Economic Role Played By Savings Strongly Mirrored In Regional Flow Of Investments In Life Companies

An insight into the role played by the people's savings and their thrift institutions in the economic life of the nation and in its growth is provided by regional trends on the flow of life insurance investment funds over the past decade.

With 115 million policy holders, the equivalent of nearly two out of every three persons in the population, life insurance is the nation's most widely owned formed of personal thrift and thereby one of the economy's principal sources of the capital formation.

Factor of Regional Growth

Of particular significance in the investment figures is the close relationship between the growth of life company investments in various parts of the country and regional expansion trends in recent years. This responsiveness to growth needs is especially evident in thet Far West and certain parts of the South, where Government compilations show greater-than-average increases in population and in personal income than occurred in the nation at large during the Fifties.

Data compiled by the Life Insurance Association of America on the investments of companies representing 85 per cent of the assets of all United States life insurance companies show that, for the country as a whole, these investments increased by approximately $32¾ billions, or 69 per cent, in the period from the beginning of 1950 to the end of 1958. The dollar totals involved grew from $47.1 billions at the start of the Fifties to $79.8 billions at the close of 1958.

The Pacemakers Listed

Setting the regional pace in the rate of growth for the decade was the group of eight Mountain States running from Montana to Arizona. Investment of life insurance funds in these States increased from $1½ billions at the start of 1950 to $3½ billions at the end of 1958, a rise of 133 per cent. Parallelling this trend as a population gain of 33 per cent for these eight States between 1950 and 1958, practically double the national average in those years, combined with a rise of 95 per cent in total personal income, close to a third greater than the 73 per cent expansion for the nation as a whole.

Close behind in the regional rate of growth were the Pacific Coast States of California, Oregon and Washington. Here, too, the influence of population and income trends is clearly discernible, with the former up 34 per cent and personal income againing 95 per cent in the 1950-58 period. Life company investments in the Pacific Coast States in the period increased from $4.9 billions to $10.6 billions, a rise of 118 per cent.

Third in growth performance were the West South Central States of Arkansas, Louisiana, Oklahoma and Texas where combined life insurance investments expanded from $4.7 billions to $9.7 billions between 1950 and 1958, up 105 per cent. Here the principal factor was rising industrialization rather than above average increases in population and income, particularly in Texas and Louisiana.

Gains In Other Areas

Other regional gains in life company investments in the 1950-58 period were:

South Atlantic States, up from $5.8 billions to $10.1 billions, increase of 73 per cent.

East North Central States, $16.4 billions in 1958 versus $9.6 billions in 1950, a rise of 71 percent.

East South Central States, up from $2.7 billions to $4.4 billions, increase of 64 per cent.

West North Central States, $6.5 billions versus $4.1 billions, up 58 per cent.

Middle Atlantic States, $15.3 billions versus $11.2 billions, up 37 per cent.

New England States, up from $2.6 billions to $3.3 billions, increase of 27 per cent.

Mortgage and Capital Funds

As a result of these changes, the five East North Central States running from Ohio to Wisconsin have replaced the Middle Atlantic States of New York, New Jersey and Pennsylvania as the regional leader in life company investments. The Pacific Coast States now rank in third place in this respect, a position occupied by the South Atlantic States at the beginning of the Fifties.

Growth in mortgages stood out in the investment record, reflecting the contribution of the life companies to increasing home ownership and providing better housing for the American people. Mortgage investments of the companies in the study grew from $10½ billions to $29.9 billions in the 1950-58 period, a rise of 186 per cent. Funds to promote industrial expansion through investment in bonds of public utilities and in industrial and miscellaneous bonds increased from $15.7 billions to $31.9 billions in the period, up 103 per cent.

Rural Non-Farm Areas Pace U. S. Rise In Population

The great shift in the American population as between cities and their environs, one of the great social and economic developments on the national scene in the present generation, has been picking up momentum and broadening out in recent years, according to data compiled by the U. S. Bureau of the Census.

Outstanding in this trend has been a record population growth in areas beyond the suburban fringe, long classified as rural nonfarm. This has been happening all over the country, both in and out of metropolitan areas, and is rapidly converting what were once "wide open" spaces into communities that have all the characteristics and facilities of modern urban living. The population growth in these rural nonfarm areas was twice that of the nation's cities combined in the past decade.

Led by Younger Families

The Census Bureau reports that younger families have been spear-heading this migration. As a result, youth has been becoming an increasing characteristic of the residents of rural nonfarm areas.

The figures show, for example, that the number of children under 10 increased by 85 per cent in rural nonfarm areas in the Fifties as against a 25 per cent gain in urban areas and a decline on farms. For the 10 to 19 age group, the gain in the rural nonfarm areas was 80 per cent compared with 31 per cent in urban areas, and another decline on farms. In fact, all age groups showed a markedly greater gain in rural nonfarm areas in the 1950-59 period than elsewhere, including those 65 and over.

Another highlight of the shift in the last decade was that the population in the suburban and outlying sections of the nation's 168 standard metropolitan areas has grown to equal that of the central cities for the first time. Each had about 50 million population in April of last year, but the growth was predominantly outside the cities.

Census Bureau figures show that the civilian population of the United States increased from 149.6 million in April, 1950, to 173.7 million in April of 1959, up 24.1 million or 16.1 per cent. Going behind the overall figures, here is how the population changes break down:

Breakdown of Changes

The central cities of the metropolitan areas gained only about 800,000 or 1.5 per cent, their population rising from 49.1 million in 1950 to 49.9 million in 1959.

Other U. S. urban areas had a population of 55.1 million last April versus 46.8 million in 1950, up 8.3 million or 18 per cent.

As against this rise of 9 million or somewhat over 9 per cent for the country's total urban population, rural nonfarm areas had a gain of 18.3 million or 64 per cent, increasing from 28.7 million to 47 million and scoring three-fourths of the total civilian population gain in the Fifties.

The rural farm population continued its long-term decline, falling from 25 million to 27,7 million, down 3.3 million or 13 per cent.

TWO-LEVEL BRIDGE—Pedestrians walk uphill as they cross this bridge in Concepcion, Chile, leveled by the great earthquake.

GUM POND CLUB MEETS

The Gum Pond Home Demonstration Club met on Wednesday night June 1 at 8 o'clock at the home of Mrs. Earl Smith.

The meeting was called to order by the president and all sung "In the Evening By the Moonlight" and repeated the Club Collect.

Miss Pauline Calloway, home agent, gave the demonstration on green beans. She compared the prices and the amount of vitamins in canned, frozen or fresh beans. She also made a green bean salad consisting of green beans, boiled eggs, onion, salad oil and lemon juice. This was just one of the recipes she had on different ways to prepare green beans.

After the meeting adjourned the hostess served delicious refreshments.

Mortals are the counterfeits of immortals.

Investment Per Worker Up 70% In Decade

Capital invested per production worker in manufacturing increased by 70 per cent in the decade of the Fifties, according to The National Industrial Conference Board, indicative of the growth of capital and credit demands and hence the need for more savings in our high investment economy.

The average 1959 figure for capital invested per production worker in manufacturing was estimated at $17,800 in the first half of the year as against $10,423 in 1950. Petroleum, tobacco and chemical industries led in the tabulation of investment per worker, with apparel and leather groups at the low end of the listing.

Chowan 4-H Group At Manteo Camp

Continued from Page 1, Section 1

The group visited the Wright Memorial monument, toured Elizabethan Gardens at Roanoke Island, and saw other points of interest at Nags Head, Manteo and Fort Raleigh. The group will have instructions in the following classes: Handicraft, recreation, farm and home electric, and swimming.

The following 4-H Club members are attending camp from Chowan County: Jeanette Nixon, Margaret Tynch, Jeanette Nixon, Barbara Ann Parrish, Fontaine Boutwell, Linda Cheryl Monds, Sonjia Edwards, Mary Farrah Privott, Linda Ashley, John R. DuBois, Nathan G. Smith, Jr., Philip Smithson, Rita White, Nellie Riddick Wood, Patricia Jean Morgan, Artie Bass, Carol Perry Haste, Gloria Jean Byrum, Lee Venters, Robbie Boyce, Linda Goodwin, Glenn Bunch, Jr. Peggy Monds and Sandra N. Harrell.

These 4-H'ers are camping with 4-H'ers from Martin County. They will return Saturday, June 11th.

TRY A HERALD CLASSIFIED