

TABLE 14.—LIKELIHOOD OF WORKERS OF GIVEN AGE AND LENGTH OF SERVICE HAVING VESTED PENSION RIGHTS,
124 LARGE COMPANY PLANS

Age	Length of service (in years)	1947-49	1950-52	1953-55	1956-59
Under 30.....	Less than 5.....	0.2	0.1	0.02	0.02
	5 to 9.....	.8	2.2	1.8	1.9
30 to 39.....	Less than 5.....	.2	.1	.02	.02
	5 to 9.....	1.3	2.6	2.3	2.3
40 to 44.....	10 to 14.....	4.0	6.7	5.7	6.3
	Less than 5.....	.2	.1	0	0
45 to 49.....	5 to 9.....	1.3	2.6	2.3	2.3
	10 to 14.....	5.4	7.4	25.5	30.6
50 to 54.....	15 to 19.....	7.5	9.8	26.9	38.4
	20 or more.....	.2	.1	.02	.02
55 to 59.....	Less than 5.....	1.3	2.6	2.3	2.3
	5 to 9.....	6.9	8.5	31.0	35.6
60 and over.....	10 to 14.....	9.3	11.1	32.6	43.9
	15 to 19.....	13.1	18.4	34.9	47.4
	20 or more.....	.2	.1	.02	.02
	Less than 5.....	1.4	2.7	2.5	2.6
	5 to 9.....	7.2	8.8	31.7	37.2
	10 to 14.....	9.8	12.0	34.6	46.7
	15 to 19.....	18.3	20.2	37.8	50.8
	20 or more.....	1.0	1.1	.1	.3
	Less than 5.....	2.2	3.7	2.6	2.9
	5 to 9.....	9.5	12.0	34.2	40.0
	10 to 14.....	12.5	15.5	38.2	49.9
	15 to 19.....	21.3	25.0	42.7	55.0
	20 or more.....	10.8	1.5	2.0	1.9
	Less than 5.....	12.0	4.1	4.5	4.5
	5 to 9.....	20.1	23.1	37.7	42.0
	10 to 14.....	25.0	29.5	43.4	59.6
	15 to 19.....	36.1	41.5	51.2	82.3
	20 or more.....				

Source: Daniel M. Holland, "The Pension Structure," in "A Respect for Facts," 40th annual report of the National Bureau of Economic Research, Inc. (New York, 1950), p. 45.

The lengthening of job tenure that is both an indicator and a result of reduced mobility necessarily has resulted in an increase in the proportion of workers who can expect to receive private pensions when they retire. Even so, mobility is great enough that only one-fifth of the workers who are nominally covered by pensions have vested pension rights. Only a small fraction of all workers in each age group have vested pensions, so that only a minority of workers of any age can expect to receive a pension with any certainty.

The spread of vesting that appears to accompany the maturing of pension plans obviously has a long way to go before retirement income will be secure for a majority of nominally covered workers.

IMPLICATIONS FOR PUBLIC POLICY

Policy considerations have not been emphasized in this study, but there are several obvious policy conclusions that will be drawn from these results, and it seems desirable that appropriate qualifications should accompany these conclusions.

The general economic policy objective of efficiency has not been thwarted by the decline in labor mobility which has probably occurred. Thus, even if it could be shown that mobility had definitely declined and that this decline be traced to the spread of unvested pensions, there is no presumption that remedial action is needed for reasons of economic efficiency.

The principal reason for public regulation of vesting is equity. The pension system receives a substantial subsidy in the form of tax deferral for contributions to qualified plans because pensions presumably