tion of two separate but similar categories—financial difficulties and the dissolution of the employer's business—is greater, totaling 43.6 percent of all plans and 36 percent of all covered employees. In concluding his report, Mr. Beier observed:

> Reasonably accurate estimates of the magnitude of benefit losses cannot be obtained from any Government reporting system now in operation.

By applying minimum contribution-to-benefit ratios and other minimum cost factors that result from IRS rules, however, it is possible to estimate the maximum benefit loss that could have occurred under the reported termination conditions. Furthermore, by determining the benefit loss under employer practices more liberal than IRS minimum requirements, it is possible to create a range within which actual losses are likely to fall.

Our study demonstrates that by using any of the common cost methods with a 20-year funding program a representative plan after only 15 years will have sufficient assets to provide from 80 percent to over 100 percent of the total accrued benefits. Even with a minimum funding policy a plan after 15 years could be expected to be able to provide over 40 percent of the total accrued benefits for all active employees after providing full benefits for retirees. We submit that this demonstrates a high level of stability and protection inherent in the present pension system due to funding and cost methods established by present law and regulations.

Hugh Folk: PRIVATE PENSIONS AND LABOR MOBILITY

The term "labor mobility" describes both propensity to change jobs and actual job changing. These two meanings are related to the two principal problems arising from the interrelation of pensions and mobility:

(1) The tendency of pensions to reduce the propensity to move and,

(2) the effect of actual movement in keeping some persons who work in jobs covered by pensions during part of their work lives from eventually receiving pensions.

One obvious and important function of mobility in serving the goal of economic efficiency is its permissive role in the growth of new firms, industries, and regions. Another important function is promoting movement out of declining industries, firms, and regions. Mobility is also socially desirable in a free country because workers need practical alternatives to sticking with the present employer. The foregoing reasons are arguments for some labor mobility but they do not tell us how much is desirable. If a worker stays on a job because he likes it despite the presence of alternatives, he is not a serf bound by a "new industrial feudalism." If a worker is more productive in his present job than in another, then the goals of maximum social output and of maximum private income are both served by his staying on the job,