Despite the rapid growth in private plan coverage during the past 20 years, continuation of the growth pattern is uncertain. The most rapid gains to date have been in those industries that lend themselves to coverage most readily. The manufacturing, transportation, public utilities, and mining industries, which account for less than half the employment in private nonfarm establishments, have about 80 percent of all workers now covered by retirement plans. These industries are characterized by large-scale operations and strong unions. It is estimated that from one-half to two-thirds of the workers in these industries are covered by private retirement plans.

This is in sharp contrast with the situation in the wholesale and retail trade and service industries which have many small employers and high rates of employee turnover. Probably less than one-fifth of the workers in these industries are covered.

The groups left uncovered so far represent in large part those whose characteristics are least amenable to incurring any long-term obligations involved in private pension plans. The voluntary nature of the coverage makes it dubious that many small, marginal, and seasonal employers will seek pension plans.

Even with the continued growth of coverage, there remains the question of how many persons will actually build up sufficient credits with a single employer to qualify for pensions. Many factors tend to prevent persons with retirement credits from eventually qualifying for private pensions. The high frequency of job turnover, age and long-service requirements for benefit eligibility, and lack of vesting provisions or restrictions on such provisions combine to limit the number of persons who will actually receive a private pension in old age.

In addition, adverse economic conditions in individual industries or firms may result in the curtailment of benefit rights or in the reduction of the resources that could be devoted to making the plan financially solvent. There is also much uncertainty as to the rights of individuals in case of layoffs, abandonment of the plan, sale or merger of the business, and bankruptcy of the employer.

Over the next dozen years, the proportion of the aged with dual protection—from both OASDHI and private pensions—might rise to 25 or 30 percent, compared with 18 percent today. There is no real likelihood in the foreseeable future, however, that a majority of older people will become eligible for supplemental pensions. Too much of the problem of income maintenance for old age is a problem of survivors' insurance for widows which is seldom covered by private pension plans; too many jobs are difficult to include in private pension plans; and very early vesting would be required to supply protection to the large number of workers that change jobs frequently.

These are the reasons that the President's Committee on Corporate Pension Funds stressed that the public OASDHI program is the basic instrument for assuring adequate retirement income to workers. In addition to universality of coverage and portability of credits earned, the largest public program has the advantage that its financing rests on the entire economy rather than on a single firm or industry. The scope of public program protection is also broader in most cases than in the private plans—it includes cash benefits for survivors in the case of the death or disability of an insured worker, and virtually all aged