

PART I: GROWTH IN MULTIEMPLOYER AND UNION PENSION FUNDS, 1959-64

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1. INTRODUCTION

Corporate pension funds, which cover the employees of a single company or a group of financially related companies, are the most carefully reported sector of the private pension structure. The aggregate estimates of assets and portfolio composition, which are provided regularly for this sector by the Securities and Exchange Commission,¹ are derived from a questionnaire submitted to a large sample of U.S. corporations. In using the corporation (and primarily larger corporations) as the unit of inquiry, the Securities and Exchange Commission survey does not include funds which cover the employees of two or more financially unrelated corporations or unincorporated businesses, usually known as multiemployer funds. Only in recent years has the SEC attempted to consolidate these and nonprofit organization funds with corporate noninsured pension funds to estimate a total of assets of private noninsured pension funds.

The Social Security Administration's yearly report on employee benefit plans regularly includes an estimate of the reserves of all private pension plans (both insured and noninsured), including "pay-as-you-go, multiemployer, and union administered plans, those of nonprofit organizations and railroad plans supplementing the Federal railroad retirement program."² Thus, the estimate for multiemployer and union funds, as in SEC tabulations, is combined with figures for the assets of other private pension funds. However, the rapid growth of these funds in recent years justifies a more detailed description of their attributes. Furthermore, recent attention being paid to the effect of union policies on pension fund investments prompts a closer look at the portfolio composition of those funds—multiemployer and union—where labor unions have some measure of control over investment policy.

2. DESCRIPTION AND SIZE OF FUNDS

The history of labor unions in the United States reveals that one of the major reasons for the organization of unions in the late 1800's was the provision of accident, death, and retirement benefits for certain classes of workers who were unable to obtain them from ordinary insurance companies at rates which the unions considered equitable. The early unions in the railroad, printing, and construction industries were good examples of the organizational importance of benefit pro-

¹ Securities and Exchange Commission, *Survey of Corporate Pension Funds, 1951-54*, Washington, 1956, and annual surveys published in its *Statistical Bulletin*.

² A. M. Skolnik, "Ten Years of Employee Benefit Plans," *Social Security Bulletin*, April 1966, pp. 3-19.