

(3) Interindustry comparisons based on Bureau of Labor Statistics data on pension coverage by industry.

PARNES' STUDY

Herbert S. Parnes studied male production workers between the ages of 35 and 50 employed in two Columbus, Ohio, firms, one with a pension plan (company P), and the other without (company N).²⁸ Both firms were metal-fabricating establishments located less than a mile apart. Until shortly before the study they had been owned by the same family and had similar wages and personnel policies. Company P was organized by a CIO union and company N by an independent union. Company N had slightly higher wages. Company P had a pension plan with normal retirement at age 65 for workers with 15 years of service. At the time of the study the monthly benefit formula was \$1 for each year of service up to age 40 plus \$2 for each year of service between 40 and 65 years, and \$1 for each year to 68. A worker hired at 25 would receive a monthly pension of \$65. Company N had a deferred profit-sharing plan paying a lump sum on severance to workers with 5 years of service or more.

The two firms had work forces similar in personal, family and migrant status, job composition, tenure, mobility characteristics, and job satisfaction.

Retirement plans were mentioned as "things liked best about working for the company" by only 2 percent of the workers in each of the companies, but were disliked by 6 percent in Company N and 4 percent in company P. Retirement plans were mentioned as favored improvements in terms or conditions by 15 percent of the workers in Company N and 11 percent of those in company P.

Workers in these two firms and in firm C, a "control" firm with a long established pension plan, were asked if they would or would not accept a hypothetical job paying 30 cents an hour more and otherwise identical to their present job. Only 16 percent of the workers in firm P and 17 percent in firms N and C would make the change without qualification.

The reason for refusing to accept the job or perceived disadvantages of accepting the hypothetical job was:

	N	P	C
Percent mentioning security	76	84	78
Percent mentioning loss of fringe benefits	2	14	8

In company P only 5 of the 13 workers mentioned fringe benefits specifically mentioned pension rights while seven mentioned vacation time. In company C, three of four workers mentioning fringe benefits mentioned vacation time while only one mentioned pension rights.

²⁸ "Workers' Attitudes to Job Changing: The Effect of Private Pension Plans," in Gladys L. Palmer *et al.*, *The Reluctant Job Changer*, University of Pennsylvania, Philadelphia, 1962, pp. 45-80.