The competition for services is extreme and the retirement fund plays an important role in the recruitment and retention of the employees. The retirement fund, therefore, is an indispensable factor in providing these services and in the effectuation of this policy.

NUMBER OF SYSTEMS AND PRESENT ASSETS

Practically all full-time employees of the States and local governments are in some form of retirement fund. Many part-time and temporary employees are also provided retirement coverage. The total number of individual funds exceed 2,300 having approximately 6.2 million members. A small decrease in the number of separate funds has occurred during recent years through mergers with other and larger funds. Coverage includes teachers, policemen and firemen, clerks, mechanics, and all other employees of States and local governments necessary to provide public services to the country's expanding population.

Present assets of State and local public retirement funds are $31.8 billion. This compares with $2.6 billion of assets in 1946. Since the year 1946, the rate of increase in assets has been 14 percent per year. During the last several years, however, the rate of increase has slackened to about 11 percent per year. Recent compilations indicate that public employee retirement funds are bringing to the capital funds market more than $3.5 billion of new money (new funds less benefit payments) annually.

SOURCES OF FUNDS AND RELATIVE QUANTITIES

The sources of funds and their relative quantities for the 1964–65 fiscal year have been as follows:

[In millions of dollars]

	Amount	Percent
Total receipts	$5,260	100.0
Employee contributions	1,625	30.9
Government contributions:		
From States	1,026	19.5
From local governments	1,393	26.5
Earnings on investments	1,216	23.1

Source: Bureau of the Census, U.S. Department of Commerce.