the pension plan has to be adequately financed even if employment drops in the future." [123]

The craft base of many pooled funds makes for an adverse imbalance in the age distribution of the employee population at the same time that the small scale and marginal profitability of many of the participating employers imposes severe limits on their capacity to contribute. A period of declining employment accelerates retirement and accentuates financing difficulties even further. The other side of the "automatic vesting" effect of the pooled fund is what one commentator has styled "the floating liability * * *. Employees after establishing some equity in a plan, may drift out of the area of coverage, leaving open the question of their return." [124] These instabilities of the pooled plans are a significant factor in their characteristically less developed benefit structure, compared to the single employer schemes. Disability, early retirement and other major supplemental benefits are both lower and less prevalent in the pooled plans.[125]

The ILG is not the only union participating in a pooled fund which has had difficulties with its retirement program but is the union we know most about due to the detail of its public reporting. "Adequate funding of retirement benefits is no simple matter" in the ILG's industries, "with [the] multiplicity of branches" and the heavy concentration of workers employed "in small or medium size establishments." [126] It was becoming apparent in the coat and suit industry branch in 1953 "that the annual income to the fund was insufficient to meet new needs." [127] The imbalances were basically caused by an over-aged labor force, sharp fluctuations in employment, excessive "liberality" in eligibility requirements and low contributions rates.

The union responded by reducing expenditures and improving efficiency. Eligibility standards were tightened by increasing the required period of attachment to the industry, raising the retirement age and restricting the right of the pension recipient to work in the industry. At various times benefits were reduced and subordinate bodies mandated to negotiate higher employer contribution rates. "Only a 1-percent contribution of payroll" had been obtained in the first pension agreement of the dress industry in 1947. "The union realized from the outset that this was not sufficient to retire all the dressmakers eligible. It was only accepted as a start, to get the fund in operation." [128] For greater efficiency and security 41 separate funds were merged into one national fund. A decade earlier a more limited consolidation had been accomplished in the establishment of an eastern region retirement fund. The return of economic expansion also helped. With rising employment contributions increased particularly for employees in the younger age groups, thus redressing some of the age imbalance.

By 1965, the union could report that the New York Coat and Suit Industry Fund, one of the hardest hit funds, is now in a position to pay "full benefits to every qualified applicant." [129] The union plans, as this is written, to increase retirement benefits, to raise employer con-

---

[123] "Congressional Proposal To Regulate Pension Plans," *Martin Segal Newsletter*, April 1967, p. 3. See also Barkin, "What Is Actuarial Soundness, etc.," *op. cit.*, p. 29.
[124] Donald F. Farwell, "Pension Bargaining," *Pension and Welfare News*, September 1965, p. 59.
[125] BLS, *Private Pension Plans Benefits, op. cit.*, pp. 51, 67, 89, 95.
[126] International Ladies' Garment Workers' Union, *Proceedings*, 1953, p. 204.
[127] ILGWU, *Proceedings*, 1956, p. 97.
[128] ILGWU, *Proceedings*, 1950, p. 206.
[129] ILGWU, *Proceedings*, 1965, p. 120.