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PENSION COVERAGE AND VESTING AMONG PRIVATE  
WAGE AND SALARY WORKERS, 1979: PRELIMINARY  
ESTIMATES FROM THE 1979 SURVEY OF PENSION  
PLAN COVERAGE

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## ABSTRACT

This paper examines pension coverage and vesting in 1979 among private wage and salary workers aged 14 and older in the employed labor force. Coverage and vested status are examined in relation to personal and current job characteristics in order to provide a profile of workers protected and not protected under the private retirement system. The data are derived from the 1979 Survey of Pension Plan Coverage, a supplement to the May 1979 Current Population Survey.

Three major findings emerge from the analysis. First, coverage rates among full-time workers increased slightly between 1972 and 1979 and vested rates increased substantially during the same period. Second, although coverage rates are moderate to high for certain groups of workers, many workers are not in these groups. Third, women were much less likely than men to be covered by a retirement plan and to have acquired vested rights to their benefits.



PENSION COVERAGE AND VESTING AMONG PRIVATE WAGE AND SALARY WORKERS, 1979;  
PRELIMINARY ESTIMATES FROM THE 1979 SURVEY OF PENSION PLAN COVERAGE

By Gayle Thompson Rogers\*

This paper reports preliminary estimates of pension coverage and vesting among private wage and salary workers by personal and job characteristics. Special attention is given to coverage and vesting differences between men and women. The estimates are derived from the 1979 Survey of Pension Plan Coverage. With a few additions, the data reported here were presented to the President's Commission on Pension Policy at its April 17, 1980 symposium on Universal Pension Plan Coverage. The purpose of the paper is to make the estimates reported at the Commission's symposium immediately available to the public, not to provide a thorough analysis of coverage and vesting. More complete analyses are currently being prepared by the Social Security Administration and the Department of Labor.

#### THE SURVEY

In 1972 the Social Security Administration (SSA) and the Department of Labor (DOL) jointly sponsored a national survey of pension coverage and vesting among full-time private wage and salary workers aged 16 and older. <sup>1/</sup> In 1974 Congress passed the Employee Retirement Income Security Act (ERISA)

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<sup>1/</sup> For a report on the 1972 survey results, see: Walter W. Kolodrubetz and Donald M. Landay, "Coverage and Vesting of Full-time Employees Under Private Retirement Plans," Social Security Bulletin, November 1973.

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which, among other things, mandated minimum participation and vesting requirements for qualified pension plans. 2/ In order to estimate the effect of ERISA on coverage and vesting among individuals in private industry, the 1979 survey was launched. Like its 1972 predecessor, the 1979 survey was a supplement to the Current Population Survey (CPS), a monthly national sample of households conducted by the Bureau of Census, 3/ and was jointly sponsored by SSA and DOL. The 1972 survey was conducted in April of that year and the 1979 survey in May.

The scope of the 1979 survey is broader than its 1972 counterpart. It covers the entire employed labor force aged 14 and older--private wage and salary workers, government workers, and the self-employed--and part-time as well as full-time workers. It also contains data on IRA's and KEOGH's.

This paper presents data only on coverage and vesting among private wage and salary workers. The sample of 19,999 individuals represents an estimated 72 million private workers who make up 75 percent of the employed labor force.

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2/ For a description of the major provisions of ERISA, see: U.S. Department of Labor, Labor-Management Services Administration, Pension and Welfare Benefit Programs, What You Should Know About the Pension and Welfare Law, January 1978.

3/ For a description of the Current Population Survey, see the following: Bureau of the Census, The Current Population Survey-A Report on Methodology (Technical Paper No. 7, 1963 and Technical Paper No. 40, 1978); and Marvin M. Thompson and Gary Shapiro, "The Current Population Survey: An Overview," Annals of Economic and Social Measurement, April 1973.

## THE VARIABLES

Coverage status.--Coverage, as used here, indicates whether or not a worker was covered by a retirement plan on the job held at the time of the survey, referred to as the current job, and is measured by responses to the following two questions. 4/ Covered workers are defined as those who responded "yes" to the second question and noncovered workers as those who responded "no" to either question. In other words, noncovered workers are defined as those employed on jobs where a pension was not available to any employees and those on jobs where a pension included some employees but not the worker himself.

(Excluding Social Security, Railroad Retirement, or Veterans Pensions): Does your employer or union have a pension or other type of retirement plan for any of its employees?

(If yes): Are you included in such a plan?

The "don't know" category includes workers who didn't know if their employer had a plan and those who knew such a plan was available but didn't know if they were included. Eight percent of the respondents were classified as "don't know" and 1 percent as "not ascertained" (i.e., did not respond to the question).

"Don't know" responses were included in the base from which coverage and noncoverage rates were derived. Had they been excluded, both rates would have increased as shown below.

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4/ In the 1972 survey, covered status was measured by responses to the following question: "Excluding Social Security, Railroad Retirement, and Veteran's Pensions, are you covered in your present full-time job by a pension or profit sharing plan providing retirement benefits?"

Coverage status by treatment of "don't know" responses: Percentage distribution among private wage and salary workers

	Includes "don't know"	Excludes "don't know"
Total percent	100	100
Covered	43	47
Not covered	49	53
Don't know	8	--

Workers who didn't know whether or not they were covered by a pension much more closely resembled noncovered than covered workers on characteristics related to coverage: sex, age, extent of employment, industry, occupation, and union coverage and size of firm. (See Appendix tables A-1 through A-7 for details). This evidence suggests that most workers responding "don't know" probably were not covered by a pension. Therefore, in order to get a "best" estimate of the proportion covered, we retained the "don't knows" in the base. Although this decision is not error free and results in an underestimate of the proportion of workers covered and not covered, we feel that it produces less misleading coverage rates than the alternative. <sup>5/</sup> Recognizing that others may disagree with this decision, most tables are constructed so that they may exclude the "don't knows" from their calculations.

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<sup>5/</sup> For a discussion of the treatment of "don't know" responses, see: Hans Zeisel, Say It With Figures, 3rd edition, New York: Harper and Brothers Publishers, 1950, chapter 3; Joe D. Francis and Lawrence Busch, "What We Know About ""I Don't Knows"", The Public Opinion Quarterly, 39,2 (Summer 1975), 207-218.



Whether one includes or excludes the "don't knows", the relationships, trends, and group differences cited in this paper remain the same.

Vested status.--Vesting indicates whether a worker has acquired a non-forfeitable right to a future benefit based on his earned credits even if he should cease active participation in the plan prior to retirement age. It is measured here by responses to the following question. Vested workers are defined as those who responded "yes" to this question and nonvested workers as those who responded "no". Both fully and partially vested workers are included in the vested category.

If you left your employer and were no longer included in your present pension or retirement plan, could you receive some benefits at retirement age?

The vested and nonvested rates reported in this paper should be viewed as approximations only and used with caution for reasons discussed below. First, as with coverage status, the base used to calculate the proportion of covered workers who are vested and nonvested includes "don't know" but excludes "not ascertained" responses. Only 1 percent of the covered workers did not respond to the vesting question, but 18 percent did not know if they would receive benefits at retirement age if they left the plan prior to that time. Because the "don't know" rate is quite high, as it was in the 1972 survey, the inclusion or exclusion of these responses from the base produces substantially different vested rates as shown below.

Vested status by treatment of "don't know" responses: Percentage distribution among private wage and salary workers covered by a retirement plan

	Includes "Don't know"	Excludes "Don't know"
Total percent	100	100
Vested	48	59
Not vested	34	41
Don't know	18	--

It is assumed here that workers classified as "don't know" are much more likely to be nonvested than vested and, therefore, they are included in the base. This assumption is based on evidence which shows that the years of service under the plan, sex, and age of "don't know" workers much more closely resemble those of nonvested than of vested workers (see Appendix tables A-8 through A-10 for details). For example, 55 percent of "don't know" workers and 61 percent of nonvested workers compared with 24 percent of vested workers had been included in their plans for less than 5 years.

Looked at in another way, the likelihood of a "don't know" response decreased as the likelihood of vesting increased. Specifically, 23 percent of covered workers with less than 5 years of service under the plan were classified as "don't know" compared with 17 percent of workers with 5-9 years of service and 8 percent with 15 or more years of service.

The decision to include "don't knows" will probably produce a vested rate somewhat lower than its "true" level as suggested by the fact that 8 percent of those with 15 or more years of service--that is, those who would be fully vested under ERISA regulations--did not know if they were vested. Nevertheless, it is our opinion that this decision produces less error than the alternative which would inflate the vested rate.

One additional note of caution regarding the definition and calculation of vested and nonvested rates. Workers who reported that they would not receive benefits at retirement age should they leave their plans were asked an additional question: "Is that because you have not been included in the plan enough years?" Nine percent of the covered workers indicated that they would not receive benefits at retirement age but for a reason other than insufficient years of service under the plan. It is possible, though not subject to verification in this study, that some of the workers in this response group were vested workers who expected to take a lump sum benefit in the event they left that plan prior to retirement age. In order to keep the definition of vested status as consistent as possible with the one used in the 1972 survey 6/ and because we cannot verify that the members of this response group were vested, we have based our definition on the first of the two questions cited above.

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6/ The question used to define vested status in the 1972 survey was: "If you should change to a job not covered by this plan, would you still be eligible to receive the plans' benefits at retirement age?"

Personal and current job characteristics.--Coverage and vesting are examined in relation to a number of personal and current job characteristics in order to provide a profile of workers protected and not protected by the private retirement system on their current jobs. The characteristics are as follows.

Sex

Age

Number of years of continuous service on the current job

Number of years included in retirement plan (only years counting toward retirement benefits)

Age, years of service on current job, and hours worked per year on current job

Extent of weekly employment: full-time or part-time (defined according to whether or not usually worked 35 or more hours per week on principal job)

Annual work experience on principal job: year-round and less than year-round (year-round is defined as 49 or more weeks per year)

Industry

Occupation

Union coverage (whether job was covered by a union or employee association contract)

Size of firm (number of employees working for the company at all its locations)

Earnings and total annual income are not included here because the data are not yet available. Also not included are contributory nature of the plan (contributory or noncontributory) and type of employer plan (single or multi-employer plan). Future analyses will incorporate all of these variables.

## RESULTS

### Coverage Status

In 1979, 43 percent of all private wage and salary workers aged 14 and older were covered by a pension or other retirement plan on their current job (table 1). The coverage rate for women was substantially lower than that for men: 31 percent compared with 50 percent.

Noncovered workers fell into two groups: (1) those working for companies where a pension was available to some employees but in which the worker himself was not included; and (2) those working for companies where pensions were not available to any employees. The vast majority (79 percent) of noncovered workers fell in the second group and thus will never be covered on their current job unless their employers institute new plans. Some of the noncovered workers in the first group eventually may be included in their plans if they satisfy the age, service, and annual work requirements for participation. Others in the group, however, may never be included because the plans do not include members of their occupation. For example, the plan may include blue-collar but not clerical workers.

Table 2 compares the 1972 and 1979 coverage rates for full-time private workers aged 16 and older. The data suggest little change in coverage in the 7-year period. The observed coverage rate for full-time workers was slightly higher in 1979 than it was in 1972: 51 percent <sup>7/</sup> and 48 percent, respectively. <sup>8/</sup> ERISA clearly has not had the negative effect on overall coverage that some had feared.

The 1972 survey did not include part-time workers. Therefore, it is not possible to evaluate the effect of ERISA's participation requirements on the coverage of part-time workers who worked 1000 or more hours annually and who were employed in companies where pensions were available to other members of their occupations.

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<sup>7/</sup> The 1972 coverage rates cited here are slightly higher than those reported in Kolodrubetz and Landay, op. cit., because the "no response" category has been eliminated.

<sup>8/</sup> Although currently available information does not enable us to determine accurately whether the observed change is statistically different from zero, rough approximations suggest that it is. Only 4 of the 8 rotation groups interviewed in the May 1979 CPS were included in the Survey of Pension Plan Coverage. Therefore, the standard errors applicable to the pension survey may differ somewhat from those applicable to CPS labor force data. The Bureau of the Census is currently examining this issue and, if necessary, will provide corrected standard error tables at a later time. Standard error tables for May 1979 labor force data can be obtained from: Employment and Earnings, vol. 26, no. 6, June 1979. The same information for April 1972, the month of the 1972 survey, can be obtained from: Employment and Earnings, vol. 18, no. 11, May 1972.

Few part-time workers, whether or not they worked year-round, were covered by a pension or other retirement plan on their current job in 1979 (table 3). Only 9 percent of the part-time workers compared with 51 percent of the full-time workers were covered. Since women in private industry are nearly three times more likely than their male counterparts to work part-time, it is to be expected that the coverage gap between men and women would reflect this difference in working time. Even among full-time, year-round workers, however, the gap is substantial.

Table 4 presents coverage rates by age. The data show that the probability of coverage is substantially lower among workers under age 25, who make up 27 percent of the private employed labor force, than it is among workers in each of the other age groups except among those in the 65 and older group. The coverage rate for the 65 and older group, which includes only 2 percent of the private employed labor force, probably is low because many covered workers in the group have retired.

The coverage rate for workers in their prime working years--those aged 25-64--is 53 percent. This rate is higher than the 43 percent observed for all private workers but still indicates that a substantial proportion of workers in private industry are not covered by retirement plans.

Some industry spokesmen are critical of coverage estimates based on all workers and suggest that it would be more appropriate to examine coverage among workers in specific age, service, and work experience groups. The following statement illustrates this position.

The most common assertion on the extent of private plan coverage is that it covers only one-half of the work force. This is misleading. If the analysis is confined to those employees who have satisfied the standards for private plan participation set by Congress in ERISA--that is, have attained age 25; completed one year of service with their present employer; and work at least 1,000 hours per year--it is probable that approximately 70 percent of the qualified work force is covered. <sup>9/</sup>

Strictly, speaking, the ERISA standards referred to above are participation, not coverage standards. In other words, they are minimum participation requirements for workers employed on jobs where pensions are available to other members of their occupational groups, not minimum coverage standards for all workers. Let us assume, however, that they are reasonable standards for coverage. The data in table 5 show that among private workers who met all three of the standards--age 25 or older with one or more years of service and at least 1,000 hours of work annually-- 61 not 70 percent were covered by a retirement plan. Although this rate is substantially higher than the one observed for all private workers, it is important to recognize that only 57 percent of the private employed labor force meet all three criteria; 62 percent of the men and 49 percent of the women.

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<sup>9/</sup> Lloyd S. Kaye, "The Coming Struggle for the Private Pension System," Reprint from Dun's Review, February 1980.



Retirement plans are more common in some industries than in others. Excluding mining and agriculture which together employ only 3 percent of all private workers, coverage rates are highest in the manufacturing and transportation, communication, and utilities industries and lowest in the trade and service industries (table 6). If employment in manufacturing declines and employment in the service industry continues to grow, overall coverages rates may decline in the future unless pension plans become more prevalent in the service industry.

The coverage gap between men and women partly reflects the fact that women are concentrated in low coverage industries. For example, 61 percent of the women in the private employed labor force compared with 37 percent of the men were employed in the trade and service industries.

Regardless of industry, however, women are less likely to be covered. A gap exists in all industries except agriculture and is particularly large in manufacturing.

Occupation as well as industry is related to coverage (table 7). Some occupations are concentrated in industries where retirement plans are not common. For example, 41 percent of full-time sales workers are employed in retail trade, a low coverage industry. Other occupations are excluded from participation in specific plans. For example, an employer may provide a pension for its blue-collar workers but not its clerical staff.

The highest coverage rates are found among the following four occupational groups: professional and technical workers; managerial and administrative workers; craftsmen; and operatives. Over one-half of the workers in each of these groups are covered. Except for farmers, service workers have the lowest probability of coverage followed by sales workers and nonfarm laborers. The coverage rate for clerical workers is about the same as the rate for all private workers.

A smaller proportion of women than of men fall in those occupational groups for which coverage rates are comparatively high. Thirty-four percent of the women compared with 69 percent of the men were in the four groups with the highest coverage rates. Thus it is not surprising that the overall coverage rate for women is lower than it is for men. Even taking occupational differences into account, however, women are less likely to be covered than men. A coverage gap exists within each occupational group except among nonfarm laborers and farmers.

Whether a worker is covered by a union contract on his job and the size of the firm in which he works are two additional variables which appear to affect the probability of his being covered by a retirement plan (table 8). Coverage is substantially higher among unionized than nonunionized workers and among the employees of large than of small firms.

Although both unionization and size of firm appear to influence coverage, unionization appears to be the most important of the two variables. Unionized workers are more likely to be covered than nonunionized workers within each size of firm category. For example, among those employed in firms with 500 or more employees, 82 percent of unionized compared with 63 percent of nonunionized

workers were covered by a retirement plan. Moreover, coverage rates for unionized workers are as high as or higher than the rates for nonunionized workers regardless of firm size.

Coverage is quite high among unionized workers, particularly among those employed in large firms. Seventy-six percent of all unionized workers and 82 percent of the unionized workers in firms with 500 or more employees were covered by a retirement plan. Although the private pension system seems to work well for these workers, they make up a minority of the private employed labor force. Only 23 percent of private workers are unionized and only 12 percent are both unionized and employed in firms with 500 or more employees.

Women are less likely to be covered by a union contract than are men and, accordingly, are less likely to be covered by a retirement plan. Even when unionized, however, they lag behind men. Among unionized workers in firms employing 500 or more employees, for example, 74 percent of the women compared with 85 percent of the men, an 11-percentage point gap, were covered. Although advantaged when compared with the average female private employee, these women are disadvantaged compared with their male counterparts.

The persistence of a coverage gap between men and women regardless of industry, occupation, union coverage, size of firm, or work experience indicates that no single characteristic explains the gap. It seems likely that women possess a combination of employment characteristics different from that of men which together account for their lower coverage. For example, women are less likely than men to be employed in manufacturing, a high coverage industry, and within that industry, they are less likely to be covered by a union and to be employed

in large firms. Twenty-two percent of the women compared with 35 percent of the men were employed in manufacturing. Among full-time workers in that industry, 16 percent of the women compared with 27 percent of the men were unionized workers employed in firms with 500 or more employees.

In order to explore the hypothesis that combinations of characteristics account for the coverage gap, we compared the coverage rates for men and women controlling for several characteristics simultaneously. Table 9 compares the rates within four industries, two high and two low coverage industries, for two groups of workers for whom coverage was in the moderate to high range: (1) workers aged 25 or older with one or more years of service and 1000 or more hours of work annually; and (2) union workers employed in firms with 500 or more employees.

Among workers in the first group, the coverage gap within industry remains substantial except within transportation, communications, and utilities where the gap is not statistically different from zero. In other words, the combination of industry, age, years of service, and annual work experience does not explain the difference in coverage between men and women.

Among workers in the second group, however -- union workers employed in firms with 500 or more employees -- the coverage gap within each industry is smaller than it is for all workers in those industries and is statistically different from zero only among manufacturing workers. These data suggest that the coverage gap between men and women results in part from differences in industry, union coverage, and firm size combined.

### Vested status

In 1979, 48 percent of private workers who were covered by a retirement plan on their current job had acquired vested rights to their benefits. Women were less likely to be vested than men, but the gap (10-percentage points) was smaller than the one observed for coverage.

Among full-time covered workers, the vested rate increased from 32 percent to 48 percent in the 7-year period between the 1972 and 1979 pension surveys (table 10). Several factors could have influenced this increase: differences in the amount of response and sampling error; differences in question wording; changing economic and employment conditions; and the new vesting requirements mandated by ERISA. Although it is impossible to determine precisely which of and how strongly these factors affected the increase, the magnitude of the increase suggests that ERISA probably had some impact.

For a covered worker to acquire a vested right to his benefit, he must satisfy the service requirements of his plan. Under any of the ERISA vesting options, an employee must be at least 50 percent vested after 10 years of service and 100 percent vested after 15 years, regardless of age. The law does not require the vesting of employees with less than 10 years of service although some plans do provide this protection. The data in table 11 show that 28 percent of private covered workers with less than 5 years of service under the plan and 42 percent with 5-9 years have acquired a vested right to their benefits based on current employment.

The vesting gap between men and women largely results from the fact that women have fewer years of service under their plans. To illustrate, 75 percent of covered female workers compared with 60 percent of covered male workers had fewer than 10 years of service under their retirement plans (table 12). If length of service is controlled, as it is in table 11, the vested gap becomes small. Although the direction of the gap is reversed among those with 5-9 years of service, it is not statistically different from zero.

The size of the benefit received upon retirement depends upon years of service under the plan and, in some plans, on the size of earnings as well. Table 13 shows the distribution of years of service among vested workers aged 55 and older. Twenty-three percent had fewer than 10 years of service and 30 percent had 25 or more years. Although the median years was not greatly lower for women than it was for men, women were much less likely to have lengthy service. Nineteen percent of the vested women compared with 35 percent of the men, a 16 percentage point difference, had 25 or more years of service.

Table 14 presents 1979 vested rates by age for private wage and salary workers covered by a retirement plan on their current jobs. The data show that the rate is higher in each successive age group up to age 65 at which point it drops off slightly. (Only 1 percent of all covered workers were aged 65 or older). The increase in vesting with age is undoubtedly a function of the association between age and years of service under retirement plans.

Of particular interest are the vested rates for covered workers nearing retirement age. Sixty-eight percent of covered workers aged 55 and older had acquired vested rights to their benefits. Although the vested rate for covered workers in this age group is moderately high, a sizeable proportion (32 percent) had not acquired such rights.

Moreover, a large proportion of older private workers will never be eligible for retirement benefits based on their current job because they were not covered by a plan. If both covered and noncovered workers are combined, the vested rate for private workers aged 55 and older is only 33 percent as shown below. Given the fact that women are much less likely than men to be covered by a retirement plan and that, if covered, they are less likely to have acquired vested rights, substantially fewer women will be eligible for pension benefits when they retire. Only 24 percent of all female private workers aged 55 and older compared with 40 percent of their male counterparts had vested benefits based on their current employment.

Coverage and vested rates, by sex:  
Private wage and salary workers  
aged 55 and older

	Total	Men	Women
Percent covered	49	57	36
Percent vested among covered workers	68	70	64
Percent vested among all workers	33	40	24

That women are less likely to receive private pension benefits in retirement is borne out by data from SSA's Retirement History Survey (RHS) and the March 1976 Current Population Survey (CPS). <sup>10/</sup> The RHS data show that among completely retired persons aged 61-66 in 1972, 35 percent of the men but only 12 percent of the women who had worked in private industry on their longest jobs received retirement benefits from those jobs. The CPS data show the following receipt rates among persons aged 65 and older in 1976: 26 percent for married men, 21 percent for nonmarried men, 5 percent for married women, and 12 percent for nonmarried women.

Second pension benefits are an important supplement to social security benefits. In 1976, for example, the median income of completely retired aged units 65 and older was \$7,120 among those who received income from private pension or annuities in addition to their social security benefits and only \$3,290 among those who received social security benefits only. <sup>11/</sup> The poverty rates for these two groups were 2 percent and 40 percent, respectively.

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<sup>10/</sup> Gayle B. Thompson, "Pension Coverage and Benefits, 1972: Findings From the Retirement History Study," Social Security Bulletin, February 1978; Susan Grad and Karen Foster, "Income of the Population, 55 and Over 1976," Social Security Administration, Office of Policy, Office of Research and Statistics, Staff Paper No. 35, December 1979, table 5.

<sup>11/</sup> Grad and Foster, ibid., table 34.



The lower probability of second pension benefits among women retirees is undoubtedly one of the reasons why nonmarried retired women have lower incomes than retired married couples and nonmarried men. <sup>12/</sup> One of the possible ways to achieve greater retirement income parity between men and nonmarried women is to increase the probability that women will receive private pension benefits. This means that a greater proportion of women workers needs to be covered by retirement plans and once covered, a greater proportion needs to be vested. The lowering of ERISA's vesting standards would undoubtedly help to increase vesting among women. How to increase coverage is less obvious. In its recent Interim Report, the Presidents' Commission on Pension Policy concluded that "serious consideration needs to be given to the establishment of a universal minimum advance-funded pension system." The Commission has directed its staff to study this proposal in greater detail.

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<sup>12/</sup> The 1976 median total money incomes of social security beneficiaries aged 65 and older were: \$7,590 for married couples, \$3,820 for nonmarried men, and \$3,280 for nonmarried women. Grad and Foster, ibid., table 10.

## SUMMARY AND CONCLUSIONS

This paper examined pension coverage and vesting in 1979 among private wage and salary workers aged 14 and older in the employed labor force. Coverage and vested status were examined in relation to personal and current job characteristics in order to provide a profile of workers protected and not protected under the private retirement system.

Three major findings emerge from the analysis. First, coverage rates among full-time workers increased slightly between 1972 and 1979 and vested rates increased substantially during the same period. ERISA did not have the negative effect on coverage as some had predicted, but does appear to have had a positive effect on vesting.

Second, although coverage rates were moderate to high for certain groups of workers -- union workers in large companies, for example -- many workers were not in these groups. To illustrate, 82 percent of union workers employed in companies with 500 or more employees were covered by a retirement plan in 1979 but only 12 percent of the private employed labor force fell in this group.

Third, women were much less likely than men to be covered by a retirement plan and to have vested rights to their benefits. The coverage gap resulted partly from differences in job characteristics -- that is, women were less likely to be employed on jobs where pension plans were prevalent. Nevertheless, the gap persisted when industry, occupation, union coverage, size of firm, years of service, and work experience were examined individually. It appears that women possess a combination of employment characteristics different from that for men which together account for their lower coverage. The vested gap largely resulted from the fact that women had fewer years of service under their retirement plans.

Table 1.--Coverage status and plan availability, 1979: Percentage distribution among private wage and salary workers, by sex

Coverage status and plan availability	Total	Men	Women
Number (in thousands)	70,915	41,711	29,204
Total percent	100	100	100
Covered	43	50	31
Not covered	49	42	58
Plan available	10	8	13
Plan not available	38	34	44
Don't know	8	7	11

Table 2.--Coverage rates <sup>1/</sup> among full-time private wage and salary workers aged 16 and older, by sex, 1972 <sup>2/</sup> and 1979

	1972	1979
Total	48	51
Men	54	56
Women	38	41

<sup>1/</sup> Base includes "don't know" responses (4 percent in 1972 and 7 percent in 1979).

<sup>2/</sup> Source: Walter W. Kolodrubetz and Donald M. Landay, "Coverage and Vesting of Full-time Employees Under Private Retirement Plans," Social Security Bulletin, November 1973, table 1. See text footnote 7 for explanation of adjustments.

Table 3.--Coverage status by extent of employment, annual work experience, and sex, 1979:  
 Percentage distribution among private wage and salary workers

Extent of employment and annual work experience	Percentage distribution of extent of employment and work experience <sup>1/</sup>	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>TOTAL</u>						
Total <sup>2/</sup>	100	70,801	100	43	49	8
Full-time	81	57,390	100	51	42	7
Less than year-round	5	3,478	100	31	60	9
Year-round	75	53,370	100	52	41	7
Part-time	19	13,411	100	9	77	15
Less than year-round	5	3,600	100	4	83	13
Year-round	13	9,045	100	11	75	14
<u>MEN</u>						
Total <sup>2/</sup>	100	41,640	100	50	42	7
Full-time	89	37,122	100	56	38	6
Less than year-round	6	2,413	100	36	55	9
Year-round	82	34,390	100	57	37	6
Part-time	11	4,518	100	8	75	17
Less than year-round	3	1,308	100	5	81	14
Year-round	7	2,883	100	10	73	16
<u>WOMEN</u>						
Total <sup>2/</sup>	100	29,161	100	31	58	11
Full-time	70	20,268	100	41	49	9
Less than year-round	4	1,065	100	18	73	9
Year-round	65	18,980	100	43	48	9
Part-time	30	8,893	100	9	77	14
Less than year-round	8	2,291	100	3	85	12
Year-round	21	6,162	100	12	75	13

<sup>1/</sup> Percent for whom annual work experience not ascertained is not shown.

<sup>2/</sup> Sum of full-time and part-time; excludes cases in which extent of employment not ascertained.

Table 4.--Coverage status by age and sex, 1979: Percentage distribution among private wage and salary workers

Age	Percentage distribution of age	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>TOTAL</u>						
Total	100	70,915	100	43	49	8
Under 25	27	19,191	100	19	65	16
25-29	14	10,141	100	45	47	8
30-44	30	21,584	100	52	42	6
45-54	15	10,705	100	58	37	5
55 and older	13	9,294	100	49	47	4
55-64	11	7,590	100	56	40	4
65 and older	2	1,704	100	18	74	8
<u>MEN</u>						
Total	100	41,711	100	50	42	7
Under 25	25	10,536	100	22	63	15
25-29	15	6,145	100	51	43	6
30-44	31	12,829	100	63	32	5
45-54	16	6,585	100	67	30	3
55 and older	13	5,615	100	57	39	4
55-64	11	4,653	100	65	32	3
65 and older	2	961	100	19	76	5
<u>WOMEN</u>						
Total	100	29,204	100	31	58	11
Under 25	30	8,654	100	15	67	18
25-29	14	3,996	100	37	53	10
30-44	30	8,756	100	37	55	8
45-54	14	4,119	100	44	49	7
55 and older	12	3,679	100	36	58	8
55-64	10	2,937	100	40	55	5
65 and older	2	742	100	17	72	11

Table 5.--Coverage status by age, years of service, hours worked per year, and sex, 1979:  
 Percentage distribution among private wage and salary workers

Age, years, and hours	Percentage distribution of age, years, and hours	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>TOTAL</u>						
Total	100	70,205	100	43	49	8
Under age 25	27	19,070	100	19	65	16
Aged 25 and older	73	51,136	100	52	42	6
Less than 1 year of service	13	9,031	100	21	65	14
1 or more years of service	60	42,104	100	58	38	4
Less than 1000 hours/yr	3	2,213	100	8	84	8
1000 or more hours/yr	57	39,892	100	61	35	4
<u>MEN</u>						
Total	100	41,290	100	50	42	7
Under age 25	25	10,469	100	22	63	15
Aged 25 or older	75	30,820	100	60	35	5
Less than 1 year of service	11	4,595	100	29	57	13
1 or more years of service	64	26,225	100	66	31	3
Less than 1000 hours	1	520	100	13	81	6
1000 or more hours	62	25,705	100	67	30	3
<u>WOMEN</u>						
Total	100	28,916	100	31	58	11
Under age 25	30	8,601	100	15	67	18
Aged 25 and older	70	20,315	100	38	54	8
Less than 1 year of service	15	4,436	100	12	72	15
1 or more years of service	55	15,879	100	46	49	6
Less than 1000 hours	6	1,693	100	7	85	8
1000 or more hours	49	14,186	100	50	44	5

Table 6.--Coverage status by industry and sex, 1979: Percentage distribution among private wage and salary workers

Industry	Percentage distribution of industry	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
		<u>TOTAL</u>				
Total	100	70,915	100	43	49	8
Manufacturing	30	21,068	100	63	29	8
Durable	18	12,853	100	67	26	7
Nondurable	12	8,215	100	58	33	9
Trade	25	17,539	100	27	61	12
Wholesale	5	3,625	100	47	45	9
Retail	20	13,915	100	21	66	13
Service	22	15,662	100	28	64	8
Nonprofessional	9	6,579	100	15	76	9
Professional	13	9,083	100	37	56	7
Transportation, Communications, Utilities	7	4,984	100	64	30	5
Construction	6	4,424	100	37	55	8
Finance, insurance, and real estate	7	4,904	100	48	44	8
Mining	1	738	100	68	26	6
Agriculture	2	1,595	100	11	82	7
		<u>MEN</u>				
Total	100	41,711	100	50	42	7
Manufacturing	35	14,510	100	70	24	6
Durable	23	9,504	100	71	24	5
Nondurable	12	5,006	100	68	25	7
Trade	23	9,592	100	33	56	11
Wholesale	6	2,579	100	52	42	6
Retail	17	7,013	100	26	62	12
Service	14	5,849	100	35	58	7
Nonprofessional	7	3,102	100	24	68	8
Professional	7	2,747	100	47	47	6
Transportation, Communication, Utilities	9	3,753	100	67	28	5
Construction	10	4,067	100	38	54	7
Finance, insurance, and real estate	5	1,994	100	53	41	6
Mining	2	669	100	68	26	6
Agriculture	3	1,277	100	11	82	7

(continued on next page)



Table 6.-- continued

Industry	Percentage distribution of industry	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>WOMEN</u>						
Total	100	29,204	100	31	58	11
Manufacturing	22	6,558	100	49	39	12
Durable	11	3,349	100	56	33	11
Nondurable	11	3,209	100	42	45	13
Trade	27	7,947	100	19	67	14
Wholesale	3	1,045	100	36	54	10
Retail	24	6,902	100	16	70	14
Service	34	9,813	100	24	68	8
Nonprofessional	12	3,478	100	8	83	9
Professional	22	6,336	100	32	60	8
Transportation, communications, utilities	4	1,232	100	56	37	7
Construction	1	357	100	23	65	12
Finance, insurance, and real estate	10	2,911	100	44	47	9
Mining	<u>1/</u>	69	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Agriculture	<u>1</u>	318	100	11	80	9

1/ Less than 1 percent.

2/ Not shown; base less than 75,000.

Table 7.--Coverage status by occupation and sex, 1979: Percentage distribution among private wage and salary workers

Occupation	Percentage distribution of occupation	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>TOTAL</u>						
Total	100	70,915	100	43	49	8
Professional, technical	12	8,190	100	56	39	5
Managerial, administrative	10	7,067	100	51	45	4
Sales	7	4,942	100	30	60	10
Clerical	18	13,008	100	42	49	9
Craftsmen	14	10,324	100	55	39	6
Operatives	18	13,050	100	51	39	10
Nonfarm laborers	6	4,015	100	33	54	13
Service	13	9,233	100	15	72	13
Farm occupations	2	1,086	100	9	85	6
<u>MEN</u>						
Total	100	41,711	100	50	42	7
Professional, technical	12	5,048	100	66	30	4
Managerial, administrative	13	5,403	100	54	42	3
Sales	7	2,766	100	40	53	7
Clerical	6	2,550	100	57	37	6
Craftsmen	23	9,745	100	56	38	5
Operatives	21	8,748	100	55	36	9
Nonfarm laborers	9	3,577	100	33	53	13
Service	7	2,985	100	21	62	17
Farm occupations	2	889	100	9	85	6
<u>WOMEN</u>						
Total	100	29,204	100	31	58	11
Professional, technical	11	3,142	100	40	52	8
Managerial, administrative	6	1,665	100	40	54	6
Sales	7	2,176	100	16	69	15
Clerical	36	10,458	100	38	52	10
Craftsmen	2	579	100	40	48	12
Operatives	15	4,302	100	42	44	14
Nonfarm laborers	2	438	100	30	58	12
Service	21	6,247	100	12	77	11
Farm occupations	1	197	100	8	84	8

Table 8.--Coverage status by union coverage, size of firm, and sex, 1979: Percentage distribution among private wage and salary workers

Union coverage and firm size	Percentage distribution of union coverage and firm size	Percentage distribution of coverage status				
		Number (in thousands)	Total percent	Covered	Not covered	Don't know
<u>TOTAL</u>						
Total	100	69,286	100	43	49	8
Union	23	16,246	100	76	18	6
Under 100 employees	3	2,403	100	65	28	7
100-499 employees	2	1,581	100	72	23	5
500 or more employees	12	8,220	100	82	14	4
Don't know, no response	6	4,042	--	--	--	--
Nonunion	77	53,040	100	33	58	9
Under 100 employees	34	23,799	100	13	80	7
100-499 employees	7	5,168	100	42	50	8
500 or more employees	21	14,795	100	63	30	7
Don't know, no response	13	9,278	--	--	--	--
<u>MEN</u>						
Total	100	40,838	100	50	42	7
Union	30	12,193	100	80	15	5
Under 100 employees	5	1,918	100	71	24	5
100-499 employees	3	1,094	100	79	17	4
500 or more employees	15	6,261	100	85	12	3
Don't know, no response	7	2,920	--	--	--	--
Nonunion	70	28,645	100	38	54	8
Under 100 employees	32	12,990	100	16	78	6
100-499 employees	7	2,801	100	48	45	7
500 or more employees	21	8,490	100	74	22	4
Don't know, no response	11	4,364	--	--	--	--
<u>WOMEN</u>						
Total	100	28,448	100	31	58	11
Union	14	4,053	100	63	28	9
Under 100 employees	2	485	100	41	45	13
100-499 employees	2	487	100	57	36	7
500 or more employees	7	1,959	100	74	20	6
Don't know, no response	3	1,122	100	--	--	--
Nonunion	87	24,395	100	26	63	11
Under 100 employees	38	10,809	100	11	81	8
100-499 employees	8	2,368	100	36	55	9
500 or more employees	22	6,305	100	50	41	9
Don't know, no response	17	4,913	--	--	--	--

Table 9.--Coverage rates by industry, sex, and selected personal and job characteristics, 1979: Private wage and salary workers

Industry	Aged 25 and older, 1 or more years of service, and 1000 or more hours of work per year		Job covered by union contract and firm has 500 or more employees	
	Men	Women	Men	Women
Manufacturing	82	62	90	80
Transportation, communications, and utilities	76	74	78	75
Trade	52	36	73	67
Service	50	41	65	60

Table 10.--Vested rates <sup>1/</sup> among full-time private wage and salary workers covered by a retirement plan, by sex, 1972 <sup>2/</sup> and 1979

Vested rate	1972	1979
Total	32	48
Men	34	51
Women	26	41

<sup>1/</sup> Base includes "don't know" responses (15 percent in 1972 and 18 percent in 1979).

<sup>2/</sup> Source: Kolodrubetz and Landay, table 8.

Table 11--Vested status by years of service under the retirement plan and sex, 1979: Percentage distribution among private wage and salary workers covered by a retirement plan

Years of service under the plan	Number (in thousands)	Total percent	Vested	Not vested	Don't know
			<u>TOTAL</u>		
Less than 5	11,969	100	28	49	23
5-9	6,415	100	42	41	17
			<u>MEN</u>		
Less than 5	7,543	100	29	49	22
5-9	4,448	100	41	41	18
			<u>WOMEN</u>		
Less than 5	4,426	100	25	50	25
5-9	1,966	100	43	41	16

Table 12--Years of service under retirement plan, 1979: Percentage distribution among private wage and salary workers covered by a retirement plan, by sex

Years of service under plan	Total	Men	Women
Number (in thousands)	28,462	19,903	8,558
Total percent	100	100	100
Less than 5	42	38	52
5-9	22	22	23
10-14	15	16	12
15 or more	21	24	13
15-29	17	20	11
30 or more	4	4	2

Table 13--Years of service under retirement plan among vested private wage and salary workers aged 55 and older: Percentage distribution, by sex

Years of service under plan	Total	Men	Women
Number vested (in thousands)	2,892	2,110	782
Total percent	100	100	100
Less than 5	9	8	10
5-9	14	13	17
10-14	19	17	23
15-19	14	13	18
20-24	14	14	13
25-29	13	16	7
30 or more	17	19	12
Median	17	19	14

Table 14--Vested status by age and sex, 1979: Percentage distribution among private wage and salary workers covered by a retirement plan

Age	Percentage distribution of age	Percentage distribution of vested status				
		Number (in thousands)	Total percent	Vested	Not vested	Don't know
<u>TOTAL</u>						
Total	100	29,924	100	48	34	18
Under 25	12	3,523	100	23	48	29
25-29	15	4,566	100	29	48	23
30-44	37	11,170	100	46	34	19
45-54	21	6,147	100	63	24	13
55 and older	15	4,518	100	68	18	14
55-64	14	4,212	100	68	18	14
65 and older	1	306	100	65	23	12
<u>MEN</u>						
Total	100	20,873	100	51	32	17
Under 25	11	2,232	100	24	48	28
25-29	15	3,085	100	30	48	22
30-44	38	7,995	100	49	33	18
45-54	21	4,355	100	68	21	11
55 and older	15	3,205	100	70	16	14
55-64	14	3,025	100	70	16	14
65 and older	1	181	100	67	19	13
<u>WOMEN</u>						
Total	100	9,051	100	41	38	21
Under 25	14	1,291	100	21	49	30
25-29	16	1,481	100	27	48	25
30-44	35	3,175	100	39	38	22
45-54	20	1,792	100	52	30	18
55 and older	15	1,312	100	64	22	14
55-64	13	1,187	100	63	22	15
65 and older	1	125	100	61	28	10





APPENDIX TABLES

Table A-1.--Sex by coverage status: Percentage distribution among private wage and salary workers

Sex	Covered	Not covered	Don't know
Number (in thousands)	30,212	34,542	6,162
Total percent	100	100	100
Men	70	51	49
Women	30	49	51

Table A-2.--Extent of employment by coverage status: Percentage distribution among private wage and salary workers

Extent of employment	Covered	Not covered	Don't know
Number (in thousands)	30,178	34,469	6,154
Total percent	100	100	100
Full-time	96	70	68
Part-time	4	30	32

Table A-3.--Age by coverage status: Percentage distribution among private wage and salary workers

Age	Covered	Not covered	Don't know
Number (in thousands)	30,212	34,542	6,162
Total percent	100	100	100
Under 25	12	36	51
25-29	15	14	13
30-44	37	26	21
45-54	21	12	8
55 and older	15	12	7

Table A-4.--Age, years of service, and hours worked per year, by coverage status: Percentage distribution among private wage and salary workers

Age, years of service, and hours worked per year	Covered	Not covered	Don't know
Number (in thousands)	30,040	34,074	6,091
Total percent	100	100	100
Under age 25	12	36	51
Aged 25 and older	88	64	49
Less than 1 year of service	6	17	21
1 or more years of service	82	47	28
Less than 1000 hours/year	1	5	3
1000 or more hours/year	81	41	25

Table A-5.--Industry by coverage status: Percentage distribution among private wage and salary workers

Industry	Covered	Not covered	Don't know
Number (in thousands)	30,212	34,542	6,162
Total percent	100	100	100
Manufacturing	44	18	27
Trade	15	31	34
Service	14	29	20
Transportation, communication, utilities	11	4	4
Construction	5	7	6
Finance, insurance, real estate	8	6	6
Mining	2	1	1
Agriculture	1	4	2

Table A-6.--Occupation by coverage status: Percentage distribution among private wage and salary workers

Occupation	Covered	Not covered	Don't know
Number (in thousands)	30,212	34,542	6,162
Total percent	100	100	100
Professional, technical	15	9	7
Managerial, administrative	12	9	5
Sales	5	9	8
Clerical	18	18	20
Craftsmen	19	12	10
Operatives	22	15	22
Nonfarm laborers	4	6	8
Service workers	5	19	19
Farm occupations	(1/)	3	1

1/ Less than 1 percent.

Table A-7.--Union coverage and size of firm by coverage status: Percentage distribution among private wage and salary workers

Union coverage and size of firm	Covered	Not covered	Don't know
Number (in thousands)	29,734	33,778	5,775
Total percent	100	100	100
Union	41	9	18
Under 100 employees	5	2	3
100-499 employees	4	1	1
500 or more employees	23	3	5
Don't know, no response	9	3	9
Nonunion	59	91	82
Under 100 employees	11	56	29
100-499 employees	7	8	7
500 or more employees	31	13	17
Don't know, no response	10	14	29

Table A-8.--Sex by vested status: Percentage distribution among private wage and salary workers covered by a retirement plan

Sex	Vested	Not vested	Don't know
Number (in thousands)	14,296	10,040	5,588
Total percent	100	100	100
Men	74	66	65
Women	26	34	35

Table A-9.--Age by vested status: Percentage distribution among private wage and salary workers covered by a retirement plan

Age	Vested	Not vested	Don't know
Number (in thousands)	14,296	10,040	5,588
Total percent	100	100	100
Under 25	6	17	18
25-29	9	22	18
30-44	36	38	38
45-54	27	15	14
55 and older	22	8	11

Table A-10.--Years of service under retirement plan by vested status: Percentage distribution among private wage and salary workers covered by a retirement plan

Years of service under plan	Vested	Not vested	Don't know
Number (in thousands)	13,744	9,692	4,984
Total percent	100	100	100
Less than 5	24	61	55
5-9	19	27	22
10-14	21	7	12
15 or more	35	5	10