

if supplementation by public assistance or private charity is necessary.⁷⁵ (2) Since health is a critical problem for older people provision must be made for "continued coverage * * * under prepaid health programs." (3) "The benefits of increased productivity" in the form of expanding living standards "must accrue to the industrial worker after he retires as they now accrue to him while he remains a member of the work force." (4) Benefits need to be adjusted to offset increases in the cost of living and to reestablish the real value of pension benefits.⁷⁶

The machinists set a target in 1960 for retirement income, including social security, of 50 percent of final earnings which measured in terms of spendable income accruable after retirement would actually be closer to 80 percent than 50 percent in the case of a couple.⁷⁷ In 1958, the steelworkers set a pension goal "of 50 percent of the employee's full-time earnings level in the years just preceeding retirement."⁷⁸ In 1966, a UAW pension spokesman discounted as "academic" a prediction that "the real goal of organized labor is to have retirement at full pay." But he added quickly that "there should not be a cliff, a drastic alteration of living standards," and 75 percent was, therefore, "a sound enough aim for lower and medium paid workers." Moreover, most discussion of adequacy centers about the longer service worker but "how adequate and how possible is retirement for the worker with 10 or 12 years."⁷⁹ An IUE expert projected the maintenance of the preretirement standard of living as the goal for retirement benefits, which he estimated could be attained by a 30-year-service employee "with a formula of \$8 or \$9 per month per year" of service plus social security. "This is not too high. Several IUE contracts are already in the neighborhood and the union's demand from GM in 1964 was \$12 per month per year of service."⁸⁰

The earlier concentration at the low end of the benefit distribution is changing. The Bankers Trust 1965 survey reported that "there is a greater range than formerly in the rate of benefits provided" in the negotiated plans.⁸¹ A BLS study of 1959 negotiated plans "show[s] that the clustering of plans at the lower end of the benefit scale that characterized the 1952 distribution has changed to a more symmetrical distribution. The principal reason for this change is the revisions negotiated by the parties."⁸² Normal retirement benefits in the first Ford-UAW agreement were set at \$1.75 per month for each year of service exclusive of social security. In the 1964 agreement these benefits were set at \$4.25 per month for each year of service. UAW is typical only of the magnitude of change, not of the level of benefits.⁸³

The unions aim at maintaining benefit levels with advances in the cost of living and the standard of living. For Solenberger of the

⁷⁵ See for example the UAW's detailed family budget for retired workers in U.S. Senate, *Social Security Revision*, op. cit., pp. 1843-1903.

⁷⁶ Lesser, "Problems in Pension Contributions and Benefits," op. cit., p. 91.

⁷⁷ International Association of Machinists, *A Guide to Pension Planning* (Washington: IAM, 1960), p. 7.

⁷⁸ United Steelworkers of America, *Insurance, Pensions and Supplemental Unemployment Benefits* (Washington: USA, 1958), p. 33.

⁷⁹ Willard E. Solenberger, "New Challenges to Labor and Management in Providing Retirement Security," *Third Annual Corporate Pension Conference*, 1966 (mimeo), p. 50.

⁸⁰ Statement by Joe Swire, Aug. 30, 1965 (mimeo), p. 3.

⁸¹ Bankers Trust Co., *Study of Industrial Retirement Plans* (New York: Bankers Trust, 1965), p. 23. [Emphasis added.]

⁸² U.S. Department of Labor, Bureau of Labor Statistics, *Private Pensions Under Collective Bargaining, Normal Retirement, Fall 1959* (Washington: Government Printing Office, 1961), p. 13.

⁸³ Statistics from U.S. Department of Labor, *Wage Chronology*, Ford, op. cit., pp. 23-25.