

pension systems after 1951 were also excluded, for the reason that the faculty in these IHE would not have had enough covered time to have their mobility decisions affected by the vesting of their pension systems.

There remained in the study 339 colleges and 98 universities, or 87 percent of the respondents. Of those remaining, 47 percent had vested pension systems and 53 percent had nonvested systems.

2. METHODOLOGY

This study consists basically of a cross section comparison of average separation rates between IHE having vested and those having nonvested pension system. In all cross-section studies, it is necessary to standardize the sample or hold "other factors constant." It is clear that there are factors, other than the extent of pension vesting, that do affect the voluntary separations of faculty. The question here, however, is whether they affect relative separation rates—do these factors cause separation rates to be different between IHE with vested and those with nonvested pension plans? Alternatively, are there factors that correlate with the extent of vesting in such a way that the failure to control the impact of these factors will lead to biased results?

I suspected that there were nine such factors and have divided them into three groups. The first group consists of factors associated with the institution: Type of IHE (college or university), administration of IHE (privately or publicly controlled), regional location of IHE (South or non-South), and the size of city in which the IHE is located (particularly the small town and the very large city). The second group consisted of factors associated with the faculty (age, race, sex, and subject field taught). The third group concerned the income of faculty, subdivided into cash and noncash income.

Several of these factors are not quantitatively important in this industry; that is, even if there were a maldistribution among vested and nonvested IHE, the comparison error resulting would be very small. An example is the race of faculty. There are few nonwhite faculty members in the United States (less than 5 percent of total faculty according to the 1960 census. Therefore, a concentration of nonwhite faculty in either vested or nonvested IHE would not lead to substantial bias in relative separation rates.

The factors in all three groups have in common one characteristic that makes it possible to reduce, if not substantially to eliminate, their impact on relative separation rates. This characteristic is that their impact on the separation rates of faculty in a given IHE is roughly the same for all faculty members. Assume that voluntary separation rates are higher in IHE located in very large cities than in IHE located in small towns. If, also, big city IHE have vested pension plans and small town IHE have nonvested ones, then an uncorrected comparison between these IHE would show higher rates among vested IHE—due in part to the effect of city size. But, if separation rates are higher in larger cities, they are higher for all faculty; and, if lower in towns, they are lower for all faculty. Thus the effect of city size on relative separation rates can be substantially eliminated by dividing the rates of individual or groups of faculty members by other individual or groups of faculty members in the same IHE. It was found convenient to group faculty by academic rank. The deflation procedure