elements of family income or in other determinants of labor force behavior between retirees and civilians. Estimates of the effect of family income of retirees, exclusive of their wages and salaries, on their labor force behavior were derived from a multiple regression on the income and labor force behavior of retirees classified by age and education. They revealed that the income elasticity of participation rates was relatively low (less than one in most cases) and that it was extremely low in the youngest age groups. The estimates were very sensitive to differences in functional forms used.

MELVIN LURIE: THE EFFECT OF NONVESTED PENSIONS ON MOBILITY

We have reopened the question, raised by Ross and others, of whether nonvested pension plans deter voluntary employee movement. The higher education industry was studied because it was unique among manufacturing and nonmanufacturing industries in that there was an almost equal division of firms having vested and nonvested pension plans; thus it was possible to make a cross section analysis of the effect of vesting on mobility.

The cross section analysis of the voluntary separation rates of institutions of higher education shows that for the higher education industry as a whole, mobility was as large in nonvested institutions of higher education as it was in vested institutions of higher education. This finding supports Ross' conclusions that labor resources have not become immobilized because of the increased use of pensions and other nonwage benefits.

When, however, the higher education industry was subdivided into its college and university components, we found that the voluntary movement of university faculty was affected by the extent to which their pension plans were vested, while the movement of college faculty was not affected by vesting. The insensitivity of college faculty and the sensitivity of university faculty to equity losses from movement under nonvested pension systems found further support in the analysis of average faculty salaries, particularly the relatively low salary of the locked-in full professor at a nonvested university and in the analysis of salary dispersion. We suggest that the differential behavior of faculty can be explained, at least in part, by differences in research potential. We also speculate that those faculties who had a large investment in research training would also have a high propensity to be mobile and would choose a university career; a low propensity for mobility is likely to be associated with a smaller investment in research training and faculty in this grouping would choose a college career.

Further subdivision of the data showed that (a) faculty in privately controlled institutions of higher education were more sensitive to vesting than faculty in publicly controlled institutions of higher education and (b) faculty in nonsouthern institutions of higher education were more sensitive to vesting than faculty in southern institutions of higher