

Employee-Benefit Plans, 1954-60

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In recent years the Bulletin has reported periodically on the operations of privately organized plans developed to help employees meet the economic risks of old-age, death, accident, disability, unemployment, and the costs of medical care. As a special feature, the current article includes material on program costs and methods of financing.

BY THE END of 1960, almost three-fourths of the Nation's employed wage and salary labor force had life insurance coverage through their place of employment, and more than two-thirds had some form of health insurance. Half had formal protection against income loss resulting from sickness, and more than two-fifths had protection against loss of income due to retirement.

These employee-benefit programs have expanded considerably in recent years. From 1954 to 1960, contributions increased 79 percent—from \$6.9 billion to \$12.3 billion—and benefit outlays more than doubled, rising from \$3.5 billion to \$7.8 billion. Contributions for health insurance alone went from \$1.9 billion to \$4.2 billion, and benefit outlays advanced from \$1.6 billion to \$3.9 billion. Contributions and benefits under life insurance plans both about doubled during this period, while contributions under retirement plans increased 53 percent and benefits 135 percent.

An "employee-benefit plan," as defined here, is any type of plan sponsored or initiated unilaterally or jointly by employers and employees and providing benefits that stem from the employment relationship and that are not underwritten or paid directly by government (Federal, State, and local). In general, the intent is to include plans that provide in an orderly, predetermined fashion for (1) income maintenance during periods when regular earnings are cut off because of death, accident, sickness, retirement, and unemployment and (2) benefits to meet certain specified expenses usually associated with illness or injury. The

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series thus excludes such fringe benefits as paid vacations, holidays, and rest periods; leave with pay (except formal sick leave); savings and stock-purchase plans; discount privileges; and free meals.

The financial data presented in this series differ from those compiled by the U.S. Department of Labor from reports submitted by private plan administrators under the Welfare and Pension Plans Disclosure Act, which went into effect January 1, 1959.¹ A fundamental reason for the difference is that the series are derived from different sources; one (that of the Social Security Administration) is based primarily on reports of the underwriters (such as insurance carriers and Blue Cross-Blue Shield), and the other on reports from employers and plan administrators. Also contributing to the difference are the following factors:

1. The Department of Labor data exclude plans that cover Federal, State, or local government employees. The Social Security Administration series includes such plans if they are underwritten by nongovernmental agencies, as is usually the practice for life and health insurance coverage.

2. Plans covering 25 or fewer employees are excluded from the Labor Department data. The Social Security Administration series makes no exclusion by size of firm.

3. The Department of Labor data exclude plans established and maintained solely to comply with temporary disability insurance statutes. The Social Security Administration series includes privately insured plans written in compliance with the temporary disability insurance laws of California, New Jersey, and New York.

4. In the Social Security Administration series, contributions under insured welfare and pension plans are on a net basis, after deduction of dividends. In addition, the contribution figures for insured pension plans are adjusted to exclude

¹ Edward M. Gordon in "The Finances of Welfare and Pension Plans During 1959" (*Monthly Labor Review*, September 1961) reports contributions of \$10.3 billion and benefits of \$5.5 billion in 1959. These amounts were somewhat lower than the 1959 estimates in the Social Security Administration series (\$11.6 billion in contributions and \$7.0 billion in benefits).

refunds for persons who withdraw from the system before reaching retirement age. The contribution data in the Department of Labor series are compiled on a gross basis.

No attempt has been made at this time to compare or reconcile the detailed components of the two series since it is thought desirable that additional data and experience first be accumulated under the Welfare and Pension Plans Disclosure Act, especially with respect to reporting procedures and problems.

1960 EXPERIENCE

Reflecting 1960's generally high level of business activity, most types of employee-benefit plans showed moderate increases in the number of workers covered, the amount of contributions paid, and the amount of benefits expended. For coverage and benefit outlays the rate of growth generally surpassed that of 1959, but for contributions there was a general slackening in the rate of increase.

Coverage

The number of workers covered by hospitalization insurance through their place of employment reached 40 million in 1960 (table 1). The number covered, when both workers and their dependents are counted, easily passed the 100-million mark in that year. Approximately 99 million of these persons were also covered by surgical expense insurance and 75 million by regular medical expense insurance. Major medical expense insurance underwritten by commercial insurance companies covered 26 million persons, including dependents.

All these types of health insurance, except regular medical expense, registered bigger gains in 1960 than in 1959, both absolutely and relatively. Hospital expense insurance added 2.1 million employees and 3.3 million dependents to its rolls in 1960, in contrast to additions of 1.1 million and 2.0 million in 1959. Surgical expense insurance in 1960 had 5.3 million new subscribers—2.0 million employees and 3.3 million dependents; of the 4.0 million members added in 1959, 1.5 million were employees and 2.5 million were dependents. For major medical expense insur-

ance, employees' coverage in 1960 increased by 1.9 million and dependents' coverage by 3.4 million; the corresponding increases in 1959 were 1.5 million and 2.6 million.

A contributing factor to the 1960 growth was the initiation in July 1960 of the Federal Employees Health Benefits Act. This program covered 1.7 million employees and 3.4 million dependents. Not all these persons, of course, represented new coverage since many of them had been previously enrolled in employee groups covered by Blue Cross-Blue Shield and other medical plans and were therefore included in the data presented for preceding years for these plans.

The only other major type of employee-benefit plan to show both absolute and relative increases in 1960 that surpassed those in 1959 was retirement plans. A gain of 1.4 million in 1960 brought the number of employees covered by such plans to 21.6 million by the end of 1960. In the preceding year the gain was 1.2 million.

Life insurance—the most common form of employee protection, with more than 43 million certificate holders—increased its employee coverage in 1960 by 1.6 million, compared with a 2.8 million increase in 1959. Temporary disability insurance plans also showed a slower rate of growth in 1960 than in 1959. Coverage under the supplemental unemployment benefit plans actually declined, because of the reduction in employment in the few mass-production industries with such plans.

The accelerated rate of expansion of health insurance plans is also apparent when employee coverage is related to the entire wage and salary labor force (table 2). Not only did health insurance plans register coverage increases in 1960 that exceeded the growth in the employed labor force but, with the exception of regular medical expense insurance, such advances exceeded those of the preceding year.

Thus, hospital expense insurance from 1959 to 1960 increased its employee coverage from 66 percent of the Nation's employed wage and salary labor force to 69 percent, in contrast to the absence of any gain the preceding year. Surgical expense insurance covered 66 percent of the Nation's labor force by the end of 1960—2 percentage points higher than the number covered a year earlier; the 1959 increase was less than 1 percentage point. Major medical expense insurance registered an

increase of 3 percentage points in 1960 to bring the proportion of employees covered to 17 percent; the 1959 increase was less than 3 percentage points.

There was no definite pattern among the other programs. Plans affording temporary disability and supplemental unemployment benefits actually reported drops in coverage as a percentage of the labor force, while retirement, life insurance, and accidental death and dismemberment plans reported increases. The rise in life insurance was less in 1960 than in 1959, and retirement and accidental death and dismemberment plans had larger increases.

Contributions

Combined employer-employee contributions to employee-benefit plans amounted to an estimated \$12.3 billion in 1960—6.7 percent more than the \$11.6 billion estimated for 1959 (table 3). This rate of increase was considerably less than the 11.2-percent gain registered in 1959, primarily because of a drop in the rate of growth of contributions to private pension plans.

The \$5.3 billion contributed to private pension plans in 1960 was only \$80 million more than the 1959 total; 1959 contributions to these plans were \$500 million higher than the 1958 total of \$4.7

TABLE 1.—Estimated number of wage and salary workers and their dependents covered under employee-benefit plans,¹ by type of benefit, December 31, 1954 and 1956-60

[In millions]

Year	Benefits for all wage and salary workers							Benefits for wage and salary workers in private industry			
	Life insurance and death ²	Accidental death and dismemberment ³	Hospitalization ^{4,5}		Surgical ⁴	Regular medical ⁴	Major medical expense ^{4,6}	Temporary disability, including formal sick leave ⁷		Supplemental unemployment ⁸	Retirement ⁹
			Total	Written in compliance with law				Total	Written in compliance with law		
	Total										
1954.....	30.9	14.0	75.3	1.4	66.2	38.1	1.9	22.9	6.7	-----	14.2
1956.....	37.8	17.3	89.0	1.5	82.0	54.6	8.3	25.2	7.1	2.0	16.8
1957.....	40.5	18.4	93.9	1.6	87.8	60.7	12.4	25.8	7.2	1.9	18.2
1958.....	41.8	18.7	95.0	1.5	89.5	63.6	16.2	24.9	6.9	1.7	19.0
1959.....	44.8	19.7	98.1	1.5	93.5	69.7	20.3	25.3	6.9	1.9	20.2
1960.....	46.5	20.9	103.5	1.3	98.8	74.8	25.6	25.5	6.8	1.7	21.6
	Employees										
1954.....	29.8	14.0	31.1	1.4	27.8	17.0	0.8	22.9	6.7	-----	14.2
1956.....	35.5	17.3	35.6	1.5	33.2	22.7	3.6	25.2	7.1	2.0	16.8
1957.....	37.8	18.4	37.1	1.6	35.0	24.9	5.1	25.8	7.2	1.9	18.2
1958.....	39.0	18.7	37.2	1.5	35.2	25.7	6.3	24.9	6.9	1.7	19.0
1959.....	41.8	19.7	38.3	1.5	36.7	28.1	7.8	25.3	6.9	1.9	20.2
1960.....	43.4	20.9	40.4	1.3	38.7	30.0	9.7	25.5	6.8	1.7	21.6
	Dependents										
1954.....	1.1	-----	44.2	-----	38.4	21.1	1.1	-----	-----	-----	-----
1956.....	2.3	-----	53.4	-----	48.8	31.9	4.7	-----	-----	-----	-----
1957.....	2.7	-----	56.8	-----	52.8	35.8	7.3	-----	-----	-----	-----
1958.....	2.8	-----	57.8	-----	54.3	37.9	9.9	-----	-----	-----	-----
1959.....	3.0	-----	59.8	-----	56.8	41.6	12.5	-----	-----	-----	-----
1960.....	3.1	-----	63.1	-----	60.1	44.8	15.9	-----	-----	-----	-----

¹ Plans whose benefits flow from the employment relationship and are not underwritten or paid directly by government (Federal, State, or local). Excludes workmen's compensation required by statute and employer's liability.

² Group and wholesale life insurance coverage (Institute of Life Insurance, *Group Insurance Coverages in the United States, 1954, 1956-60*) and self-insured death benefit plan coverage (based on data for various trade-union, mutual benefit association, and company-administered plans).

³ Data from the Institute of Life Insurance (see footnote 2).

⁴ Data from *Extent of Voluntary Health Insurance Coverage in the United States* (Health Insurance Council, 1954 and 1956-60) and from the Institute of Life Insurance (see footnote 2). In estimating number of employees covered under plans other than group insurance and union and company plans, 75 percent of all subscribers assumed to be employees. Data for hospitalization, surgical, and regular medical coverage adjusted to include employees and their dependents covered by group comprehensive major medical expense insurance.

⁵ Includes private hospital plans written in compliance with State temporary disability insurance law in California.

⁶ Represents coverage under group supplementary and comprehensive major medical insurance underwritten by commercial insurance companies. Comprehensive insurance, which includes both basic hospital-surgical-medical benefits and major medical expense protection in the same contract, covered 3,079,000 employees and 5,244,000 dependents in 1960.

⁷ Includes private plans written in compliance with State temporary disability insurance laws in California, New Jersey, and New York. Data from the Health Insurance Council (see footnote 4).

⁸ Based on trade-union and industry reports. Excludes dismissal wage and separation allowances, except when financed by supplemental unemployment benefit funds.

⁹ Estimated by the Division of the Actuary, Social Security Administration. Includes pay-as-you-go and deferred profit-sharing plans, plans of nonprofit organizations, union pension plans, and railroad plans supplementing the Federal railroad retirement program. Data exclude annuitants.

billion. The slower rate of growth is attributed in part to the reduction of 10–15 percent effected in the premium rates for new group annuities, which was also applicable to existing plans. These reductions were made possible by Federal legislation enacted in 1959 that granted tax reductions on the earnings of insured pension reserves and cleared the way for higher interest guarantees.

All major types of employee-benefit plans reported dollar increases in contributions from 1959 to 1960. Among plans providing life insurance and temporary disability insurance benefits, the advances were greater than those registered in 1959. For health insurance the 1960 increase was somewhat less than that of 1959. The Federal Employees Health Benefits Act was not in operation until the latter half of 1960. It is estimated that under this act about \$125 million was collected in contributions from July to December 1960.

Nevertheless, the health insurance plans continued to account for an ever-increasing portion of the contribution dollar. For these plans, contributions represented 34 percent of the total in 1960, compared with 33 percent in 1959 and 28 percent in 1954. At the same time, contributions under retirement plans dropped from 45 percent

in 1959 to 43 percent. The proportion had been 50 percent in 1954. There was no change from 1959 to 1960 in the relative share of the total that went for other types of benefits.

The growth of health plans is also reflected in the data in table 2 that relate contributions to aggregate payroll. Hospitalization plans reported that contributions as a percentage of aggregate wages and salaries increased from 90 cents per \$100 in 1959 to 96 cents per \$100 in 1960. Major medical expense insurance premiums advanced from 14 cents per \$100 to 18 cents. These increases were among the largest reported for such benefits since the series began in 1954. For surgical and regular medical expense insurance and for life insurance, contributions as a percentage of payroll also rose from 1959 to 1960, though the gains were less than in previous years. In contrast, contributions under retirement plans dropped, in terms of payroll, from \$2.43 per \$100 of private wages and salaries in 1959 to \$2.36 in 1960.

Benefits

Estimated benefit outlays under employee-benefit plans rose from \$7.0 billion in 1959 to

TABLE 2.—Coverage and contributions under employee-benefit plans,¹ by type of benefit, in relation to employed wage and salary labor force and payroll, 1954 and 1956–60

Year	Life insurance and death	Accidental death and dismemberment	Hospitalization	Surgical	Regular medical	Major medical expense	Temporary disability, including formal sick leave	Supplemental unemployment	Retirement
	Covered employees as percent of all wage and salary workers ²						Covered employees as percent of wage and salary workers in private industry ³		
1954.....	56.2	26.4	58.7	52.5	32.1	1.5	49.9	-----	31.0
1956.....	62.5	30.4	62.8	58.5	40.0	6.3	51.3	4.1	34.2
1957.....	66.0	32.2	64.8	61.2	43.5	9.0	52.2	3.6	36.9
1958.....	69.7	33.4	66.5	62.9	46.0	11.2	52.0	3.6	39.7
1959.....	72.5	34.1	66.4	63.6	48.7	13.6	51.2	3.8	40.9
1960.....	73.9	35.5	68.7	65.8	51.0	16.6	50.8	3.4	43.1
	Employer and employee contributions as percent of all wages and salaries ⁴						Employer and employee contributions as percent of wages and salaries in private industry ⁵		
1954.....	0.40	0.02	0.66	0.37	0.01	0.47	-----	2.13	
1956.....	.46	.02	.74	.41	.04	.47	0.07	2.16	
1957.....	.48	.02	.79	.45	.07	.50	.09	2.31	
1958.....	.53	.03	.85	.47	.12	.52	.06	2.38	
1959.....	.54	.03	.90	.48	.14	.50	.06	2.43	
1960.....	.56	.03	.96	.49	.18	.52	.05	2.36	

¹ Plans whose benefits flow from the employment relationship and are not underwritten or paid directly by government (Federal, State, or local). Excludes workmen's compensation required by statute and employer's liability.

² Coverage of private and public employees related to average number of private and government full-time and part-time employees—58.8 million in 1960 (Table VI-14 in *U.S. Income and Output, A Supplement to the Survey of Current Business*, 1958, and in *Survey of Current Business, National Income Number*, July 1961).

³ Coverage of private employees related to wage and salary employed labor

force in private industry—50.1 million in 1960 (from table VI-14 in sources listed in footnote 2).

⁴ Amounts for private and public employees related to private and government wages and salaries—\$261.4 billion in 1960 (from table VI-2 in sources listed in footnote 2).

⁵ Amounts for private employees related to wages and salaries in private industry—\$223.0 billion in 1960 (from table VI-2 in sources listed in footnote 2).

⁶ Data on contributions for surgical and regular medical benefits not available separately.

\$7.8 billion in 1960. Unlike the annual increases in contributions, which fluctuate considerably, the increases in benefits have been fairly steady—about \$700–\$800 million a year. The proportionate increase was 11.9 percent in 1960, 11.1 percent in 1959, and 12.2 percent in 1958. This continuous rise is not too surprising, since benefit outlays represent the fulfillment of earlier obligations and are not greatly influenced by short-term changes in business conditions.

All the major plans shared to about the same extent in the growth in benefit expenditures. Life insurance benefits advanced by 11 percent from 1959 to 1960, retirement benefits by 12 percent, temporary disability insurance benefits by 9 percent, and all types of health insurance benefits by 13 percent. These increases differed little from those registered in the 2 preceding years, except for retirement plans, which reported a 17-percent jump in benefits for 1959, and temporary disability insurance plans, which showed practically no increase for 1958.

As a result of this fairly even growth, the distribution of the benefit dollar among the plans has shown little change in recent years. Health insurance benefits accounted for 50 percent of all disbursements in 1960 and 49 percent in 1958. Retirement plans, next in importance, absorbed 22 percent of all benefit expenditures in 1960 and

21 percent in 1958. Plans providing cash sickness benefits during periods of temporary disability were responsible for 13 percent of the total outlay in 1960 and 14 percent in 1958. Supplemental unemployment benefit plans accounted for 2 percent of all disbursements in the recession year 1958 but only 1 percent in 1960. There was no change in the relative share of the total that went for life insurance and accidental death and dismemberment benefits.

COST AND FINANCING

In previous articles in this series, emphasis was placed on trends in the type and scope of benefits provided under the various plans and on measures of their adequacy. This year's article looks at the other side of the coin: What do these programs cost, what is the method of financing, and what have been the trends in this area?

The cost and financing of employee-benefit plans can be approached from several directions.²

² National Industrial Conference Board, *Computing the Cost of Fringe Benefits* (Studies in Personnel Policy, No. 128), 1952, and Michael T. Wermel and Geraldine M. Beideman, *How to Determine the Total Cost of Your Employee Benefit Programs*, Benefits and Insurance Research Center, Industrial Relations Section, California Institute of Technology (Publication Number 12), 1960.

TABLE 3.—Estimated total employer and employee contributions¹ under employee-benefit plans,² by type of benefit, 1954 and 1956–60

[In millions]

Type of benefit	1954	1956	1957	1958	1959	1960
Total.....	\$6,898.7	\$8,752.8	\$9,901.4	\$10,389.3	\$11,552.7	\$12,323.3
Benefits for all wage and salary workers:						
Life insurance and death benefits ³	741.1	994.6	1,103.6	1,214.4	1,336.4	1,471.1
Accidental death and dismemberment ⁴	33.5	49.7	56.5	60.9	66.0	70.0
Hospitalization ⁵	1,221.4	1,603.2	1,805.5	1,944.9	2,230.3	2,504.8
Surgical and regular medical ⁵	684.2	897.5	1,021.3	1,075.5	1,186.9	1,272.2
Major medical expense ⁷	18.0	94.0	169.0	266.0	357.0	470.0
Benefits for wage and salary workers in private industry:						
Temporary disability, including formal sick leave ⁸	760.5	888.8	995.5	1,022.6	1,071.1	1,155.2
Written in compliance with law.....	178.1	177.8	218.8	234.4	295.5	244.5
Supplemental unemployment benefits ⁹.....	.....	125.0	170.0	125.0	125.0	120.0
Retirement ¹⁰	3,440.0	4,100.0	4,580.0	4,680.0	5,180.0	5,260.0

¹ Excludes dividends in group insurance, except for 1954 contributions for temporary disability, hospitalization, surgical and regular medical, and major medical expense benefits.

² Plans whose benefits flow from the employment relationship and are not underwritten or paid directly by government (Federal, State, or local). Excludes workmen's compensation required by statute and employer's liability.

³ Group and wholesale life insurance premiums (Institute of Life Insurance, *Group Insurance Coverages in the United States, 1954 and 1956-60*) and self-insured death benefit costs (based on data for various trade-union, mutual benefit association, and company-administered plans).

⁴ Data from Institute of Life Insurance (see footnote 3).

⁵ Data from "Private Medical Care Expenditures and Voluntary Health Insurance, 1948-60," *Social Security Bulletin*, December 1961. In estimating contributions for employees under plans other than group insurance and union and company plans, 75 percent of subscription income attributed to employed groups.

⁶ Includes private hospital plans written in compliance with State tem-

porary disability insurance law in California; separate data not available for these plans.

⁷ Unpublished data from the Health Insurance Association of America. Represents premiums for group supplementary and comprehensive major medical insurance underwritten by commercial insurance carriers.

⁸ Data from "Income-Loss Protection Against Short-Term Sickness: 1948-60," *Social Security Bulletin*, January 1962. Includes private plans written in compliance with State temporary disability insurance laws in California, New Jersey, and New York, shown separately in next line.

⁹ Based on trade-union and industry reports. Excludes dismissal wage and separation allowances, except when financed by supplemental unemployment benefit funds. For the steel industry plans, includes accruals of contingent liability contributions as well as regular contributions.

¹⁰ Estimated by the Division of the Actuary, Social Security Administration. Includes contributions to pay-as-you-go and deferred profit-sharing plans, plans of nonprofit organizations, union pension plans, and railroad plans supplementing Federal railroad retirement program.

Earlier in the article, overall dollar contributions were shown in terms of the Nation's aggregate wage and salary bill. In the following section, the cost is considered in terms of those firms that actually have such plans. Material has been gathered on the average cost per participant per year, cost as a percentage of payroll, and cost in terms of cents per hour.

Per Capita Cost

Average costs per participant per year for various types of benefits are readily calculable for plans underwritten by commercial insurance carriers by dividing annual premiums or "considerations" by the average number of employees or dependents covered by policies during the year (table 5).³ Such data are most useful for indicating trends and for measuring the relative costs of the different types of benefit.

Group annuities are by far the most costly form of employee benefit, though recently premium rates have been dropping. Comprehensive major

³ These averages relate primarily to currently employed wage and salary workers and their dependents, but the data include some persons whose group protection continues during retirement, temporary lay-off, sickness, or shift in jobs, and a few members of trade, farm, and professional associations who are not in the wage and salary labor force. In the case of group annuities, the computation includes annuitants.

medical insurance is the next most expensive type; the cost per employee was about one-fifth of the average group annuity policy in 1960. Life insurance and temporary disability (wage replacement) insurance are next; both exceeded the average annual premium cost per employee of the typical hospital insurance policy. Surgical and regular medical expense insurance policies are relatively inexpensive in relation to other health benefits.

Table 5 shows that annual premiums for the average dependent are generally lower than those for the average employee. The averages for dependents (which include both adults and children) in the health insurance area, however, must be treated with care. Since the usual practice is to charge a single premium rate for all dependents of an employee or perhaps to use a two-class rate system—one for an employee with one dependent and another for an employee with two or more dependents—there is no direct correspondence between premium rates and number of dependents. An average derived from these figures will thus be affected by the inclusion of large families.

What might be more meaningful would be a comparison of an average employee's costs for his benefits alone and for his dependents' benefits. The data do not permit such a comparison, but according to the manual rates quoted by health insurance companies the addition of dependents'

TABLE 4.—Estimated benefits paid under employee-benefit plans,¹ by type of benefit, 1954 and 1956-60

[In millions]

Type of benefit	1954	1956	1957	1958	1959	1960
Total.....	\$3,527.5	\$4,826.0	\$5,595.9	\$6,280.2	\$6,978.9	\$7,808.7
Benefits for all wage and salary workers:						
Life insurance and death benefits ²	515.6	662.8	798.2	875.3	948.8	1,055.8
Accidental death and dismemberment ³	25.1	30.5	36.7	42.3	43.0	47.3
Hospitalization ⁴	1,079.9	1,495.4	1,714.1	1,892.7	2,107.6	2,355.0
Written in compliance with law.....	5.1	6.9	6.8	8.5	8.9	8.0
Surgical and regular medical ⁵	552.6	757.9	876.9	929.1	1,024.2	1,116.2
Major medical expense ⁶	10.0	67.0	131.0	233.0	332.0	427.0
Benefits for wage and salary workers in private industry:						
Temporary disability, including formal sick leave ⁷	624.3	797.4	869.0	872.8	928.3	1,007.4
Written in compliance with law.....	152.0	151.2	173.1	183.7	189.6	197.8
Supplemental unemployment benefits ⁸		5.0	20.0	135.0	75.0	105.0
Retirement ⁹	720.0	1,010.0	1,150.0	1,300.0	1,520.0	1,695.0

¹ Plans whose benefits flow from the employment relationship and are not underwritten or paid directly by government (Federal, State, or local). Excludes workmen's compensation required by statute and employer's liability.

² Group and wholesale insurance benefits (Institute of Life Insurance, *Life Insurance Fact Book*, 1961, and estimates made by the Social Security Administration) and self-insured death benefits (based on data for various trade-union, mutual benefit association, and company-administered plans).

³ Unpublished data from the Institute of Life Insurance.

⁴ Data from "Private Medical Care Expenditures and Voluntary Health Insurance, 1948-60," *Social Security Bulletin*, December 1961. In estimating benefits paid to employees under plans other than group insurance and union and company plans, 75 percent of benefit expenditures attributed to employed groups.

⁵ Includes private hospital plans written in compliance with State tem-

porary disability insurance law in California, shown separately in next line.

⁶ Unpublished data from the Health Insurance Association of America. Represents benefits paid under group supplementary and comprehensive major medical insurance underwritten by commercial insurance carriers.

⁷ Data from "Income-Loss Protection Against Short-Term Sickness: 1948-60," *Social Security Bulletin*, January 1962. Includes private plans written in compliance with State temporary disability insurance laws in California, New Jersey, and New York, shown separately in next line.

⁸ Based on trade-union and industry reports. Excludes dismissal wage and separation allowances, except when financed from supplemental unemployment benefit funds.

⁹ Estimated by the Division of the Actuary, Social Security Administration. Includes benefits paid under pay-as-you-go and deferred profit-sharing plans, plans of nonprofit organizations, union pension plans, and railroad plans supplementing Federal railroad retirement program.

TABLE 5.—Average annual amount of premiums paid per participant under group insurance plans, by type of insurance, 1954, 1957, and 1960

Type of group insurance	1954	1957	1960
	For employee coverage ¹		
Life.....	\$31.92	\$35.91	\$39.32
Accidental death and dismemberment.....	2.60	3.17	3.45
Hospital expense.....	15.97	19.79	25.70
Surgical expense.....	6.96	7.57	8.87
Regular medical expense.....	4.38	6.41	7.09
Major medical—supplemental.....		11.83	12.60
Major medical—comprehensive.....		43.78	49.73
Temporary disability (wage replacement).....	25.56	29.49	33.78
Group annuities.....	319.61	320.99	259.95
For dependents' coverage ²			
Life.....		\$2.79	\$3.24
Hospital expense.....	\$14.28	17.58	21.90
Surgical expense.....	9.25	9.18	10.18
Regular medical expense.....	3.15	2.99	3.31
Major medical—supplemental.....		8.38	8.47
Major medical—comprehensive.....		37.06	38.64

¹ Includes currently employed wage and salary workers, some persons who are not currently employed because of retirement, temporary lay-off, sickness, or shift in jobs, and a few members of trade, farm, professional, and other associations who are not in the wage and salary labor force.

² Average annual premium per dependent (adult or child).

Source: Derived from Institute of Life Insurance and Health Insurance Association of America, *Group Insurance Coverage in the United States*, annual editions.

benefits inevitably results in a doubling and often a tripling of premium costs per average employee.

For life insurance, the lower average cost for dependents' coverage undoubtedly reflects the smaller amount of insurance carried by dependents. Most dependents with life insurance have merely token death or funeral benefits of \$100–\$500, but most active workers with life insurance have policies with face values equivalent at least to a year's salary.

Except for the group annuities, all the group insurances had a higher price tag in 1960 than in 1954. Average premiums per participant for hospitalization insurance appear to be rising at a faster pace than those for the other types of insurance. From 1954 to 1960, the advance was 61 percent for employee coverage and 53 percent for dependents' coverage. Incidentally, the Bureau of Labor Statistics reports in its consumer price index an increase of 55 percent in hospitalization insurance rates during this period. Increased benefits are not reflected in the index.

For most benefits, the dollar increase in average premiums per participant has been steady, with the increase from 1957 to 1960 of much the same order of magnitude as that from 1954 to 1957. Any true evaluation of these increases, of course, must take into consideration any additional benefits and improvement in services that may be provided.

Only fragmentary data are available on per capita costs for those employee-benefit plans not underwritten by commercial carriers. For independent medical plans, estimates can be derived from the periodic surveys made by the Social Security Administration and published in the BULLETIN (April 1955, April 1958, and February 1961).

In 1959, the latest year for which data were gathered, the average annual contribution (subscription charge or dues) for hospital services under industrial plans was \$26.83 per participant. This average is for subscribers and their dependents combined and includes some charges directly

TABLE 6.—Private pension and deferred profit-sharing plans: ¹ Estimated coverage, contributions, beneficiaries, benefit payments, and reserves, 1950–60

Year	Coverage, ² end of year (in thousands)			Employer contributions (in millions)			Employee contributions (in millions)			Number of beneficiaries, end of year (in thousands)			Amount of benefit payments (in millions)			Reserves, end of year (in billions)		
	Total	In-sured	Non-insured	Total	In-sured	Non-insured	Total	In-sured	Non-insured	Total	In-sured	Non-insured	Total ³	In-sured	Non-insured ³	Total	In-sured	Non-insured
1950.....	9,800	2,600	7,200	\$1,750	\$720	\$1,030	\$330	\$200	\$130	450	150	300	\$380	\$90	\$290	\$11.7	\$5.6	\$6.1
1951.....	11,000	2,900	8,100	2,260	820	1,440	380	210	170	540	170	370	460	110	350	14.2	6.6	7.6
1952.....	11,700	3,200	8,500	2,510	910	1,600	430	240	190	650	200	450	540	130	410	16.9	7.7	9.2
1953.....	13,200	3,400	9,800	2,930	1,010	1,920	480	260	220	750	230	520	620	150	470	19.8	8.8	11.0
1954.....	14,200	3,600	10,600	2,930	1,030	1,900	510	270	240	880	270	610	720	170	550	23.1	10.0	13.1
1955.....	15,400	3,800	11,600	3,190	1,100	2,090	550	280	270	990	300	690	860	200	660	26.5	11.2	15.3
1956.....	16,800	4,000	12,800	3,490	1,110	2,380	610	290	320	1,110	340	770	1,010	230	780	30.3	12.4	17.9
1957.....	18,200	4,400	13,800	3,900	1,230	2,670	680	300	380	1,250	380	870	1,150	260	890	34.8	14.0	20.8
1958.....	19,000	4,500	14,500	3,970	1,270	2,700	710	310	400	1,410	440	970	1,300	300	1,000	39.3	15.5	23.8
1959.....	20,200	4,800	15,400	4,420	1,340	3,080	760	340	420	1,590	500	1,090	1,520	350	1,170	44.8	17.5	27.3
1960.....	21,600	4,900	16,700	4,490	1,210	3,280	770	300	470	1,780	540	1,240	1,695	375	1,320	49.9	18.8	31.1

¹ Includes pay-as-you-go, multi-employer, and union-administered plans, those of nonprofit organizations, and railroad plans supplementing the Federal railroad retirement program. Insured plans are underwritten by insurance companies; noninsured plans are in general funded through trustees.

² Excludes annuities.

³ Includes refunds to employees and their survivors and lump sums paid under deferred profit-sharing plans.

Source: Social Security Administration, Division of the Actuary.

paid by members for services not covered by prepayment. The comparable averages were \$20.33 in 1953 and \$26.61 in 1956.

Estimates of per capita contributions to retirement plans—both insured and noninsured—may also be derived from the series on pension plans developed by the Division of the Actuary of the Social Security Administration (table 6). Combined employer-employee contributions per worker have remained relatively stable in the past decade. In 1960 the average combined annual contribution per employee was \$252; it was \$262 in 1957, \$251 in 1954, and \$254 in 1951.⁴

TABLE 7.—Average costs for selected benefits as percent of gross payroll for manufacturing and nonmanufacturing companies paying such benefits, 1953, 1955, 1957, and 1959

Type of benefit	1953	1955	1957	1959
All industries				
Insurance and welfare ¹	1.8	2.1	2.3	2.3
Paid sick leave.....		1.1	1.2	1.2
Supplemental unemployment.....		.6	1.4	1.1
Retirement ²	4.7	5.1	5.1	5.0
Manufacturing				
Insurance and welfare ¹	1.8	2.0	2.3	2.4
Paid sick leave.....		.6	1.0	.8
Supplemental unemployment.....		.7	1.8	1.1
Retirement ²	3.5	3.8	3.9	3.9
Nonmanufacturing				
Insurance and welfare ¹	1.8	2.1	2.0	2.2
Paid sick leave.....		1.4	1.6	1.6
Supplemental unemployment.....		.2	(³)	.3
Retirement ²	6.2	6.9	7.0	6.9

¹ Includes life, sickness, accident, surgical, medical care, and hospitalization insurance, as well as death, accident, and surgical and medical care payments not insured. Excludes workmen's compensation costs or contributions to temporary disability insurance plans where required by State law.

² Insured and noninsured pension plans.

³ No companies reported such payments.

Source: Chamber of Commerce of the United States, *Fringe Benefits*, 1953, 1955, 1957, and 1959 surveys.

These averages are obtained by dividing total annual contributions by the average number of employees covered during the year.

⁴ The *Employee Benefit Plan Review* (September 1960, page 26) reports, on the basis of data from the Chamber of Commerce of the United States, that the average firm contributed \$253 per employee for pensions in 1959 (adjusted on the basis of firms actually contributing to pension plans, instead of all firms reporting). The average figure for employer contributions alone, based on table 6, would be \$226 per employee in 1959. This average is somewhat understated since it is based on all plans, some of which are financed entirely by employees—for example, through union financing.

For insured pension plans, a similar historical trend is evident. There was, however, an especially steep decline in 1960, resulting primarily from the premium reductions made possible by Federal tax relief legislation. The average combined employer-employee contribution was \$311 in 1960, compared with \$364 in 1957 and \$371 in 1954. These averages differ from those presented in table 5 for various reasons: (1) contributions for the more costly individual policy pension trusts and insured plans other than group annuities are included in the data developed for table 6 but excluded from table 5; (2) the number of employees used in deriving the averages from table 6 excludes annuitants, but the computations in table 5 include annuitants; and (3) contributions in table 6 are reduced for dividend payments and refunds, but in table 5 they are shown on a gross basis.

There has also been little change in the average combined employer-employee contribution per employee under noninsured pension plans, though some upward trend is noticeable. In 1960 the average was \$234, compared with \$229 in 1957 and \$210 in both 1954 and 1951.

Cost in Relation to Payroll

For purposes of determining the real burden of employee-benefit plans, per capita costs are not too meaningful unless related to payrolls. Such data are available on a limited basis from surveys conducted by the Chamber of Commerce of the United States and by the Bureau of Labor Statistics.

Table 7 shows the employer cost of selected employee benefits as a percentage of gross payroll for a group of manufacturing and nonmanufacturing companies sampled by the Chamber of Commerce in its biennial studies of fringe benefits. The percentages refer only to those companies reporting the specific type of benefit.

During the period 1953-59 there was a general but gradual increase in the cost of employee-benefit plans as a percentage of payroll. Pension plans, which cost employers having such plans 4.7 percent of payroll on the average in 1953, absorbed 5.0 percent of payroll in 1959. The cost of health, life insurance, temporary disability (weekly accident and sickness), and accidental

death and dismemberment insurance benefits, in combination, rose from 1.8 percent of payroll to 2.3 percent.

The greatest increases took place from 1953 to 1955. After 1957, the pension plans actually showed a decline, and paid-sick-leave and insurance expenditures generally leveled off. Contributions to supplemental unemployment benefit funds showed fluctuations throughout the period, reflecting for the most part changes in the business cycle and in the financial status of the funds.

The Bureau of Labor Statistics has done extensive pioneering work in measuring employer expenditures for selected fringe benefits. Table 8 shows the results of two sample studies of employers providing specific types of benefits for production workers in manufacturing industries. The study based on 1953 data was on an experimental basis and used a much smaller and less representative sample than the more fully developed study based on 1959 data.

Although the methodological differences between the 1953 and 1959 surveys preclude definitive results, an upward pattern in employer expenditures as a percentage of gross payroll is indicated. This trend was especially clear with respect to insurance and welfare benefits, which rose from 1.7 percent of payroll in 1953 to 2.3 percent in 1959, but was not too significant for pension and paid-sick-leave plans.

These BLS surveys also collected data on expenditures in terms of total manhours paid for (cents per hour). These data, to no one's surprise, show that the cost of benefits in terms of cents per hour has been rising with the rise in the general level of wages.

The Chamber of Commerce and BLS surveys show marked points of similarity, despite differences in sampling and study procedures. This similarity applies to the absolute figures as well as to the trend data. Expenditures in 1959 for paid sick leave by manufacturers having such plans were 0.8 percent of payroll in the Chamber of Commerce study and 1.0 percent in the BLS study; for insurance and welfare plans, they were 2.4 percent and 2.3 percent, respectively;⁵

⁵ In both studies these averages may somewhat understate a true employer cost for this entire package of benefits, since they include establishments that may not necessarily have all the benefits in the package.

and for pension plans they were 3.9 percent and 3.6 percent.

It should be observed that the relative level of expenditures for the various benefits would undoubtedly be affected if employee contributions were taken into consideration. Such contributions are found most frequently in the insurance and welfare field, less often in pension plans, and rarely in paid-sick-leave and supplemental unemployment benefit plans.

TABLE 8.—Average employer expenditures in establishments reporting selected employee benefits for production workers in manufacturing industries, 1953 and 1959

Type of expenditure	As percent of gross payroll		Cents per hour paid for	
	1953	1959	1953	1959
Insurance and welfare ¹	1.7	2.3	3.1	5.4
Paid sick leave ².....	.9	1.0	1.7	2.3
Supplemental unemployment.....	.....	1.1	.....	3.2
Retirement ³	3.5	3.6	7.0	9.0

¹ Includes life, sickness, accident, surgical, medical care, and hospitalization insurance, as well as death, accident, and surgical and medical care payments not insured. Excludes workmen's compensation costs and contributions to temporary disability insurance plans where required by State law.

² Excludes payments made by the company directly to the worker in compliance with a State temporary disability insurance law.

³ Includes insured and noninsured pension and profit-sharing plans.

Source: Bureau of Labor Statistics, *Problems in Measurement of Expenditures on Selected Items of Supplementary Employee Remuneration, Manufacturing Establishments, 1953* (Bulletin No. 1186), pp. 47, 49, and *Employer Expenditures for Selected Supplementary Remuneration Practices for Production Workers in Manufacturing Industries, 1959* (Bulletin No. 1308), 1962, pp. 17, 18, 71, and 73.

The Chamber of Commerce found in its 1959 fringe benefit study that employee payroll deductions amounted to 1.8 percent of payroll for pensions and 1.5 percent of payroll for insurance and welfare benefits among firms making such deductions. These amounts have changed little in the period studied. In 1955 the average was 1.8 percent for pensions and 1.3 percent for insurance and welfare benefits. Overall cost figures cannot be obtained by combining these averages with average employer contributions, since the latter are based on data for all plans—contributory and noncontributory. The BLS study indicates that, for insurance and welfare benefits, employers generally make a smaller contribution when their employees are also contributing.⁶ In the case of pensions, however, there seems to be little differ-

⁶ Bureau of Labor Statistics, *Employer Expenditures for Selected Supplementary Remuneration Practices for Production Workers in Manufacturing Industries, 1959* (Bulletin No. 1308), 1962, tables 25 and 26.

ence in the average employer contribution, whether the plan is contributory or noncontributory.

Both the Chamber of Commerce and the BLS studies present data on employer expenditures by type of manufacturing industry for those establishments reporting such expenditures. In the 1959 BLS study, the average employer contributions to pension plans ranged from 2.5 percent of payroll in the textile-mill products industry to 6.5 percent in the petroleum refining and related industries. In the Chamber study, the range was from 3.0 percent of payroll in the printing and publishing field to 8.9 percent in the petroleum industry.

The average in the BLS study for insurance and welfare plans ranged from 1.2 percent in the petroleum industry⁷ to 3.1 percent for rubber and miscellaneous plastics products. In the Chamber of Commerce data for insurance and welfare plans, as for pension plans, the printing and publishing industry had the lowest average (1.6 percent of payroll). The top average of 3.1 percent was reported by rubber and leather products and by primary metal industries.

The Chamber of Commerce study also presents comparative data on nonmanufacturing industries with insurance and pension plans. Banks and finance and trust companies generally had the highest costs (8.1 percent of payroll for pension plans and 2.5 percent for insurance and welfare plans); retail and wholesale trade firms had the lowest (2.8 percent for pensions and 1.6 percent for insurance and welfare plans).

It should be noted that the comparative data on pension expenditures have only limited meaning unless some consideration is given to the rate and amount of funding of past-service liability. In the printing and publishing industry, for example, which had one of the lowest contribution rates for pensions, the contribution for past-service liability was exceptionally low. In terms of premium payments for current-service credits, the printing industry's average contribution rate was higher than that of a half-dozen other industries.

⁷ The low rate in the petroleum industry is ascribed to the fact that the industry uses paid-sick-leave plans rather than insurance plans to meet the risk of temporary disability; it reports the highest paid-sick-leave costs among manufacturing industries—2.2 percent of gross payroll.

Method of Financing

Data compiled under the Welfare and Pension Plans Disclosure Act show that contributions from employers or employer groups made up about 77 percent of all contributions reported by the employee-benefit plans for the year 1959.⁸ For health and welfare plans, employers assumed about 70 percent of the cost, and for pension plans, about 83 percent. The latter percentage is close to the 85 percent estimated by the Division of the Actuary for 1959 in table 6.

Employers contribute a smaller proportionate amount to insured plans than to self-insured and other types of plans. According to the data collected under the Welfare and Pension Plans Disclosure Act, employer contributions for health and welfare benefits to insured plans alone amounted to 66 percent of the total in 1959, in contrast to 84 percent for other types of plans. In the pension field, employers contributed 81 percent of the total to insured plans and 84 percent to noninsured plans. The estimates made by the Division of the Actuary show somewhat more divergency, with employer contributions equaling 80 percent of the total for insured pension plans and 88 percent for noninsured plans.

Some indication of the trend in the method of financing health and welfare benefits may be observed in the continuing studies made by the Bureau of Labor Statistics of 300 health and insurance plans negotiated under collective bargaining. Of the 300 plans in effect as of 1955 and 1959-60, there were 271 common to both studies. Each of the plans covered at least 1,000 workers; in total, they provided benefit coverage to almost 5 million workers. Virtually every major industry was represented in the sample. It is estimated that more than one-third of the Nation's workers having health insurance and about one-third having life insurance are in plans that have been brought within the scope of collective-bargaining agreements.⁹

In late 1955, 48 percent of the active workers covered by hospital plans under collective bargaining had their benefits paid for exclusively by employers (noncontributory plans); by early

⁸ Gordon, *op. cit.*, table 1.

⁹ These estimates are in general agreement with those of the Bureau of Labor Statistics. See Dorothy R. Kittner, "Health, Insurance, and Pension Plan Coverage in Union Contracts," *Monthly Labor Review*, March 1962.

1959, the percentage was 63.¹⁰ Similarly, the proportion of employees with surgical insurance who were under noncontributory plans increased from 49 percent in 1955 to 62 percent in 1959, and the proportion with noncontributory medical insurance increased from 50 percent to 65 percent.¹¹ The financing of dependents' benefits followed the same trend.

In terms of plans, however, the trend toward noncontributory financing is less clear cut. In both the 1955 and 1959 studies, a little less than two-thirds of the plans showed that the cost of health benefits for employees was borne entirely by the employer. For dependents' health benefits, the proportion of plans that were employer-financed rose on the average 2-3 percentage points in the 4-year period.

The extent to which the financing of dependents' benefits differs from that for employees is also indicated in the 1959 BLS study. About four-fifths of the employees who had their hospital and surgical benefits financed entirely by employers also had their dependents' benefits financed in the same manner. The remaining one-fifth was about evenly divided between those who shared with their employers the cost of dependents' benefits and those who assumed the entire cost. Of those employees whose own benefits were being jointly financed, all but 4 percent had their dependents' benefits financed in the same manner.

The Bureau of Labor Statistics has also analyzed some data on the financing of major medical expense plans, which show that employers are less likely to bear the entire cost of major medical than basic hospital-surgical-medical plans.¹² As of the fall of 1960, less than one-third of the major medical plans were financed exclusively through payment of employer premiums. About

three-fifths of the plans were jointly financed, and the remainder were financed solely by the worker.

The tendency for employees to pay part or all of the costs of major medical protection is even more pronounced for dependents' benefits. Of those employees who were under plans that extended major medical benefits to their dependents, about 7 out of 10 shared the cost and 2 out of 10 picked up the entire tab.

Since 1959 the trend has continued toward full financing by the employer. Under the basic iron and steel settlements of 1960, for example, the companies assumed the full cost of hospital, medical, life insurance, and sickness benefit protection, and the requirement of worker contributions was eliminated. The AFL-CIO Research Department estimates¹³ that, if the 1959 BLS data had been adjusted to take account of the 1960 steel settlement, the proportion of workers in hospital plans completely financed by employers would have risen to 74 percent (instead of 63 percent) and the proportion of plans to 68 percent (instead of 63 percent). The automobile industry settlements of 1961 also called for company payment of the employees' share of hospital-surgical-medical insurance premiums, diverting part of the annual "improvement factor" increase in wages for this purpose.

In the field of group life insurance and accidental death and dismemberment benefits, the BLS studies show no pronounced trend toward employer financing.¹⁴ In 57 percent (with 54 percent of the employees) of the collectively bargained life insurance plans surveyed in the early summer of 1960, employee benefits were financed entirely by the employer.¹⁵ In late 1955, the entire cost was borne by the employer in 59 percent of the plans (with 52 percent of the employees).

For accidental death and dismemberment benefits, employer financing prevailed for 70 percent (with 53 percent of the employees) of the plans providing such benefits in the early summer of

¹⁰ Bureau of Labor Statistics, *Analysis of Health and Insurance Plans Under Collective Bargaining, Late 1955* (Bulletin No. 1221), 1957, and *Health and Insurance Plans Under Collective Bargaining: Hospital Benefits, Early 1959* (Bulletin No. 1274), 1960. In all the BLS studies, if a worker contributed toward the cost of a health and insurance program as a whole (with the employer paying the remaining cost), each benefit was classified as jointly financed.

¹¹ Bureau of Labor Statistics, *Health and Insurance Plans Under Collective Bargaining: Surgical and Medical Benefits, Late Summer 1959* (Bulletin No. 1280), 1960.

¹² Bureau of Labor Statistics, *Health and Insurance Plans Under Collective Bargaining: Major Medical Expense Benefits, Fall 1960* (Bulletin No. 1293), 1961.

¹³ *Hospitalization Benefits*, AFL-CIO Collective Bargaining Report, May-June 1960, page 29.

¹⁴ Bureau of Labor Statistics, *Health and Insurance Plans Under Collective Bargaining: Life Insurance and Accidental Death and Dismemberment Benefits, Early Summer 1960* (Bulletin No. 1296), 1961.

¹⁵ In another group of the plans—10 percent of the total—the employers paid for a basic amount of insurance and individual workers had the option of taking out additional coverage that they paid for themselves or that was jointly financed.

1960. Seventy-nine percent of the plans (with 50 percent of the employees) were employer-financed in late 1955.

The continuing BLS studies of 300 collectively bargained pension plans between 1952 and 1959, with 219 common to both years, also reveal a trend toward employer financing.¹⁶ In late 1952, 75 percent of the plans, covering 78 percent of the workers, were financed entirely by employer contributions. In late 1959, 84 percent of the plans and employees surveyed had benefits financed entirely by employers. Unpublished material from the files of the Bureau of Labor Statistics indicates little change since 1959.

It should be remembered that the BLS data refer exclusively to negotiated plans, where the pressures are greatest for employers to finance the entire cost of benefits. Data that include non-negotiated as well as negotiated plans show a

¹⁶ Bureau of Labor Statistics, *Pension Plans Under Collective Bargaining* (Bulletins No. 1147 and No. 1284), 1953 and 1961.

much lower proportion of plans that are employer financed.

Data compiled under the Welfare and Pension Plans Disclosure Act show that only 38 percent of the health and welfare plans and 73 percent of the pensions plans were noncontributory in 1959.¹⁷ The BLS studies, as already noted, show that about 55-70 percent of the collectively bargained basic health and insurance plans and 84 percent of the collectively bargained pension plans were entirely employer financed in that year.

The data collected under this act also reveal that 50 percent of the health and welfare plans were jointly financed and 12 percent financed entirely by employee contributions or by sources other than employer contributions. Very few of the collectively bargained plans are currently reported as underwritten entirely by employee contributions.

¹⁷ Department of Labor, Bureau of Labor Standards, *Characteristics of 127,657 Welfare and Pension Benefit Plans, 1960*, table 7.

Recent Publications*

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BUREAU OF PUBLIC ASSISTANCE. *An Interim Guide to Caseload Standards: A Method and Illustrative Standards for Caseload Determination in Public Assistance*. (Public Assistance Report No. 46.) Washington: U.S. Govt. Print. Off., June 1961. 23 pp. Limited free distribution; apply to the Bureau of Family Services, Social Security Administration, Washington 25, D.C.

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LIPSET, SEYMOUR, and LOWENTHAL, LEO, editors. *Culture and Social Character: The Work of David Riesman Reviewed*. New York: The Free Press of Glencoe, Inc., 1961. 466 pp. \$7.50.

Nineteen essays evaluating the concepts introduced by David Riesman in *The Lonely Crowd*.

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