The "likelihood of vesting" (table 13) is the probability that a worker employed by a pension firm with given age and tenure will have a vested pension. Assume that a worker with, say, age in the range 60 to 64, and 16 to 20 years of experience in the firm will have a vested pension if his pension firm requires age 64 or less and 20 years' tenure or less. There is a small error involved here since the worker might, for example, be 60 years old and have 16 years' tenure while the firm might require age 62 and 20 years' tenure.

The row and column totals of likelihood of vesting provide estimates of proportions of the various age and tenure groups that have vested pensions. Only 10 percent of covered workers under 45 have vested pensions, while almost three-fifths of covered workers 65 years and older have vested pensions.

There were an estimated 65,935,000 workers employed in January 1963, and 15,621,000 (24 percent) were covered by private pensions. If this proportion of workers, 60 to 64 years old, were working in covered firms, about 11 percent would have a vested pension or be currently eligible for retirement. This is close to the 14 percent of all persons 65 years and older (and their dependent wives) receiving private pensions in 1963 (table 10, above). No doubt the 11 percent figure underestimates the proportion of all workers 60 to 64 years old who will eventually become eligible, but the figure suggests these estimates are of the correct order of magnitude.

TABLE 13.—LIKELIHOOD OF VESTING FOR WORKERS IN FIRMS WITH PENSIONS, 1963

Age	Tenure in years					
	Total [1]	Less than 5	5 to 10	11 to 15	16 to 20	Over 20
All ages [1]	20.3	0.5	20.9	41.6	50.4	71.0
Under 45	10.2	.4	19.2	36.0	40.8	49.7
45 to 49	24.8	.4	21.3	40.6	45.8	54.9
50 to 54	29.5	.4	22.0	43.2	49.8	60.0
55 to 59	38.5	1.2	24.5	52.0	61.3	72.6
60 to 64	47.5	1.4	26.3	56.0	68.9	82.4
65 and over	57.1	2.1	28.5	62.7	83.5	100.0

[1] Based on estimated distribution of covered workers by age and tenure from 1963 BLS survey and likelihood of vesting in the age-tenure cells of this table. It is assumed that the likelihood of vesting for each age and tenure group here is the same as the likelihood of vesting of the similar age and tenure groups of table 11. See table 12, footnote 1.

Source: Derived from Bureau of Labor Statistics, "Labor Mobility and Private Pension Plans," BLS Bulletin 1407, table 29, pp. 69–70.

The estimate of the proportion of workers with vested pension rights suggests that about one-fifth of the workers in firms with pension plans have vested pension rights in 1963. The proportion are quite small among workers with short service who have small likelihood of vesting, but age is also important, and only one-half of those with more than 20 years' tenure who are under 45 years old have vested pensions.