(c) *Effects on business or industrial organization and management.*—Viewed from the standpoint of our Nation's total housing production, the rent supplement program will supply a significant impact. An initial rent supplement program that serves 50,000 families represents 3.3 percent of the 1.5-million unit annual housing output. These represent units which would, undoubtedly, not have been built otherwise. A premise used for planning purposes is that the typical size of projects built under this program will run to about 180 to 200 units, with about 150 of these occupied by families who receive rent supplement payments. Projects of this size are not, ordinarily, considered large enough to support development of major new shopping centers, although they may provide a purchasing power nucleus for supporting building, or expansion, of neighborhood shopping centers.

(d) *Effects on the stability, level, volume, or other aspects of employment, wages, costs, production, sales prices, or other phases of economic activity.*—Based upon BLS estimates, the construction which will flow from rent supplement program authorizations will generate the following volumes of business activity, employment, and payroll: (Note: for comparative purposes, indexes and earnings are held constant for the 4-year period.)

	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968	Fiscal year 1969
Dollar value of construction [1] (millions)	318	371	424	477
On-site and off-site man-years of employment (rounded)	33,000	38,000	44,000	49,000
Payroll (millions of dollars, rounded)	190	221	253	285

[1] Assuming average value of $12,500 per unit, of which approximately $10,600 is represented by outlays for site improvement and housing construction. This latter figure is reflected in above computation.

The foregoing will be noninflationary. According to Department of Labor information, present underemployment in the construction industry can support increments of hiring which are substantially greater than the increased employment needed to support the rent supplement housing program. The attendant requirements for building materials and housing equipment (in light of the 3.3 percent addition by this program to total housing starts, mentioned previously) represent no more than the anticipated productivity increases in these industries.

(e) *Other benefits.*—The rent supplement program, in conjunction with continuing housing production under the low-rent public housing program and under the section 221(d)(3) below-market rate of interest program, will have the broad effect of increasing the supply of standard housing available to and within the capabilities of the poor. This, in turn, will have the longer range effect of tending to reduce rents for private housing available to the poor. In turn, this will allow lower-income families to allocate increased portions of their incomes to other vital consumer needs. Private landlords, faced with increased competition, will be motivated to improve their properties in order to attract tenants. Where rehabilitation is not economically feasible, private landlords will remove properties from the market—a consequence which would not have been possible under "shortage" conditions.

(f) *Pertinent geographic differentials.*—Rent supplement projects will be initially produced where needs are greatest and where private