

Investing in Georgia

Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find

- news about the Georgia Supreme Court's ruling on “commission” charter schools
- a Federal Reserve Bank study regarding the cost of higher education in Georgia
- a report regarding the growing trend of extra-territorial bond issuers

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

Public Private Partnerships: With the urgent need to rebuild and revitalize America's transportation system running headlong into renewed efforts to manage public debt and reduce taxes, government providers are increasingly looking to private partners to finance and manage highway, transit, rail and aviation projects. PPP projects are typically leases, not sales, with the government “sponsor” shifting its responsibility from managing transportation facilities to managing contracts with private partners, who agree to design, build, finance, operate and maintain a project for many years in return for tolls. [More Developments »](#)

In The News

Can you hear me now? The Georgia Competitiveness Initiative, created by Governor Deal, is up and running. Regional “listening sessions” are being conducted in twelve regions across the state from June through August. [More News »](#)

Looking Ahead

The future of entitlements. Social Security trustees announced in May that the trust fund backing payment of Social Security benefits would be zero in 2036 (the estimate was 2041 in 2007), requiring reduction in payment of benefits to 77% of originally promised levels through 2085. The estimated Social Security

June 2011

By the numbers 53 Billion

Number of minutes Americans spent on Facebook in March, 2011, a cumulative 100,000 years

58.4%

Percentage of U.S. population currently employed

\$1,080,562,880

Gross receipts for Broadway shows for the season just ended

68%

Percentage of enterprises that plan to formally deploy iPads or other tablet computers by 2012

888

Number of “problem” banks in the USA as of 3/31/11. 44 banks have failed in 2011, costing the FDIC an average of \$84 million per failed bank

4.55%

Average national 30-year fixed rate mortgage as of June 2, 2011, 0.38% higher than its all-time low

shortfall (present value of future taxes collected and future benefits paid) could be eliminated by either an immediate 2.15% increase in the combined SS payroll tax rate or an immediate 13.8% reduction in SS benefits paid. **Medicare** trustees reported in May that the trust fund supporting Medicare Part A (hospital coverage) would be depleted by 2024, five years earlier than projected one year ago. Medicare enrollment is projected to rise from 49 million today to 81 million in 2030. **Medicaid** expenses represent 22% of annual outlays of U.S. states. [More »](#)

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143,000

Number of prisoners in 33 California state prisons... 63,000 more than they are designed to hold

94.1%

Free throw percentage by Dirk Nowitzki in the 2011 NBA playoffs (175 of 186), including 97.8 % in NBA Finals



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