

# MANAGEMENT LETTER

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Time for year-end planning...outlook for sales and profits cautiously optimistic, but require close, tight management and great emphasis on efficiency. Need for greater production with same number of work force is constantly stressed.

Social Security wage base increases from \$35,700 to \$37,500 in 1984 (estimate). Employers share of the tax will be 7% with a maximum payment of \$2625.

No postage rate increase forecast for 1984...yet!

Variable rate mortgages are being pushed by lenders. Often the starting rate is 2½% or so below regular fixed rate loans as a lure to borrow now. Most buyers still prefer conventional fixed rate mortgages, it has shown.

Airline computer reservation system...to be change by Civil Aeronautics Board. Rule to be issued early next year will require airlines to store and display all flights so passengers can find the lowest rate on any airlines.

Bank fees...are on the increase. Reports are there will be new and higher fees for services, packaging of programs and services for small monthly fee, and so forth. They'll be pushing variable-rate consumer loans on home improvements and related items. Attempts to increase their profits.


Construction wages...won't rise this year because freeze being put on in agreement with unions. Even sacrificing work rules which have been expensive. Next year maybe different.

Booklet on business with the government is available from the U.S. Government Printing Office. Tells what agencies purchase what and includes advice on how to work with governmental agencies. Price \$4.50 from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Booklet S/N 022-000-00186-8.

Population analysis...shows that the population under the age of 30 is going to decrease by 4 million between now and the year 2000. There are more people over 65 than there are teenagers for the first time in our history. Helps to know this in planning your marketing.

Interest rates charged by IRS dropped from 16% to 11% on July 1, 1983, reflecting prime rate.

*Note: This monthly newsletter is compiled and published under the auspices of the ASPA Business Management Committee to serve as a helpful business update for all ASPA members. We invite your comments and recommendations. AL GARDNER, Chairman*

  
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