realization of accomplishments beyond our expectations. We can only hope that this kind of review will take place again and again, each time with better grounds for reaching judgments. We can also expect that it will become common knowledge that the validity of pension promises ultimately rests on the capacity of our economy to grow in productivity and to achieve higher standards of living for citzens of all ages.

H. ROBERT BARTELL, JR., ELIZABETH T. SIMPSON: PENSION FUNDS OF MULTIEMPLOYER INDUSTRIAL GROUPS, UNIONS, AND NONPROFIT ORGANIZATIONS

Part I: *Growth in Multiemployer and Union Pension Funds, 1959-64*, by H. Robert Bartell, Jr.

Assets of multiemployer and union pension funds are small in comparison to corporate pension funds, but their rate of growth is substantially higher than that of corporate funds.

The high growth rate of multiemployer and union funds is a reflection of their younger average age.

Assets of multiemployer and union pension funds, like corporate funds, are highly concentrated in a relatively few large funds.

Assets and coverage of multiemployer and union pension funds, unlike corporate funds, are concentrated in nonmanufacturing industries. An exception is the large accumulation of assets in funds covering employees in the apparel and other finished-textile products industry.

The portfolio composition of multiemployer and union pension funds shows significant differences when compared to corporate pension funds. However, these reflect, in part, differences in structural characteristics and, in part, highly atypical responses to investment choices by a few large multiemployer and union funds. The remaining differences are fast diminishing because of shifts in investment choices by the average multiemployer and union fund and because of the slower growth rates of atypical funds. For the future, although we can expect the two types of fund—multiemployer and corporate—to become more alike in portfolio composition, it is likely that dissimilarities will always exist because of the persisting structural differences, that is, average size and liquidity needs, and because of investment preferences.

Most unions do not take an active role in shaping the investment policies of pension funds covering their members. For the most part, this responsibility is delegated to professional investment managers, such as commercial bank trust departments. Many of the funds that do not delegate the function of portfolio management nevertheless follow the pattern of investment diversification common to bank administered pension funds.

In the funds covering members of the TCWH, IBEW, ILGW, ACWA, and UMW, the effect of union policy on portfolio composition is clearly discernible. In all of the other unions with substantial pension fund assets, union policy per se appears to play little or no role in shaping fund investment policy.