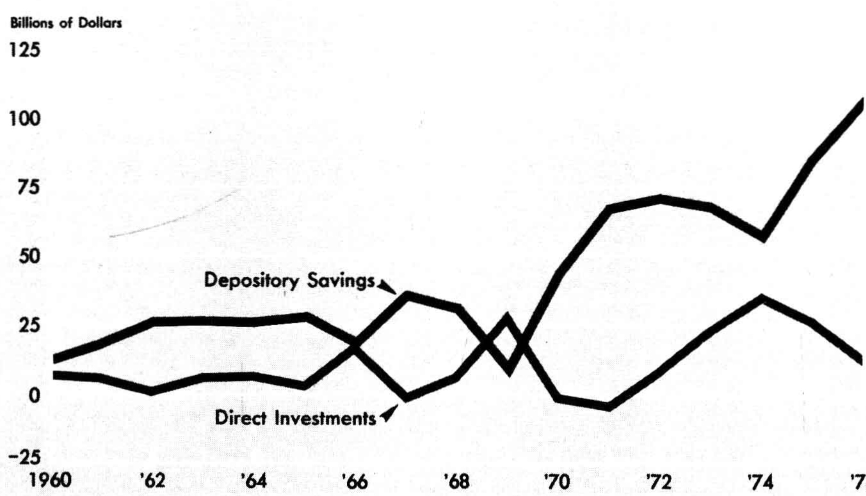
In 1966, 1969 and 1973-74, funds shifted dramatically from depository institutions such as savings associations and banks to direct market instruments (Table 3 and Chart 3). In 1967, 1971-72 and 1975-76, there was a surge in the buildup of deposits at financial institutions as households moved away from direct market investment.

The motive for the shifting is simple: the household seeks to maximize its earnings. When market yields climb, rates at financial institutions typically lag behind, and families and individuals move their holdings into credit and equity instruments. When interest rates on credit and equity instruments ease, savings deposits again offer the better yield, and the funds flow to them.

Market Share of Institutions

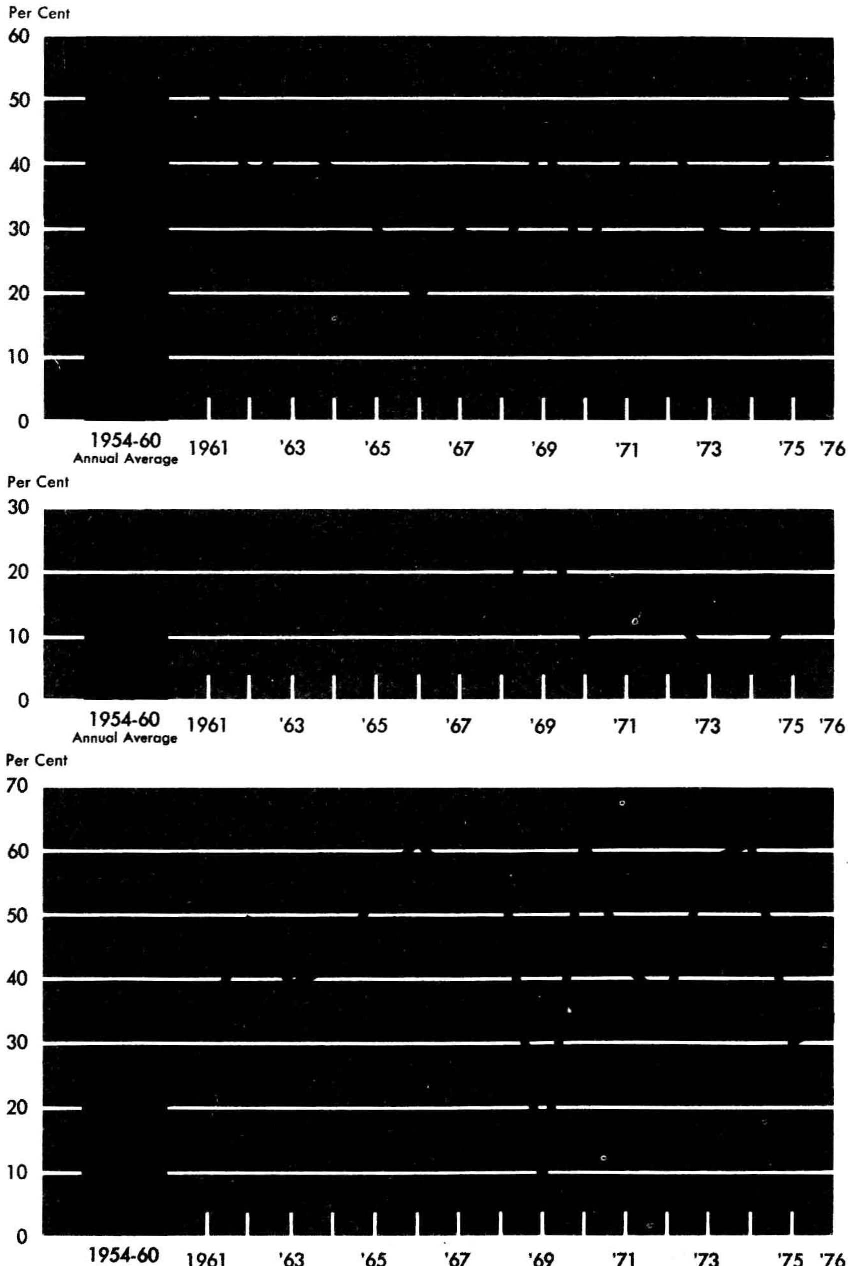
In the seven-year period from 1954 through 1960, savings associations re-

CHART 3 • Annual Change in Depository Savings and Direct Investments of Households



Source: Federal Reserve Board.

CHART 4 • Gains in Household Savings at Major Financial Institutions
(Percentage Distribution)



Sources: Federal Home Loan Bank Board; Federal Reserve Board.

ceived more than half of the increase in the depository savings of households. Then their share of the gain began to contract (Chart 4).

During the 1960s a complete reversal occurred in the share of the household savings gained by banks and associations. By 1965, banks' share had climbed above 50%, while associations' share plummeted to a low of 18% in 1966.

In 1971 and 1972, the savings association share of the increase in household savings moved up to the 40% mark, nearer to the 1954-60 average. It then dropped sharply, however, to a low 28% in 1974, from which it rose to 48% in 1976.

Naturally, the experience of commercial banks over the same time span was almost precisely the opposite. They enjoyed a higher share in the '60s than in the '50s, experienced a drop in 1971 and 1972, then saw an increase during the following two years to 61% in 1974. Finally, commercial banks' share dropped to 34% in 1976.

Over-the-Counter Savings

At the end of 1976, commercial banks had $433.5 billion in time-savings deposits of individuals, partnerships and corporations (Table 4). Ranking second were savings associations, with $336 billion. Mutual savings banks were next with $122.8 billion, followed by credit unions with $39 billion. All types of depository institutions experienced a strong increase in over-the-counter savings during 1976. These increases ranged from 10.2% for commercial banks to 18.2% for credit unions.

Yields on Savings

Much of the shift in savings flows in recent years can be accounted for by the changes in the average yields on savings at savings associations and commercial banks.

In the 1950s, associations typically paid a return on savings that was about 1.5% higher than that paid by commercial banks (Table 5 and Chart 5). During the 1960s, however, the spread began to narrow, until banks marginally exceeded the association rate in the crunch year of 1969.

The maximum rates that both types of institutions may pay is set by federal government agencies, with associations hav-

TABLE 4 • Over-the-Counter Savings
(Billions of Dollars)

Year-End	Savings Associations[1]	Mutual Savings Banks[2]	Commercial Banks[3]	Credit Unions[4]	Postal Savings	Total
1950	$ 14.0	$ 20.0	$ 34.9	$ 0.9	$2.9	$ 72.7
1955	32.1	28.2	46.0	2.4	1.9	110.6
1960	62.1	36.3	67.1	5.0	0.8	171.3
1965	110.4	52.4	130.8	9.2	0.3	303.1
1966	114.0	55.0	142.9	10.0	0.1	322.0
1967	124.5	60.1	163.4	11.2	†	359.2
1968	131.6	64.5	181.3	12.3	...	389.7
1969	135.5	67.0	177.0	13.7	...	393.2
1970	146.4	71.6	205.8	15.4	...	439.2
1971	174.2	81.4	239.2	18.3	...	513.1
1972	206.8	91.6	273.5	21.7	...	593.6
1973	227.0	96.5	314.4	24.6	...	662.5
1974	243.0	98.7	360.7	27.5	...	729.9
1975	285.7	109.9	393.4	33.0	...	822.0
1976*	336.0	122.8	433.5	39.0	...	931.3

*Preliminary.
†Less than $50 million.
1 All types of savings.
2 Regular and special savings accounts.
3 Time and savings deposits of individuals, partnerships and corporations.
4 Shares and members' deposits.
Sources: Federal Home Loan Bank Board; Federal Reserve Board.

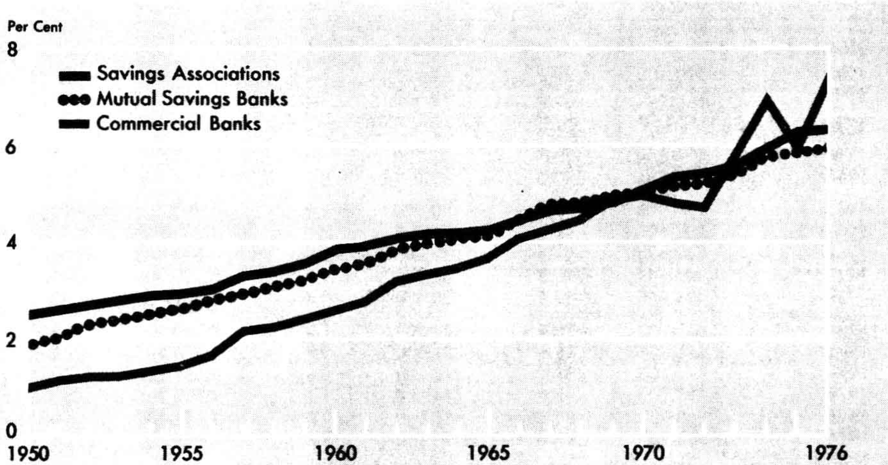
ing a 0.25% edge. Thus, when yields at banks are higher, this reflects emphasis on large CDs and other higher rate accounts, because of banks' greater earnings potential from broader investment powers. Details regarding rate ceilings for associations appear in the chapter on savings growth and flows.

TABLE 5 • Average Annual Yield on Selected Types of Investments

Year	Savings Deposits in Savings Associations	Savings Deposits in Mutual Savings Banks	Time and Savings Deposits in Commercial Banks	United States Government Bonds	State and Local Bonds	Corporate Aaa Bonds
1950	2.52%	1.84%	0.94%	2.32%	1.90%	2.62%
1955	2.94	2.64	1.38	2.84	2.57	3.06
1960	3.86	3.47	2.56	4.01	3.69	4.41
1965	4.23	4.11	3.69	4.21	3.34	4.49
1966	4.45	4.45	4.04	4.66	3.90	5.13
1967	4.67	4.74	4.24	4.85	3.99	5.51
1968	4.68	4.76	4.48	5.25	4.48	6.18
1969	4.80	4.89	4.87	6.10	5.73	7.03
1970	5.06	5.01	4.95	6.59	6.42	8.04
1971	5.33	5.14	4.78	5.74	5.62	7.39
1972	5.39	5.23	4.66	5.63	5.30	7.21
1973	5.55	5.45	5.71	6.30	5.22	7.44
1974	5.98	5.76	6.93	6.99	6.19	8.57
1975	6.24	5.89	5.92	6.98	7.05	8.83
1976*	6.31	5.98	7.32	6.78	6.67	8.43

*Preliminary.
Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Reserve Board; Moody's Investors Service; National Association of Mutual Savings Banks; United States League of Savings Associations.

CHART 5 • Average Annual Yield on Savings at Major Financial Institutions



Sources: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; National Association of Mutual Savings Banks; United States League of Savings Associations.

Residential Construction

THE RECOVERY IN residential construction, which began in 1975, continued in 1976. In fact, 1976 was one of the better postwar years for housing construction, although the total of 1,549,700 starts during the year was well below the 2-million-plus level of the boom years of the early 1970s (Table 6).

The 1975-76 increase in the production of housing followed a somewhat erratic pattern. The recession-induced decline in housing starts bottomed out in late 1974 and early 1975. Production picked up in the spring of 1975 and for the most part eased upward during the remainder of the year.

In February 1976, private housing starts jumped to a seasonally adjusted annual rate of more than 1.5 million units—the first time in almost two years that this level had been reached (Table 7 and Chart 6). Starts then eased back until autumn.

TABLE 6 • Private and Public Housing Starts

	Private Units		Public Units		Total Units	
Year	Number of Units	Percentage of Total	Number of Units	Percentage of Total	Number of Units	Percentage of Total
Nonfarm						
1950	1,908,100	97.8%	43,800	2.2%	1,951,900	100.0%
1955	1,626,600	98.8	19,400	1.2	1,646,000	100.0
Total						
1960	1,252,100	96.6	43,900	3.4	1,296,000	100.0
1965	1,472,800	97.6	36,900	2.4	1,509,700	100.0
1966	1,164,900	97.4	30,900	2.6	1,195,800	100.0
1967	1,291,600	97.7	30,300	2.3	1,321,900	100.0
1968	1,507,600	97.6	37,800	2.4	1,545,400	100.0
1969	1,466,800	97.8	32,800	2.2	1,499,500	100.0
1970	1,433,600	97.6	35,400	2.4	1,469,000	100.0
1971	2,052,200	98.5	32,300	1.5	2,084,500	100.0
1972	2,356,600	99.1	21,900	0.9	2,378,500	100.0
1973	2,045,300	99.4	12,200	0.6	2,057,500	100.0
1974	1,337,700	98.9	14,800	1.1	1,352,500	100.0
1975	1,160,400	99.1	10,900	0.9	1,171,400	100.0
1976*	1,539,700	99.4	10,100	0.6	1,549,700	100.0

Note: Components may not add to totals due to rounding.
*Preliminary.
Source: Bureau of the Census.