

MEMO# 3121

September 26, 1991

FY 1991-1992 BUDGET

September 26, 1991 TO: BOARD OF GOVERNORS NO. 74-91 RE: FY 1991-1992 BUDGET

The budget proposal for FY 1991-1992 reflects the following factors: o In spite of pessimistic predictions prevalent this time last year, total assets represented by Institute members continued their steady growth, resulting in an estimated increase in the dues base of \$157.9 billion since last year. These assets would produce additional dues revenues in the coming year of nearly \$1 million at current rates. At that rate, the Institute's dues as a contributor to the industry's expense ratio drops from .149 BP this year to .138 BP next year. o While overall growth figures for the industry are favorable, prosperity is not evenly distributed throughout the membership and cost containment remains the watch word within many fund organizations. o The demands of members, government, the media and the public continue at high levels, maintaining constant pressure on the entire Institute staff for services. o Although possible resolution of financial services reform legislation this Fall may ease pressure, repeal of Glass- Steagall is likely to result in major administrative rulemaking which will be critical to the industry, and other important regulatory and legislative matters in the tax, pension and securities areas will necessitate a continued substantial commitment to outside legal and legislative counsel. o Member interest in and involvement with the work of the Institute in the Operations, Public Information and

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