



MANAGEMENT NOTES

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SOCIAL SECURITY RATES under present law will exceed 10% of payroll (5% paid directly by employees, and 5% deducted from gross pay) after 1973. Rates will pass the 11% mark after 1980.

The administration wants the annual wage base on which contributions are levied raised to \$10,800 in 1974. It is now \$6,600.

THE ONLY COUNTRY IN THE WORLD today to enjoy full employment is Switzerland. Latest statistics show that, of a total labor force of 2.7 million there are only 216 unemployed.

A GREAT DEAL OF VARIATION exists in the amounts consumers save. According to a study by the staff of the Federal Reserve Board, more than half of all consumers saved amounts ranging from \$100 to \$5,000 in 1963. Only 5% saved \$5,000 or more.

At the other extreme 2% "dissaved" (went into debt or drew down assets) \$5,000 or more, and 6% dissaved at least \$1,000 but less than \$5,000.

For the population as a whole, the largest components of savings were increases in equity in autos and homes and in liquid asset holdings.

More than one-third, or 37%, of total saving by all consumers is in the form of equity in automobiles.

The second largest portion of saving, in the form of equity in one's home, accounts for 27% of the total.

FEDERAL SPENDING in fiscal 1968 could be close to \$200 billion says C. Lowell Harris, Professor of Economics at Columbia University.

In addition to the budget figure of \$172 billion, there is another \$27 billion of federal spending offset by postal charges, sales of assets, etc.

The economists points out that, over the last 10 years, federal taxes have risen \$125 per capita.

On a per capita basis, each American now spends the following amounts for these major government expenditures: For Social Security, Education, Welfare, and labor -- \$140; National Defense, Veterans' Aid, and Interest on the national debt -- \$89; for space exploration -- \$25.

INDUSTRIAL GROWTH in the next 15 years -- in addition to tremendous financial resources -- will require doubling of management manpower, says Laurence I. Wood, Vice President of General Electric.

In fact, the executive adds, problems of money management, automation, expansion and research and development will be secondary to the manpower shortage.

Industry already is feeling the impact of acute shortage in the 35 to 44 age bracket. He suggests aggressive hiring practices and improved management development programs to fill the need for managerial talent.

MILLION-DOLLAR BANKRUPTICES, on the rise in every year since 1958, climbed another 10% last year, to a record 186.

The total was nearly twice the number of such failures five years ago, and almost four times the number that occurred in 1956.

Business casualties involving losses between \$100,000 and \$1 million, although up a relatively modest 2% from 1965, also hit a new high, at 2,042.

The two groups combined lifted average liabilities per failure above \$100,000 for the first time in history.

THE SURVIVAL RATE for new businesses in the retail field is about 60% after one year of operation, reports the Small Business Administration. Less than 35% are still in business at the end of three years, it adds.

THE U. S. GOVERNMENT paid 2 cents per acre for Alaska, 3.5 cents per acre for the Louisiana Purchase, 27 cents per acre for the Philippines and \$294.70 per acre for the Virgin Islands.

THE OUTPUT OF ONE FARMER today feeds and clothes 37 Americans, the Agriculture Department reports. In 1929, there was 1 farmer for every 10 nonfarming Americans.

THE ROLE OF SMALL BUSINESS FIRMS in the transportation field is shown in a recent report by Lockheed Aircraft Corporation. In 1966, the company says, today commitments to small businesses (firms with fewer than 1,000 employees) were \$377 million, highest in Lockheed history and nearly 32% of the aerospace firm's total subcontract commitments.

A MAN MAKING \$10,000 A YEAR, who has a wife and two children, now pays 30 cents out of every dollar he earns in taxes of one kind or another.

If this man is 30 years old, he will pay \$105,395 in taxes before he retires-- even if no new taxes are added.

FOOD RESERVES will be more valuable than gold to the U. S. within the next decade as a result of the mounting food and population crisis, predicts Sen. McGovern (D- South Dakota).

The present world food situation is but a fore runner of greater challenges that lie ahead, he says.

Half the people of the world now lack adequate nutrition. World population is increasing by 70 million a year-- or, the equivalent of another India in seven years.