

# Characteristics of Workers With Pension Coverage on Longest Job: New Beneficiaries

by WALTER W. KOLODRUBETZ\*

SOME CURRENT questions being raised about private pension plans are: What is the extent of private pension plan coverage among subgroups in the population? What are the possibilities of extending private pensions to noncovered groups? How do the plans' eligibility requirements and employees' job changing relate to the eventual realization of benefits? Using data from the Social Security Administration's Survey of Newly Entitled Beneficiaries, this report analyzes some characteristics of persons covered and those not covered by pension plans on the longest job in their career. In addition, among the persons whose longest job provided pension coverage, those who lost pension benefits are identified and compared with those who qualified for benefits.

The data from the survey provide further evidence that the private retirement system does not cover a majority of the private wage and salary work force now nearing or going into retirement and that it is a selective instrument for supplementing OASDHI benefits. Less than half of the 655,000 men and a fifth of the 513,000 women who were awarded OASDHI benefits in the period July 1968–December 1969—and reported that their longest job was as an employee in private industry—said that they participated in a private pension plan on that job.

Those who were covered by private pension plans differed in several important respects from those not covered. Workers with long service and high annual earnings whose longest jobs were in manufacturing, transportation, public utilities, and finance industries were most likely to have participated in a pension plan. The least likely to participate in such plans were unskilled and semiskilled workers in the construction, trade, and service industries, paid at relatively low rates and with careers characterized by relatively short

service on a particular job. Furthermore, non-covered workers usually received lower OASDHI benefit awards than those covered by pension plans. This lack of access by the relatively low-income workers to supplementary coverage serves to widen gaps in income for those reaching retirement age today.

For those who reported that they were covered by private pension plans on their longest job, a relatively small proportion indicated they would not receive benefits. It should be noted that the extent to which the total labor force lost out on pension credits is far greater than that indicated by data from this study, since the analysis is confined to the experience of workers on their longest job.

Almost 85 percent of the men and 75 percent of the women who participated in a private pension plan on their longest job said they were receiving or expected to receive benefits from their plan. Those who would not receive benefits were in low-wage industries and semiskilled and unskilled occupations, usually marked by high turnover and relatively restrictive requirements for receipt of pensions. Obviously, high turnover was not the only factor in failure to qualify for benefits, since a substantial portion of the persons who lost their pension rights had worked in their covered job 10 or more years. Lack of vesting or stringent eligibility requirements also played a role.

## BACKGROUND

The survey of newly entitled OASDHI beneficiaries conducted by the Social Security Administration was designed primarily to isolate and identify factors entering into the decision to claim OASDHI benefits before age 65. The first reports from the survey provide an overview of the characteristics of workers at the time of benefit award, July–December 1968, as well as the re-

\* Division of Economic and Long-Range Studies, Office of Research and Statistics. The Division of Retirement and Survivor Studies is responsible for the technical phases of the Survey of New Beneficiaries and cooperated with the author in interpreting the data.

tiement patterns of men.<sup>1</sup> The survey is also a unique vehicle for studying the detailed characteristics of a large sample of newly entitled social security beneficiaries aged 62 and over with respect to their exposure to pension plans (other than OASDHI) during the most important part of their worklife.

The survey universe, which was sampled monthly, consists of all persons recently awarded their first OASDHI benefits as retired workers. It includes those who file for early retirement benefits at ages 62-64 and picks up nearly all other insured workers at age 65 when they apply for benefits in order to be eligible for hospital benefits under Medicare, even though some continue working and postpone receipt of cash benefits.

Starting July 1968, a questionnaire was mailed to a sample of persons awarded retired-worker benefits. They were asked to provide information about their current and past work experience, sources of income, health and retirement status, and pension coverage other than OASDHI. The survey results reported here are based upon data for the first 18 months of the survey—for benefit awards from July 1968 through December 1969. The results for each 6-month survey period were very similar, but the use of an 18-month period increases the reliability of the estimates.

Since the estimates in the report are based on a sample, they may differ somewhat from the figures that would have been obtained by asking the same questions of all persons in the subject population. Some preliminary estimates of sampling variability of the survey results are given in the technical note on pages 25-28.

## COVERAGE ON LONGEST JOB

The first part of this article deals with coverage and the lack of coverage for a pension (other than OASDHI) in the longest job reported by the respondent. The longest job held during a

<sup>1</sup> Patience Lauriat and William Rabin, "Men Who Claim Benefits Before Age 65: Findings from the Survey of New Beneficiaries," *Social Security Bulletin*, November 1970; Virginia Reno, *Retirement Patterns of Men at OASDHI Entitlement*, Survey of Newly Entitled Beneficiaries, Report No. 2, March 1971, and "Why Men Stop Working at or Before Age 65: Findings from the Survey of New Beneficiaries," *Social Security Bulletin*, June 1971.

worklife is most likely to yield supplementary pension coverage and, ultimately, a meaningful pension supplementing OASDHI benefits. Therefore, review of the characteristics of persons covered and not covered by pension plans on the job of greatest duration should be useful in assessing some of the final effects of the selective aspect of pension plans, as well as of plan requirements on benefits for persons now retiring.

The questionnaire was designed to yield information on pension coverage on the job most likely to be important for pension purposes—the longest job held during a career. A job was defined as a period of continuous service with one employer, even though the work may have changed, or in self-employment.

All respondents were asked to provide information about pension coverage in their current job, if employed, or in their last job, if not employed. Those whose current or last job was not their longest were also asked about the job they held the longest. It was assumed that respondents would be able to recall whether or not they were covered by a pension plan on their longest job. Not all jobs held by workers during their careers were included in the scope of the study. Therefore, to the extent that workers obtained pension coverage on jobs other than their longest one, the survey results reported here obviously understate the total incidence of coverage.

Information on longest job (both wage-and-salary and self-employment) is available for approximately 1 million men and 700,000 women awarded OASDHI benefits between July 1968 and December 1969. A substantial degree of job stability is indicated in the job patterns reported by the respondents. Almost two-thirds of the men reported on only one job because their most recent job was their longest job (table 1). For the other third, then, the longest job related to some job held before their current job (if employed) or their last job (if not employed). The distribution of responses for women was similar, except that relatively fewer women than men reported they were currently employed.

## Work Experience

These preliminary SNEB data suggest that job changers—men or women—were less likely to be

TABLE 1.—Pension coverage on longest job by employment status: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Employment status, longest job, and sex	Total <sup>1</sup>		Percent with pension coverage on longest job	Percent in wage and salary employment on longest job	
	Number (in thousands)	Percentage distribution		Total	With pension coverage on longest job
Total reporting.....	1,691	100	34	84	40
Not employed.....	849	50	40	92	44
Last job longest.....	597	35	49	91	54
Other job longest.....	252	15	20	93	22
Employed.....	842	50	27	77	35
Current job longest.....	532	31	30	72	41
Other job longest.....	310	18	23	86	27
<i>Men</i>					
Total reporting.....	1,015	100	40	78	51
Not employed.....	453	45	53	88	60
Last job longest.....	325	32	62	88	71
Other job longest.....	128	13	29	89	33
Employed.....	562	55	29	71	41
Current job longest.....	348	34	31	63	48
Other job longest.....	214	21	26	82	32
<i>Women</i>					
Total reporting.....	677	100	25	93	27
Not employed.....	396	59	26	95	27
Last job longest.....	272	40	33	95	35
Other job longest.....	124	18	11	97	11
Employed.....	281	41	23	90	26
Current job longest.....	185	27	27	88	31
Other job longest.....	96	14	16	95	16

<sup>1</sup> Includes about 60,000 persons for whom the longest wage and salary job was imputed since they did not specify longest job.

covered by the pension network. The pension coverage rates for the longest job held depended in part on whether the workers had changed jobs between their longest and most recent jobs. Among men not working at the time of the survey, for example, coverage on the longest job was reported by 62 percent of those (including the self-employed) whose last job was their longest but only by 29 percent whose longest job was an earlier one (table 1).

Similarly, among still-employed men, coverage on their longest job was reported by 31 percent whose longest job was their present one and by 26 percent whose longest job was a former one. The lower rate of current coverage among men still working is in part a result of the high rate of self-employment among the group.

The result is similar, even when the data are restricted to wage and salary workers. Among men not working, pension coverage was reported by 71 percent of those whose last wage and salary job was their longest. For those still employed, pension coverage was reported by 48 percent of the men whose longest job was their present one. The lower rate of pension coverage for the currently employed reflects, in part, the greater likelihood of continued employment for persons with-

out coverage, since they are less likely to face mandatory retirement. Furthermore, the absence of a second pension—and therefore the expected level of retirement income—undoubtedly was a factor in the need or willingness to continue working.

Women respondents showed the same general characteristics as men with respect to pension coverage and job changes. Coverage was at a much lower level for women than it was for men, however.

Altogether 16 percent of the men and women were self-employed on their longest jobs, but the proportion was somewhat greater for men than for women. Plans for pension coverage of the self-employed have been in existence since 1964. Since the survey related only to those aged 62 and over in 1968–69, presumably few persons in the sample would have built up substantial sums for retirement through this avenue. The question of coverage under such plans therefore was not included. The article thus focuses on the 1.4 million persons who were wage and salary workers in their longest jobs.<sup>2</sup>

<sup>2</sup>Excluded are about 4 percent of the wage and salary workers who failed to indicate if their most recent job was, in fact, the longest job of their career.

## Type of Coverage

About two-fifths of the 1.4 million wage and salary workers reported that they had pension coverage on their longest job, but the disparity in coverage rates both between men and women and between those in government employment and those in private industry was fairly large (table 2).

Pension coverage was reported by about a third of the workers in private industry and by about three-fourths of those in government. Among both private industry and government workers a larger proportion of men than women belonged to pension plans, but the difference was greater in private industry.

It is often assumed that workers are not really aware of their pension plan coverage, but the SNEB results reveal that the proportion of workers who did not know whether they were included in a pension plan was low, at least with respect to the longest job in their career. In other words, most workers could give a "yes" or "no" answer to the question, "On your job, do you belong to a pension plan, other than social security?" One interesting sidelight of the answers to the "longest job" pension question is that a higher proportion of those in private industry jobs (9 percent) were uncertain about their coverage than those in government jobs (5 percent). Presumably, this difference arises from the fact that government plans typically require employee contributions, with a consequent steady reminder of coverage, but private industry pension plans more often are financed in full by the employer.

It is important to note that the survey relates

only to Federal, State, and local government workers who are entitled to OASDHI benefits. Most State and local government employees covered by staff retirement systems have dual coverage since their government service is also covered by the social security program. Their government pensions, like private pensions, may be viewed as supplementary to OASDHI benefits. But Federal Government civilian employees and those State and local employees whose government service is not covered by OASDHI are included in the survey only if they have obtained OASDHI coverage through other jobs. The characteristics of the employees with dual coverage may differ from those of employees covered exclusively by government staff retirement plans, which are intended to provide comprehensive retirement protection outside the OASDHI system.

## Industry

The survey found that private pension plan coverage for newly entitled OASDHI beneficiaries varied widely by industry. This finding reflects the high concentration of pension plans in such industries as manufacturing, transportation and public utilities, and finance and their relative scarcity in others. Furthermore, coverage rates were much higher (double in most cases) for men than for women in most industries.

The highest degree of private pension coverage was reported for longest jobs in the transportation and public utilities industries, where 3 out of 4 men and 3 out of 5 women reported such coverage (table 3). About 3 out of 5 of the men who reported that their longest job was in manufacturing and finance had pension coverage, but

TABLE 2.—Pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker and pension coverage on longest job	Total		Men		Women	
	Number (in thousands)	Percentage distribution	Number (in thousands)	Percentage distribution	Number (in thousands)	Percentage distribution
All wage or salary employees on longest job, total reporting.....	1,364	100	765	100	599	100
Covered by pension plan.....	563	41	397	52	165	28
Not covered by pension plan.....	696	51	307	40	379	64
Did not respond or did not know.....	115	8	61	8	55	8
Private employees on longest job, total reporting.....	1,169	100	655	100	513	100
Covered by pension plan.....	418	36	311	47	107	21
Not covered by pension plan.....	645	55	289	45	355	69
Did not respond or did not know.....	106	9	55	8	51	10
Government employees on longest job, total reporting.....	195	100	110	100	86	100
Covered by pension plan.....	145	74	86	79	58	68
Not covered by pension plan.....	41	21	18	16	24	28
Did not respond or did not know.....	10	5	6	5	4	4

TABLE 3.—Industry and pension coverage of private industry employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Industry on longest job and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
Forestry, fisheries, and agriculture.....	22	4	5	(?)	95	7
Mining and construction.....	74	12	40	10	60	16
Manufacturing.....	253	42	64	52	36	32
Wood, etc.....	142	24	68	31	32	16
Food, etc.....	76	13	55	13	45	12
Chemicals, etc.....	35	6	66	7	34	4
Transportation and public utilities.....	68	11	77	17	23	5
Wholesale and retail trade.....	83	14	29	8	71	20
Finance, insurance, and real estate.....	26	4	62	5	38	3
Business and repair services.....	53	8	32	6	68	12
Other.....	7	1	54	1	46	1
No response.....	14	2	42	2	58	3
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
Forestry, fisheries, and agriculture.....	4	1	1	(?)	99	1
Mining and construction.....	3	1	21	1	79	1
Manufacturing.....	140	30	31	40	69	27
Wood, etc.....	43	9	40	16	60	7
Food, etc.....	80	17	25	18	75	17
Chemicals, etc.....	17	4	35	6	65	3
Transportation and public utilities.....	21	4	60	12	40	2
Wholesale and retail trade.....	108	23	15	16	85	26
Finance, insurance, and real estate.....	27	6	38	9	62	5
Business and repair services.....	140	30	15	19	85	34
Other.....	5	1	22	1	78	1
No response.....	13	3	18	2	82	3

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

<sup>2</sup> 0.5 percent or less.

only about 1 out of every 3 of the women reporting on a job in those industries had pension coverage. For both men and women, the proportion with coverage was lower in the mining, construction, trade, and service industries, where pension plans are not as common as in other non-agricultural industries. Little coverage was reported in forestry, fisheries, and agriculture.

Certain industries accounted for the bulk of all coverage reported for private pension plans not only because such plans were more prevalent but also because of their heavy concentration of employment (table 3). About 70 percent of the men reporting jobs with private pensions were in manufacturing, transportation, and public utilities industries, for example. On the other hand, three-fifths of the men in the finance industry reported private pension coverage, but they represented only about 5 percent of all pension coverage reported. The trade, services, mining, and construction industries, with one-third of the men jobholders, accounted for about half the jobs for which no pension coverage was reported.

Although a high proportion (over half) of the women were employed in trade and service industries, pension-covered jobs in these industries represented only about a third of all pension-

covered jobs reported by women—about the same proportion as in manufacturing. Most women without pension coverage (60 percent) were in jobs in trade and service industries.

### Occupation

Among occupational groups in private industry, men in professional and technical jobs were likeliest to have pension coverage. About two-thirds of these men reported such coverage (table 4). For managers and officials, sales and clerical workers, craftsmen, and operatives, the proportion reporting coverage was somewhat lower, but their participation rates were substantially higher than those of men in service and labor occupations. Pension coverage rates for women in various occupations were lower than those for men, though they followed the same general pattern.

Pension coverage rates for government workers were generally higher than those for private industry workers, occupation by occupation. From 85 percent to 92 percent of the men in white-collar government jobs reported pension coverage. For men in semiskilled and unskilled occupations the proportions with pension coverage were somewhat lower—especially for laborers—but they

TABLE 4.—Occupation and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, occupation on longest job, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
Professional and technical workers.....	39	7	65	8	35	5
Managers and officials.....	64	11	52	11	48	11
Clerical and sales workers.....	76	13	50	12	50	13
Craftsmen.....	154	26	58	29	42	23
Operatives.....	160	27	55	28	45	25
Service and household workers.....	35	6	36	4	64	8
Laborers and foremen.....	62	10	31	6	69	15
No response.....	9	2	43	1	57	2
Government employees on longest job, total reporting.....	104	100	83	100	17	100
Professional and technical workers.....	19	19	92	21	8	9
Managers and officials.....	10	10	85	10	15	9
Clerical and sales workers.....	12	12	88	12	12	8
Craftsmen.....	26	25	86	26	14	20
Operatives.....	11	10	76	9	24	14
Service and household workers.....	15	14	81	14	19	16
Laborers and foremen.....	9	8	55	6	45	23
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	1
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
Professional and technical workers.....	29	6	40	11	60	5
Managers and officials.....	18	4	29	5	71	4
Clerical and sales workers.....	169	37	28	44	72	35
Craftsmen.....	10	2	32	3	68	2
Operatives.....	116	25	26	28	74	24
Service and household workers.....	105	23	7	7	93	27
Laborers and foremen.....	8	2	15	1	85	2
No response.....	6	1	20	1	80	1
Government employees on longest job, total reporting.....	82	100	71	100	29	100
Professional and technical workers.....	39	47	80	53	20	33
Managers and officials.....	3	4	70	4	30	4
Clerical and sales workers.....	20	25	75	26	25	22
Craftsmen.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	1
Operatives.....	3	4	53	3	47	6
Service and household workers.....	14	17	49	12	51	30
Laborers and foremen.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	3
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	1

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

<sup>2</sup> Not computed because base less than 2,000.

were much higher than those for comparable occupations in private industry.

Pension participation rates for women in government jobs were lower in various occupations than they were for men. Women reporting white-collar government jobs were far more likely to have pension coverage than women in blue-collar jobs. The proportion of women with pension coverage was substantially higher for women in government jobs than for women in similar occupations in private industry. The largest difference was found for women employed as service or household workers. This finding reflects, in part, the fact that in private industry this classification includes household workers with virtually no chance for private pension coverage.

#### Duration and Recency of Longest Job

The survey shows that the longer the worker was on a job (and presumably the less job chang-

ing he did) the more likely he was to have pension coverage. Respondents with long service made up the bulk of those with pension coverage.

One might not expect such a close correlation of pension coverage with length of service, since few plans have requirements for participation and those that do generally require only 1–3 years of employment. Persons reporting long service and pension coverage were in industries and occupations marked by a high proportion of pension plans as well as low turnover rates. Furthermore, firms with private pension plans may have other characteristics encouraging long tenure that are not associated with the presence of a pension plan. The pension plan may simply serve to reinforce these factors. Perhaps, then, it is not surprising to find a close correlation between length of service and coverage under a pension plan.

Of the men in private industry with less than 10 years of employment on their longest job,

one-sixth were covered by a pension plan on that job (table 5). This group—only 10 percent of all men in private employment—thus had a job history marked by frequent job changes, although they may have moved about within the same industry. The proportion of men reporting pension coverage increased sharply as longer service was reported; it was 70 percent for those with 25 or more years of service.

Private pension coverage rates for women by length of employment in the longest job were lower than those for men but showed the same pattern of higher pension participation rates as the duration of the job increased. About half the women with 25 years or more of employment on their longest job had pension coverage, but less than 10 percent of those with fewer than 10 years of service were in a covered job.

Since a high proportion of men with long service had pension coverage, three-fifths of all men covered by private pension plans reported that they had 25 or more years of service on their longest job. Men with private pension jobs for

less than 15 years accounted for only 9 percent of the total.

The job-tenure distribution for men without pension coverage differed considerably, with some concentration in shorter employment periods. More than 35 percent of these men were on the job less than 15 years, but a significant proportion—almost 30 percent—worked on their longest job 25 years or more.

For women reporting private pension coverage, the distribution by length of employment shows marked differences from the distribution for men, since the average length of employment for women was lower: about a fourth of the women with pension coverage had less than 15 years of employment. The length of employment reported for women in noncovered jobs contrasted sharply with that for women in jobs covered by private pensions. The differences were presumably related to the intermittent attachment of the noncovered to the labor force. Three-fifths of the women without pension coverage had fewer than 15 years of employment on their longest job.

TABLE 5.—Duration of longest job and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, length of employment on longest job, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
Less than 5 years.....	16	3	11	1	89	5
5-9 years.....	44	7	16	2	84	13
10-14 years.....	71	12	28	6	72	18
15-19 years.....	89	15	44	13	56	17
20-24 years.....	89	15	54	15	46	14
25 years or more.....	274	46	70	61	30	29
No response.....	17	3	30	2	70	4
Government employees on longest job, total reporting.....	104	100	83	100	17	100
Less than 5 years.....	2	1	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )	7
5-9 years.....	6	6	50	4	50	18
10-14 years.....	13	13	71	11	29	22
15-19 years.....	16	16	82	15	18	17
20-24 years.....	19	18	90	20	10	10
25 years or more.....	46	44	92	49	8	22
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	3
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
Less than 5 years.....	43	9	4	2	96	12
5-9 years.....	102	22	7	7	93	27
10-14 years.....	98	21	17	15	83	23
15-19 years.....	74	16	28	19	72	15
20-24 years.....	51	11	38	18	62	9
25 years or more.....	77	17	52	38	48	10
No response.....	16	4	8	1	92	4
Government employees on longest job, total reporting.....	82	100	71	100	29	100
Less than 5 years.....	3	4	15	1	85	12
5-9 years.....	12	15	51	11	49	25
10-14 years.....	17	21	62	18	38	27
15-19 years.....	13	16	76	17	24	13
20-24 years.....	11	13	84	16	16	7
25 years or more.....	24	29	89	36	11	11
No response.....	1	2	( <sup>2</sup> )	1	( <sup>2</sup> )	4

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

<sup>2</sup> Not computed because base less than 2,000.

<sup>3</sup> 0.5 percent or less.

For each length-of-service category, the proportion of government employees with pension coverage was higher than that for private wage and salary workers (table 5). As in private industry, lowest participation rates were found in categories of shorter service.

The percentage of women in government jobs with coverage was about the same at various lengths of employment as that for men. Moreover, the proportion of women in government jobs with the shorter service periods who reported pension coverage was fairly high, in comparison with the proportion of women in private industry.

The great growth in private pensions took place after 1950. It might therefore be expected that persons who left their longest job some time ago would be least likely to have had pension coverage on that job (though they may have subsequently obtained coverage on another job). The SNEB data show that relatively few persons who left their longest job 10 or more years ago (1958 or earlier) reported pension coverage (table 6).

Some of these persons, of course, may have had coverage and forgotten about it.

### Annual Earnings

One important area in assessing selectivity of the private pension system, as well as in examining the possibilities of extending coverage, is the earnings of individuals in covered and noncovered wage and salary jobs. The respondents were asked to report earnings on their longest job by the hour, week, month, or year. Where it was necessary, an annual earnings rate was obtained by applying an appropriate multiplier. This analysis must, however, be viewed as exploratory; more detailed analyses may be available in the future if the survey results are linked to OASDHI earnings records.

It should be remembered that the analysis is restricted to the data on respondents' earnings

TABLE 6.—Years since longest job and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, when left longest job, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
Current job longest.....	160	27	49	25	51	28
Left less than 5 years ago.....	245	41	71	66	29	25
Left 5-9 years ago.....	50	8	38	6	62	11
Left 10-14 years ago.....	39	6	27	3	73	10
Left 15-19 years ago.....	30	5	25	2	75	8
Left 20-24 years ago.....	19	3	19	1	81	5
Left 25 years or more ago.....	25	4	11	1	89	8
No response.....	33	6	50	5	50	6
Government employees on longest job, total reporting.....	104	100	83	100	17	100
Current job longest.....	31	30	83	30	17	30
Left less than 5 years ago.....	40	39	89	41	11	26
Left 5-9 years ago.....	11	10	82	10	18	11
Left 10-14 years ago.....	7	6	76	6	24	9
Left 15-19 years ago.....	5	4	85	5	15	4
Left 20-24 years ago.....	3	3	76	3	24	5
Left 25 years or more ago.....	3	3	49	2	51	8
No response.....	4	4	69	3	31	6
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
Current job longest.....	116	25	25	27	75	24
Left less than 5 years ago.....	139	30	38	50	62	24
Left 5-9 years ago.....	51	11	16	8	84	12
Left 10-14 years ago.....	40	9	12	5	88	10
Left 15-19 years ago.....	27	6	9	2	91	7
Left 20-24 years ago.....	25	5	8	2	92	6
Left 25 years or more ago.....	37	8	6	2	94	10
No response.....	28	6	17	4	83	6
Government employees on longest job, total reporting.....	82	100	71	100	29	100
Current job longest.....	26	32	76	34	24	27
Left less than 5 years ago.....	33	40	82	46	18	25
Left 5-9 years ago.....	8	10	66	9	35	12
Left 10-14 years ago.....	4	5	51	3	49	8
Left 15-19 years ago.....	2	3	47	2	53	5
Left 20-24 years ago.....	2	2	33	1	67	6
Left 25 years or more ago.....	4	5	30	2	70	13
No response.....	2	2	54	2	46	4

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

in the last or current year on their longest job and that earnings reported for jobs held some time ago would not be comparable with earnings for more recent jobs. The survey period analyzed here is the last 6 months of 1969, when a more extensive followup on income items was conducted (with more reliable earnings data) than during the first two survey periods.

As table 7 shows, the lower the annual earnings reported on the private wage and salary job, the greater the likelihood that pension coverage was not available. Among those men reporting annual earnings below \$4,000, for example, 86 percent did not have pension coverage. The proportion with pension coverage goes up sharply as earnings levels rise. Thus in annual earnings classes of \$8,000 or more, 73-80 percent had pension coverage.

Table 7 also shows a substantial difference between median earnings of men with and men without private pension coverage—\$7,990 and \$4,800, respectively. The combined influences of previously described variations in occupation, industry, and length of service explain much of the

difference in the earnings distribution of these groups. Only a small fraction of the men reporting private pension coverage earned less than \$4,000 a year; over one-fourth earned \$10,000 or more. In contrast, among the men not in a private pension plan, almost two-thirds earned less than \$6,000.

For women, the same phenomenon of little pension coverage at low earnings levels may be observed. The disparity in annual earnings for the groups with and without private pension coverage was even greater than that among men. The women not included in the pension plans reported median annual earnings of \$2,520 or only half the median for the covered group. Three-fourths of the women without pension coverage had earnings of less than \$4,000.

Pension coverage for government workers also was linked with high annual earnings, but coverage ratios for men and women differed less by earnings class than they did in private industry (table 7). Pension participation rates were, of course, higher than those in private jobs at comparable earnings levels because of the greater

TABLE 7.—Annual earnings rate and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1969–December 1969 awards

Class of worker, annual earnings rate on longest job, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	174	100	55	100	45	100
Under \$4,000.....	36	21	14	5	86	39
\$4,000–\$5,999.....	35	20	45	16	55	24
\$6,000–\$7,999.....	41	24	65	28	35	18
\$8,000–\$9,999.....	26	15	80	22	20	7
\$10,000 or more.....	36	21	73	28	27	12
Median annual earnings.....		\$7,790		\$7,990		\$4,800
Government employees on longest job, total reporting.....	32	100	85	100	15	100
Under \$4,000.....	4	13	51	8	49	43
\$4,000–\$5,999.....	6	19	82	18	18	23
\$6,000–\$7,999.....	8	26	93	28	7	12
\$8,000–\$9,999.....	6	19	91	20	9	11
\$10,000 or more.....	7	23	93	26	7	11
Median annual earnings.....		\$7,380		\$7,680		\$4,610
<i>Women</i>						
Private employees on longest job, total reporting.....	130	100	24	100	76	100
Under \$4,000.....	86	66	10	29	90	77
\$4,000–\$5,999.....	28	21	40	36	60	17
\$6,000–\$7,999.....	9	7	68	20	32	3
\$8,000–\$9,999.....	4	3	66	9	34	1
\$10,000 or more.....	4	3	54	6	46	2
Median annual earnings.....		\$3,070		\$5,070		\$2,520
Government employees on longest job, total reporting.....	26	100	69	100	31	100
Under \$4,000.....	9	34	34	17	66	71
\$4,000–\$5,999.....	5	19	82	23	18	11
\$6,000–\$7,999.....	5	21	83	25	17	11
\$8,000–\$9,999.....	4	14	91	19	9	4
\$10,000 or more.....	3	12	93	17	7	3
Median annual earnings.....		\$5,680		\$6,850		\$2,160

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage and those who did not report on earnings.

proportion of government workers covered by pension plans.

The median annual earnings reported for men in government pension-covered jobs differed significantly from the earnings for those in government jobs without pensions—\$7,680 and \$4,610, respectively. For women, the difference in median earnings was even greater. Two-thirds of the men and four-fifths of the women without pension coverage in a government job earned less than \$6,000.

### OASDHI Benefits

Since private pension coverage is most likely to be found among highly paid, skilled, and white-collar employees with recent and lengthy tenure on their longest job, private pension coverage is also associated with high primary insurance amounts (PIA) under the social security program. The PIA—the amount that would be payable to a retired worker who begins to get benefits at age 65—is a fairly reasonable measure for earnings levels and regularity of employment.

Table 8 shows that about 60 percent of the men and women with PIA's of \$130 or more reported private pension coverage. The proportion reporting private pension coverage drops as lower PIA's are recorded. Over 85 percent of the men and 55 percent of the women with private pension coverage had PIA's of \$130 or more. In contrast, about 50 percent of the men and 10 percent of the women without private pension coverage had a PIA of \$130 or more.

The pattern for government workers was much different: A higher proportion of men and women at each PIA interval reported government pension coverage. For men, the distribution was not so concentrated at the higher PIA levels for government pension coverage as it was for private pension coverage. This finding reflects the fact that many of these government workers—Federal employees and some State and local government employees whose jobs did not provide concurrent social security coverage—obtained that coverage from a job or jobs other than their primary or longest job. For women this appeared less likely to be the case, as the greater concentration of women with pension coverage at the \$160 a-month PIA interval indicates.

TABLE 8.—Amount of PIA under OASDHI and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, PIA, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
\$55.00.....	26	4	41	4	59	6
\$55.10–\$69.90.....	15	2	23	1	77	4
\$70.00–\$99.90.....	57	10	16	3	84	16
\$100.00–\$129.90.....	84	14	23	6	77	22
\$130.00–\$159.90.....	344	57	62	68	38	45
\$160.00 or more.....	74	12	74	18	26	7
Government employees on longest job, total reporting.....	104	100	83	100	17	100
\$55.00.....	17	17	92	18	8	8
\$55.10–\$69.90.....	9	8	78	8	22	11
\$70.00–\$99.90.....	20	19	78	18	22	25
\$100.00–\$129.90.....	15	14	68	12	32	26
\$130.00–\$159.90.....	36	35	87	36	13	27
\$160.00 or more.....	7	7	93	7	7	3
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
\$55.00.....	103	22	3	3	97	28
\$55.10–\$69.90.....	39	8	5	2	95	11
\$70.00–\$99.90.....	115	25	10	11	90	29
\$100.00–\$129.90.....	105	23	30	29	70	21
\$130.00–\$159.90.....	78	17	57	42	43	10
\$160.00 or more.....	20	4	68	13	32	2
Government employees on longest job, total reporting.....	82	100	71	100	29	100
\$55.00.....	17	21	53	15	47	32
\$55.10–\$69.90.....	5	7	45	4	55	13
\$70.00–\$99.90.....	12	15	58	12	42	22
\$100.00–\$129.90.....	12	15	71	15	29	15
\$130.00–\$159.90.....	22	27	88	33	12	12
\$160.00 or more.....	13	16	90	21	10	6

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

## Race

White workers were far more likely than workers of other races to have pension coverage in their longest job (table 9). More than half the white men in private industry jobs reported pension coverage, but only a third of the others did. The contrast was even greater for women. Consequently, workers of other races made up a smaller portion of the pension-covered group than they did in the total population. Relatively more white men and women reported pension coverage under government jobs. The disparity in coverage rates between the races was not as great as it was in private industry jobs, however.

## RECEIPT OF PENSION FROM LONGEST JOB

Whether or not a worker will eventually receive benefits from participation in a pension plan depends on provisions for vesting, early and disability retirement, and normal retirement. Two key variables are the required amount of service and the earliest age at which a worker is assured of a benefit by plan provisions, in the form of either a vested right or a retirement benefit.

A question frequently raised is the extent to which benefits are lost under pension plans through the application of these provisions. The SNEB survey was not designed to answer and cannot answer the question as to how many workers retiring in 1968-70 had passed through the private pension system within their worklife and yet would not receive benefits. The data do, however, provide some insight into the characteristics of persons who receive pensions and of those who were covered by a pension plan on their longest job but received no benefit.

Since this analysis is restricted to persons reporting pension coverage on their longest job—where they are most likely to have built up vested rights and qualified for pensions—the proportion estimated to have lost pension rights obviously is much lower than if the findings related to all those with private pension coverage on some job during their worklife. In other words, the limitation produces a very favorable measure of the performance of pension plans for the period under consideration.

The failure of some respondents to report pen-

sion coverage if the longest job was terminated some time in the past may have resulted in an understatement of pension loss. Clearly, those not receiving or not expecting a pension are more likely than those receiving (or expecting) one to have forgotten or been unaware of pension coverage.

Another factor probably led to an overestimate of involuntary pension loss—the possibility that some workers withdrew their contributions from “jointly financed” plans on leaving a job well before retirement. Such plans permit a worker to withdraw his own contributions if his employment terminates before retirement; normally, he then forfeits all rights to benefits. This factor was not assessed in the SNEB study since there was no question on withdrawal of contributions. Employer-financed plans, which are increasing in prevalence, do not have such provisions. Hence, the persons who lost rights to their pensions under such plans did so because they did not meet the requirements for vesting or retirement.

It is worth noting, subject to these qualifications, that the survey found that about four-fifths of the men and women who had private or government pension coverage on their longest job reported they were receiving or expected to receive a benefit from their plan (table 10). Specifically they replied “yes” to the following question about their longest pension-covered job: “Are you receiving or will you receive a benefit from this plan?” About 10 percent said they would not receive a benefit from their plan. Another 10 percent of the men and women did not know the answer or failed to respond to the question. (Many of the nonresponses relate to a job other than the current or last.)

Men were more likely to qualify for a pension from their longest pension-covered job than women—that is, women lost pension rights more frequently than men and represented over 45 percent of those who reported lost pensions. Furthermore, a higher proportion of workers in private industry than of government employees appear to have lost pensions.

The comparisons that follow are restricted to the characteristics of respondents who gave a “yes” or “no” answer to the question of whether they would receive benefits from the pension plan on their longest job—roughly 9 in 10 of those who reported pension coverage.

TABLE 9.—Race and pension coverage of private and government employees on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, race, and sex	Total <sup>1</sup>		Covered by pension plan		Not covered by pension plan	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees on longest job, total reporting.....	601	100	52	100	48	100
White.....	545	91	54	94	46	87
Other races.....	56	9	33	6	67	13
Government employees on longest job, total reporting.....	104	100	83	100	17	100
White.....	95	91	84	92	16	85
Other races.....	9	9	70	8	30	15
<i>Women</i>						
Private employees on longest job, total reporting.....	462	100	23	100	77	100
White.....	415	90	25	95	75	88
Other races.....	47	10	9	5	91	12
Government employees on longest job, total reporting.....	82	100	71	100	29	100
White.....	76	93	72	95	28	88
Other races.....	6	7	52	5	48	12

<sup>1</sup> Excludes persons who did not respond or did not know their pension coverage.

In considering the implications of the SNEB findings, two contrary factors should be considered. The job-changing patterns of workers have been and are undergoing changes. It is not safe to assume that a large number of the younger members of today's work force will want to or find it possible to spend a significant portion of their working life with one employer, as did many of today's retirees. On the other hand, future generations of retirees may fare better because of improved vesting provisions and liberalization of eligibility provisions.<sup>3</sup>

### Work Experience

Data from the survey indicate that, for both men and women, those with a history of job changing were least likely to qualify for benefits from a pension-covered longest job. Presumably, most of them did not meet the requirements for benefits.

Among those with coverage, only a small fraction of the men whose most recent job was their longest said they would not realize a pension from that job, as the figures below show. On the other hand, 1 in 6 of the men and 2 in 5 of the

<sup>3</sup> According to information from the Bureau of Labor Statistics on plan provisions in effect in 1962–63, about 50 percent of private pension plans (with 60 percent of the workers) had vesting provisions. In 1969, these proportions had grown to 60 percent of the plans with 75 percent of the workers. In 1962–63, the most common requirements were 15–20 years of service with a minimum age of 40; in 1969 the typical eligibility provision called for 10–15 years of service with no age requirement.

Item reported	With pension coverage on longest job			
	Number <sup>1</sup> (in thousands)		Percent reporting they were receiving or expected to receive benefits	
	Men	Women	Men	Women
Reporting on longest job.....	366	151	93	86
Currently employed on longest job.....	97	45	98	97
Not currently employed, most recent job longest.....	185	81	97	89
Another job longest.....	84	25	84	59

<sup>1</sup> Excludes workers who did not report on whether they qualified for a pension.

women whose longest job was not their most recent one said that they would not realize a pension from coverage on their longest job.

### Duration and Recency of Longest Job

Qualification for retirement benefits or vested rights is normally restricted to workers who have met the minimum requirements for benefits—the specified length of service and, frequently, attainment of a minimum age. Thus, one important difference between persons reporting lost pension rights and those reporting that they qualify for pensions is their length of service on a job (or in multiemployer plans, within the scope of the plan).

About 1 out of 12 men and 1 out of 6 women reporting private pension coverage said they would not receive a benefit. Table 11 shows that

TABLE 10.—Pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker and pension receipt	Total		Men		Women	
	Number (in thousands)	Percentage distribution	Number (in thousands)	Percentage distribution	Number (in thousands)	Percentage distribution
Wage or salary employees with pension coverage on longest job, total reporting...	563	100	397	100	165	100
Receiving or will receive benefits.....	462	82	335	84	127	76
Will not receive benefits.....	47	8	26	7	21	13
Do not know or no response.....	54	10	36	9	17	11
Private employees with pension coverage on longest job, total reporting.....	418	100	311	100	107	100
Receiving or will receive benefits.....	336	80	258	83	78	73
Will not receive benefits.....	38	9	22	7	16	15
Do not know or no response.....	44	11	31	10	13	12
Government employees with pension coverage on longest job, total reporting.....	145	100	86	100	58	100
Receiving or will receive benefits.....	126	87	77	89	49	83
Will not receive benefits.....	9	6	4	5	5	9
Do not know or no response.....	10	7	5	6	5	8

length of service was a crucial factor in the loss of benefits for these persons. About a third of the men covered by a private pension plan for less than 10 years of employment on their longest job reported that they would not receive a pension. (These jobs, however, accounted for less than 5 percent of all jobs reported with pension coverage.)

The survey results clearly indicate, that pen-

sion receipt rates increased as length of employment rose. Almost all the men who had 25 or more years of service on a private pension-covered job (where the bulk of men in pension-covered jobs were found) reported that they qualified for a pension.

For the men who would not receive benefits from their private pension coverage, the distribution by length of service was strikingly dif-

TABLE 11.—Duration of longest job and pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, length of employment on longest job, and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
Less than 10 years.....	7	3	67	2	33	11
10–14 years.....	16	6	73	5	27	20
15–19 years.....	35	12	83	11	17	26
20–24 years.....	42	15	91	15	9	16
25 years or more.....	175	62	97	66	3	26
No response.....	4	2	92	2	8	1
Government employees with pension coverage on longest job, total reporting.....	81	100	95	100	5	100
Less than 10 years.....	3	3	74	3	26	18
10–14 years.....	9	11	82	9	18	38
15–19 years.....	12	15	90	14	10	30
20–24 years.....	16	20	98	21	2	6
25 years or more.....	40	50	99	52	1	8
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>3</sup> )
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
Less than 10 years.....	7	8	40	4	60	29
10–14 years.....	14	15	70	13	30	27
15–19 years.....	18	19	81	18	19	21
20–24 years.....	17	18	87	19	13	14
25 years or more.....	37	39	96	45	4	9
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	( <sup>3</sup> )
Government employees with pension coverage on longest job, total reporting.....	54	100	91	100	9	100
Less than 10 years.....	6	10	66	8	34	37
10–14 years.....	10	18	82	16	18	34
15–19 years.....	9	17	90	17	10	18
20–24 years.....	9	17	99	18	1	2
25 years or more.....	20	37	98	40	2	6
No response.....	1	1	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )	2

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

<sup>2</sup> Not computed because base less than 2,000.

<sup>3</sup> 0.5 percent or less.

ferent from that for those who expected to receive or were receiving benefits. About a fourth of all nonreceivers had 25 or more years of service. In fact, 90 percent of the men who indicated that they would not receive benefits reported that they had 10 or more years of employment with a private firm with a pension plan.

Persons covered by a multiemployer plan reported particular jobs, rather than total employment covered under the pension plan. For this reason, it is probable that the short service periods reported by persons who said they would receive a pension overstate somewhat the degree of pension qualification in short-service jobs. It is also likely that some persons reporting pension loss and short service periods had coverage in multiemployer plans and that total service under the plan was substantially longer than the period reported on the one job.

Furthermore, the survey questionnaire dealt

with employment on the job, not credited service under the pension plan. Although they are usually synonymous, some pension plans require service for participation—usually 1 to 3 years of employment—that may not be counted as credited service for pension purposes. This factor probably has little effect on the overall survey results and the conclusions drawn on the effect of length of service on pension qualification.

A much higher proportion of women than men with fewer than 10 years of private wage and salary employment on their longest job lost pensions rights. Moreover, because women, on the average, had shorter service periods than men, the distribution for women pension recipients by length of service was substantially different than that of men. Clearly, the shorter average service of women accounts, to some degree, for the fact that relatively more women than men had lost their pension rights.

TABLE 12.—Years since longest job and pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, when left longest job, and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
Current job longest.....	70	25	97	26	3	8
Left less than 5 years ago.....	158	56	96	59	4	26
Left 5-9 years ago.....	17	6	81	5	19	14
Left 10-14 years ago.....	9	3	59	2	41	17
Left 15-19 years ago.....	6	2	41	1	59	17
Left 20-24 years ago.....	3	1	29	( <sup>2</sup> )	71	10
Left 25 years or more ago.....	2	1	50	1	50	5
No response.....	14	5	95	5	5	3
Government employees with pension coverage on longest job, total reporting.....	81	100	95	100	5	100
Current job longest.....	24	30	99	32	1	4
Left less than 5 years ago.....	33	41	96	42	4	33
Left 5-9 years ago.....	9	11	94	10	6	13
Left 10-14 years ago.....	5	6	92	6	8	9
Left 15-19 years ago.....	4	5	84	4	16	14
Left 20-24 years ago.....	2	3	77	2	23	14
Left 25 years or more ago.....	1	2	( <sup>3</sup> )	1	( <sup>3</sup> )	11
No response.....	2	3	97	3	3	2
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
Current job longest.....	25	27	96	30	4	7
Left less than 5 years ago.....	47	50	90	54	10	31
Left 5-9 years ago.....	7	8	61	6	39	18
Left 10-14 years ago.....	4	4	48	3	52	14
Left 15-19 years ago.....	2	2	32	1	68	10
Left 20-24 years ago.....	2	2	27	1	73	8
Left 25 years or more ago.....	2	2	32	1	68	8
No response.....	4	4	88	5	13	3
Government employees with pension coverage on longest job, total reporting.....	54	100	91	100	9	100
Current job longest.....	19	35	98	38	2	7
Left less than 5 years ago.....	25	46	94	48	6	30
Left 5-9 years ago.....	5	9	73	7	27	26
Left 10-14 years ago.....	2	3	63	2	37	13
Left 15-19 years ago.....	1	2	( <sup>3</sup> )	1	( <sup>3</sup> )	6
Left 20-24 years ago.....	1	2	( <sup>3</sup> )	1	( <sup>3</sup> )	2
Left 25 years or more ago.....	1	2	( <sup>3</sup> )	1	( <sup>3</sup> )	15
No response.....	1	2	( <sup>3</sup> )	2	( <sup>3</sup> )	( <sup>2</sup> )

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

<sup>2</sup> 0.5 percent or less.

<sup>3</sup> Not computed because base less than 2,000.

Both men and women with pension plan coverage on a government job were more likely to qualify for benefits at all service periods than those in private wage and salary jobs. This finding reflects the generally less restrictive requirements for benefit qualification of government plans. Just as with private industry jobs, the highest rates of benefit forfeiture were found at the shorter service periods. Virtually all the men and women with 20 or more years of service on their pension-covered government job reported they would receive benefits. It follows that the most men and women reporting the loss of pensions from government jobs had less than 20 years of employment.

The length of time between termination from the longest job and the time of the survey was an important factor in the receipt of a pension. As pointed out, only a small fraction of workers whose most recent job was their longest job reported that they would not receive a pension from that plan. Table 12 shows that the proportion of pension losers rises rapidly the further the distance from the respondent's longest job. Thus half or more of the men who left that job 15 years ago or more were pension losers. This

group may include some persons included in contributory plans who lost benefits upon withdrawal of their own contributions.

Jobs that were terminated 10 or more years ago made up less than 10 percent of all the longest jobs with pension coverage for men, but they represented half those in which men lost pension rights. Women who held a pension-covered job years ago were even more likely to have lost a pension, but the record for women whose current or last job was longest was about the same as that for men.

Government workers showed a similar pattern of increased likelihood of lost pensions the further the longest job was from their present status. Among workers who left their longest job some time ago, the proportion reporting lost pensions was far lower for government employees than for those in private jobs.

The important factor in private pension loss probably was the absence of vesting provisions or stringent requirements for benefits. Since vesting provisions are improving, fewer persons who terminated a pension job 15 or more years ago were likely to be protected by vesting, but in the future more workers may carry vested rights.

TABLE 13.—Industry and pension receipt by private industry employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Industry on longest job and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
Forestry, agriculture, and fisheries.....	1	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )
Mining and construction.....	25	9	86	8	14	16
Manufacturing.....	147	52	93	53	7	45
Wood, etc.....	88	32	94	32	6	24
Food, etc.....	37	13	92	13	8	13
Chemicals, etc.....	22	8	92	8	8	8
Transportation and public utilities.....	48	17	95	18	5	11
Wholesale and retail trade.....	21	7	84	7	16	15
Finance, insurance, and real estate.....	15	5	92	5	8	5
Business and repair services.....	15	5	91	5	9	6
Other.....	3	1	91	1	9	1
No response.....	5	2	92	2	8	2
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
Mining and construction.....	1	1	( <sup>3</sup> )	1	( <sup>3</sup> )	1
Manufacturing.....	38	40	86	41	14	35
Wood, etc.....	16	17	85	17	15	15
Food, etc.....	17	18	85	18	15	16
Chemicals, etc.....	5	6	89	6	11	4
Transportation and public utilities.....	12	12	87	13	13	10
Wholesale and retail trade.....	14	15	71	13	29	26
Finance, insurance, and real estate.....	9	10	84	10	16	9
Business and repair services.....	18	19	84	19	16	18
Other.....	1	1	( <sup>3</sup> )	1	( <sup>3</sup> )	( <sup>2</sup> )
No response.....	2	2	86	2	14	2

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

<sup>2</sup> 0.5 percent or less.

<sup>3</sup> Not computed because base less than 2,000.

The lower pension-lapse rates for government workers reflect more liberal vesting and the greater possibility for early retirement—especially before age 60—under government plans than under private industry plans.

### Industry

In most industries, over 90 percent of the men who reported private pension coverage on their longest job said they would receive their benefits (table 13). Among those who reported pension coverage in jobs in mining, construction, wholesale and retail trade, 85 percent said they would receive their benefits. This difference reflects the effect of variations in eligibility requirements for benefits as well as in job tenure. Preliminary data show, for example, that a lower proportion of workers included in pension plans in mining, construction, and trade had long job tenure—

20 or more years of service—than did workers in other industries. Furthermore, among the workers in retail and trade industries who lost pension rights, the proportion with less than 20 years of service was higher than the proportions in other industries—a reflection of the effect of differing eligibility requirements.

As pointed out earlier, the private pension lapse for women was higher than for men. The variation in pension receipt according to industry was similar for men and women.

### Occupation

The composite effect of differing requirements for benefits is also reflected in the occupational distribution of private pension gainers and losers. Table 14 shows no significant variation for men in pension qualification rates by occupation. Because of differences in the concentration of pension

TABLE 14.—Occupation and pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, occupation on longest job, and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
Professional and technical workers.....	24	9	91	8	9	9
Managers and officials.....	31	11	90	11	10	14
Clerical and sales workers.....	34	12	90	12	10	15
Craftsmen.....	81	29	93	29	7	25
Operatives.....	79	28	92	28	8	27
Service and household workers.....	11	4	93	4	7	3
Laborers and foremen.....	17	6	92	6	8	6
No response.....	3	1	91	1	9	1
Government employees with pension coverage on longest job, total reporting.....	81	100	95	100	5	100
Professional and technical workers.....	17	21	97	22	3	11
Managers and officials.....	8	10	98	10	2	3
Clerical and sales workers.....	10	13	95	13	5	11
Craftsmen.....	22	27	95	27	5	28
Operatives.....	7	9	90	9	10	17
Service and household workers.....	11	14	92	13	8	22
Laborers and foremen.....	4	5	93	5	7	8
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	-----
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
Professional and technical workers.....	11	11	85	12	15	10
Managers and officials.....	5	5	75	5	25	8
Clerical and sales workers.....	42	44	82	43	18	49
Craftsmen.....	3	3	89	3	11	2
Operatives.....	26	28	87	29	13	21
Service and household workers.....	6	6	80	6	20	8
Laborers and foremen.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	2
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	1
Government employees with pension coverage on longest job, total reporting.....	54	100	91	100	9	100
Professional and technical workers.....	28	53	93	54	7	41
Managers and officials.....	2	4	90	4	10	4
Clerical and sales workers.....	15	27	91	27	9	25
Craftsmen.....	( <sup>3</sup> )	1	( <sup>2</sup> )	1	( <sup>2</sup> )	-----
Operatives.....	2	3	( <sup>2</sup> )	3	( <sup>2</sup> )	1
Service and household workers.....	6	11	70	9	24	28
Laborers and foremen.....	( <sup>3</sup> )	1	( <sup>2</sup> )	1	( <sup>2</sup> )	-----
No response.....	1	1	( <sup>2</sup> )	1	( <sup>2</sup> )	1

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

<sup>2</sup> Not computed because base less than 2,000.

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

coverage among occupational groups, however, more than half the pension losers were craftsmen and operatives.

Women reported lower rates of qualification for pension benefits in various occupations because of factors previously mentioned. A smaller percentage of women classified as managers reported they would receive a pension: about 75 percent, compared with 82-89 percent for other occupational groups. About half of all women reporting lost pensions were in sales and clerical occupations, and one-fifth were operatives.

In contrast to private industry, government employment showed a higher proportion of men in unskilled and semiskilled blue-collar jobs who lost pensions than of white-collar workers and craftsmen. Though these blue-collar jobs accounted for only a fourth of government employment, they thus represented almost half of the persons reporting lost pensions from government jobs. Among women government employees, a fourth of those in service occupations did not receive benefits from their plan, compared with a range of 5-10 percent for other occupations.

## OASDHI Benefits

The distribution of private pension receivers by amount of their PIA under the OASDHI program shows that men with PIA's from \$55.10 to \$129.90 were more likely to lose private pensions than those with PIA's that were higher or those at the statutory minimum (table 15). The proportion receiving pensions was almost the same for men and for women with PIA's of \$130 or more, but at levels under \$100 a month pension receipt for women was at a substantially lower rate than it was for men.

Private pension coverage is concentrated among persons with high PIA's. Thus, most of the men reporting pension receipt from their longest job had a PIA of \$130 or more, and most of the women had PIA's of \$100 or more. The distribution of persons reporting lost pensions, by PIA amount, shows a fairly heavy concentration at the high PIA amounts for the same reason, but the proportion at lower PIA levels is much greater than that for persons reporting private pension receipt.

Among men with government jobs the rate of

TABLE 15.—Amount of PIA under OASDHI and pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968-December 1969 awards

Class of worker, PIA, and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
\$55.00.....	10	4	98	4	2	1
\$55.10-\$69.90.....	3	1	86	1	14	2
\$70.00-\$99.90.....	7	3	66	2	34	11
\$100.00-\$129.90.....	16	6	71	4	29	20
\$130.00-\$159.90.....	194	69	93	70	7	57
\$160.00 or more.....	50	18	96	19	4	9
Government employees with pension coverage on longest job, total reporting.....	81	100	95	100	5	100
\$55.00.....	15	19	98	19	2	6
\$55.10-\$69.90.....	7	8	97	8	3	4
\$70.00-\$99.90.....	15	18	89	17	11	40
\$100.00-\$129.90.....	9	12	91	11	9	21
\$130.00-\$159.90.....	29	36	96	36	4	26
\$160.00 or more.....	6	7	98	8	2	2
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
\$55.00.....	3	3	56	2	44	8
\$55.10-\$69.90.....	2	2	45	1	55	6
\$70.00-\$99.90.....	10	10	56	7	44	27
\$100.00-\$129.90.....	27	28	79	27	21	36
\$130.00-\$159.90.....	40	43	93	48	7	19
\$160.00 or more.....	13	14	95	16	5	4
Government employees with pension coverage on longest job, total reporting.....	54	100	91	100	9	100
\$55.00.....	8	16	85	15	15	25
\$55.10-\$69.90.....	2	4	84	4	16	7
\$70.00-\$99.90.....	7	12	78	10	22	28
\$100.00-\$129.90.....	8	15	81	13	19	29
\$130.00-\$159.90.....	17	32	97	35	3	11
\$160.00 or more.....	11	21	100	23	-----	-----

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

TABLE 16.—Race and pension receipt by private and government employees with pension coverage on longest job: Persons initially entitled to OASDHI retired-worker benefits, July 1968–December 1969 awards

Class of worker, race, and sex	Total <sup>1</sup>		Receiving or will receive benefits		Will not receive benefits	
	Number (in thousands)	Percentage distribution	Percent of total	Percentage distribution	Percent of total	Percentage distribution
<i>Men</i>						
Private employees with pension coverage on longest job, total reporting.....	280	100	92	100	8	100
White.....	264	94	92	94	8	94
Other races.....	16	6	92	6	8	6
Government employees with pension coverage on longest job, total reporting.....	81	100	95	100	5	100
White.....	75	93	96	93	4	80
Other races.....	6	7	84	7	16	20
<i>Women</i>						
Private employees with pension coverage on longest job, total reporting.....	94	100	83	100	17	100
White.....	90	96	84	96	16	95
Other races.....	4	4	80	4	20	5
Government employees with pension coverage on longest job, total reporting.....	54	100	91	100	9	100
White.....	51	95	90	95	10	98
Other races.....	3	5	95	5	5	2

<sup>1</sup> Excludes persons who did not respond or did not know about pension receipt.

pension receipt did not differ significantly with PIA level. For women, however, pension loss rates tended to be higher at PIA's under \$130.

### Race

Race did not appear to be a significant factor differentiating persons who qualified for pensions or those who lost pensions in private industry plans. Equal proportions (less than 10 percent) of white men and those of other races indicated that they would not receive a private pension from their pension-covered job (table 16). Among those covered by government pension plans on their longest job, however, white men were much less likely to lose their pensions. Fewer white women reported lost pensions on a private industry job, but the situation was reversed for those reporting lost pensions from government jobs. Since the number of women and of men of other races with pension coverage in government is so small, these differences may not be significant.

### Technical Note

The estimates presented here are based on data from the Survey of Newly Entitled Beneficiaries—one of the surveys undertaken by the Social Security Administration to study the retirement process. Data collection and tabulation operations were conducted by the Bureau of the Census. The selection of the sample from social security

records was performed by the Social Security Administration.

*Population.*—The SNEB universe consists of all persons initially awarded retired-worker benefits during each month from July 1968 to June 1970. To receive an initial retired-worker benefit award, an individual must: (1) be at least aged 62, (2) have earned insured status<sup>4</sup> from his own covered work experience, and (3) have filed a claim to establish his entitlement to retired-worker benefits. Disability beneficiaries, whose benefits are automatically converted to retired-worker benefits at age 65, are excluded from the SNEB universe.

*Sample design.*—The sample for SNEB was selected by means of a two-stage design. The first stage was the selection of a single primary sampling unit (PSU) from each of 100 strata by appropriate probability procedures. The selection of the PSU's was made by the Bureau of the Census as one of several combinations of the basic 357 PSU design of the Current Population Survey.<sup>5</sup> Each PSU comprises a single county or

<sup>4</sup> To be insured for retired-worker benefits, a man must have paid social security taxes in a number of calendar quarters equal to at least the number of years between 1950 and the year he reaches age 65 (age 62 for women). In 1969, a man aged 65 needed at least 18 calendar quarters of covered employment.

<sup>5</sup> For details on the Current Population Survey sampling procedures, a description of PSU's, stratification, and selection of first-stage units, see the Bureau of the Census, *The Current Population Survey—A Report on Methodology*, Technical Paper Number 7.

group of counties (town or group of towns in the New England States). Twenty-one of the PSU's used in the first stage consist of the counties comprising the 21 largest metropolitan areas. Each of these self-representing PSU's is identical to its stratum. The remaining metropolitan areas were grouped into 33 strata and one PSU (a single metropolitan area) selected from each stratum. The remaining counties not in metropolitan areas were grouped into 46 strata, and one PSU was selected to represent each such stratum.

The second stage of the sampling process was the monthly selection of new beneficiaries to whom questionnaires would be mailed. These are individuals who had been awarded retired-worker benefits for the first time during the preceding month and who resided in a sample PSU.

*Sample size.*—The size of the SNEB sample was originally set at about 3,200 cases a month, or 1 in 27 of the persons receiving retired-worker benefit awards each month. For the period July–December 1969 the sample was reduced to about 1,500 cases a month.

*Data collection.*—Questionnaires were mailed to persons in the sample by the end of the month following their benefit awards. A second questionnaire was mailed to those who did not respond to the first mailing within 2 weeks. A third questionnaire was sent by certified mail to those who did not respond within 4 weeks. These three mailings yielded about a 75-percent response (table I). The second and third mailings were

omitted for the December 1969 sample to avoid overlap with the 1970 decennial census.

Starting July 1969, mail responses were screened clerically for completeness of response to income questions. About two-thirds of the incomplete income reports were rectified by telephone follow-up. The remainder were included in the personal interview follow-up conducted at the end of each calendar quarter. The follow-up included, in addition to all respondents whose incomplete income reports were not corrected by telephone, a 50-percent random sample of persons who did not return the questionnaires or whose questionnaires were returned by the Post Office as undeliverable. (For the December 1969 sample, only a 25-percent random sample of nonrespondents was selected for personal interview.) Non-response cases selected for personal interview were weighted to include cases not chosen for the follow-up sample.

*Noninterview adjustment.*—The personal interview follow-up produced an effective response rate of about 91 percent for the period July–December 1969 (table I). To meet the minimum acceptance criteria for an adequate response, the person had to indicate his employment status. If he was not employed, he had to give a reason why he left his former job. The 8 percent who did not provide an adequate response include 7 percent who refused to participate in the survey.

In order to represent the nonrespondents, the originally assigned weights were adjusted by multiplying them by the reciprocal of the response ratio. To allow for possible variations in response rates, this adjustment was made for 12 sex, residence, age-at-entitlement, and payment-status groups separately for each calendar quarter of data.

TABLE I.—Response before and after personal interview follow-up,<sup>1</sup> July 1968–December 1969

Status of the questionnaire	Before personal interview follow-up <sup>2</sup>		After personal interview follow-up <sup>3</sup>	
	Number	Per cent	Number	Per cent
Total sample.....	48,664	100	48,664	100
Questionnaires with adequate response.....	36,142	74	44,435	91
Questionnaires without adequate response.....	2,582	5	3,895	8
Undeliverable.....	491	1	37	( <sup>4</sup> )
Deceased.....	290	1	432	1
Refusal.....	1,054	2	3,325	7
Failed quality check.....	<sup>5</sup> 715	1	66	( <sup>4</sup> )
Miscellaneous.....	32	( <sup>4</sup> )	36	( <sup>4</sup> )
Questionnaires not returned.....	9,940	20	334	1

<sup>1</sup> Does not reflect telephone and personal interview follow-up of inadequate income responses after July 1969.

<sup>2</sup> After a maximum of three mailings and a single mailing for December 1969.

<sup>3</sup> Undeliverable and nonresponse sample cases are weighted to include cases not chosen for the follow-up sample.

<sup>4</sup> Less than 0.5 percent.

<sup>5</sup> Estimated.

### Sampling Variability

Since the SNEB estimates are based on a sample, they may differ somewhat from the figures that would have been obtained if every person initially awarded retired-worker benefits during the period July 1968–December 1969 were included in the survey. In this survey, as in others, the results are also subject to errors due to response and nonreporting.

The standard error measures the sampling

variability of estimates—that is, the variations that occur by chance simply because a sample of the population rather than the population as a whole is surveyed. The chances are about 68 out of 100 that an estimate from the sample would differ by less than the standard error from the results based on the same procedures for the entire population. The chances are about 95 out of 100 that the differences would be less than twice the standard error.

*Estimated percentages.*—The standard error of an estimated percentage depends on the size of the percentage and the size of its base. Table II presents rough approximations of standard errors of estimated percentages for the survey period July 1968–December 1969. Linear interpolation applied to the base or the percentage or to both may be used to calculate the value of a standard error not specifically shown. For example:

In table 4, of the 64,000 men reporting they were managers and officials on their longest private wage and salary job, an estimated 52 percent reported that they had private pension coverage. Interpolating from table II, the estimated standard error is approximately 1.5 percent. Chances are 68 out of 100 that the proportion of managers and officials with private pension coverage is between 50.5 percent and 53.5 percent; the chances are 95 out of 100 that it is between 49 percent and 55 percent.

If it is necessary to compare two percentages to determine whether they differ by a statistically significant amount, the standard error of the difference can be approximated as the square root of the sum of the squares of the standard error of each of the percentages. For example:

The proportion of the 64,000 men reporting they were managers and officials with private pension coverage is 52 percent, and the proportion of the 62,000 men reporting they were laborers and foremen with pension coverage is 31 percent. The standard error for the first group is about 1.5 percent and the standard error for the second group is approximately 1.5 percent.

The sum of the squares of the two standard errors is 4.5, and the square root—the standard error of the difference—is 2.1 percent. Since the actual difference of 21 percentage points is much greater than twice the standard error of the difference, it is extremely likely that the difference is significant.

*Estimated medians.*—The sampling variability of an estimated median depends on the distribution as well as the size of the base. An approximate method for measuring the reliability of the

TABLE II.—Rough approximations of standard errors of estimated percentages of persons or married couples (68 chances out of 100), July 1968–December 1969

Size of base	Estimated percentages					
	2 or 98	5 or 95	10 or 90	20 or 80	40 or 60	50
5,000	1.5	2.4	3.4	4.4	5.4	5.5
10,000	1.1	1.7	2.3	3.1	3.8	3.9
25,000	0.7	1.1	1.5	2.0	2.4	2.5
50,000	0.5	0.8	1.1	1.4	1.7	1.7
100,000	0.4	0.5	0.7	1.0	1.2	1.2
150,000	0.3	0.4	0.6	0.8	1.0	1.0
200,000	0.3	0.4	0.5	0.7	0.9	0.9
250,000	0.2	0.3	0.5	0.6	0.8	0.8
300,000	0.2	0.3	0.4	0.6	0.7	0.7

estimated median is to determine an interval about the estimated median so that there is a stated degree of confidence that the true median lies within the limits.<sup>6</sup>

*Job questions.*—A job was defined as a period of continuous service with one employer, although the work might have changed, or in self-employment. The survey questionnaire asked the respondents to report on a maximum of three jobs they had ever held during their working life. For those working, questions were asked about their current job. If they had held their current job for less than 5 years, they were asked about their last job. If neither their current nor their last job was their longest, additional questions were asked about their longest job. For those not working, questions relating to their last job were asked. If that job was not their longest, questions were asked about their longest job.

For each reported job, questions were asked about pension coverage—whether or not they belonged to a pension plan other than OASDHI and, if so, whether they were receiving or expected to receive a pension from it. In addition, questions were asked about the kind of work they did on each job, the kind of business or industry it was located in, their earnings, and the length of employment.

Information about the reported jobs could then be combined in different ways. For purposes of the preceding article, determination of which of the reported jobs was the longest was made in tabulation and characteristics were summarized for all longest jobs, whether reported as current, last, or longest. “Most recent job” is defined as the current job for those still working or the last

<sup>6</sup> For an illustrative calculation of the confidence limits of a median, see Patience Lauriat and William Rabin, *op. cit.*, page 27.

one for those who have stopped working. But it must be kept in mind that when jobs are combined in this way they represent jobs held for varying periods and at different points in time. Extra caution is therefore required in interpreting the data on job characteristics.

### Response to the Survey

Because the large majority of questionnaires were completed by the respondents themselves and returned by mail, the incidence of omitted or incomplete responses may be relatively higher than it would have been if the survey were conducted by personal interview. In surveys—both those conducted by mail and those through personal interviews—the highest rates of nonresponse are among items related to current income.

Response to the pension questions was high for all types of wage and salary jobs, as the percentages below indicate.

Question	Total	Men	Women
Response to pension coverage on longest job.....	92	92	92
Response to pension receipt on longest job.....	90	91	89

The response rates for characteristics such as industry, occupation, duration on longest job, and interval since longest job were also high. The

rates for earnings on longest job, however, were generally slightly lower than those for pension coverage, as the following tabulation shows.

[Percent]

Type of worker and sex	Response rates on earnings for employees--		
	Total	Covered by pension plan	Not covered by pension plan
Men:			
Private employees.....	86	91	86
Government employees.....	89	93	83
Women:			
Private employees.....	81	88	83
Government employees.....	91	93	83

The income data from SNEB differ somewhat from those based on other surveys undertaken by the Social Security Administration. Usually data are presented on income received in a specified calendar year. For SNEB, however, income reports were obtained for varying reference periods, with the amounts reported to be converted to "annual rates." Earnings are reported by the hour, week, month, or year, at the option of the respondent. When the earnings are reported by the hour or week, the annual rate is obtained by applying the reported hours of work per week and/or number of weeks worked per year, as appropriate. Monthly earnings are multiplied by 12. The data presented in table 7 are estimated annual rates of earnings.