loss rate solely to the military retirement program. Mobility tends to diminish with age and experience independent of the effects of this program. The peak in loss rates at the 20-year point undoubtedly reflects the military retirement program and may be attributed to both the vesting of the pension and the wider range of civilian employment opportunities open to younger retirees.

Differences in labor-force behavior among military retirees and between retirees and comparable other civilians, classified by age and level of school completed were consistent with theoretical expectations. Retirees with low weekly wages and high family incomes other than wages of retirees tended to have low labor force participation rates. In addition, retirees generally had lower participation rates than comparable other civilians. This difference may be attributed in part to the military retirement income which is received by military retirees and is not available to other civilians and in part to differences in other elements of family income or in other determinants of labor force behavior between retirees and civilians. Estimates of the effect of family income of retirees, exclusive of their wages and salaries on their labor force behavior were derived from a multiple regression on the income and labor force behavior of retirees classified by age and education. They revealed that the income elasticity of participation rates was relatively low (less than one in most cases) and that it was extremely low in the youngest age groups. The estimates were very sensitive to differences in functional forms used.

Appendix A

TABLE 1.—NUMBER OF RETIREES AND PROPORTION WHO WORKED AT LEAST 1 WEEK IN 1965 BY LEVEL OF SCHOOL COMPLETED, AGE, AND RACE

Level of school completed and age	White		Nonwhite	
	Number	Proportion	Number	Proportion
Less than 8 yr.:				
35 to 44 yr	958	0.966	183	0.940
45 to 54 yr	1,848	.919	223	.910
55 to 64 yr	2,271	.736	126	.722
65 yr. or more	1,193	.307	121	.438
9 to 11 yr.:				
35 to 44 yr	1,687	.976	218	.968
45 to 54 yr	3,068	.944	234	.932
55 to 64 yr	2,152	.772	93	.817
65 yr. or more	780	.338	33	.455
12 yr.:				
35 to 44 yr	8,210	.982	397	.972
45 to 54 yr	12,675	.957	416	.947
55 to 64 yr	2,576	.810	93	.860
65 yr. or more	604	.377	18	.389
13 to 15 yr.:				
35 to 44 yr	3,341	.982	107	.972
45 to 54 yr	7,004	.965	190	.942
55 to 64 yr	1,910	.815	52	.904
65 yr. or more	715	.386	15	.533
16 yr.:				
35 to 44 yr	507	.915	10	.700
45 to 54 yr	1,741	.943	37	.919
55 to 64 yr	904	.759	19	.895
65 yr. or more	528	.362	6	.333
17 yr. or more:				
35 to 44 yr	366	.945	7	.857
45 to 54 yr	1,968	.961	40	.950
55 to 64 yr	1,294	.841	12	.750
65 yr. or more	579	.511	5	.800
Total	59,192	.884	2,697	.890

Source: Office of the Assistant Secretary of Defense (Manpower), Compensation and Career Development Directorate.