

THE 1960 AND 1965 OUTLOOK

In spite of serious misgivings, 1960 and 1965 projections have been made with the aid of two of the equations given above. The fact that predictive equations have been derived offers flexibility and makes possible later projections by others who might want to change the assumptions.

By and large the following projections are based on the same general assumptions that were made by Otto Eckstein in his "Trends in Public Expenditures in the Next Decade."

1. The degree of international tension is not expected to change much.
2. The political attitudes toward expenditures will not undergo a revolution.
3. Prices are assumed constant at 1958 levels.
4. The economy is to grow at a 3 percent annual rate.
5. The division of functions between Federal and State, and local governments is assumed to persist unchanged.³²

Three basic sets of projections will be developed. The first or "low" projection assumes that by and large 1958 conditions will persist, except that the number of pupils in average daily attendance will in all three cases increase as projected by the National Education Association.³³

The "medium" projections assume a cumulative annual increase of 3 percent in the magnitude of per capita personal income, teachers' salaries and length of school term. The other independent variables are assumed to increase very little.³⁴

Finally, the third projections are "high," in that they make rather optimistic assumptions about the future, i.e., cumulative annual increases of 6 percent in per capita personal income, teachers' salaries and length of school term.

On the basis of these assumptions daily per pupil expenditures can be projected with the aid of equations 1.1 and 1.3. They will be converted into annual total current expenditures plus debt service estimates by assuming that the number of pupils in average daily attendance will advance from 29,859,000 in 1958 to 32 million in 1960, and 37,200,000 in 1965.

Under these assumptions the following sets of projections were derived, which can be compared with 1958 expenditures:

[In billions]

	(1958)	1960	1965
Low projection.....		\$11.8	\$13.8
Medium projection.....	\$11	12.7	17.4
High projection.....		13.8	22.8

³² Otto Eckstein, "Trends in Public Expenditures in the Next Decade" (New York: Committee for Economic Development, 1959), p. 4.

³³ Enrollment projections were taken from "Status and Trends: Vital Statistics, Education, and Finance," (Washington, D.C., National Education Association, 1959), p. 9, and with the aid of an enrollment-pupils in average daily attendance regression, pupils in average daily attendance figures were estimated.

³⁴ X_2 —percent of public high school enrollment relative to total public enrollment—is assumed to be 23 in 1960 and 1965, compared to 22.4 in 1958, and

X_3 —percent of pupils in average daily attendance living in urban areas—is assumed to be 52 in 1960 and 1965, compared to 51.5 in 1958.