This shifting to public and private organizations on a group basis and the adoption of insurance-type arrangements are significant developments in themselves and account for the historical record of a high growth rate for savings in this form. But, these secular trends were jolted out of their regular pattern by a shift in the preferences of the American people. In the long history of employment in manufacturing, workers have accepted a substantial portion of productivity gains in the form of a shorter workweek to enjoy more leisure time. From 1950 to 1965, on the other hand, there was no reduction in the average number of hours worked. (Paid holidays and vacations were increased, to be sure.)

The same period witnessed a spectacular growth in pension coverage for manufacturing industries. Workers did, in fact, receive a substantial portion of their real gains in the form of future retirement benefits, along with other income maintenance programs, during the postwar years. Also, this lasted long enough to be called a trend. It is reasonable to conclude, therefore, that employee preferences have shifted, to some extent, from the desire for more leisure during their working years to a greater degree of financial independence during retirement or to earlier retirement.

The main threads of the story, then, are as follows: (1) The long shift in our society from agriculture and a degree of self-sufficiency in the family unit to an industrial, urban society; (2) the increase in life expectancy, the widespread application of fixed retirement ages, provisions for early retirement, and the resulting spectacular growth in man-years of living in retirement; (3) a preference for a degree of independence in old age as compared with other benefits during active employment; (4) the growth in institutional arrangements for attaining goals on a group, rather than individual, basis through the employment of insurance principles.

Basic to all of these developments has been a change in the attitude of the American people toward their old people, now sometimes known as "senior citizens." Dependency on public or private charity based on a means test is more widely recognized as destructive of human dignity and the full potential for self-realization that lies in every individual. Concurrently has come the widespread acceptance of social insurance as a normal institutional arrangement in our industrial society.

The economic aspects of pensions develop, then, from basic forces at work in our society. We can be confident that the structure of arrangements will not be dismantled, nor will it fall into disuse in another generation. Rather, it will grow and develop, spread and become more inclusive, and become an increasingly dynamic force in economic processes. For these reasons, too, we must look ahead, not dwell upon history, to detect the most important questions and issues of public policy and private action.

THE SHAPE OF THINGS TO COME

Obviously, the pension structure will evolve over the next decade and more in response to many factors: the economic environment, rates of growth in different sectors, employee preferences, and public policy decisions. Nevertheless, it is possible to identify the basic forces at work and to rely upon them in projecting the probable course of flows of