

characteristics.³³ It is possible to combine these estimates to obtain an imperfect, but usable measure of the frequency of vesting.

The first step is to obtain a distribution of the work force by age and tenure (table 11). This is computed directly from the 1963 BLS job tenure study.

Assume that the age and tenure distribution of covered workers is identical with the age and tenure distribution of the work force as a whole (table 12). This is an unrealistic assumption, for it is known that pension firms as a group have lower turnover at all ages than nonpension firms but that pension firms as a group have only insignificantly larger proportions of older workers than nonpension firms.³⁴ It is reasonable to believe that the average length of service of workers in pension firms is likely to be longer in pension firms as a group than in nonpension firms. Inevitably, then, the use of the total age and tenure distribution instead of the unavailable age and tenure distribution for pension firms will underestimate the frequency of vesting.

TABLE 11.—DISTRIBUTION OF WORK FORCE BY AGE AND TENURE, JANUARY 1963

Age in years	Total ¹	Tenure in years				
		5 or less	6 to 10	11 to 15 ²	16 to 21 ²	Over 21
Total.....	100.0	52.57	16.77	11.63	8.95	10.08
Under 45.....	60.11	39.57	10.30	5.88	3.41	.96
45 to 49.....	11.39	4.30	1.97	1.89	1.66	1.58
50 to 54.....	10.38	3.51	1.70	1.53	1.55	2.04
55 to 59.....	8.36	2.58	1.33	1.12	1.18	2.14
60 to 64.....	5.69	1.47	.89	.75	.71	1.86
65 and over.....	4.08	1.14	.58	.41	.46	1.51

¹ Based on persons for whom age and tenure were reported.

² Estimated by allocating one-half of those with jobs, starting October 1945 to June 1950, to the 11 to 15 years group and the remainder to the 16 to 21 years group.

Source: Derived from Harvey R. Hamel, "Job Tenure of American Workers, January 1963," "Special Labor Force Report," No. 36, Bureau of Labor Statistics, 1963, table A, p. A-5.

TABLE 12.—PROPORTIONS OF ALL COVERED WORKERS IN FIRMS WITH GIVEN AGE AND TENURE REQUIREMENT FOR VESTING, EARLY RETIREMENT OR REGULAR RETIREMENT

Age in years	Number (thousands) ²	Tenure in years ¹					
		Total	5 and less	5 to 10	11 to 15	16 to 21	Over 21
Number (thousands) ²		15,621	8,214	2,620	1,816	1,398	1,575
Total.....	15,621	100.00	2.10	26.34	34.29	20.73	16.54
Under 45 ³	9,392	49.65	.39	18.83	16.82	4.67	8.94
45 to 49.....	1,760	5.19	-----	2.05	2.45	.52	.17
50 to 54.....	1,622	5.10	.03	.66	1.97	1.41	1.04
55 to 59.....	1,306	12.62	.74	1.85	6.27	2.65	1.11
60 to 64.....	889	9.82	.28	1.49	2.18	3.60	2.27
65 and over.....	637	17.60	.67	1.46	4.61	7.87	3.00

¹ Age grouping in the source differ slightly from those used here: less than 5 instead of 5 and less; 5 to 10 instead of 6 to 10; 16 to 20 instead of 16 to 21, and over 20 instead of over 21. The age groupings used here are those of the 1963 BLS tenure study. See table 11.

² Number of workers is 1961 active workers.

³ Includes workers in plans in which no age requirement is specified.

Source: Derived from Bureau of Labor Statistics, "Private Pensions and Labor Mobility," BLS bulletin.

³³ Employment data is for 1961, plan data for the 1962-63 winter.

³⁴ See Bureau of Employment Security, *Older Worker Adjustment to Labor Market Practices*, BES Bulletin R151, 1956, table XXII, p. 255.