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# Coverage Patterns of Full-Time Employees Under Private Retirement Plans

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This article reports on the pension plan participation rate of full-time private wage and salary workers. Data are from a May 1979 Bureau of the Census survey on the pension plan coverage and vesting status of employed workers. The survey results indicate that about half of all full-time private sector workers were covered by a pension plan, with male employees having a 55-percent coverage rate compared with 40 percent for female employees. The survey also found significant variations in coverage by such factors as age, tenure, industry, size of establishment, occupation, income, and membership in a collective bargaining unit. The relationships between coverage and these variables are examined and comparisons are made between the May 1979 survey findings and the findings from a similar survey on coverage status conducted in April 1972.

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The Bureau of the Census, as part of its May 1979 Current Population Survey (CPS), conducted a special supplemental survey on the retirement plan coverage and vesting status of employed workers aged 14 and over. The supplemental survey, made under a contract with the Department of Labor and the Department of Health and Human Services, was based on a scientifically selected CPS sample of households designed to represent the civilian noninstitutionalized population of the United States.

This article considers exclusively the characteristics of covered and noncovered full-time private wage and salary workers, who comprise four-fifths of all full-time workers. This sector was characterized by a coverage rate of 50 percent. But the survey also showed that full-time Federal, State, and local government employees had a coverage rate of 84 percent, which increased the combined private/public coverage ratio to 56 percent.

Highlights of the survey related to full-time private wage and salary workers indicate that:

- Nearly 30 million employees, or about half the 59.7 million full-time private wage and salary workers employed in May 1979, were covered by retirement plans.
- More than 5 million additional full-time workers were employed by firms providing retirement plans but were excluded from participation, primarily be-

cause of failure to meet age and/or service eligibility requirements.

- Fifty-five percent of all male workers were covered by pension plans, compared with 40 percent of all female workers.
- The coverage rate for white workers was 50 percent, compared with 46 percent for workers of all other races.
- While only slightly more than one-fifth of all workers with less than 1 year of tenure were covered by retirement plans, the coverage rate increased steadily with years of service, reaching a peak of 82 percent for workers employed 25 or more years with the same firm.
- The coverage rate was very low for workers under age 25 (27 percent) but increased to 48 percent for workers aged 25-29 and to a high of 65 percent for workers aged 50-54. The rate began to decline after age 54 and dropped to 53 percent for workers aged 60 and over.
- Almost 4 out of every 5 employees represented by a union were covered by a retirement plan, a proportion twice as high as the coverage rate for employees not represented by a union.
- Workers in establishments with 500 or more em-

**Editor's Note:** This article and the one that follows are based on analyses of data obtained from the 1972 and 1979 surveys of coverage and vesting under pension plans jointly sponsored by the Social Security Administration and the Department of Labor.

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ployees were almost 2½ times as likely to have pension coverage as workers in establishments with fewer than 100 employees.

- Jobs in high-wage industries such as communications and public utilities, mining, and manufacturing tended to have high coverage rates, while jobs in low-wage industries such as retail trade and services generally had low rates of coverage.

- More than 3 out of every 10 noncovered male workers and more than 4 out of every 10 noncovered female workers were employed by small, nonunionized retail trade and service industry establishments.

- Coverage in most occupations was between 50 percent and 60 percent, with the low-paid, high-mobility service, labor, and sales jobs having significantly lower coverage rates.

- Pension coverage was closely correlated with earnings. While only 10 percent of the workers earning less than \$5,000 a year were covered, between 70 percent and 80 percent of those earning \$15,000 or more annually were covered.

- From April 1972, when a similar survey was conducted, to May 1979 there was virtually no change in pension coverage for full-time private workers, with coverage reported at 49 percent in 1972 and 50 percent in 1979. For workers over age 25, however, the coverage rate was more than 5 percentage points higher in 1979 than in 1972.

More than 35 million full-time wage and salary workers were employed in May 1979 by firms that sponsored or contributed on behalf of their employees to a private group retirement plan. These employees accounted for about 60 percent of the 59.7 million full-time workers in private industry in May 1979. About 30 million full-time workers in these firms had met the formal participation requirements of the retirement plans and were active plan participants.<sup>1</sup> These covered workers<sup>2</sup> represented 50 percent of all full-time private industry employees and 83 percent of all full-time workers in private firms with plans. Of the workers who were employed by firms with plans but who were not plan members, about 60 percent indicated that they were excluded because of failure to meet age and/or service eligibility requirements.<sup>3</sup>

Retirement plan coverage does not automatically entitle an employee to a pension benefit upon retirement. A covered worker must still meet either the plan's vesting

or its retirement eligibility requirements to qualify for plan benefits. The survey found that while the coverage rate for young workers was low (27 percent for those under age 25), it generally increased with age, reaching 65 percent for workers aged 50-54. This finding suggests that many workers, while not covered when young, would ultimately receive pensions. But many of the covered workers over age 50 did not yet have vested benefits and some will terminate employment or die before becoming eligible for a retirement benefit. Others may not be covered in their last job but may be entitled to a vested pension stemming from a previous job. Because of these factors, it is not possible to relate the coverage ratio to the percentage of retirees who will receive pensions.<sup>4</sup>

The survey found that the overall coverage rate for men (55 percent) was substantially higher than for women (40 percent). The higher coverage rate for men resulted from both a greater probability of being employed by a firm sponsoring a retirement plan and, among workers in firms with plans, a higher probability of being covered by the plan. Other factors, discussed below, such as tenure, age, inclusion in a collective bargaining unit, size of establishment, industry, occupation, income, and race were also related to the rate of coverage.

## Coverage Variables

### Tenure

A strong relationship existed between tenure and pension coverage. Plan membership, which included only 22 percent of all workers with less than 1 year of service, increased steadily to a high of 82 percent of workers with 25 or more years of tenure (table 1). While women were less likely than men to be included in pension plans at all years of service, the difference tended to narrow as length of employment increased. For example, among workers with less than 10 years of tenure, 37 percent of the men were covered and only 27 percent of the women. In contrast, for workers remaining with the same firm for 20-24 years, the proportion of men and women with coverage was approximately the same.

Seventy percent of male workers and 81 percent of female workers had less than 10 years of tenure. This group, with its high proportion of all workers and low coverage rates, accounted for 86 percent of all noncovered men and 91 percent of all noncovered women employees.

<sup>4</sup> It has been estimated that 47 percent of all men and 35 percent of all women in the private sector labor force retiring between 1979 and 1982 will be eligible for a private pension. See James H. Schulz, *Private Pension Policy Simulations*, Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University, January 1980, page 141. This report is available through the National Technical Information Service.

<sup>1</sup> The survey also found that an additional 885,000 part-time wage and salary workers were covered by private retirement plans. These covered workers accounted for about 7 percent of the 12 million part-time private industry employees in May 1979.

<sup>2</sup> The terms "covered workers" and "coverage," as used here, refer to employees who have met plan eligibility requirements for membership. They do not include workers employed by firms with plans who are not participating in a plan.

<sup>3</sup> The Employee Retirement Income Security Act (ERISA) permits the exclusion of employees who are under age 25 and those who have less than 1 year of service. Plans that provide for the immediate vesting of earned benefits may exclude employees with less than 3 years of service.

## Age

Coverage was lowest for very young workers and highest for workers approaching retirement age. Only 27 percent of the workers under age 25 reported pension coverage (table 2). For all workers aged 25 and over, the coverage rate was 56 percent. In particular, the coverage rate was 48 percent for workers aged 25-29, and it generally increased or held steady through ages 50-54, where it reached 65 percent. The rate declined slightly to 63 percent for workers aged 55-59, and then fell to 53 percent for workers aged 60 and over. The pattern of coverage increasing with age was similar for both men and women through ages 50-54. While coverage continued to hold steady for men aged 55-59, it dropped 6 percentage points for women. A big drop in the coverage rate for men occurred at the age-60-and-over interval, where it declined by 13 percentage points.

## Relationship of Sex, Age, and Tenure

Table 3 shows that the coverage rate for men was 15 percentage points higher than for women (55 percent and 40 percent, respectively). Female employees were, on the average, younger and had less tenure than did men, factors responsible in-part for the lower coverage

**Table 1.**—Length of employment in current job: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979

Years employed	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total <sup>1</sup>	59,735	100	50	43	7
Less than 1	13,307	100	22	69	9
1-4	19,018	100	40	52	8
5-9	10,928	100	61	36	3
10-14	6,154	100	75	22	2
15-19	3,196	100	78	20	2
20-24	2,199	100	81	17	1
25 or more	3,858	100	82	17	1
Men					
Total <sup>1</sup>	38,185	100	55	38	6
Less than 1	7,605	100	27	65	8
1-4	11,297	100	44	50	6
5-9	7,121	100	65	33	2
10-14	4,232	100	78	20	2
15-19	2,273	100	81	18	1
20-24	1,694	100	82	17	1
25 or more	3,165	100	84	16	1
Women					
Total <sup>1</sup>	21,550	100	40	51	9
Less than 1	5,702	100	16	74	11
1-4	7,721	100	35	56	9
5-9	3,807	100	54	42	4
10-14	1,921	100	69	28	2
15-19	923	100	70	25	5
20-24	505	100	79	20	2
25 or more	693	100	75	25	(2)

<sup>1</sup> Coverage status totals include workers not responding on length of employment, not shown separately.

<sup>2</sup> Less than 0.5 percent.

rate for women. As age and service increased, the coverage gap between men and women narrowed somewhat but still generally remained considerable. This occurrence indicates that other factors such as union representation, occupation, and industry were responsible for much of the difference in coverage.

Among both men and women aged 30 and over, coverage within each age group increased with tenure. Within each tenure group, however, no constant increase in coverage with age was evident. While total coverage increased with age up to age 60, coverage of workers with from 1 to 19 years of service tended to peak for workers in their thirties. Coverage for workers with 20 or more years of service was highest in the age range 40-49. This pattern was similar for both men and women. Coverage dropped in the age-60-and-older interval regardless of length of service, particularly for men, indicating a greater tendency among covered than noncovered workers to retire early. For example, the number of employed covered workers aged 60 and over was 71 percent less for men and 68 percent less for women than covered employees in their fifties. In contrast, a substantially smaller percentage of noncovered

**Table 2.**—Age and retirement plan status: Percentage distribution of full-time workers in private industry, by sex, May 1979

Age	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total	59,735	100	50	43	7
Under 25	13,018	100	27	59	14
25-29	9,416	100	48	44	7
30-34	7,834	100	56	38	5
35-39	6,377	100	57	37	6
40-44	5,534	100	56	38	6
45-49	5,153	100	60	34	5
50-54	4,853	100	65	32	3
55-59	4,282	100	63	34	4
60 and over	3,269	100	53	44	3
Men					
Total	38,185	100	55	38	6
Under 25	7,587	100	29	58	13
25-29	6,013	100	53	42	6
30-34	5,192	100	62	33	5
35-39	4,132	100	65	30	4
40-44	3,500	100	64	32	5
45-49	3,433	100	66	30	4
50-54	3,275	100	69	29	2
55-59	2,897	100	69	28	3
60 and over	2,156	100	56	40	3
Women					
Total	21,550	100	40	51	9
Under 25	5,431	100	23	61	16
25-29	3,403	100	42	49	10
30-34	2,641	100	46	48	6
35-39	2,245	100	42	49	9
40-44	2,034	100	42	49	8
45-49	1,720	100	50	43	7
50-54	1,578	100	56	38	6
55-59	1,385	100	50	45	5
60 and over	1,113	100	46	51	3

**Table 3.—Age and length of employment in current job: Percent of full-time workers in private industry covered by retirement plans, May 1979**

Age	Total <sup>1</sup>	Years employed				
		Less than 1	1-4	5-9	10-19	20 or more
Total						
Total <sup>1</sup> .....	50	22	40	61	76	82
Under 25.....	27	18	32	49	...	...
25-29.....	48	27	47	69	66	...
30-39.....	56	25	48	70	84	(2)
40-49.....	58	25	42	56	75	87
50-59.....	64	23	36	55	75	83
60 and over.....	53	16	22	33	61	74
Men						
Total <sup>1</sup> .....	55	27	44	65	79	83
Under 25.....	29	20	34	49	...	...
25-29.....	53	31	50	71	67	...
30-39.....	63	32	51	74	87	(2)
40-49.....	65	35	48	59	77	87
50-59.....	69	31	40	57	77	85
60 and over.....	56	(2)	28	34	62	76
Women						
Total <sup>1</sup> .....	40	16	35	54	70	77
Under 25.....	23	15	29	47	...	...
25-29.....	42	22	42	64	(2)	...
30-39.....	44	16	41	58	77	(2)
40-49.....	46	12	35	51	67	88
50-59.....	53	10	29	53	70	76
60 and over.....	46	(2)	(2)	32	60	67

<sup>1</sup> Includes workers not responding on length of employment in current job.  
<sup>2</sup> Not calculated where base is less than 150,000.

workers left the employment ranks in their fifties, with the number of noncovered male employees declining by 51 percent and the number of noncovered female employees dropping by 59 percent.

### Union Representation

Membership in a collective bargaining unit was one of the most important factors associated with pension plan coverage (table 4). While slightly more than one-fourth of all full-time workers indicated they were covered by a union contract, bargaining-unit employees accounted for 41 percent of all covered workers. Overall, 78 percent of the 15.4 million bargaining-unit employees were covered by retirement plans, compared with 40 percent of the 42.3 million nonbargaining-unit employees.

The proportion of male employees in collective bargaining units was almost twice as high as the proportion of female employees (31 percent and 17 percent, respectively). The higher union representation rate among male workers was, in part, responsible for the higher pension coverage rate for men. Even among bargaining-unit employees, however, the proportion of men participating in retirement plans (82 percent) was considerably higher than the proportion of women (66 percent). Among nonbargaining-unit employees, the proportion in plans was 44 percent for men and 35 percent for women.

### Size of Establishment

Table 4 also shows that the likelihood of retirement plan coverage increased sharply with size of establishment. The percentage of covered workers ranged from 34 percent for those in establishments employing fewer than 100 workers to 81 percent for those in establishments with 500 or more workers. Among small establishments, union representation was a particularly important determinant affecting the likelihood of worker coverage. Seventy-two percent of workers in unionized establishments with fewer than 100 employees had pension coverage, compared with only 27 percent of those in nonunionized establishments. The difference in the coverage rate among workers in unionized and nonunionized establishments employing 500 or more workers was much smaller (87 percent and 77 percent, respectively).

Among workers in establishments of all sizes, men were more likely than women to be covered. This tendency was particularly true in establishments with fewer than 100 employees, where 39 percent of the male workers were plan members, compared with 25 percent of the female workers.

The bulk of the noncovered workers were in small establishments. While 54 percent of all male workers and 53 percent of all female workers were employed by establishments with fewer than 100 workers, employees in these small establishments accounted for 78 percent of all noncovered male workers and 69 percent of all noncovered female workers.

### Industry

There was wide variation in coverage by industry. Table 5 shows that coverage was highest in high-wage industries such as communications and public utilities (82 percent), mining (69 percent), and manufacturing (68 percent for durable goods and 61 percent for nondurable goods). The coverage rate in transportation, wholesale trade, and the finance industries was slightly above average (50-56 percent), while construction, retail trade, and services had coverage rates of 30-39 percent.

Coverage of women was at least 8 percentage points lower than coverage of men in all industries. The disparity in coverage rates between men and women was among the highest in manufacturing, where 71 percent of the male employees were covered but only 51 percent of the female employees.

The high concentration of employment in manufacturing, together with the very high coverage rate of male workers employed in manufacturing, enabled these workers to account for almost half of all male pension plan participants. Female workers in manufacturing, with a much lower but still above-average coverage rate, made up 37 percent of all female plan members.

Almost half of the noncovered workers were em-

**Table 4.—Union contract status and size of establishment: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979**

Union contract status and size of establishment	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total <sup>1</sup> .....	59,735	100	50	43	7
Covered by union contract .....	15,431	100	78	16	6
Not covered by union contract .....	42,323	100	40	53	7
Size of establishment .....					
Fewer than 100 workers .....	32,064	100	34	58	8
Covered by union contract .....	5,343	100	72	22	6
Not covered by union contract .....	26,087	100	27	66	7
100-499 workers .....	11,606	100	63	31	6
Covered by union contract .....	3,905	100	77	17	6
Not covered by union contract .....	7,462	100	56	38	7
500 or more workers .....	11,377	100	81	15	4
Covered by union contract .....	4,777	100	87	10	3
Not covered by union contract .....	6,379	100	77	19	4
Men					
Total <sup>1</sup> .....	38,185	100	55	38	6
Covered by union contract .....	11,828	100	82	14	5
Not covered by union contract .....	25,059	100	44	50	6
Size of establishment .....					
Fewer than 100 workers .....	20,656	100	39	54	7
Covered by union contract .....	4,133	100	76	19	5
Not covered by union contract .....	15,949	100	29	64	7
100-499 workers .....	6,924	100	70	26	4
Covered by union contract .....	2,788	100	81	15	4
Not covered by union contract .....	4,011	100	64	32	4
500 or more workers .....	7,681	100	86	11	3
Covered by union contract .....	3,659	100	91	7	2
Not covered by union contract .....	3,915	100	83	14	3
Women					
Total <sup>1</sup> .....	21,550	100	40	51	9
Covered by union contract .....	3,603	100	66	25	9
Not covered by union contract .....	17,264	100	35	56	9
Size of establishment .....					
Fewer than 100 workers .....	11,407	100	25	65	9
Covered by union contract .....	1,030	100	55	35	10
Not covered by union contract .....	10,138	100	22	69	9
100-499 workers .....	4,681	100	52	39	9
Covered by union contract .....	1,117	100	68	23	9
Not covered by union contract .....	3,452	100	47	44	9
500 or more workers .....	3,696	100	70	24	7
Covered by union contract .....	1,118	100	76	18	6
Not covered by union contract .....	2,464	100	68	26	6

<sup>1</sup> Coverage status totals include workers not responding on union contract status and/or size of establishment, not shown separately.

ployed in retail trade and services—industries characterized by a high proportion of small, nonunionized establishments. These nonunionized retail trade and service industry establishments with fewer than 100 workers employed more than 3 out of every 10 noncovered male workers and more than 4 out of every 10 noncovered female workers.

### Occupation

Coverage in most occupations was at least 50 percent and was as high as 61 percent for professional and technical workers (table 6). The lowest coverage rates were found in the low-paid, high mobility service, labor, and

sales jobs, where coverage ranged from 25 percent to 43 percent.

Between one-half and two-thirds of the men in all but three major occupational categories had pension coverage. The exceptions were those in labor and sales jobs, where about 45 percent were covered, and service jobs, where only 30 percent were covered. The rate for women was less than 50 percent in all occupations and was particularly low in sales and service jobs (26 percent and 21 percent, respectively). Five percent of all male workers and 15 percent of all female workers were employed in service jobs. The disproportionately high number of women employees in this industry was a factor in the low overall coverage rate of women compared with men.

**Table 5.—Industry division: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979**

Industry division	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total .....	59,735	100	50	43	7
Mining .....	747	100	69	25	6
Construction .....	4,211	100	39	53	7
Manufacturing:					
Durable goods .....	12,667	100	68	25	7
Nondurable goods .....	7,773	100	61	31	8
Transportation .....	2,715	100	56	38	6
Communications and public utilities .....	2,024	100	82	15	3
Trade:					
Wholesale .....	3,400	100	50	42	7
Retail .....	9,106	100	30	61	9
Finance, insurance, and real estate .....	4,467	100	52	41	8
Services .....	11,344	100	36	57	7
Men					
Total .....	38,185	100	55	38	6
Mining .....	684	100	70	25	5
Construction .....	3,930	100	40	53	7
Manufacturing:					
Durable goods .....	9,434	100	71	23	5
Nondurable goods .....	4,793	100	72	23	6
Transportation .....	2,281	100	59	36	6
Communications and public utilities .....	1,371	100	87	12	1
Trade:					
Wholesale .....	2,500	100	54	39	7
Retail .....	5,397	100	33	58	8
Finance, insurance, and real estate .....	1,885	100	56	38	7
Services .....	4,879	100	42	52	6
Women					
Total .....	21,550	100	40	51	9
Mining .....	64	(2)	(2)	(2)	(2)
Construction .....	281	100	26	60	13
Manufacturing:					
Durable goods .....	3,234	100	58	32	11
Nondurable goods .....	2,980	100	44	43	13
Transportation .....	434	100	45	50	5
Communications and public utilities .....	653	100	72	22	6
Trade:					
Wholesale .....	900	100	41	50	9
Retail .....	3,709	100	24	65	11
Finance, insurance, and real estate .....	2,583	100	48	42	9
Services .....	6,466	100	32	60	7

<sup>1</sup> Coverage status totals include workers in agriculture (about 14 percent of both men and women were covered by a retirement plan), not shown separately.

<sup>2</sup> Not calculated where base is less than 150,000.

## Earnings

Coverage was very low for workers earning less than \$10,000 per year but rose sharply as earnings increased and was more than 70 percent for workers with an annual income of \$15,000 or more. The median income of workers with pension coverage was substantially higher than the median income of noncovered workers (\$15,000 and \$9,500, respectively).

The coverage pattern of men and women varied somewhat by earnings (table 7). Among workers with earnings of from \$5,000 to \$14,999, the coverage rate for women was 6 percentage points higher than for men. For workers earning \$15,000 or more per year, this pattern was reversed, with men having a higher coverage

rate. Female covered workers had median annual earnings of \$10,500, an income 24 percent higher than the \$8,000 median annual earnings of noncovered female workers. For male workers, the gap in annual earnings between covered and noncovered workers was 32 percent (\$17,400 and \$11,800, respectively).

## Race

White workers had about an 8 percent greater likelihood of being covered by a retirement plan than workers of other races. Overall, the coverage rate was 50 percent for white workers, compared with 46 percent for workers of other races (table 8). The difference in coverage rates by race was similar for both men and women.

**Table 6.—Occupation: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979**

Occupation	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
<b>Total</b>					
Total <sup>1</sup> .....	59,735	100	50	43	7
<b>White-collar workers:</b>					
Professional and technical .....	7,366	100	61	34	5
Managers and administrators .....	7,099	100	52	44	4
Sales .....	3,531	100	40	53	7
Clerical .....	10,475	100	49	43	8
<b>Blue-collar workers:</b>					
Craftsmen .....	9,985	100	57	37	6
Operatives .....	9,662	100	54	36	10
Transportation equipment operators .....	2,650	100	52	40	8
Nonfarm laborers .....	2,937	100	43	46	11
Service workers .....	5,180	100	25	65	10
<b>Men</b>					
Total <sup>1</sup> .....	38,185	100	55	38	6
<b>White-collar workers:</b>					
Professional and technical .....	4,926	100	68	29	4
Managers and administrators .....	5,547	100	55	42	3
Sales .....	2,419	100	46	48	5
Clerical .....	2,217	100	66	30	5
<b>Blue-collar workers:</b>					
Craftsmen .....	9,476	100	58	37	5
Operatives .....	5,742	100	61	31	8
Transportation equipment operators .....	2,586	100	53	40	7
Nonfarm laborers .....	2,605	100	44	45	11
Service workers .....	1,957	100	30	56	14
<b>Women</b>					
Total <sup>1</sup> .....	21,550	100	40	51	9
<b>White-collar workers:</b>					
Professional and technical .....	2,439	100	48	44	7
Managers and administrators .....	1,552	100	41	53	6
Sales .....	1,111	100	26	63	11
Clerical .....	8,258	100	45	46	9
<b>Blue-collar workers:</b>					
Craftsmen .....	509	100	44	43	13
Operatives .....	3,920	100	44	42	13
Transportation equipment operators .....	63	(2)	(2)	(2)	(2)
Nonfarm laborers .....	331	100	36	50	13
Service workers .....	3,223	100	21	70	8

<sup>1</sup> Coverage status totals include farm workers (about 12 percent of whom were covered by a retirement plan, regardless of sex), not shown separately.

<sup>2</sup> Not calculated where base is less than 150,000.

### Coverage by Type of Plan

Among the almost 30 million full-time workers covered by retirement plans, 20 percent reported participation in a multiemployer plan and 60 percent indicated coverage under a single-employer plan. The remaining 20 percent were unable to identify the type of plan they participated in. Almost half of the multiemployer plan participants were employed by establishments with fewer than 100 participants, with the remaining half employed roughly equally by establishments with 100-499 employees and those with 500 or more workers. Among workers reporting coverage under single-employer plans, 38 percent were in establishments with fewer than 100 employees, 27 percent worked in establishments with 100-499 employees, and 34 percent were in establishments employing 500 or more workers. The proportion of covered workers participating in multiemployer plans was highest in the highly unionized construction

(50 percent), transportation (30 percent), and mining (29 percent) industries.

### Trends Since 1972

The May 1979 survey on pension coverage and vesting is similar to another survey conducted in April 1972.<sup>5</sup> Comparison of the findings from the two surveys shows that overall coverage rates remained virtually unchanged, with coverage of all full-time private industry workers reported at 49 percent for 1972 and at 50 percent for 1979. The rates of change differed within several subgroups, however—in some cases substantially. Coverage of female workers rose 3 percentage points over the 7-year period (from 37 percent to 40 percent),

<sup>5</sup> See Walter W. Kolodrubetz and Donald M. Landay, "Coverage and Vesting of Full-Time Employees Under Private Retirement Plans," *Social Security Bulletin*, November 1973, pages 20-36.

**Table 7.—Estimated annual wage or salary income: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979**

Estimated annual earnings <sup>1</sup>	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total <sup>2</sup> . . . . .	59,735	100	50	43	7
\$1-\$4,999 . . . . .	2,612	100	10	80	10
\$5,000-\$9,999 . . . . .	17,833	100	31	57	12
\$10,000-\$14,999 . . . . .	15,024	100	54	40	6
\$15,000-\$19,999 . . . . .	9,833	100	72	24	4
\$20,000-\$24,999 . . . . .	4,768	100	77	20	3
\$25,000 or more . . . . .	4,571	100	78	20	2
Men					
Total <sup>2</sup> . . . . .	38,185	100	55	38	6
\$1-\$4,999 . . . . .	944	100	14	75	11
\$5,000-\$9,999 . . . . .	6,858	100	28	60	12
\$10,000-\$14,999 . . . . .	9,761	100	52	42	6
\$15,000-\$19,999 . . . . .	8,335	100	72	24	4
\$20,000-\$24,999 . . . . .	4,435	100	78	19	3
\$25,000 or more . . . . .	4,354	100	78	20	2
Women					
Total <sup>2</sup> . . . . .	21,550	100	40	51	9
\$1-\$4,999 . . . . .	1,668	100	8	82	10
\$5,000-\$9,999 . . . . .	10,975	100	34	54	12
\$10,000-\$14,999 . . . . .	5,263	100	58	37	5
\$15,000-\$19,999 . . . . .	1,498	100	68	27	5
\$20,000-\$24,999 . . . . .	332	100	62	32	6
\$25,000 or more . . . . .	217	100	69	21	9

<sup>1</sup> Annual earnings were estimated by multiplying average weekly wage or salary income, as reported on the May 1979 Current Population Survey (CPS), by weeks usually worked per year, as reported in the pension supplement to the May 1979 CPS.

<sup>2</sup> Coverage status totals include workers not responding on wage or salary income, not shown separately.

compared with a 1-percentage-point increase for male workers (from 54 percent to 55 percent). The gap in coverage between white workers and workers of other races narrowed significantly, with white workers experiencing a 1-percentage-point increase in coverage (from 49 percent to 50 percent) and workers of other races attaining a 5-percentage-point growth in coverage (from 41 percent to 46 percent).

Among the tenure categories examined, coverage increased from 1972 to 1979 for all workers except those with 1-4 years of service, where the coverage level remained at 42 percent. The pattern of coverage increasing within the other tenure categories occurred for both men and women.

With the exception of workers under age 25, who had a 4-percentage-point reduction in coverage, workers in all other age intervals either recorded increases in coverage rates or experienced no change in coverage from 1972 to 1979. The coverage growth rate was highest for workers in the 55-59 age group, where coverage increased from 53 percent to 63 percent, and in the 60-and-over age group, where coverage rose from 41 percent to 53 percent.

Industries characterized by low to moderate coverage rates in 1972 recorded the greatest increases during the

**Table 8.—Race: Percentage distribution of full-time workers in private industry, by retirement plan status and sex, May 1979**

Race	Number (in thousands)	Percentage distribution			
		Total	Covered	Not covered	Don't know
Total					
Total . . . . .	59,735	100	50	43	7
White . . . . .	52,813	100	50	43	7
All other races . . . . .	6,921	100	46	43	11
Men					
Total . . . . .	38,185	100	55	38	6
White . . . . .	34,094	100	56	39	6
All other races . . . . .	4,091	100	52	38	10
Women					
Total . . . . .	21,550	100	40	51	9
White . . . . .	18,719	100	40	51	9
All other races . . . . .	2,831	100	38	51	11

7-year period, with workers in construction, services, and transportation achieving increases in coverage ranging from 3 to 10 percentage points. The coverage rate declined by 2-4 percentage points in four industrial groupings—communications and public utilities, the finance industries, retail trade, and mining. Changes in coverage rates were similar for men and women in most categories. In three industries, however, changes in coverage differed markedly for men and women. In the finance industries, female workers experienced a 2-percentage-point growth in coverage (from 46 percent to 48 percent) at the same time that coverage of male workers was declining by 6 percentage points (from 62 percent to 56 percent). Coverage of male workers in communications and public utilities and in wholesale trade remained virtually unchanged from 1972 to 1979 at 87 percent and 54 percent, respectively. During the same period, coverage of female workers declined from 81 percent to 72 percent in communications and public utilities and increased from 34 percent to 41 percent in wholesale trade.

Changes in occupational coverage rates from 1972 to 1979 were fairly minor, with changes greater than 2 percentage points occurring only for nonfarm laborers, where coverage increased from 39 percent to 43 percent, and for sales workers, where coverage decreased from 43 percent to 40 percent. The overall coverage rate of service workers remained unchanged at 25 percent, but female service workers increased their coverage rate from 17 percent to 21 percent while male service workers experienced a decrease in coverage from 38 percent to 30 percent.

### Technical Note

The estimates presented here are based on data from a special May 1979 survey of pension plan coverage of

employed workers aged 14 and over in the U.S. civilian labor force. Data collection was conducted by the Bureau of the Census and included half the sample of households in the May 1979 Current Population Survey (CPS). For this reason, the sampling variability of this article is greater than that of the CPS.<sup>6</sup>

For the purposes of this article, full-time workers were defined as those working 35 hours or more during the survey week or those holding a full-time job but not at work full time during that week because of either economic reasons such as slack work or material shortages or for noneconomic reasons such as vacation or illness. If a worker held more than one job, he or she was classified as full time only if he or she worked 35 hours or more per week at his or her principal job. Estimates exclude full-time workers with vested rights to a private pension who were not covered by a plan in the job at which they were working during the survey week.

### Responses to Specific Questions

Respondents were first asked the question, "Excluding Social Security, Railroad Retirement and Veterans' Pensions, does your employer or union have a pension or other type of retirement plan for any of its employees?" Those who answered yes or did not respond to this question were then asked, "Are you included in such a plan?" Covered workers were defined as those who answered yes to the question on inclusion in a plan. Noncovered workers were defined as those who answered no to either of the questions.

A relatively high proportion of respondents (7 percent) were classified as not knowing if they were covered by a retirement plan. This high percentage results, in part, from the questionnaire pattern. Workers who did not know if their employer or union had a plan were not asked the question on inclusion in a plan. Undoubtedly, some of these workers, who were all classified as not knowing if they were covered by a plan, could, if asked the question on plan inclusion, have answered that they were not covered by a plan.

About 1.5 percent of the respondents did not answer the question on pension coverage. These respondents were proportionally allocated to the other three categories (yes, no, don't know).

### Comparison of April 1972 and May 1979 Results

Unlike the May 1979 survey, which included both full-time and part-time employees, the April 1972 survey on pension coverage was limited to full-time workers. The definition used for full-time workers in the

**Table I.—Approximate standard errors of estimated percentages**

Base of percentage (in thousands)	Estimated percentage						
	1 or 99	2 or 98	5 or 95	10 or 90	15 or 85	25 or 75	50
75	2.4	3.4	5.3	7.3	8.7	10.5	12.2
100	2.1	2.9	4.6	6.3	7.5	9.1	10.5
250	1.3	1.9	2.9	4.0	4.8	5.8	6.7
500	.8	1.3	2.1	2.8	3.4	4.1	4.7
1,000	.7	.9	1.5	2.0	2.4	2.9	3.3
2,500	.4	.6	.9	1.3	1.5	1.8	2.1
5,000	.3	.4	.6	.9	1.1	1.3	1.5
7,500	.2	.3	.5	.7	.9	1.1	1.2
12,000	.2	.3	.4	.6	.7	.8	1.0
25,000	.13	.2	.3	.4	.5	.6	.7
50,000	.09	.13	.2	.3	.3	.4	.5
100,000	.07	.09	.15	.2	.2	.3	.3

1972 survey differed somewhat from the definition used in this article on 1979 survey results. The definition used here for full-time workers includes workers who normally work full time but worked part time during the survey week for economic reasons; the 1972 survey excluded such workers. The definition used in this article also includes dual job holders only if they worked 35 hours or more a week at their principal job. The 1972 survey included all dual job holders if their combined hours of work at all jobs totaled 35 hours or more. These differences in definitions are relatively minor and affect only a small percentage of the employed population. Comparison of certain factors related to pension plan coverage, such as inclusion in a collective bargaining unit and size of establishment, could not be made because questions on these subjects were not asked in the 1972 survey.

### Sampling Variability

The pension coverage estimates in this article were derived from a sample of households selected to represent all households in the United States. The results may differ from information that would have been obtained from a complete census. Two types of errors are possible in estimates based on a sample survey—sampling and nonsampling errors.

The standard errors provided for here (see table I) primarily indicate the size of the sampling error—that is, of the variation that occurred by chance because a sample rather than the entire population was surveyed. They may also partially measure the effect of some nonsampling errors in response and enumeration but do not measure any systematic biases in the data. The full extent of the nonsampling error is not known. Particular care should be exercised in the interpretation of figures based on a relatively small number of cases or on small differences between estimates.

The sample estimate and its estimated standard error  
(Continued on page 47)

<sup>6</sup> For a fuller description of the sample design and reliability of the estimates of the CPS, see *Employment and Earnings*, Bureau of Labor Statistics, Department of Labor, June 1979, pages 134-141.

**Table M-14.—OASDI cash benefits: Estimated number of beneficiaries with monthly benefits in current-payment status, by age group and by type of benefit, 1940-81**

[In thousands. Adjusted to exclude duplication arising from dual entitlement: See the 1977-79 Annual Statistical Supplement, p. 11]

At end of selected month	Total, all ages	Under age 62	Aged 62 and over									
			Total, aged 62 and over	Aged 62-64				Aged 65 and over				
				Total	Retired workers	Disabled workers	Spouses and children and survivors <sup>1</sup>	Total	Retired workers	Spouses and children and survivors <sup>1</sup>	Persons with special age-72 benefits <sup>2</sup>	
December:												
1940.....	222	75	147	(3)	.....	.....	(3)	147	112	35	.....	.....
1945.....	1,287	510	777	(3)	.....	.....	(3)	776	518	258	.....	.....
1950.....	3,462	877	2,586	1	.....	.....	1	2,585	1,771	814	.....	.....
1955.....	7,912	1,622	6,291	3	.....	.....	3	6,287	4,474	1,812	.....	.....
1956.....	9,070	1,701	7,369	338	113	.....	225	7,031	4,999	2,032	.....	.....
1957.....	11,081	2,009	9,072	729	266	46	417	8,343	5,931	2,411	.....	.....
1958 <sup>4</sup> .....	12,390	2,231	10,159	837	299	77	461	9,322	6,621	2,701	.....	.....
1959.....	13,667	2,560	11,107	968	334	105	529	10,139	7,191	2,948	.....	.....
1960.....	14,811	2,883	11,928	1,041	357	127	557	10,887	7,704	3,183	.....	.....
1961.....	16,471	3,406	13,065	1,375	648	141	586	11,690	8,277	3,413	.....	.....
1962.....	18,032	3,858	14,174	1,659	873	156	630	12,515	8,865	3,650	.....	.....
1963.....	19,016	4,109	14,907	1,748	946	163	639	13,159	9,318	3,841	.....	.....
1964.....	19,783	4,274	15,509	1,848	998	183	667	13,661	9,671	3,990	.....	.....
1965.....	20,867	4,735	16,132	1,854	992	197	665	14,278	10,108	4,169	.....	.....
1966.....	22,767	5,199	17,568	1,954	1,028	230	696	15,614	10,631	4,349	634	.....
1967.....	23,705	5,491	18,214	2,013	1,040	258	714	16,202	10,979	4,494	729	.....
1968.....	24,560	5,829	18,733	2,096	1,084	283	729	16,635	11,337	4,622	676	.....
1969.....	25,314	6,088	19,226	2,195	1,141	304	751	17,031	11,682	4,746	603	.....
1970.....	26,229	6,380	19,849	2,332	1,225	322	785	17,517	12,122	4,861	534	.....
1971.....	27,292	6,744	20,548	2,479	1,333	352	794	18,069	12,594	5,003	472	.....
1972.....	28,476	7,160	21,316	2,665	1,440	390	835	18,651	13,115	5,126	410	.....
1973.....	29,868	7,577	22,291	2,835	1,560	420	856	19,456	13,805	5,294	358	.....
1974.....	30,853	7,859	22,994	2,973	1,631	462	880	20,021	14,328	5,415	278	.....
1975.....	32,085	8,309	23,777	3,134	1,723	512	899	20,643	14,865	5,554	224	.....
1976.....	33,024	8,512	24,511	3,264	1,781	563	920	21,247	15,384	5,675	188	.....
1977.....	34,083	8,711	25,372	3,410	1,868	598	945	21,961	15,965	5,837	159	.....
1978.....	34,857	8,587	26,000	3,412	1,861	609	942	22,588	16,497	5,958	134	.....
1979.....	35,125	8,422	26,702	3,447	1,906	601	941	23,255	17,064	6,078	112	.....
1980.....	35,619	8,199	27,419	3,576	2,017	603	956	23,843	17,565	6,185	93	.....
1980												
March.....	35,236	8,434	26,801	3,475	1,935	601	939	23,326	17,128	6,091	106	.....
April.....	35,267	8,446	26,821	3,482	1,942	601	939	23,339	17,140	6,095	104	.....
May.....	35,295	8,446	26,849	3,484	1,946	601	939	23,366	17,162	6,102	103	.....
June.....	35,220	8,298	26,922	3,536	1,995	602	939	23,386	17,173	6,112	101	.....
July.....	35,146	8,155	26,990	3,553	2,008	603	942	23,437	17,213	6,124	100	.....
August.....	35,299	8,208	27,091	3,567	2,018	603	946	23,524	17,290	6,136	98	.....
September.....	35,428	8,240	27,188	3,574	2,021	603	949	23,614	17,367	6,150	97	.....
October.....	35,554	8,275	27,279	3,581	2,025	604	953	23,698	17,439	6,164	95	.....
November.....	35,598	8,247	27,351	3,579	2,021	604	954	23,772	17,503	6,175	94	.....
December.....	35,619	8,199	27,419	3,576	2,017	603	956	23,843	17,565	6,185	93	.....
1981												
January.....	35,749	8,228	27,521	3,637	2,075	602	960	23,884	17,602	6,191	91	.....
February.....	35,791	8,272	27,519	3,632	2,074	601	957	23,886	17,605	6,192	89	.....
March.....	35,846	8,302	27,544	3,632	2,077	599	956	23,911	17,629	6,195	87	.....

<sup>1</sup> Includes spouses and children of disabled workers.

<sup>2</sup> Authorized by 1966 legislation for persons aged 72 and over not insured under the regular or transitional provision of the Social Security Act.

<sup>3</sup> Fewer than 500.

<sup>4</sup> November data; December data not available.

**Annuitants**

(Continued from page 11)

enable one to construct confidence intervals, ranges that would include the average result of all possible samples with a known probability. The chances are about 68 out of 100 that an estimate from the sample would differ by

less than the standard error from the results based on the same procedures for the entire population; the chances are about 90 out of 100 that the differences would be less than 1.6 times the standard error; and the chances are about 95 out of 100 that the differences would be less than twice the standard error.