

FOREWORD

Gaps in available data are not an unusual discovery in the exploration of a field as broad as public and private pensions. Early in the National Bureau's research project on the economic aspects of pensions, it became evident that data on the relatively new multiemployer and union pension programs were not available in enough detail to indicate their size, rate of growth, and portfolio composition. Comparable data were also incomplete even for the long-established plans of nonprofit organizations. Lack of convenient sources of information, rather than any lack of interest, seemed responsible for these particular gaps in the otherwise comprehensive measurement of saving and investment in the field of private pensions.

This third report from the pension research project seeks to remedy these deficiencies in basic information.¹ The results have been especially useful to Government agencies in revising their time series data on the private pension structure. The findings have also materially aided in the displacement of widely circulated but erroneous impressions by factually supported insights into significant trends.

In recent years, the rapid growth of multiemployer and union pension funds was expected by some observers to create a new economic power in the hands of union officials. It was suggested, for example, that a degree of control over employers might be exercised; that the character of union organization might be changed by newly created financial management responsibilities; and that great stimulus to the financing of middle-income housing might be provided by the investment of vast sums from these sources. Bartell's survey shows that aggregate assets amounted to less than \$1.3 billion in 1959 and grew to \$3.0 billion by 1964. Although this is a rapid rate of growth, the aggregate amount in 1964 only represented approximately 4 percent of the book value of all industrial pension fund accumulations. Furthermore, he shows that the funds were generally invested in accordance with traditional standards of trusteeship.²

Despite vigorous growth in coverage and assets, therefore, it is easy to exaggerate the role of multiemployer and union pension funds in the total structure of public and private pension programs. In contrast, there is a tendency to regard similar programs of nonprofit organizations as of diminishing importance because of the relatively mature stage of their development. To appraise their role in accurate perspective, a different approach had to be taken by Elizabeth Simpson in her study. The principal questions related to nonprofit institutions outside of the well-known group of major Protestant churches with long-estab-

¹ The two preceding reports are Phillip Cagan's *The Effect of Pension Plans on Aggregate Saving: Evidence From a Sample Survey*, Occasional Paper 95, New York, NBER, 1965, and Daniel M. Holland's *Private Pension Funds: Projected Growth*, Occasional Paper 97, New York, NBER, 1966.

² The impact of new pension plan responsibilities on union organization and leadership was further explored by Bartell in "Unions and Pension Funds," unpublished Ph. D. dissertation, Columbia University, 1962.