

"After the War: Wartime Saving and Postwar Housing Investment, 1946-1950"

Gillian Brunet

Abstract

Household saving increased dramatically during World War II. By the end of the war, Americans had accumulated substantial liquid assets, largely in the form of war bonds and deposit holdings. This paper examines how wartime accumulation of liquid assets were used by households in the years immediately after World War II, when rationing was relaxed. I find that wartime asset accumulation helped fuel a boom in residential investment in the late 1940s. Wartime saving is strongly associated with increases in the housing stock in the immediate postwar years. A 10% increase in wartime saving is associated with a 3.6% to 7.6% increase in the number of housing units in a county between 1940 and 1950.