

Older workers (1954)

**MANAGEMENT POLICIES AND THE OLDER WORKER  
IN THE NEW ORLEANS AREA**

*by*

**HENRY J. ENGLER, JR.**



**FACULTY COMMITTEE ON RESEARCH  
COLLEGE OF BUSINESS ADMINISTRATION  
LOYOLA UNIVERSITY  
NEW ORLEANS, LOUISIANA**

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LOYOLA UNIVERSITY

NEW ORLEANS, LOUISIANA

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## CHAPTER I

### INTRODUCTION

If you are in business, it is probable that you employ people to assist you in the operation of your business. And if you employ people, you are familiar with the basic legal, moral and ethical responsibilities which businessmen must accept with respect to their employees. Businessmen are facing responsibilities in the fields of collective bargaining, unemployment compensation, pensions, various types of health and accident insurance, and virtually countless other areas, set at a minimum on one end by law, and expanding to huge employee benefit programs which serve as models in good employee relations.

It is with one of these areas of responsibilities that this publication is concerned; namely, the problems confronting the older worker in business. As late as 1920, only 7.5% of the population of the United States was in the 60 years and over age group. By 1930, the proportion had grown to 8.5%. Growth continued to 10.4% in 1940 -- 12.2% in 1950 -- and is projected to 13.4% in 1960; 14.7% in 1970; and 15.8% in 1980. In 1940, 7% of the population was 65 years or over. By 1960, it is estimated that the proportion will be 9.2%. (1)

Putting it simpler, people are reaching 65 at the rate of approximately 1,000 a day in the United States. And as a result, the 65 and over age group will increase by roughly 67% during the next 20 years.

What does this mean to the New Orleans businessman?

Generally, it has the same significance for the New Orleans businessman as it has for businessmen around the country. Pension burdens, whether publicly or privately financed, will increase. If compulsory retirement programs are expanded, it may mean a reduction in our available work force. Clothing manufacturers will face new problems in planning size and styles allocations of productions.

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(1) For a more detailed analysis of these trends on a local, state and national basis, see Chapter II. Those persons not interested in the statistical presentation and in broad considerations may skip Chapter II.

Vacation resorts will be faced with different demands for recreation facilities. The list could be expanded indefinitely. But our concern in this project is with a different type of problem.

We need to study the problems of the older worker with respect to their effects on company policy as determined by management decisions. And, even more basically, we need to determine if these problems are recognized in the New Orleans area.

The Committee on Research of the College of Business Administration, Loyola University of the South, aided by a grant from the Carnegie Foundation, undertook a pilot study to discover what was being done for and about the older worker in the New Orleans area.

It was determined that the study would be limited to:

1. Business owned locally (or, if incorporated, whose capital stock is largely locally owned). It was felt that local offices of national organizations often followed policies established on a national basis, and that this did not involve local recognition of local problems. Government agencies were also eliminated from this study.
2. Businesses operated within the New Orleans Metropolitan Area. Valid sampling required that local retail establishments be selected in categories. The breakdown followed was the one set forth in the reports of retail sales taxes paid in Orleans Parish. Wholesale, service and manufacturing categories were established for the New Orleans Metropolitan area too. <sup>(2)</sup>

The size of the establishment was originally to be the determinant of separate categories of classification. However, this procedure was modified, and samples were based on the type of operation, with results averaged through individual businesses selected within the sample on the basis of size representation within this particular category. For example, if a particular group of retail establishments consisted of 100 separate businesses of which 20 were large, 60 of "average" size (based on modal tendencies) and 20 were small, the sample taken would consist of 20% big establishments, 60% average sized establishments and 20% small establishments.

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<sup>(2)</sup> These qualifications are important, for they have served to limit the number of businesses surveyed. When statistical exhibits are employed in the following chapters, it will appear that these are not representative of actual conditions because many readers will mentally review their experiences with pension planning and long service recognition. But reflection based on the qualifications set forth above, will show that a great deal of our familiarity with such policies stems from our knowledge of the policies of local units of national organizations.

Samples were usually set at 5%, which should give a reasonable representative picture for each category. However, where a particular category of businesses was found to consist of establishments with relatively few common characteristics, larger samples were selected.

The material of this booklet is presented in condensed form. In most cases the data for the tables and statistical exhibits prepared for presentation in this report have been digested and the findings presented as a part of the text of the report, rather than as separate exhibits to which references are made. It is believed that this makes the booklet more readable.

In preparing this booklet, every known available reference of current value was reviewed. Professor Allen Boudreaux, Chairman of the Library Committee of the Loyola College of Business Administration, and Mr. James Dyson, Librarian of Loyola University were of great assistance in this phase of the study. Mr. Gene Hymel and Mr. Patrick Breeden, Research Assistants, also participated in this basic research.

A questionnaire was then prepared covering four areas of study. (A copy of this questionnaire appears as Appendix A of this booklet.)<sup>(3)</sup> These questionnaires were completed for selected businesses in each category through personal interviews by members of the University Research Staff. Mr. Gene Hymel and Mr. Maurice Landrieu supervised this phase of the study.

The data from completed questionnaires was tabulated and the results analyzed by Mr. Ben Bridgeman and Mr. Pat Breeden. In all cases where the results were inconclusive, a second group of interviews was employed for purposes of clarification.<sup>(4)</sup>

The final results as interpreted are presented in the following

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<sup>(3)</sup>There are two purposes in presenting this questionnaire form: 1. It will serve to indicate the scope of the study, and the specific categories for which information was sought. 2. More important, it will serve as a check list for those businessmen who might like to review their own policies with respect to policies affecting older workers. The Research Committee of the College of Business Administration, Loyola University will be pleased to consult with any local business manager who wishes to employ the questionnaire in a self-audit. Space does not permit a complete tabulation of all returns to permit each manager to effect his own comparisons.

<sup>(4)</sup>Included in this re-survey was a comprehensive statistical analysis of population data for New Orleans, Louisiana, and the United States. Miss Betty Hanford of the College of Business Administration performed a major portion of this analysis. She also typed the entire manuscript.

pages. It must be remembered that this is a pilot study. Although the sampling technique employed is qualitatively sound, in many cases, the number of samples could have been larger. Furthermore, in our attempt to do justice to the respective categories - as was explained above -- the relative size of the samples varied from category to category, so that it is impossible to establish totals which can be construed to represent the community as a whole. But this is felt to be no weakness, since overall totals would be of little value to men in particular lines of business. Comparisons may be made among various categories which should afford a basis for rough measurements.

As in preceding studies published by the Committee on Research of the College of Business Administration of Loyola University, care has been taken to avoid giving ready-made, packaged answers and advice. Instead, it is hoped that you will find in the pages that follow facts and data that should prove helpful to you in clarifying your thinking with respect to what you should or can do about the older workers in your organization. (5)

The author wishes to express his thanks and the thanks of the Committee on Research to the personnel and proprietors of the various businesses of New Orleans who gave so much of their time to provide us with the information from which this project was developed. Without their cooperation it would not have been possible to complete the work. We regret that the confidential status of the individual reports restrains us from publishing all of their names. (6)

Special thanks are due to the Rev. James Whalen, S. J., who furnished advice and assistance in planning the project; to Dean John V. Connor of the College of Business Administration of Loyola University, who furnished considerable personal and administrative assistance, and to Professor Harold Miller of the Loyola Faculty - now Director of

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(5) The questionnaires included in Appendix A may be employed by businessmen as a rough check list of policies which might be considered in analyzing the needs of older workers in their respective companies.

(6) A special acknowledgement must be given to Mr. Byron Atwood, President, Atwood and Morrill Company of Salem, Massachusetts. Mr. Atwood permitted the author and two associates to conduct an intensive study of the older worker problems in his plant. It was from the experiences in that study that a great portion of our basic questionnaire was developed. Mr. Atwood's advice and assistance made it possible to develop a questionnaire which could be accomplished with a minimum of difficulty by businessmen not familiar with the technical phases of the study.

**Research and Sales Promotion for the New Orleans Item - who reviewed the basic questionnaires and gave valuable advice as to their improvement and to the development of the pattern of analysis followed in preparing and interpreting the primary data.**

## CHAPTER II

### THE BACKGROUND OF THE PROBLEM OF THE OLDER WORKER IN INDUSTRY AND THE METHODOLOGY OF THIS STUDY

#### A. The United States

The first step taken in studying the problem of executive decisions and policy making directed toward the older worker was to review briefly the national picture with respect to changes in the composition of the population by age groups. Exhibit 1 was prepared, using the United States Census reports as a reference, to present changes in the composition of the population (by census years) from 1880 to 1950. In 1880, 3.4% of our population <sup>(1)</sup> was 65 years old and older. In the forty year period ending in 1920, this group had increased to 4.7% of the total, but by 1950 the group had nearly doubled, constituting 8.2% of the population. The next lower age group selected, the 60 to 64 year old group, had increased from 2.2% of the population to 4.0% while the major feeder group for the higher age brackets, the 45 to 59 year old group, had grown from 10.4% of the total to 16.3% in 1950.

The losses are most noticeable in the under 15 years old group, which was 38.1% of the population in 1880, but had declined to 25% by 1940. The so called "war babies" and the post war babies of the 1940's helped to reverse the trend, for the 1950 census shows that this group increased slightly so that it accounted for 26.9% of the total population. But we cannot be certain that this is truly a continuing reversal; it may be only a bulge which will disappear as normal living patterns return.

Actually, the change in the composition of the population can be seen in a nutshell by reviewing the changes in the median age of the population. In Exhibit 1, it will be seen that the median age had increased from 20.9 years in 1880 to 30.2 years in 1950. The median age even increased in the period from 1940 to 1950 when we found an

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(1) Throughout this section, the report will be made in terms of percentages and percentage changes. The actual figures are so large that they are difficult to visualize for comparative purposes. However, the actual figures are reported in Exhibit 1 for those persons interested in absolute data.

absolute and a relative increase in the size of the 15 year old and under group -- a clear demonstration that the population as a whole is growing older.

### B. Louisiana

The second step in preparing for the local study was to narrow the focus down to determine whether the situation in Louisiana was similar to that of the rest of the country, or whether we were running counter to the trend. Our attention was turned to the Census Reports again, particularly to the General Characteristics of the Louisiana population. The findings are presented in Exhibit 2.

As a whole, the population of Louisiana was found to be aging along with the rest of the country, but that consistently the Louisiana population was younger; growing older at not quite as rapid a rate as the country. In 1880, 2.7% of the Louisiana population against 3.4% of the United States population was 65 years or older; by 1920, this group had grown to 3.3% of the Louisiana population, against 4.7% of the United States population. In the last census, 6.5% of the Louisiana population was 65 years or older, while the United States group had grown to 8.2%.

Other age groups show the older groups increasing but not at as rapid a rate as for the country as a whole. The youngest group -- 15 years and under -- fits the same pattern of decline as that of the total population, but at a higher level. The Louisiana group declined from 42.9% in 1880 to 29.7% in 1940, but increased to 31.6% in 1950. This bears out the earlier observation that Louisiana seems to be a relatively "young" state. (2) Certainly, the median age for Louisiana is much lower than that of the majority of the states.

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(2) As a by-product of the research on this project it seemed to be apparent that Louisiana was a younger state than many of the other states. The time required for the research for this study did not permit much work in related fields, however, the researchers felt that a tentative analysis should be made of Louisiana's position in this respect. Accordingly, Exhibit 3 was prepared, showing a simple ranking of the median ages of the states for 1950. The highest median age, 33.7 years was found in New York, and the lowest 23.6 years, was found in South Carolina. Louisiana ranked 41, being younger than 40% of the states. Only eight states revealed lower median ages.

In the limited time available, the researchers could take time only to present this data, with the hope that other workers might delve into the significance of this position of our state. A hasty evaluation would lead us to the belief that this is a favorable position for Louisiana.

EXHIBIT 1

AGE OF THE POPULATION OF THE UNITED STATES: 1880 to 1950

Age	1880		1890		1900		1910		1920		1930		1940		1950	
	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.								
<b>Under</b>																
15 years	19,109,362	38.1	22,242,200	35.5	26,124,985	34.4	29,499,136	32.1	33,612,442	31.8	36,056,876	29.4	32,972,081	25.0	40,482,524	26.9
15 to 44	23,017,981	45.8	29,612,325	47.3	36,188,532	47.6	44,930,462	48.9	49,986,099	47.3	58,575,362	47.7	63,593,604	48.3	67,308,052	44.6
45 to 59	5,200,762	10.4	6,730,238	10.8	8,608,613	11.3	11,156,939	12.1	14,047,617	13.4	17,663,760	14.4	21,355,936	16.2	24,577,773	16.3
60 to 64	1,104,219	2.2	1,458,034	2.3	1,791,363	2.4	2,267,150	2.5	2,982,548	2.8	3,751,221	3.1	4,728,340	3.6	6,059,475	4.0
65 and over	1,723,459	3.4	2,417,288	3.8	3,080,498	4.1	3,949,524	4.3	4,933,215	4.7	6,633,805	5.5	9,019,314	6.9	12,269,537	8.2
(60 and over)	(2,827,678)	(5.6)	(3,875,322)	(6.1)	(4,871,861)	(6.5)	(6,216,674)	(6.8)	(7,915,763)	(7.5)	(10,385,026)	(8.6)	(13,747,654)	(10.5)	(18,329,012)	(12.2)
<b>*</b>	50,155,783	99.9	62,460,085	99.7	75,793,991	99.8	91,803,211	99.9	105,561,921	100.0	122,681,024	100.1	131,669,275	100.0	150,697,361	100.0
<b>Median Age</b>	20.9		22.0		22.9		24.1		25.3		26.5		29.0		30.2	

\*Note: "Not Reported" section of Table 39 has been eliminated from this presentation. As a result these totals and percentage distributions will differ from the census totals, but by less than 00.3%, for all census years prior to 1930.

Source: 1950 U. S. Census of Population

U. S. Summary, General Characteristics, Table 39.

EXHIBIT 2

AGE OF THE POPULATION OF LOUISIANA: 1880 to 1950

Age	1880		1890		1900		1910		1920		1930		1940		1950	
	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.	Total	% Dist.
Under 15 years	402,862	42.9	469,622	41.9	560,646	40.6	636,603	38.4	651,670	36.2	706,356	33.6	702,439	29.7	844,930	31.6
15 to 44	404,585	43.0	490,482	43.9	625,159	45.3	780,151	47.2	853,019	47.5	1,016,600	48.4	1,168,799	49.6	1,195,984	44.5
45 to 59	88,597	9.5	102,707	9.1	127,337	9.2	153,500	9.3	193,505	10.8	255,624	12.2	310,278	13.1	384,370	14.3
60 to 64	19,088	2.0	20,986	1.9	25,054	1.8	31,415	1.9	36,547	2.0	46,358	2.2	63,361	2.7	81,383	3.0
65 and over	24,894	2.7	32,369	2.9	40,223	2.9	49,733	3.0	59,443	3.3	75,850	3.6	119,003	5.0	176,849	6.5
(60 and over)	(43,982)	(4.7)	(53,355)	(4.8)	(65,277)	(4.7)	(81,148)	(4.9)	(95,990)	(5.3)	(122,208)	(5.8)	(182,364)	(7.7)	(258,232)	(9.5)
* Median Age	19.0		18.6		19.4		20.4		21.7		23.1		25.5		26.7	
	940,026	100.1	1,116,166	99.7	1,378,419	99.8	1,651,402	99.8	1,794,184	99.8	2,100,788	100.0	2,363,880	100.1	2,683,516	99.9

\* Note: "Not Reported" section of Table 16 has been eliminated from this presentation. As a result these totals and percentage distributions will differ from the census totals, but by less than 00.3%, for all census years prior to 1930.

Source: 1950 U. S. Census of Population  
Louisiana, General Characteristics, Table 16.

EXHIBIT 3

## MEDIAN AGE OF THE POPULATION BY STATES FOR 1950

<u>State</u>	<u>Median Age</u>	<u>State</u>	<u>Median Age</u>
New York	33.7	Arizona	26.8
New Jersey	32.9	Louisiana	26.7
Massachusetts	32.8	West Virginia	26.3
Connecticut	32.7	Georgia	26.2
Illinois	32.7	Alabama	25.5
District of Columbia	32.6	Utah	25.1
Missouri	32.6	North Carolina	25.0
New Hampshire	32.3	Mississippi	24.6
California	32.1	New Mexico	24.0
Nevada	31.7	South Carolina	23.6
Rhode Island	31.7		
Oregon	31.6		
Pennsylvania	31.3	U.S. Population Census, 1950, Table (Random)	
Delaware	31.2		
Ohio	31.2		
Kansas	31.1		
Iowa	31.0		
Nebraska	31.0		
Wisconsin	31.0		
Florida	30.9		
Washington	30.9		
Minnesota	30.6		
Indiana	30.4		
Maine	30.0		
Vermont	30.0		
Montana	29.9		
Michigan	29.8		
Maryland	29.7		
Colorado	29.5		
Oklahoma	28.9		
South Dakota	28.6		
Texas	27.9		
Wyoming	27.9		
Idaho	27.4		
Tennessee	27.3		
Virginia	27.3		
North Dakota	27.1		
Kentucky	27.0		
Arkansas	26.9		

So it is demonstrated that the increasing proportion of older persons in the total population is also evident in the population of the State of Louisiana. However, the increase is not as great as that of the rest of the country, and that may be one of the reasons for the scarcity of the responses to our questionnaires as will be seen in the chapters that follow.

### C. The New Orleans Area

Since the prime focus of the study was the Metropolitan Area of New Orleans, the study was next narrowed down to determine whether the problem of the increasing proportion of older persons was prevalent in the area to be surveyed. For comparative purposes two exhibits were prepared: Exhibit 4 which provides for a comparison of the change in the composition of the population of the United States, Louisiana, and Metropolitan New Orleans for the Census years 1940 and 1950; and Exhibit 5, which presents the age of the population of New Orleans for the census years 1900 through 1950.

Two statistical problems made it necessary to employ the two exhibits. In the first place, the age distribution for cities was reported in different groupings prior to 1940, so that comparison with current figures is difficult. That is the reason why Exhibits 4A and 4B were prepared. The second problem had to do with the reporting of data for the Metropolitan Area of New Orleans. Prior to 1940, it was difficult to get data which would be comparable to that reported for the tri-parish area after 1930. So Exhibit 5 was prepared, reporting the changes in the distribution of age groups for the City of New Orleans. This makes possible the evaluation of long term trends.

On the basis of the figures of Exhibit 4A and 4B, it seems clear that New Orleans' aging population is a smaller proportion of its total population than is the case for the United States. However, the picture for New Orleans is not quite as favorable as that of Louisiana. For example, in 1950 the proportion of the population 65 years and over was 8.2% for the United States, 6.5% for Louisiana and 6.7% for Metropolitan New Orleans. For New Orleans proper, the proportion was 7.1%, which indicates that the nearby parishes enjoy a more favorable population distribution.

Changing our frame of reference to the long run trend, we find the 65 and over age group increasing from 3.8% in 1900 to 7.1% in 1950, which is also more favorable than the United States as a whole, but slightly less favorable than Louisiana's pattern of change. The fact that the age groupings are not strictly comparable makes it impossible to establish definite relationships in the national, state, and municipal pattern of change. But it is evident by roughly relating the groups, that the relationship of the age 65 and over group is

## EXHIBIT 4A

Age	Age of the Population of The United States: 1950 <sup>1</sup>		Age of the Population of <sup>2</sup> Louisiana: 1950		Age of the Standard Metropolitan Area of <sup>3</sup> New Orleans: 1950	
	Total	Percentage Distribution	Total	Percentage Distribution	Total	Percentage Distribution
Under 15 years	40,482,524	26.9	844,930	31.6	178,558	26.1
15 to 44 years	67,308,052	44.6	1,195,984	44.5	323,398	47.2
45 to 59 years	24,577,773	16.3	384,370	14.3	114,720	16.7
60 to 64 years	6,059,475	4.0	81,383	3.0	23,089	3.4
65 and over	12,269,537	8.2	176,849	6.5	45,640	6.7
(60 and over)	(18,329,012)	(12.2)	(258,232)	(9.5)	(68,729)	(10.1)
	150,697,361	100.3	2,683,516	99.9	685,405	100.1

<sup>1</sup>1950 U.S. Census of Population

U.S. Summary, General Characteristics, Table 37.

<sup>2</sup>1950 U.S. Census of Population

Louisiana, General Characteristics, Table 15.

<sup>3</sup>1950 U.S. Census of Population

Louisiana, General Characteristics, Table 33.

## EXHIBIT 4B

Age	Age of the Population of The United States: 1940 <sup>1</sup>		Age of the Population of <sup>2</sup> Louisiana: 1940		Age of the Standard Metropolitan Area of <sup>3</sup> New Orleans: 1940	
	Total	Percentage Distribution	Total	Percentage Distribution	Total	Percentage Distribution
Under 15 years	32,972,081	25.0	702,439	29.7	125,690	22.8
15 to 44 years	63,593,604	48.3	1,168,799	49.6	290,033	52.5
45 to 59 years	21,355,936	16.2	310,278	13.1	87,552	15.8
60 to 64 years	4,728,340	3.6	63,361	2.7	17,494	3.2
65 and over	9,019,314	6.9	119,003	5.0	31,475	5.7
(60 and over)	(13,747,654)	(10.5)	(182,364)	(7.7)	(48,969)	(8.9)
	131,669,275	100.0	2,363,880	100.1	552,244	100.0

<sup>1</sup>1940 U.S. Census of Population

U.S. Summary, General Characteristics, Table 39.

<sup>2</sup>1940 U.S. Census of Population

Louisiana, General Characteristics, Table 16.

<sup>3</sup>1940 U.S. Census of Population

Louisiana, General Characteristics, Table 33.

EXHIBIT 5

AGE OF THE POPULATION OF NEW ORLEANS: 1900 to 1950

	1950*		1940**		1930***		1920#		1910##		1900###	
	Number	%										
<b>Total</b>	570,445	100.00	494,537	100.00	458,762	100.00	387,219	100.00	339,075	100.00	287,104	100.00
Under 5	60,111	10.54	33,084	6.69	38,588	8.41	32,383	8.36	32,047	9.45	30,064	10.47
5-9	45,561	7.99	34,297	6.94	43,327	9.44	34,934	9.02	32,030	9.45	31,208	10.87
10-14	35,542	6.23	41,335	8.36	37,226	8.11	35,407	9.14	32,046	9.45	29,363	10.23
15-19	36,005	6.31	45,686	9.24	40,370	8.79	36,379	9.40	33,843	9.98	28,013	9.76
20-24	47,753	8.37	41,997	8.49	46,363	10.10	41,115	10.62	35,560	10.49	29,126	10.15
25-34	95,930	16.82	90,912	18.38	85,886	18.72	72,343	18.68	61,653	18.18	51,460	17.92
35-44	88,806	15.57	81,972	16.58	69,592	15.17	57,756	14.92	48,755	14.38	37,394	13.02
45-64	120,037	21.04	96,261	19.46	78,275	17.06	61,792	15.96	48,291	14.24	39,400	13.72
65 and over	40,700	7.13	28,993	5.86	18,916	4.15	14,329	3.70	12,892	3.80	10,805	3.76
Unknown	-	-	-	-	219	.05	781	.20	1,958	.58	271	.10

\*1950 U.S. Population Census, Table 41.

\*\*1950 U.S. Population Census, Table 41.

\*\*\*1930 U.S. Population Census, Table 11.

#1920 U.S. Population Census, Table 8, and Table 16.

##1910 U.S. Population Census, Table 13.

###1900 U.S. Population Census, Table 9.

about the same for all other groups -- namely, that New Orleans is typically younger than the United States as a whole -- age group for age group -- but that it is slightly older than Louisiana as a whole.

#### D. Methodology of the Study

Once it was demonstrated that New Orleans faced the same general problem of showing an increase in the proportion of older people in its population, it was determined that there was a justification for studying New Orleans business policies to see if they took cognizance of this problem. Accordingly, the questionnaire discussed in Chapter I (and included as Appendix A of the study) was prepared, and a program of selective sampling was developed.

At the beginning, it was hoped that a 5% sample would afford a high degree of reliability in conducting a representative study. But as the sampling schedules were prepared, it was noticed that there was very little homogeneity in the samples so that even though a larger sample might be studied, the degree of reliability would not be proportionally increased. It was decided to continue using an overall 5% sample, with higher samples taken in areas where businesses were greatly dissimilar and a lower proportion taken in areas of great similarity in sizes and types of firms.

As a result, the "general" reliability should be such that for any of the four categories reported, in 60 out of 100 cases, the findings would fit the patterns reported. However, this does not hold true for the totals, for the totals are reported as straight data, with no attempt to weight the separate numbers which have been accumulated into the total. Therefore, if one wishes to utilize the totals "roughly" it would not be practical to consider them as consisting of a number of firms which might fit the pattern in some 60 out of 100 cases.

The actual sampling was based on two sets of reported figures. For the retail, wholesale, and service fields, samples were based on the categories reported in the monthly statement of the City of New Orleans Sales Tax Collections shown by Industry Classifications. <sup>(3)</sup>

It was necessary to make certain arbitrary adjustments, as the wholesale category reported in the statement is smaller than it would be if established on the basis of businesses engaged predominantly in wholesale operations. The service group was considered without change. The consideration of sizes was based on observation during the survey and is less accurate than the size distribution developed for the manufacturing and processing fields. However, since the entire study is a pilot study which has called for rather arbitrary procedures in its development, it was not felt that these slight discrepancies mattered.

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<sup>(3)</sup>See Exhibit 6.

## STATEMENT OF CITY OF NEW ORLEANS SALES TAX COLLECTIONS SHOWN BY INDUSTRY CLASSIFICATION

COLLECTED IN DECEMBER 1953 BASED ON SALES MADE IN NOVEMBER 1953

RELEASED BY CITY OF NEW ORLEANS MISCELLANEOUS REVENUE DIVISION

<u>CLASSIFICATION</u>	<u>NO. OF RETAIL OUTLETS</u>	<u>AMOUNT COLLECTED</u>
<u>FOOD GROUP</u>		
Grocery Stores	1117	38,580.61
Grocery Stores and Bar Combination	423	37,822.20
Fruit Stores and Vegetable Markets	77	1,260.28
Meat and Seafood Markets	271	5,185.58
Restaurants and Cafes	1279	29,797.31
Package Goods Stores (alcoholic)	114	3,891.39
Beer Parlors	308	1,391.95
Saloons - Bars - Nightclubs	787	18,038.45
Dairy Products and Egg and Poultry Dealers	341	5,041.21
Bakeries	114	3,231.20
Candy - Nut Stores	192	1,617.26
Foods not otherwise indexed by name	235	2,790.89
Total Food Group	<u>5258</u>	<u>148,648.33</u>
<u>APPAREL GROUP</u>		
Men and Boys Clothing and Furnishing Stores	209	13,103.91
Women's Ready-to-Wear Stores	70	17,692.83
Hatline and Accessory Specialty Stores	21	1,140.43
Shoe Stores	216	8,798.43
Apparel not otherwise indexed by name	<u>346</u>	<u>7,648.03</u>
Total Apparel Group	<u>862</u>	<u>48,383.63</u>
<u>GENERAL MERCHANDISE GROUP</u>		
Department Stores - Dry Goods	70	71,560.37
Variety Stores - 5¢ to \$1.00	78	13,529.29
Drug Stores	315	20,747.48
Jewelry - Leather Goods - Sporting Goods Stores	210	7,580.86
Feed and Seed Stores	21	782.19
Hardware Stores	305	16,540.03
Farm Implement Dealers	11	986.38
General Merchandise not otherwise indexed by name	<u>196</u>	<u>5,114.98</u>
Total Merchandise Group	<u>1206</u>	<u>136,841.58</u>
<u>AUTOMOTIVE GROUP</u>		
Motor Vehicle Dealers - New and Used Cars	198	36,628.79
Automotive Parts, Accessories, Tire & Battery Dealers	190	8,222.69
Service Stations - Gas, Oil, Etc.	581	8,051.61
Garages, Repair Shops	214	1,856.59
Automotive not otherwise indexed by name	<u>50</u>	<u>510.61</u>
Total Automotive Group	<u>1233</u>	<u>55,270.29</u>
<u>FURNITURE, HOME FURNISHING AND EQUIPMENT GROUP</u>		
Furniture Stores	204	17,669.73
Appliance Stores and Radio Dealers	206	18,977.42
Store, School and Office Furniture and Equipment	140	5,525.04
Furniture, and Home Equipment not otherwise indexed by name	<u>139</u>	<u>2,192.22</u>
Total Furniture Group	<u>689</u>	<u>42,364.41</u>
<u>LUMBER - BUILDING MATERIALS GROUP</u>		
Lumber, Building Material, Paint & Wallpaper	186	16,321.20
Electrical, Plumbing & Heating Materials	131	20,389.19
Air Conditioning and Sprinkler Systems	50	1,213.61
Lumber, Building Materials not otherwise indexed by name	<u>59</u>	<u>4,841.02</u>
Total Lumber Group	<u>426</u>	<u>42,765.02</u>
<u>MISCELLANEOUS SERVICE GROUP</u>		
Leasing or Renting Tangible Personal Property	81	4,561.10
Machine Shops and Foundries	140	2,465.28
Cold Storage Space and Service	21	40.37
Hotels, Tourist Camps, Etc.	223	13,627.70
Laundry, Cleaning, Pressing and Dyeing	553	7,678.84
Theatres, Places of Amusement	77	5,389.43
Miscellaneous not otherwise indexed by name	<u>185</u>	<u>3,982.57</u>
Total Miscellaneous Service Group	<u>1280</u>	<u>37,745.29</u>
<u>MANUFACTURERS GROUP</u>		
Beverage Bottlers	11	2,851.98
Sawmills, Planing Mills, Sash & Door Manufacturers	44	1,236.53
Ice Manufacturers	22	474.17
Manufacturers not otherwise indexed by name	<u>146</u>	<u>6,241.86</u>
Total Manufacturers Group	<u>223</u>	<u>10,804.54</u>
<u>MISCELLANEOUS GROUP</u>		
Book Stores, Stationery Shops and Printers	98	4,855.99
Piano and Musical Instruments Stores	60	2,018.16
Iron, Sheet Metal - Junk Yards	29	889.27
Photo Studios, Photographers, Photostats, Blue Prints, Etc.	98	3,980.10
Cigar Stores and Newsstands	55	1,903.86
Florists and Nurseries	99	1,835.62
Funeral Parlors - Undertakers	41	1,273.83
Mule, Horse and other Livestock	17	217.47
Miscellaneous - not otherwise indexed by name	<u>255</u>	<u>6,405.92</u>
Total Miscellaneous Group	<u>752</u>	<u>23,380.29</u>
<u>WHOLESALE GROUPS</u>		
Wholesalers	<u>226</u>	<u>14.86</u>
<u>USE TAX ONLY</u>		
	<u>310</u>	<u>12,959.48</u>
<u>OCCASIONAL</u>		
		<u>393.35</u>
TOTAL ALL GROUPS	<u>12,465</u>	<u>562,571.07</u>

The samples for the manufacturing and processing categories were based upon the distribution by industry group of certain sizes of establishments in the Metropolitan New Orleans Area. This is included as Exhibit 7, from the 1947 Census of Manufacturers, and provides a basis for effective surveying of the field. Although it was hoped at the beginning that the report could be broken down by industry groups, the scarcity of the information collected during the survey rendered such an elaborate breakdown impossible; thus the report is based on the lumping together of all data developed from manufacturing and processing fields.

#### E. Summary

Once it was demonstrated that a problem existed in this area and a set of samples was selected, the actual field interviewing was begun. After several months, the actual results were tabulated and they are presented in the following chapters.

E X H I B I T 7

TOTAL NUMBER OF MANUFACTURING AND PROCESSING ESTABLISHMENTS  
IN METROPOLITAN NEW ORLEANS AREA (BY SIZE AND INDUSTRY GROUP) IN 1947

Parish & Size of Group	Total No. of Establishments	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39
		Food and Kindred Products	Tobacco Manufacture & Curing	Textiles and Mill Products	Apparel and Related Products	Lumber and Products, Except Furniture	Furniture and Fixtures	Paper and Allied Products	Printing and Publishing Industries	Chemical and Allied Products	Petroleum and Coal Products	Rubber Products	Leather, Fur, and Products	Stone, Clay, and Glass Products	Primary Metal Industry	Fabricated Metal Products	Machinery, Except Electrical	Electrical Machinery	Transportation Equipment	Instruments and Related Products	Miscellaneous Manufacturing
<b>ORLEANS</b>																					
1-19 Employees	400	118	3	3	18	19	13	6	99	35	-	-	4	14	1	22	10	2	7	2	24
20-99 Employees	169	70	1	3	24	7	11	3	13	7	-	-	-	5	2	9	3	-	7	2	2
100 Employees & over	74	21	2	2	14	1	2	4	2	2	1	-	-	2	2	6	-	-	11	-	2
Total	643	209	6	8	56	27	26	13	114	44	1	-	4	21	5	37	13	2	25	4	28
<b>JEFFERSON</b>																					
1-19 Employees	28	7	-	-	1	4	1	1	2	3	1	-	-	1	-	2	1	-	4	-	-
20-99 Employees	27	4	-	-	2	8	-	-	-	5	2	-	-	1	1	3	-	-	1	-	-
100 Employees & over	17	5	-	-	-	2	-	3	-	3	2	-	-	-	-	1	-	-	1	-	-
Total	72	16	-	-	3	14	1	4	2	11	5	-	-	2	1	6	1	-	6	-	-
<b>ST. BERNARD</b>																					
1-19 Employees	3	2	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
20-99 Employees	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
100 Employees & over	5	3	-	-	-	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Total	9	5	-	-	-	1	-	-	-	2	1	-	-	-	-	-	-	-	-	-	-
Metropolitan Area Total	724	230	6	8	59	42	27	17	116	57	7	-	4	23	6	43	14	2	31	4	28

CHAPTER III  
RECOGNITION FOR LONG SERVICE

In conducting the primary research for the project, it was determined that there are a number of general policy decisions which the management of a firm can make with respect to its older workers. There are decisions concerning the development of manning tables to provide for the training of younger employees to replace employees due for retirement. There is the problem of establishing a policy for placing older workers in less arduous or less dangerous positions than they have occupied. But among these and other policy problems, there are four which follow a reasonably chronological pattern in their development as management begins to acknowledge the special consideration which must be accorded the older workers in the industrial community. The first of these is the decision to recognize or reward long service by employees. <sup>(1)</sup>

The custom of making special awards for long service by employees is an accepted pattern of behavior on the part of a great number of business managers. Besides serving as a recognition of the contributions of the honored persons to the success of their employer, such awards are generally believed to be good for employee morale since they are evidences of the employer's appreciation of the services of all employees. In the community, acknowledgement of long service generates favorable public relations. It demonstrates the employer's interest in his employees and, of more significance, establishes the firm as a good place to work, since the employees -- once hired -- tend to remain in their positions.

The pioneer studies in this area have been made by the National Industrial Conference Board. <sup>(2)</sup> Their publication was used

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<sup>(1)</sup> So-called "long service" awards are made on a graduated basis, frequently beginning after five years of service. Thus, an employee need not be "old" to be recognized for long service. However, there is a positive correlation between age and length of service in the great majority of firms employing more than fifty employees. And for this reason, service awards have been included in this study as a decision concerned with older employees.

<sup>(2)</sup> Recognition for Long Service, Conference Board Reports, Studies in Personnel Policy, No. 106.

as a guide in the formulation of the first questionnaire of this study. Modifications were made in favor of brevity and local conditions. <sup>(3)</sup>(4)

#### A. Retail Field - 375 samples.

In the retail field, it was found that 8% of the firms surveyed gave formal recognition for long service by their employees. With few exceptions, these firms were employers of more than 25 persons. Awards are made on the basis of company wide service. Only one firm made its awards on the basis of service in particular departments.

Of the firms which recognized long service, 50% employed non-monetary awards, <sup>(5)</sup>17% gave monetary awards, 18% gave extra privileges, and 20% gave increased job security to long service employees. (The fact that these totals exceed 100% is occasioned by the fact that a few firms combine these awards for long service.)

The experiences of these retail firms indicate that employee preferences for service awards are divided nearly equally among non-monetary awards, monetary awards and increased job security.

Of these thirty firms making long service awards, twenty considered all of their employees service in making awards, regardless of breaks in continuity of employment. The remaining ten recognized only continuous service. However, where breaks in service were the result of a discharge, no firm recognized the prior service.

Surveys similar to this one, conducted in other sections of the country, have revealed that some few business firms organize service clubs, to which employees are admitted upon the completion of stipulated periods of employment. A few of these are formal clubs, which have regular meetings and conduct special activities and programs for long service employees. The major portion, however, are informal and merely list the names of long service employees on an "honor roll."

Of the local firms surveyed, only five indicated that they sponsored long service clubs, and three of these were of the informal type. The remaining two conducted special activities for long service employees. All five clubs provided for the participation of the

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(3) A statistical summary of the major findings of Questionnaire No. 1 is presented as Exhibit 8 at the end of Chapter III.

(4) A sample Questionnaire No. 2 will be found in Appendix A.

(5) Non-monetary awards typically include such awards as pins, watches, certificates, and other tangible presentations.

members in ceremonies or programs recognizing employees who attain long service status.

In a more detailed breakdown, information was sought on the nature of the non-monetary awards. Nine of the firms, or 60% of those making non-monetary awards, give pins; 27% give watches; and 27% give certificates. Duplications were noted in the case of a few firms which give certificates in addition to pins or watches. A few firms give presents from their regular stock of merchandise as additional rewards, but this is usually informal, and varies according to the needs of particular employees.

Where pins are given, awards are made at five-year intervals in the majority of the cases. Watches are usually given after twenty-five years of service. As a rule awards are made at annual dinners, with officers and directors of the company present. In almost every case, the actual presentation is made by the president of the company or by a senior officer.

In cases of unusually long service, many of the firms hold a special meeting, usually on the anniversary date of employment, at which time the award is made.

In the case of monetary awards, a check is usually presented based on a multiple of the number of years served. However, these are usually made during the last year prior to retirement. For the most part, the firms interviewed did not give specific information in this area, and there is no modal tendency which can be reported here. Although employees like monetary awards, these lead to tax complications and several firms have had unfavorable experiences with this type of award. It seems likely that monetary awards for long service will continue to decrease in popularity.

Companies giving extra privileges for long service almost invariably give extra vacation time with pay as an award. In a very few instances, -- usually for very long service -- employees are given a choice of working hours. However, there were a few companies employing this type of award.

Very few companies give any form of increased job security for long service. There is a general feeling that if an employee has held his position long enough to receive an award for long service, he should not worry about the continuation of his employment. Any special awards made in this area are typically on an informal basis, and related to the particular needs of the individual employee. Most typically, these consist of transfers to less arduous work with no reduction in pay, or of giving the employee a greater latitude in the choice of his work location.

It is significant to note that although no tabulation was made with respect to sex or race, informal questioning revealed that long service awards are made as such with no variation for type of employment, sex or race.

#### B. Service Field - 125 samples.

On the basis of the samples surveyed, the findings for firms in the service fields were not conclusive. <sup>(6)</sup>

A number of these firms indicated an informal program for recognizing long service -- this was true in the retail, wholesale and manufacturing areas, too -- but the survey was made for the purpose of reporting on formal programs.

As a result, it has not been possible to report on this area. However, it does not mean that there are no formal long service programs in the service field in New Orleans.

#### C. Wholesale Field - 105 samples.

The survey of the wholesale field revealed that 15% of the firms surveyed gave formal recognition for long service by their employees. As was the case in the retail field, all of these firms employed more than twenty-five persons. Another similarity was found in that awards are made on the basis of company wide service.

Of the 16 firms which gave recognition for long service, 75% favored non-monetary awards; 25% gave monetary awards; 20% gave extra privileges; and only 13% gave increased job security to long service employees.

No evidence was available to indicate employee preferences for types of awards, but it was felt by most managers that employees favored non-monetary awards.

Nine firms considered all of the employees service in making service awards, while seven firms considered only the most recent, continuous service. Breaks in service as a result of discharge were not considered in calculating total service.

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<sup>(6)</sup> It should be noted here that in the retail and service fields nearly 10% of the firms interviewed were either new firms or old firms under new management. The majority of these had not faced a need for recognizing long service on the part of their employees, since they had started their business after 1945 and had not celebrated their tenth anniversary. However, nearly every one of these expressed an interest in long service awards, and requested that they be supplied with copies of this study.

Two firms stated that their service clubs were formal groups with regularly scheduled activities. The others indicated that the service groups were informal, getting together only at times when service awards were made.

75% of the firms making non-monetary awards gave pins; 17% gave watches; 8% gave plaques; and 25% gave either certificates or letters of congratulations from company officers. Like the retail field, occasional gifts of furniture, appliances, luggage or silverware were made, but these awards were made only in special cases and follow no set pattern.

Initial awards -- in the majority of the cases -- were made after five or ten years of service, and at five year intervals thereafter, these awards being pins or lapel buttons. Watches were given after twenty-five years of service, or just prior to retirement. As in the retail field, awards are typically made at gatherings for that specific purpose. Dinners are usually the means of convening the group, although three firms favored less formal parties.

Monetary awards are usually made in the form of war bonds, and one firm favored gifts of stock certificates. Determination of the size of the award is on an informal basis usually, and no pattern could be developed. Simple monetary awards are losing favor, and two firms indicated a preference for all-expense-paid vacations for cases of extra-long service.

This trend was noted particularly in those companies which give special privileges for long service employees. Without exception, they favored extra vacation time, with pay, and in two cases, with some additional funds presented for financing the vacation, at least in part. Extra privileges included priorities in the choice of working hours, in the selection of shifts and in the selection of vacation time. In the case of delivery personnel, six companies permitted a free choice of delivery routes.

Like the retail field, wholesale firms rarely give increase job security or super-seniority in recognizing long service. It was felt that long service, of itself, is proof of the job security for the particular employees.

Informal questioning in this area indicated no differentials in awards for sex, race or type of employment. Questionnaires presented difficulties in that several of the firms surveyed did not recognize long service as such, but did recognize continuous periods of accident-free employment. For purposes of this survey, it was determined that such programs of awards properly should be classified as safety awards, and not awards for long service, therefore, all such

programs were excluded from the tabulation. It must be noted in passing, however, that the number of safety programs encountered was significant and indicative of increased interest in accident prevention. Possibly there will be a survey of such programs made by the Committee on Research of the Loyola College of Business Administration in the future.

D. The Manufacturing and Processing Field - 145 samples.

The survey of the manufacturing and processing field in this area is probably the least reliable of the studies undertaken as a part of this project. A number of difficulties presented themselves from the beginning. In the first place, a significant number of the businesses studied have experienced considerable growth during the last ten years. This of itself would present no great problem in developing a policy of recognizing long service. But this growth has resulted in two distinct trends. First, an increase in the employment of married women -- frequently women with families - and, second, the employment of veterans of World War II. Informal sampling of executive opinion reveals that there is doubt in the mind of employers as to the permanence of these married women in the work force. Turnover has been found to be high as a result of the growth of the families of married women, requiring them to leave employment. The other cases, concerning veteran employees, were believed to be disturbing since a number of employers experienced what they felt to be an unusually high turnover rate among newly hired veterans in the period from 1945 through 1949.<sup>(7)</sup> As a result, attention to plans for the recognition of long service on a formal basis was diverted during this period. Such recognition as was given was largely on an informal basis.

Another problem was presented in the case of those processing and manufacturing firms which are seasonal businesses. Here again, formal long service programs were rarely found.

Production schedule disturbances resulting from reconversion to peacetime production in the mid-forties and conversion to war production in the early fifties again caused shifts in employment groups which resulted in breaks in the continuity of employment.

And the development of new industries and of the construction industry in general caused shifts in employment which resulted in breaks in the continuity of employment.

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<sup>(7)</sup> No inference should be drawn from this concerning the general stability of young veterans as potential employees. This survey did not seek information on this point, and the opinions presented above are based on a very small sample of the total number of employers in this area. The opinions are presented as being of limited significance, and for use in this study only.

In general, the manufacturing and processing firms of this area seem to have experienced a greater instability of employment than the retail and wholesale fields. We must hasten to add this is based on informal interviews with twenty-five executives in these fields. Thus, this is merely an opinion, and is presented as such, without claim to representative validity.

It would seem, then, that this section of the study should be excluded from the report as presented. Perhaps a more reliable study can be made five years hence, when the individual work forces of each firm should be tending to a greater degree of stabilization. However, in view of the fact that the current survey has been made on the basis of a respectable sampling of firms in this area, it is felt that the findings should be reported, subject to the not insignificant qualifications presented above.

In the manufacturing and processing field it was found that 6% of the firms surveyed gave formal recognition for long service on the part of their employees. All of these were firms employing more than twenty-five persons, and all of these gave non-monetary awards, predominantly pins and certificates or letters of commendation.

One firm considered only continuous service in making awards, the remainder including all service, regardless of breaks in arriving at the total service period. None claimed the sponsorship of formal clubs for long service employees, recognition being exclusively for individual employees. One firm makes a practice of an annual award dinner at which awards are presented to eligible employees. The remainder employed means felt suited to the occasion. For short periods of service, awards were made informally during the regular work day. Awards for relatively long service were made at special meetings or dinners, depending upon the merit of the particular case.

As in the cases of the retail and wholesale fields, few companies give any form of increased job security on a formal basis. Typically it was found -- even in the companies without formal recognition plans -- that long service employees are given prior consideration in the selection of less arduous jobs and of particular work assignments which they desire. This, of course, is on an informal basis.

### Conclusions

A significant proportion of locally owned companies and companies whose policies are locally determined feel that employees who have been employed by them for long periods of time are worthy of commendation and recognition for such long service. However, less than 10% of these companies have established formal programs for such recognition. A larger proportion recognize long service in the

case of individual employees, but this is largely on an informal basis, with methods of recognition varying with the individual cases.

On the basis of the sample taken in this survey, the firms in the retail and wholesale fields employ formal long service recognition programs to a greater extent than do firms in the manufacturing fields.

EXHIBIT 8

METHODS OF FORMAL RECOGNITION FOR LONG SERVICE

	<u>Retail Field</u>	<u>Wholesale Field</u>	<u>Manufacturing and</u>	<u>Totals***</u>
	<u>No.</u>	<u>No.</u>	<u>Processing Field</u>	<u>****</u>
	<u>%</u>	<u>%</u>	<u>No.</u>	<u>No.</u>
Firms Surveyed	375	105	145	625
Firms giving Formal Recognition for Long Service	30	16	9	55
<u>Types of Awards</u>				
Total Firms making Formal Awards	<u>30</u>	<u>16</u>	<u>9</u>	<u>55</u>
Non-Monetary Awards	15	12	9	36
Monetary Awards	5	4	-	9
Extra Privileges	6	3	-	9
Extra Job Security	6	2	-	8
	<u>32*</u>	<u>21*</u>	<u>9</u>	<u>62*</u>
<u>Methods of Computing Service Time</u>				
Total Firms making Formal Awards	<u>30</u>	<u>16</u>	<u>9</u>	<u>55</u>
Consider all service, regardless of breaks	20	9	8	37
Consider only continuous service	10	7	1	18
	<u>30</u>	<u>16</u>	<u>9</u>	<u>55</u>
<u>Nature of Non-Monetary Awards</u>				
Total Firms making Non-Monetary Formal Awards	<u>15</u>	<u>12</u>	<u>9</u>	<u>36</u>
Firms giving pins	9	9	7	25
Firms giving watches	4	2	2	8
Firms giving certificates	4	3	2	9
Firms giving plaques	-	1	-	1
	<u>17**</u>	<u>15**</u>	<u>11**</u>	<u>43**</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>60</u>	<u>75</u>	<u>78</u>	<u>69</u>
	<u>27</u>	<u>17</u>	<u>22</u>	<u>22</u>
	<u>27</u>	<u>25</u>	<u>22</u>	<u>25</u>
	<u>114*</u>	<u>125**</u>	<u>122**</u>	<u>119**</u>

\*Some firms give two types of awards.

\*\*Some firms give certificates; watches or plaques in addition to pins.

\*\*\*Totals are presented as a formality. The differences in the sizes of the businesses and in the nature of their activities makes it unwise to consider overall figures for purposes of comparison. If comparisons are to be made (and this is not recommended due to the size of the effective samples) they should be made on the basis of the general fields only.

\*\*\*\*It is to be noted that the Service Field is not included in this total.

## Chapter IV

### TRANSITION FROM REGULAR EMPLOYMENT TO RETIREMENT

In Chapter III, the discussion was devoted to the first recognition which might be expected for long service and older employees in particular firms. As years of employment increase for particular employees, company policy is usually directed to the retirement of the employee. This chapter will be devoted to the second major decision which faces management as the older worker's problems are studied. This is the consideration of a preliminary step to retirement, namely the preparation of the employment for retirement.

Among the many hazards faced by a deep sea diver is the occupational ailment commonly known as the "bends". A deep sea diver may work for relatively long periods of time in deep water, and during this time, the air pressure within his suit must be maintained at a level which will offset the great pressure of the water about him. When his work is completed or when he must return to the surface, his ascent must be gradual in order that his body can adjust itself to the lesser air pressure of the everyday world. In cases of accident or error, resulting in a too rapid ascent, the diver experiences severe cramps, pains, unconsciousness, and even death as a result of the drastic changes in air pressure to which his body is subjected.

In recent years, a form of the "bends" has become an occupational ailment for retired workers. It is called "retirement bends", and is loosely employed to describe the physical, mental, and emotional disturbances experienced by older persons who have been retired from employment, and who experience difficulty in making the transition from regular employment to the comparatively inactive life of the superannuated.

In some cases, sudden retirement means sudden death. (1) Other experiences include, permanent and partial disability, the development of circulatory ailments, and an almost immeasurable number of psychological disturbances, too often credited to senility. Advance study in this area may be undertaken with the aid of a publication of

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(1) Spooner, Thomas, "Retire and Like It," Forbes Magazine, LVII No. 2 (January 15, 1946) pp. 28-29. The average life expectancy of the 70 year old retired employees of a group of railroad employees is 18 months instead of the normal 8 years.

Harvard University Graduate School of Business Administration, which is conducting extensive research in this field. <sup>(2)</sup>

An increasing number of private firms are doing research in this area, as are the major insurance companies. And trade unions, too, are working in the area of easing the transition from employment to retirement. <sup>(3)</sup> (See page 43 of Mr. Turner's Bibliography for examples.)

It was felt that this particular problem should be explored in this area. Early in the sampling process it was discovered that the majority of the executives interviewed had given thought to the human problems surrounding retirement. As one man put it, "A retired worker is not a horse which can be put out to pasture. He is a human being, with a distinct attachment to the job he has held. After spending the greater part of his daily life at a job in which he has taken deep interest, it is like cutting off his hands to suddenly turn him loose."

Problems other than human considerations enter into the picture, too. Very often, the worker has not been able to prepare adequately for the reduced income which results from retirement. In such cases, he faces a reduction in his style of living at a time when he may not be able to afford it. Preparation for retirement from his regular occupation can consist of guidance into less demanding or part time jobs which can keep him busy while augmenting his income.

Then, of course, there is a serious overall problem in that many retired workers possess skills and know-how which can hardly be spared. In cases too numerous to mention, retired employees have gone into new business fields and established new occupations for themselves, preserving their contribution to the national product and recovering their claim to productive citizenship.

However, this survey does not propose to discuss the situation at length. Excellent material is available in a number of locations and publication for those who have an interest in this problem.

Returning to our survey, it was noted -- see above -- that many executives attempt retirement counselling -- while well-intentioned -- is on an informal, haphazard basis of a careful study of what was suitable for the individual in the list of studies performed in this area.

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<sup>(2)</sup> "Employment and Retirement in an Aging Population", A Bibliography by Arthur N. Turner. Baker Library Reference List Number 10.

<sup>(3)</sup> Governmental and Public Agencies and Commissions have conducted research in this area for a number of years. However, this study is concerned primarily with the efforts of private business.

Questionnaire #2, Appendix A, was employed in this survey.<sup>(4)</sup>

#### A. Retail Field - 375 Samples.

It was found in the survey of the retail field that 5 firms claimed a plan of formal preparation for retirement. Two of these presented evidence to substantiate their claim, in the form of regular employment. Informal programs were maintained by 76 of the firms, while an additional 139 firms claimed directing attention to the problem with respect to particular employees, 27 firms had not considered the problem, for a widely varying number of reasons. The remaining portion had considered the problem, but had made no specific formal or informal approach to the problem.

Of the five firms having a formal pre-retirement program, two of them conducted the program on a company-wide basis, through the person responsible for the personnel function. The other three firms felt that the supervisor of the department in which the older worker was employed, was the best person to conduct the counselling interviews.

Predominantly, the basis for considering an employee as eligible for pre-retirement counselling was length of service with the firm. Since the sample reporting was such a small part of the total sample taken, little validity can be given to these reports as being representative of the entire field. This was noted on this particular question, since the firms reporting all based retirement on length of service, rather than on age. It is not likely that this situation is universal in this area.

These few firm's programs varied so widely that no uniform pattern could be presented in this report.

Claims as to the objectives of the programs centered about the general desire on the part of management to make retirement a reward for service, rather than a period of increased anxiety and uncertainty.

#### B. Service Field - 125 Samples.

On the basis of the samples survey, the findings for firms in the service fields were not conclusive. One firm reported a formal program for pre-retirement counselling. Seventeen firms claimed informal programs. The remainder were equally divided between giving no attention to the problem, and considering the problem only in isolated cases for particular employees.

#### C. Wholesale Field - 105 Samples.

The survey of the wholesale field resulted in inconclusive findings

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<sup>(4)</sup>A statistical summary of the major findings of the Questionnaire No. 2 is presented as Exhibit 9 at the end of chapter IV.

also. Two firms reported formal programs and nine firms indicated informal programs for pre-retirement counselling. Thirty-six firms had not considered the problem, and the remainder considered the problem only in isolated cases for particular employees.

D. The Manufacturing and Processing Field - 145 Samples.

Three firms in the manufacturing and processing fields stated that they prepared their employees for retirement through a formal program. One of these firms began the program one year prior to retirement. The other two started six months prior to retirement. Twenty-nine claimed informal programs. Sixty-eight had given no thought to the problem, and the remainder employed extremely informal counselling for isolated cases.

Conclusions

As a whole, this section of the survey would appear to be disappointing in that the findings were so sparse. But it was acknowledged earlier that this is a relatively new field of personnel endeavor. And it must be remembered, too, that many large companies which are doing work in this area were excluded from the report.

A bright spot is noted in the relatively large number of firms which are doing pre-retirement counselling either through an informal program or in isolated cases calling for special attention. Unquestionable these developments will continue, and in the case of large firms will evolve into formal programs.

A word of caution should be injected here. Informal questioning of managers, who have not adopted formal plans, indicate that their hesitancy stems from their realization of the need for employing skilled, experienced persons to conduct such programs. Certainly such a program can be a fairly heavy expense item for an average company.

Perhaps the answer to this problem may be found in central pre-retirement clinics sponsored jointly by a number of businesses, or in special community efforts undertaken by universities, or by social agencies. However, this report is intended to indicate what is being done, and not what should be done.

## EXHIBIT 9

PLANS FOR TRANSITION FROM REGULAR EMPLOYMENT TO RETIREMENT

	<u>Retail Field</u>	<u>Wholesale Field</u>	<u>Manufacturing &amp; Processing Field</u>	<u>Service Field</u>	<u>Total**</u>
Firms Surveyed	375	105	145	125	750
Firms with Formal Preparation for Retirement Plans	5	2	3	1	11
Percent of Total	1.4	1.9	2.1	0.8	1.5
Firms with Informal Plans	76	9	29	17	131
Percent of Total	20.2	8.6	20.0	13.6	17.4
*Firms without plans	294	94	113	107	608
Percent of Total	78.4	89.5	77.9	85.6	81.1

\* Includes those firms which have considered problem for particular employees only.

\*\*Totals are presented as a formality. The differences in the sizes of the businesses and in the nature of their activities makes it unwise to consider overall figures for purposes of comparison. If comparisons are to be made (and this is not recommended due to the size of the effective samples) they should be made on the basis of the general fields only.

## CHAPTER V

RETIREMENT PROGRAMS AND PENSION PLANS

The third decision which management must make (in chronological order, not necessarily in order of importance) is the manner in which the older worker will support himself after leaving regular employment. Essentially, the question is whether or not the employing firm will supplement the financial benefits of governmental old age benefit programs.

Pension plans have grown in number and in importance to business concerns during the last decade. Some 17,000 have been initiated since 1942, while in 1952 alone 1,222 new plans were approved by the Bureau of Internal Revenue. <sup>(1)</sup>

Two great wars and a major depression in our life span has caused many of us to become pre-occupied with economic security. And we have taken steps to get "social security" through developing plans to avoid or minimize risks.

Three of these risks may be considered as long range:

- (1) Old age.
- (2) Dependent survivorship.
- (3) Permanent total disability.

Four remaining risks are short range:

- (1) Industrial injuries.
- (2) Unemployment.
- (3) Temporary sickness disability.
- (4) Medical care. <sup>(2)</sup>

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(1) "Pension Plans - An Accountant's Viewpoint," by James O. Edwards, Business Topics, Vol. I, No. 2, September, 1953, page 15. Dr. Edwards, a member of the Accounting Faculty at Michigan State College, has presented an excellent brief study of pension plans. Portions of his article are incorporated in this chapter. It is suggested that interested persons procure a copy of this article for further study.

(2) "Governmental and Voluntary Programs for Security," by J.W. Myers. Harvard Business Review, Vol. XXVIII, No. 2, March, 1950, page 29. Mr. Myers, who is Manager of the Insurance and Social Security Department of the Standard Oil Company (New Jersey) has developed a scholarly article in the field of pension planning. Its comprehensive treatment makes it worthy of study by business men interested in pension planning as one phase of an employee security program.

Although a number of these risks are pertinent to the problem of the older worker, this paper limits its consideration to the first one - the problem of old age.

Pension plans have been stimulated by a number of factors. Wage freezes which limited the scope of union bargaining caused union leaders to seek fringe benefits, including pension programs. In 1948, the Seventh Circuit Court of Appeals upheld the National Labor Relation Board's view that pensions were a proper subject of collective bargaining as being a "condition of employment." (3)

Further impetus came from the government's allowance for the deduction of the costs of pension programs for income tax purposes. In 1928, this was allowed for the first time. But the Revenue Act of 1942 clarified the status of pension funds and company contributions under Federal Income taxes. The amendment allows the firm to take the full amount of current pension contributions plus 10 per cent of the unfunded liability created when the plan was established as a deduction for federal income tax purposes, provided that the plan is permanent and non-discriminatory. (4) (5)

Plans have also been sponsored by the states through grant-in-aid programs. And of course, the Social Security Act has become widely known as a result of its broad coverage and the fact that it established the goal of social security as a national policy.

These factors have been the major ones which individually and in combinations have helped to make us all conscious of the problem of providing ourselves with the certainty of availability of at least a minimum of purchasing power for older workers who can no longer contribute directly to our economic life.

To try to discuss the general subject of pension plans in this brief paper is an impossible task. The subject is highly complex, and even when treated at length can merely serve to prepare a businessman for the specific consideration of his own company's particular situation. The businessman giving serious consideration to pension planning requires the assistance of his lawyer, his accountant, his tax consultant, and a qualified pension planning expert. Truly, this is an area which requires the cautious approach.

In our study, we were concerned with developing information on the broad types of plans employed by local businessmen in providing

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(3) Professor Edward's article, page 15.

(4) Professor Edward's article, page 15.

(5) Section 165 (a) of the Internal Revenue Code.

for the retirement of older workers. The fact that pension plans are tailored for each company makes it virtually impossible to present general conclusions. Nor was any attempt made to report the extent to which federal old age benefits are included as a base for pension programs. Generally speaking, federal plans are a part of all pension planning. But to include a study of this aspect of the problem in this survey was an impossibility. Perhaps a later survey can be devoted to reporting on combined private and governmental pension programs.

However, an attempt was made to relate facts together in a rough classification of typical pension program considerations. As in the case of any pilot study, the problem of defining terms arose at the beginning. There are some standard terms employed in the field of pension planning -- these we used wherever possible.

But the basic definitions of formal and informal pension programs must be developed specially for this study. The concept of formal pension programs is commonly considered to be synonymous with programs acceptable to the Bureau of Internal Revenue. As a result, then, any other type of program would be an informal program or would be no program.

Preliminary investigation revealed that these definitions were not suitable for this survey.

Clearly, any "formal" category of pension plans must include plans approved by the Bureau of Internal Revenue. But, the "formal" category must also include those small and medium sized firms which provide for older workers after retirement by financial contributions out of current earnings. If a firm followed such a practice consistently, without discrimination as to eligibility, and if the employees had confidence that provisions would be made for their old age, then the program was accepted as a formal program for purposes of this study.

(It must be remembered that this study tried to discover attitudes toward the older worker, not the most effective methods of providing for the needs of the older worker.)

For the pension planning expert, it may be possible to classify businesses as having formal programs or not having formal programs. But in our study we were looking for transitional areas -- for firms which had realized a need for providing financial assistance for particular older workers on retirement, but not for all employees. Accordingly, we divided the businesses not having formal programs into two groups: 1) those firms which have provided, do provide, or will provide financial assistance for retired employees under special conditions, but not for all employees. This is a voluntary discretionary decision, with no intention of setting a precedent for particular jobs or types of employees. Pensions may be provided through insured programs or through

current operating funds. This category was termed "informal" for purposes of this study. And 2) those firms which have considered pension programs, but have not provided for retirement assistance to any employee, and those firms which have given no thought to pension plans. This group for the most part reflects the thinking that the Federal plan is sufficient for their employees, it includes those firms which provide financial assistance for owners and top managers, but for no other employees. This category was termed "without plans."

Questionnaire No. 3 (included in Appendix A) was developed with the assistance of a group of pension plan consultants in an attempt to gather the necessary information. The findings are presented below.<sup>(6)</sup>

#### A. Retail Field - 375 Samples.

Of the retail firms surveyed, twelve employed formal pension programs which they felt involved a personal responsibility towards their employees. A larger group, classified as having informal plans, reported giving consideration to particular employees who because of long service or financial need were deserving of financial assistance when they reached retirement age. The majority of this last group usually give financial assistance to supplement social security payments.

One of the firms employing a formal program had two plans: one for executives and one for employees. The other reported the use of one plan alone.

As might be expected, the types of plan employed varied according to the needs of the particular businesses at the time of the establishment of the program. Two of the firms, or 16.7 per cent, employed the trust funded plan, funded with a trust company. They felt that the earnings from the trust fund reduces the contributions required annually, thereby reducing the drain on current working capital. Two firms employed group annuity plans, which consisted of purchasing a single premium deferred annuity for each employee on a group basis. Two other firms reported using a combination of an individual retirement annuity with a profit sharing plan. These were included in a trust supported by contributions of a certain portion of the firm's pro-

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<sup>(6)</sup> Many readers will feel that this section of the study is not truly representative of the situation in New Orleans. From their own experience, they will feel that there is more activity in pension planning than this report indicates. However, it must be remembered that this study was limited to firms whose policies are established locally. And, therefore, a large number of local branches and plants of national concerns were excluded from our study. If the study was expanded to include all businesses located in the New Orleans area, regardless of the source of policy determination, there would be evidence of a greater number of pension plans and programs. A tabulation of the findings is presented in Exhibit 10 at the end of this chapter.

fits. One firm did not wish to specify the type of plan employed, since it was changing its plan. Three firms used unfunded plans, making retirement payments out of current operating funds. These were small firms and in no case were more than five employees receiving such benefits.

Seven companies indicated that their plans were contributory and the remaining five employed non-contributory plans.

One firm has employed its plan since 1920. One plan was begun in the thirties, and three in the mid-forties. Three were started in 1947, two in 1950 and two in 1951.

Consideration was given to the types of formulae employed in determining the method of effecting contribution to attain specific results. Four firms employed the definite benefit type, which provides a pension equivalent to a definite percent of income for each year of accredited service. Two firms employed the money purchase type, in which a specified percentage of an individual's pay is contributed each year. The sum deposited by the employee is used to purchase annuities to provide a pension on retirement. Two firms employed the uniform or flat percentage type, which provides a pension equivalent to a flat percentage of compensation for eligible employees upon retirement. One firm employed a method by which the employee pays a fixed amount while the company pays an increasing amount. One firm did not report its formula, while the rest used discretionary determinations.

In determining the basis of payments under the plans, five firms based payments on final pay, four based payments on average pay over last years of employment or period of high earnings, and two firms considered average pay over entire employment. One firm based payments on contributions only, which meant varying payments to retired employees.

In determining eligibility requirements for retirement, four firms considered length of service as the basic requirement while two others considered length of service but in addition required that a minimum age be attained. This was 65 years in all cases. Six firms considered only the age of the employee in determining eligibility.

Five firms indicated that an employee must retire at age 65, while the remainder permit employees to work beyond that age if they so desire.

The question of the granting of vesting rights to employees was raised. This is concerned with whether or not an employee can withdraw in a lump sum or service pension privileges from the total con-

tributions made in his behalf during a period of employment with a particular firm. Only two of the firms granted vesting rights, one of them after five and a half years, and one after six years. <sup>(7)</sup>

An important consideration in pension planning is the question of whether survivors, particularly dependent survivors, of the pensioner will continue to receive benefits after the death of the pensioner. Eight of the companies' plans provided some form of financial assistance to dependent survivors of pensioners. Four did not.

A final line of inquiry was directed at determining typical administrators of pension plans. For trust funded plans, it was a trustee; where a trust was not involved, the president of the company or an executive committee supervised the program. However, the methods of administration and the degrees of responsibility vested in particular company officers varied so widely that no pattern could be reported.

#### B. Service Field - 125 Samples.

Interviews with business managers in the service field indicated that five of the firms visited employed formal pension programs, while twelve others claimed to have informal programs which consisted of attempts to care for older employees with record of long and faithful service. The sample actually reporting was so small that the reader should not attempt to consider the percentages reported as representative for the field.

The selection of types of formal plans revealed nearly the same rough pattern noted in the survey of the retail field, with the exception that there were fewer unfunded plans. One of the firms employed a trust funded plan; the remainder were divided equally between group annuity plans and combined annuity and profit sharing plans. <sup>(8)</sup>

The definite benefit type of formula found favor with the majority of the firms, while the remaining portion revealed no strong preference. Two firms based payments on the average earnings of the highest earning period of employment -- usually on the highest five years. The other firms revealed no strong preferences.

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<sup>(7)</sup> Vesting rights are deserving of special consideration because many writers claim that pension programs tend to reduce the mobility of workers. They work for a particular firm for a number of years and find that their pension fund contributions are so significant that they do not wish to sacrifice these contributions by moving to a better job elsewhere. Vesting rights would permit them to move without sacrificing their contributions.

<sup>(8)</sup> For a brief explanation of these plans, see section A of Chapter V.

Two firms felt that eligibility for retirement should be based on length of service with the firms. Three felt that the age of the employee was the prime consideration. No firm considered both age and length of service in determining retirement eligibility.

Three firms maintained a compulsory retirement at age 65 program. The other two permitted employees to work beyond the age set as the minimum for retirement eligibility. Four of the companies surveyed provided for benefits to be paid to dependent survivors at the death of the retired employee.

No pattern was developed with respect to the administration of the programs.

### C. Wholesale Field - 105 Samples.

The survey revealed that five of the firms surveyed in the wholesale field had formal retirement programs, while nine stated that they followed an informal procedure for pensioning workers. In the case of the companies with formal programs, three firms employed a uniform plan for all workers, while two of them stated that a general plan covered all employees with varying conditions added or substituted in the case of executives and key workers.

With respect to the types of formal plans employed, the tabulation revealed no significant pattern, particularly since so few effective samples were available for study.<sup>(9)</sup>

Informal questioning of the managers of the firms employing informal programs indicated that they felt generally that informal programs are expensive on the basis of the number of individuals covered. However, since the majority of these firms did not attempt to cover all employees, the overall cost was felt to be acceptable, since it was less than it would have been if full coverage of the work force was attempted. It was only in the wholesale field that this opinion seemed to be shared by a number of executives.

The majority<sup>(10)</sup> of the firms reporting formal programs required employees to contribute a portion of the premium payment, or else to contribute to a fund. The picture differed in the case of the firms with informal programs, where it was noted that more than half of them did not require contributions. Considering as a single group the firms with formal programs along with those employing informal programs, it was noted that more than two-thirds of them considered old age

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<sup>(9)</sup> See Exhibit 10 at the end of this chapter.

<sup>(10)</sup> The data developed in the following portions of the questionnaire used in surveying the wholesale field was so sparse that no attempt is made to present it quantitatively.

benefits under the social security program in arriving at the retirement pay deemed to be appropriate for their retired employees.

Although two firms indicated that they had employed formal retirement programs prior to 1940, the majority had established their program after 1945. (11)

Methods of arriving at retirement benefits varied widely, although there was a tendency to favor pensions equivalent to a flat percentage of compensation, based either on a definite period of employment, or upon average compensation during selected years of employment.

Remaining areas of questioning did reveal useful data.

However, it was noted informally by interviewers that executives in the wholesale field seemed to be less conscious of pension problems than were executives in the retail, service and manufacturing fields. One executive expressed the opinion that salaries were traditionally low in the wholesale field, and as a result, he felt that retirement benefits under the social security programs were sufficient to provide for retired employees. He added that there has been less emphasis on compulsory retirement in the wholesale field than in other fields, and as a result there has been relatively few demands for pensions by employees. This was the only reason offered for the scarcity of pension programs in this field, and it is not presented as a representative opinion of the managers of the other firms surveyed.

#### D. Manufacturing and Processing Field - 145 Samples.

This section of the report is subject to distortion for three reasons:

1. In order to study companies whose policy is locally determined, it was necessary to include a large number of small firms, many of them employing fewer than thirty people. Very few of these have given consideration to establishing formal pension programs.
2. A considerable number of the businesses surveyed were established during the last ten years. The need for pension planning had not been felt as strongly as in the case of older firms.
3. A considerable number of the businesses employed a relatively high proportion of women. Informal sampling of executive opinion in these firms revealed a feeling that women were less concerned with pensions than men, probably since they did not look for -

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(11) It is interesting to note that of all the firms surveyed in all categories -- retail, service, wholesale, and manufacturing -- only three firms had discontinued formal programs in the period from 1930 through mid-1953.

ward to remaining employed in manufacturing and processing occupations during the later part of their lives.

The survey revealed that six of the firms surveyed had formal pension programs for employees. An additional ten indicated that they had informal programs, but with only two exceptions, these firms counted heavily on social security benefits to eliminate the need for serious pension planning on their part.

One of the firms with formal programs utilized trust funded plans; two favored group annuity plans; and two employed combination plans which involved profit sharing and the purchase of individual annuities. A significant difference between this field and each of the other fields was noted. In the manufacturing and processing field, no firm in the sample reported an unfunded plan.

The types of formulae used varied widely, and the information gathered revealed that the types represented could not be fit into our questionnaire for comparative purposes. The same conditions prevailed with respect to the basis of payments under the plans.

Of the six firms, one determined eligibility for retirement through combinations of minimum age and length of service requirements. Three firms based eligibility on age alone and the two on length of service alone. Two firms maintained a compulsory retirement policy with age 65 being the maximum age permitted. The remainder allowed employees to work beyond the minimum retirement age.

Considering the manufacturing group as a whole, there seemed to be no true pattern of pension programs. However, the typical executive in this field had -- almost without exception -- given serious consideration to retirement programs in recent years. Although there seemed to be an accepted view that pension programs were not universally necessary or desirable at this time, the executive had not given them a permanent and blanket rejection.

There was evidence of a widespread feeling that more pension programs will be established in the near future as more national firms establish plants in this area. The fact that the national organizations are offering pension programs may make them a hiring differential so that local businesses will be forced to follow the lead of these national groups.

### Conclusion

Local businesses have evidenced a growing interest in establishing formal pension plans, particularly during the last ten years. Although the sample studied through this survey reveals that there are more formal

programs in the retail field, the relative proportion of firms employing formal programs is higher in the service, wholesaling, and manufacturing and processing fields. However, the effective sample is so small that these proportions should not be accepted as truly representative.

Where formal plans have been established, the preferred types of plans appear to be trust funded plans, group and individual annuity plans, and combination plans which involved profit sharing and the purchase of individual annuities. It is not possible to show even general conclusions with respect to the types of formulae used and the bases of payment because of the inability to develop significant data in the wholesale and manufacturing fields.

It appears that the majority of the firms base eligibility for pensioning on either attainment of a minimum age, or completion of a minimum period of service. The remaining companies appear to prefer a combination of minimum age requirements and minimum length of service requirements.

Informal sampling of executive opinion on the matter of pension planning gives evidence of increased attention to this problem. While the need for such programs is not generally felt to be urgent (particularly in view of the qualifications set forth in the preceding pages), there seems to be a general belief that the influx of new plants in this area will result in increasing employee consciousness of the desirability of formal pension programs, since so many of the new plants are members of national organizations which have adopted pension programs as a part of their personnel policy. The limited response to this survey indicates that local managers, as a group, will follow -- rather than set -- a "prevailing attitude" toward pension planning. The prevailing attitude will be set by national firms with local branches and plants.

EXHIBIT 10

RETIREMENT PROGRAMS AND PENSION PLANS

	Retail Field		Service Field		Wholesale Field		Manufacturing and Processing Field		TOTALS	
	No.	%	No.	%	No.	%	No.	%	No.	%
<u>Firms studied</u>	375	100.0	125	100.0	105	100.0	145	100.0	750	100.0
With Formal Plans	12	3.2	5	4.0	5	4.8	6	4.1	28	3.7
With Informal Plans	21	5.6	12	9.6	9	8.6	10	6.9	52	6.9
Without Plans**	342	91.2	108	86.4	91	86.6	129	89.0	670	89.4
<u>Types of Plans</u>	12	100.0*	5	100.0*	5	100.0*	6	100.0*	28	100.0*
Firms with Formal Plans	3	25.0	1	20.0	1	20.0	1	17.8	5	17.8
Unfunded Plans	2	16.7	1	20.0	1	20.0	2	16.7	5	17.8
Trust Funded Plans	2	16.7	-	-	1	20.0	2	33.3	5	17.8
Group Annuity Plans	2	16.7	1	20.0	1	20.0	1	16.7	-	-
Individual Annuity Plans	-	-	2	40.0	-	-	2	33.3	7	25.0
Profit Sharing Plans	2	16.7	2	40.0	1	20.0	-	-	1	3.8
Combinations of above	1	8.2	-	-	-	-	-	-	-	-
Net Reporting***										
<u>Types of Formulae Used</u>	4	33.3*	2	40.0*	1	20.0*	2	33.3*	9	32.2*
Definite Benefit	2	16.7	1	20.0	1	20.0	2	33.3	6	21.4
Money Purchase	2	16.7	1	20.0	1	20.0	2	33.4	6	21.4
Uniform or Flat Percentage	4	33.3	1	20.0	2	40.0	-	-	7	25.0
Other Types****										
<u>Basis of Plan Payments</u>	2	16.7*	1	20.0*	-	-	1	16.7*	4	14.3*
Average Pay During Employment	4	33.3	2	40.0	2	40.0	2	33.3	10	35.7
Average Pay During Last or Highest Years	5	41.7	1	20.0	2	40.0	2	33.3	10	35.7
Based on Final Pay	1	8.3	1	20.0	1	20.0	1	16.7	4	14.3
Others****										
<u>Basis of Eligibility for Retirement</u>	4	33.3*	2	40.0*	2	40.0*	2	33.3*	10	35.7*
Length of Service	6	50.0	3	60.0	2	40.0	3	50.0	14	50.0
Age	2	16.7	-	-	1	20.0	1	16.7	4	14.3
Combination Age and Length of Service										
<u>Compulsory Retirement Provisions</u>	5	41.7*	3	60.0*	1	20.0*	2	33.3*	11	39.3*
Retirement compulsory at Age 65	7	58.3	2	40.0	4	80.0	4	66.7*	17	60.7
Retirement not compulsory at Age 65										

\*Size of sample returns is so small that percentages should not be considered as representative of the field.

\*\*Includes firms which have special plans for owners or top managers, but which do not consider these plans as setting precedents for future cases.

\*\*\*One firm was in the process of changing to a new plan. However, all other features reported were not reported to be changed.

\*\*\*\*"Others" refers to unfunded plans whose features are subject to discretionary modifications.

CHAPTER VI  
POST RETIREMENT POLICIES

In the preceding chapters we have followed a chronological approach to the various decisions which may face a business manager as members of his work force grow older. To review briefly, we submit that his attention may first be drawn to the increasing age of particular workers as he recognizes their long service with his company. Of course, this is an indirect approach, since it presumes a positive correlation between the age of employees and their length of service with the firm.

Then, as he observes particular individuals approaching retirement age, his attention should be directed to preparing them for a satisfactory adjustment to a retired status. Before retirement is at hand, there develops a third phase of decision making -- the question of the plan of retirement. Shall the company establish a formal pension program? Would it be better to provide for each employee according to his needs through an informal program? Or, does the company have to concern itself with retirement programs when its employees are covered by the social security program?

Regardless of the company's policy for retirement, there develops a fourth and final area of decision which the executive should face with respect to his older worker: What degree of interest should be maintained in retired employees? Do we put the older worker out to pasture and forget him? Do we try to keep him interested in the company which he has served for so long? Do we give evidence of interest in his problems so that he does not feel isolated?

This is a neglected area of decision making. Too frequently executives pay lip service to a policy of interest in retired employees. Their intentions may be excellent, but how many executives set up a procedure and assign responsibilities for following up on the older employee's adjustment to the non-work status? This survey selected as its fourth and final phase of questioning<sup>(1)</sup> this problem of post retirement policies. The findings should be interesting to executives who must retire employees.

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(1) See Questionnaire No. 4 in Appendix A.

### A. Retail Field - 375 Samples.

The initial approach to surveying this area of decision making in each company was to ask the question "Is your company interested in the welfare of all retired personnel?" Eighty-seven executives stated that they were "very interested" in their retired employees. <sup>(2)</sup> Two hundred and twenty-one indicated an interest in retired employees. An indifferent attitude was disclosed in thirty-one cases, while thirty-six companies revealed a lack of interest in retired employees. The classification of "indifference" includes those companies which had not considered the problem prior to participating in this survey, in addition to those companies which expressed no strong feeling about the problem.

Questioning on formal post retirement policies could be conducted only in the case of the 308 firms, constituting 82.1% of the sample, which indicated interest in the welfare of its pensioned employees. It was determined at the outset that a formal post retirement program should include the first of the following provisions, and at least see three of the others. An informal program would include any two of these provided without discrimination for all employees. (It must be admitted that this was a rather arbitrary determination, since there was nothing which could be employed as a guide.)

1. Regular inquiries -- at least twice a year -- concerning the retired employee's welfare.
2. Provision of all of the privileges of regular employees.
3. Invitations to all general company meetings, parties and events.
4. Continuation of health and other medical benefits.
5. Discounts on purchases of company products.
6. Loans and advances, if these are also provided for regular employees.
7. Regular visits by former supervisors or employee committees.
8. Privileges of consulting with personnel office and other staff officers.
9. Inclusion on regular employee mailing list for all informational releases.

Thus, questions number 2 and number 3 of the questionnaire were

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<sup>(2)</sup>For tabulation of answers to Questionnaire No. 4 see Exhibit 11 at the end of this chapter

combined in order that the accuracy of the reports might be checked. Executives were permitted to review the questionnaire so that faulty memory or communications might not prove to be a stumbling block.

Of the firms surveyed, 78 claimed to have formal post retirement programs. By checking the answers to question number 3, thirty-five of these were eliminated. <sup>(3)</sup> Informal programs were claimed by 120 firms, and twenty-six of these were eliminated. But since the fifteen eliminated "formal" claimants were added to this group, the total reporting was taken as 109. Thus 156 firms had no plan for retired workers, although they had indicated an interest in the welfare of their employees on pensions.

The third question was included for two purposes: (1.) It served as a "checker" on the answers to question number 2, and (2.) It served to collect data on the types of services and benefits offered retired employees through formal and informal post retirement programs. Since the definition established for formal programs permitted substitution of a number of qualifying factors, it was not possible to pick out an "average" or a "typical" program which might be said to be representative of the retail field. This being the case, it was felt that this portion of the survey might be best employed to recapitulate the questionnaires of the 308 firms indicating an interest in their retired employees. If this was done, we might arrive at a broader picture of what the businesses were doing in the way of providing benefits for retired employees. Therefore, no distinction was made between firms employing formal retirement programs and those employing informal programs.

It was found that 227 or 73.7% of the firms expressing an interest in retired employees offered at least one benefit for these older workers. Of greatest popularity was the willingness to advise and counsel retired employees who voluntarily solicited such advice. One hundred and seventy-six or 57.1% of the firms indicated a willingness to help employees in deciding personal problems. The remainder indicated no experience in this area, or else indicated that such advice was sought on a personal basis from company officers and supervisors, and therefore could not be considered as a company policy.

Invitations to company gatherings were extended by 102 firms. Discounts on purchases, and health and medical benefits were offered by a large number of firms. All of the privileges of regular employees

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(3) In twenty-three of the cases not eliminated, interviewers reported doubt as the reporter's comprehension of the "regularity" requirement of provision No. 1. However, these cases were not eliminated from the formal category.

were provided by 77 firms. <sup>(4)</sup>

A section "Others, specify" was included in the questionnaire for special benefits not listed by the interviewers. Twenty firms reported that they included retired employees on the general mailing list for all materials and literature sent to regular employees. So this was included in the tabulation as a special category. Eleven firms specifically indicated that they invited retired employees to return and perform part time duties when it was necessary to hire part time or temporary workers. <sup>(5)</sup> However, there was no specific policy indicated as to whether they were re-hired to perform the same sort of work or different work, or the rate of pay offered.

A final area of questioning was concerned with the collection of samples of literature supplied to employees to serve as a guide to their activities as a retired employee. The response was extremely limited, and a good portion of the literature collected was entirely devoted to an explanation of the retirement programs or to the Social Security program.

#### B. Service Field - 125 Samples.

Of the firms surveyed, 86 or 68.8% indicated an interest in retired employees (30 of them were "very interested") while the remainder were either indifferent or not interested. Formal post-retirement programs were employed by 16 of the firms; informal programs were reported by 12; and 28 stated that they had no formal or informal program.

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<sup>(4)</sup> Early in the survey an attempt was made to determine the extent to which retired employees made use of the benefits and privileges available for them. However, few instances were found where this information could be developed without imposing a heavy burden of research on the companies. So this area of questioning was eliminated from the survey. This suggests itself as an area for subsequent research.

<sup>(5)</sup> A re-survey of these firms revealed that they had no formal pension program, and they followed this policy to permit physically capable, retired workers to augment their income under the Social Security program. This is an area which interested the research workers. We felt that this policy was worthy of inclusion in the survey, but since the first case was not noticed until over two hundred questionnaires had been completed, it was not possible from an administrative point of view to re-survey all the firms on this topic. So the questions were not included in the questionnaires. However, we would suggest that any other persons doing research in this area should give consideration to this factor of permitting or encouraging retired workers to perform part-time or temporary work assignments when the occasion arises.

The same procedure was followed in the Service Field as was followed in the Retail Field with respect to reporting the types of benefits and services supplied for retired workers. <sup>(6)</sup>

Sixty-five or 75.6% of the 86 firms expressing an interest in retired employees provided at least one form of service or benefit for them. As in the case of the retail field, the majority of these expressed a willingness to talk with retired employees, if they felt in need of advice or assistance. Health and medical benefits, discounts on purchases, and regular employee privileges were prominent among the privileges afforded retired employees. <sup>(7)</sup>

#### C. Wholesale Field - 105 Samples.

Findings were sparse in wholesale field. Of 105 firms surveyed, sixty-six or 62.9% indicated an interest in their retired employees, while 19 firms were indifferent and 20 not interested. Only twelve firms qualified as having formal post-retirement programs. Twenty-eight employed informal programs, and 26 were without either formal or informal programs.

A survey of the types of benefits and services offered by interested firms showed the provision of general advice to be the leader, as was the case in both retail and service fields. No other important type of service was noted.

Fifty-one or 77.3% of the interested firms offered at least one service, while 15 firms offered no services or benefits.

As a whole, the wholesale field revealed less interest in post-retirement policies than did the retail and service fields.

#### D. Manufacturing and Processing Field - 145 Samples.

As in the case of the wholesale field, findings in the manufacturing and processing field were not conclusive. Of the 145 firms visited, 93 or 64.2% indicated an interest in retired employees,

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<sup>(6)</sup>See Section A of this chapter for detailed explanation.

<sup>(7)</sup>Throughout this questionnaire it was noted by interviewers that there was difficulty in understanding whether the persons interviewed had actually supplied these services and privileges, or whether they merely intended to offer these as the occasion arose. This was true of all four fields surveyed. However, it was not possible to determine a corrective constant which could be employed to indicate the approximate number of instances in which the services had been employed or in which there was a desire to employ them.

while the remainder were equally divided between a feeling of indifference and a lack of interest. Twelve firms gave sufficient service to retired employees to qualify as having formal programs. An additional thirty six were found to have informal programs, while the remaining 45 were considered as having no post-retirement program.

The types of benefits and services offered by interested firms were studied, and it was found that, as in the previous cases, advice was the service most freely offered. No other service was shown as having a preference over the remaining standard services.

Fifty-seven of the "interested" firms or 61.3% offered some form of benefit, while only 36 of the interested firms offered no benefit.

### Conclusion

In this chapter we studied the final area of decision making in which executives might participate while working with the problems of older workers in their employ -- the field of post-retirement policies.

As the preceding questionnaires were completed, it was indicated that there was no great local movement in the direction of working out the problems of the older worker. Therefore, it was felt that there would be almost no interest in the most remote of the policies, namely, the post-retirement policies. For this is the last area of problems which comes up for consideration.

However, the research workers were pleasantly surprised to discover the degree of interest manifested in post-retirement policies, both by businessmen who had already given serious thought to the problem, and by businessmen for whom the questionnaire served as a stimulant to their thinking in this direction. Certainly the degree of interest manifested in retired employees was heartening, as was the record of informal programs conducted.

For academic purposes, this section of our survey was a success in that sufficient interest was manifested in the problem to permit us to set up rough bench marks for the determination of what constitutes formal and informal post-retirement policies.

EXHIBIT 11

POST RETIREMENT POLICIES

	Retail Field		Service Field		Wholesale Field		Manufacturing & Processing Field		TOTALS	
	No.	%	No.	%	No.	%	No.	%	No.	%
Firms Surveyed	375	100.0	125	100.0	105	100.0	145	100.0	750	100.0
<u>Degree of interest manifested in retired employees</u>										
Very Interested	87	23.2	30	24.0	28	26.7	33	22.8	178	23.7
Interested	221	58.9	56	44.8	38	36.2	60	41.4	375	50.0
Indifferent	31	8.3	27	21.6	19	18.1	26	17.9	103	13.7
Not Interested	36	9.6	12	9.6	20	19.0	26	17.9	94	12.6
<u>Nature of Programs</u>										
Firms indicating interest in retired employees	308	100.0	86	100.0	66	100.0	93	100.0	553	100.0
With Formal Post Retirement programs	43	14.0	16	18.6	12	18.2	12	12.9	93	15.0
With Informal Post Retirement programs	109	35.4	42	48.8	28	42.4	36	38.7	215	38.9
Without Post Retirement Programs*	156	50.6	28	32.6	26	39.4	45	48.4	255	46.1
<u>Types of Benefits Provided</u>										
Firms indicating interest in retired employees	308	100.0	86	100.0	66	100.0	93	100.0	553	100.0
Offering no benefits	81	26.3	21	24.4	15	22.7	36	38.7	153	27.7
Offering some form of benefit	227	73.7	65	75.6	51	77.3	57	61.3	400	72.3
Regular inquiries about employees welfare	88	28.6	14	16.3	15	22.7	18	19.4	135	24.4
Regular visits to employees	31	10.1	8	9.3	6	9.1	9	9.7	54	9.8
All privileges of regular employees offered	77	25.0	19	22.1	8	12.1	12	12.9	116	21.0
Extension of invitation to all company gatherings	102	33.1	6	7.0	10	15.2	14	15.1	132	23.9
Health and medical benefits	40	13.0	7	7.8	3	4.5	5	5.4	55	9.9
Discounts on purchases	66	21.4	5	6.2	3	4.5	6	6.5	80	14.5
General advice	176**	57.1**	48	56.0	28	42.4	43	46.2	295	53.3
Inclusion on mailing list of regular employees	20	6.5	6	7.0	3	4.5	5	5.4	34	6.1

\*Without post retirement program designation applies to firms offering one or no benefits to retired employees.  
 \*\*If totaled, these firms will exceed 308 and 100% since many of these firms offer more than one type of benefit. This applies to each of the fields for this section of the exhibit.

## CHAPTER VII

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In Chapter I, it was stated that this project has two objectives: First, to study some of the problems of the older worker with respect to their effect on company policy; and, second, to determine the extent to which the problem of the older worker is acknowledged in this area.

There were literally dozens of avenues which could have been explored in the study. Such areas as the older worker's accident experience, his adaptability to changing working conditions, his attendance record, his attitude toward training young employees, his typical illnesses, are just a few of the many fields in which research might be carried out. We elected to take the four fields covered in the report, because they followed a general chronological pattern of developing awareness of the presence and problems of the older workers.

What, then, is the extent to which the older worker's problem is acknowledged by New Orleans firms?

The first chronological step -- the realization that some employees have been with the company for a number of years and are worthy of recognition for their faithful service -- revealed that 55 of 625<sup>(1)</sup> firms surveyed, or 9%, gave formal recognition for long service. This was a significant proportion, and led the research workers to feel that the response in the other areas of study would be favorable. The second phase of the study was then undertaken, in an attempt to determine the extent to which local firms had gone in easing the older employee's transition from regular employment to retirement. This is a comparatively new field for formal policy making, and we were not surprised to find that only 11 of the 750 firms surveyed claimed to have formal pre-retirement counselling programs. These firms represented 1.5% of the total.

However, the outlook here is favorable, for 17.4% of the firms surveyed claimed to have informal pre-retirement programs. It seems likely that as more employees are retired, these informal programs will become more formal.

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(1) 125 firms in the service field were excluded from the survey of Plans for Recognizing Long Service.

The third area to be studied was the most difficult phase of the study. The diversity of retirement programs in effect -- even though there are relatively few such programs -- made it virtually impossible to digest the data collected for adequate reporting. However, certain arbitrary definitions and categories were established so that Exhibit 10 could be prepared. It was found that of the 750 firms surveyed, 36 or 4.8% claimed to have formal pension programs, while an additional 9.1% claimed to have informal programs.

This seems to be an unusually high percentage, especially when we consider the qualifications for sample firms expressed in Chapter I and II. It is not likely that these percentages are too low, but rather that they are too high. A quick re-survey revealed that this may be due to some smaller firms building a rough retirement procedure around the Social Security program, but without augmenting its benefits through a private program. However, it is believed that fewer than 10% of the reporting firms could have made this error.

The last phase of the study involved the collection of information with respect to the development of policies for assisting retired employees after they have left regular employment. Seventy-four percent, or 553 firms, revealed an interest in the welfare of retired employees. Of this group, 15% or 83 could be considered to have adapted formal programs for assisting retired workers. An additional 39% provided some services, while 46% were without post-retirement policies. This was a most favorable response, when one considers how few firms had done any serious thinking about pre-retirement or retirement policies. However, it must be noted that a large portion of the firms reporting favorably on post-retirement policies were employing such policies for individuals who retired on their own, through the Social Security program, or through special company provisions. And that post-retirement policies were reported by some firms which it seemed were mainly planning for future retirements, and had not had occasion to utilize the plan in the past.

In summary, New Orleans executives seem to be aware of the problem of the older worker, although there has been relatively little formal planning done with respect to the key problem areas covered in this survey. Of course, a part of this neglect of the problem may be due to the fact that Louisiana seems to be a younger state than other states (see Exhibit 3 - Chapter II). Perhaps the problem is not so serious here.

On the other hand, the proportion of older persons in our population is increasing at a rate nearly as rapid as that of the country as a whole, so that the problem will be growing more serious in the future.

It is encouraging to note that many of our executives are making active plans in the problem areas surveyed, although the greater proportion of their efforts can be reported only as informal programs in this survey. It is probable that there will be an increasing number of these informal efforts converted to formal programs as soon as these executives can acquire sufficient experience through their own efforts, or through the exchange of information with other executives in this area.

Since few -- if any -- community studies similar to this one have been made, it is not possible to compare the findings of this survey with the surveys of other areas to determine our relative position in attempting to solve the problems posed by older workers. It seems certain that other studies will be made, and that our community experience may be shared for the benefit of all. It would also be helpful if a similar, but more detailed, survey could be made of the New Orleans Metropolitan Area a few years from now in that our rate of progress in this field could be determined.

It seems safe to predict that the next five years will see at least a doubling of interest in all of the areas reported on in this study.

In conclusion, we can only say (because of a lack of information for comparative purposes) that New Orleans executives have begun to take a significant degree of interest in the problems of the older worker. In some specific areas, this interest does not appear as widespread as it should be, particularly in the area of pre-retirement counselling. But as a whole, there is ample evidence of an awakening of interest in so many firms that it seems certain that within the next few years there will be a marked increase in the number of formal programs established by local businessmen for the purpose of assisting the older worker to find his place in our community life.

It was stated at the beginning that this was to be a factual report, with the objective of delineating several aspects of a general problem, rather than a description of a problem with a number of recommendations for the solution of the problem. We will abide by our stated intention to avoid presenting solutions to the problems presented but we would like to make a few recommendations for readers who may be interested in a further study of these problems.

1. A community council of business leaders, social workers, government representatives and educators should be formed to study all of the problems arising out of the increase in the proportion of older workers in our population. Research should be organized so that adequate solutions to these problems might be developed, and findings should be published and circulated throughout the community.

2. A survey similar to this one should be conducted to examine other problem areas, particularly in the fields of accident prevention, adjustment to changing work environments, older worker training for less demanding jobs after 50 or 55 years of age, specialized housing requirements for older people, etc. There is much to be done here.

3. Other communities should be encouraged to conduct similar studies so that we can determine those communities which have progressed beyond others and which can therefore be used as models for less progressive communities.

4. The Bureau of Labor Statistics should be encouraged to make special studies in this area so that tables of experience can be developed to show us changing trends in these problem areas.  
and, finally,

5. Those executives who have not devoted serious thought to devising programs for solving the problems of older workers should utilize the questionnaire of Appendix A as a check list for planning to solve those problems within their particular companies.

APPENDIX A

Identification Page (to be destroyed during tabulation to insure confidential treatment. Identification is required only to make checking easier when interviewers appear to have made errors.)

RECOGNITION FOR LONG SERVICE

Name of reporting firm: \_\_\_\_\_

Nature of business: Manufacturing \_\_\_\_\_; Wholesale \_\_\_\_\_; Retail \_\_\_\_\_;  
Service \_\_\_\_\_; (Combine) \_\_\_\_\_

Nature of Labor Force: Number of full time Employees \_\_\_\_\_; Unionized  
\_\_\_\_\_; Partially Unionized \_\_\_\_\_; Non-Union \_\_\_\_\_

Name of Person Reporting: \_\_\_\_\_

Title of Person Reporting: \_\_\_\_\_ Tel. No. \_\_\_\_\_

Interview by: \_\_\_\_\_ Date \_\_\_\_\_

QUESTIONNAIRE NO. 1

RECOGNITION FOR LONG SERVICE

**PURPOSE:** The purpose of this questionnaire is to determine just what steps are being taken by Industry today to recognize long service on the part of employees.

In this questionnaire we are seeking information on formal programs, rather than an occasional non-periodic gesture of recognition on the part of management.

\*\*\*\*\*

SECTION I GENERAL

1. Does Your Company give formal recognition to long service employees:

- A) On a company-wide basis
- B) On a departmental
- C) None

**NOTE:** If answer is 'None', disregard the remaining portion of this questionnaire.

If answer is on a company-wide basis, proceed with this questionnaire.

If answer is on a departmental basis and departmental policies and practices vary, fill out one questionnaire for each department. IDENTIFY EACH QUESTIONNAIRE WITH DESCRIPTION OF DEPARTMENT DUTIES.

If departmental policies are exactly alike, treat the situation as if there was recognition on a company-wide basis.

IDENTIFY HERE: \_\_\_\_\_  
\_\_\_\_\_

2. What general types of recognition are included in your program?

- A) Nonmonetary awards
- B) Monetary awards
- C) Extra privileges
- D) Increased job security
- E) Others, specify: \_\_\_\_\_

\_\_\_\_\_

3. If your program consists of more than one type of award, which types are regarded most highly by your employees? (Use number 1 to indicate award regarded most highly, number 2 for second highest, etc.)

- A) Non - monetary awards
  - B) Monetary awards
  - C) Extra privileges
  - D) Increased job security
  - E) Others, specify: \_\_\_\_\_
- \_\_\_\_\_

4. A) If an employee quits and is later re-employed, is previous service counted for recognition? YES \_\_\_\_\_ NO \_\_\_\_\_

B) If an employee is discharged and is later re-employed, is previous service counted for recognition? YES \_\_\_\_\_ NO \_\_\_\_\_

C) REMARKS: \_\_\_\_\_

\_\_\_\_\_

5. A) Does your Company have a formal service club? YES \_\_\_ NO \_\_\_

B) What is its title? \_\_\_\_\_

C) What are the requirements for membership? \_\_\_\_\_

\_\_\_\_\_

SECTION II NONMONETARY AWARDS

NOTE: If your Company does not offer non-monetary awards, please skip this Section.

1. What types of awards constitute your non-monetary program?

- A) Pins
  - B) Watches
  - C) Certificates
  - D) Others, specify \_\_\_\_\_
- \_\_\_\_\_

2. Describe the awards, the time for which awards are made, and their approximate cost.

TYPE:	YEAR:	UNIT COST:
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. As a general rule, do you permit an employee to keep a previously awarded (pin, watch, certificate, others, specify: \_\_\_\_\_ )

\_\_\_\_\_ )  
if he is to be awarded a new one for longer service.

YES \_\_\_\_\_ NO \_\_\_\_\_

4. Please give the title of the person who usually presents:

The Pins: \_\_\_\_\_

The Watches: \_\_\_\_\_

The Certificates: \_\_\_\_\_

Others, specify: \_\_\_\_\_

5. If you hold award dinners, how frequently are they held?

\_\_\_\_\_

Who pays for the dinner? \_\_\_\_\_

Who, by title, other than award recipient are usually present?

\_\_\_\_\_

6. If you do not hold award dinners, how are awards presented and by whom?

\_\_\_\_\_

\_\_\_\_\_





QUESTIONNAIRE NO. 2

TRANSITION FROM REGULAR EMPLOYMENT TO RETIREMENT

**PURPOSE:** The purpose of this questionnaire is to determine just what steps are being taken by industry today to ease a long-service employee from his regular daily activities to full retirement. The programs may be FORMAL OR INFORMAL.

A Formal program is a planned, gradual change in job duties to less and less laborious work; or from rural or branch offices or plants to home offices or plants; and/or a gradual reduction in hours of work.

An Informal program consists of transitional measures which vary with each individual long-service employee.

If the Informal plan follows a definite pattern, it is to be considered Formal for purposes of this survey.

\*\*\*\*\*

- 1. A) Is your company's program: FORMAL \_\_\_\_\_ INFORMAL \_\_\_\_\_  
NO PROGRAM \_\_\_\_\_
- B) If you have "NO PROGRAM" was such a plan ever considered?  
YES \_\_\_\_\_ NO \_\_\_\_\_
- C) If your answer is 'YES' explain why it was not used. Please be specific in stating the difficulties you found in the establishment and continuance of such a program. (use back of page if necessary)

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**NOTE:** If you have no program skip the rest of this questionnaire.

- 2. Is your program: Company-wide Basis ----- \_\_\_\_\_  
Departmental Basis ----- \_\_\_\_\_

**NOTE:** If departmental-wide, fill out a separate questionnaire -- FROM HERE ON -- for each department. Give description of the department duties.

**DUTIES:** \_\_\_\_\_

---

3. What is the basis for considering an employee eligible for transition from regular employment to retirement?

- A) Age \_\_\_\_\_ (no. of years)
- B) Length of service \_\_\_\_\_ (no. of years)
- C) Combination of above \_\_\_\_\_ (please describe: \_\_\_\_\_ )

D) Other than above \_\_\_\_\_ (please describe: \_\_\_\_\_ )

4. Describe your program with particular attention to steps and time intervals.

\_\_\_\_\_  
\_\_\_\_\_

5. Do you counsel employees prior to their transition from regular employment to retirement? YES \_\_\_\_\_ NO \_\_\_\_\_

If 'YES', Individually \_\_\_\_\_ or by Groups \_\_\_\_\_.

What is the nature of your counselling program, and who is responsible for it?

\_\_\_\_\_  
\_\_\_\_\_

6. Does the employee who is being considered for retirement train his replacement? YES \_\_\_\_\_ NO \_\_\_\_\_

7. Please describe any aspect of your program not covered above. (If necessary use the reverse side of this sheet.)

\_\_\_\_\_  
\_\_\_\_\_

8. A) What is the objective of your program?

\_\_\_\_\_

B) How successful has your program been in attaining that objective?

\_\_\_\_\_

QUESTIONNAIRE NO. 3

RETIREMENT PROGRAMS: PENSION PLANS

**PURPOSE:** The purpose of this questionnaire is to determine the type of pension plan in effect in your company and its nature.

1. Does your company have any (FORMAL - INFORMAL) Pension Plan?

YES \_\_\_\_\_ NO \_\_\_\_\_

2. Does your company have more than one type of Pension Plan?

YES \_\_\_\_\_ NO \_\_\_\_\_

**NOTE:** If the answer is 'YES' fill out one questionnaire for each type of Pension Plan.

**IDENTIFY EACH PLAN BY STATING MAJOR AREAS OF DIFFERENCES.**

**MAJOR DIFFERENCES:** \_\_\_\_\_  
\_\_\_\_\_

3. What type of plan do you use?

- \_\_\_\_\_ A) Unfunded plan
- \_\_\_\_\_ B) Trust funded plan (Funded with a Trust Company)
- \_\_\_\_\_ C) Group annuity plan (No insurance involved)
- \_\_\_\_\_ D) Individual annuity plan
- \_\_\_\_\_ E) Profit sharing plan
- \_\_\_\_\_ F) Combination of above (please describe): \_\_\_\_\_  
\_\_\_\_\_ )

\_\_\_\_\_ G) Others, specify: \_\_\_\_\_

4. Is your plan contributory? YES \_\_\_\_\_ NO \_\_\_\_\_

5. When was this plan adopted? \_\_\_\_\_

6. What type of formula do you use ?

- A) Definite benefit type  
This provides for a pension equivalent to a definite percent of income for each year of accredited service.
- B) Money purchase type  
A specified percentage of an individual's pay is contributed each year. The sum deposited by the employee is used to purchase annuities to provide a pension upon retirement.
- C) Uniform or flat-percentage type  
A Pension equivalent to a flat percentage of compensation is provided for eligible employees upon retirement.
- D) Others, specify: \_\_\_\_\_  
\_\_\_\_\_

7. What is the basis of your plan payments ?

- A) Based on average pay over the entire employment period
- B) Based on average pay over last years of employment.  
(If so, how many years \_\_\_\_\_)
- C) Based on final pay.
- D) Others, specify: \_\_\_\_\_  
\_\_\_\_\_

8. What is the basis for eligibility requirements ?

- A) Length of service.
- B) Age (\_\_\_\_\_)
- C) Compensation
- D) Class of employee: Salary \_\_\_\_\_ Wage \_\_\_\_\_.
- E) Combination of above \_\_\_\_\_
- F) Others, specify: \_\_\_\_\_

9. When (can or must) your employee retire ?

- A) When he reaches \_\_\_\_\_ years of age.
- B) Optional with employees after \_\_\_\_\_ years of (age) (service).
- C) Optional with employer after \_\_\_\_\_ years of (age) (service).
- D) Optional with both.
- E) Others, specify: \_\_\_\_\_

10. Under your plan are your employees granted vesting rights?  
(That is, may the employee, (A. withdraw in a lump sum)  
(B. get retirement benefits from ) money contributed by  
you if you or he terminates his employment for any reason)

YES \_\_\_\_\_ NO \_\_\_\_\_

11. When are these vesting rights granted to the employees?

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12. Does your plan provide financial assistance for the survivors  
of the Pensioner?

YES \_\_\_\_\_ NO \_\_\_\_\_

13. Who is responsible for the administration of your pension plan?  
(Specify: person, positions, representation.)

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14. Please describe any other aspect of your plan that has not been  
covered in this questionnaire. Use reverse side of this sheet  
if necessary.

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QUESTIONNAIRE NO. 4

POST RETIREMENT POLICIES

**PURPOSE:** The purpose of this questionnaire is to determine what degree of interest is maintained in retired employees? (An employee who has left employment and is on a fully retired basis)

1. Is your company interested in the welfare of all retired personnel?

- A) Very interested
- B) Interested
- C) Indifferent
- D) Not interested

2. Does your company have (Formal, Informal) Post Retirement Policies on a (Company-wide basis, Departmental-wide basis).

**NOTE:** If the answer is on a company-wide basis proceed with this questionnaire.

If the answer is on a departmental-wide basis, and departmental policies and practices vary, fill out one questionnaire for each department. IDENTIFY EACH QUESTIONNAIRE WITH DESCRIPTION OF DEPARTMENT DUTIES.

If departmental policies are exactly alike, treat the situation as if there was recognition on a company-wide basis.

DEPARTMENTAL DUTIES: \_\_\_\_\_

3. What do you do for retired personnel other than provide plan payments.

- A) We inquire about the retired person's welfare (regularly) (from time to time)
- B) We visit retired personnel regularly
- C) We offer retired personnel all the privilege of active regular employees
- D) We invite retired personnel to all company meetings, banquets, etc.
- E) We offer health and other medical benefits.
- F) Discounts on purchases of company products.
- G) Legal assistance
- H) General advice
- I) Others, specify: \_\_\_\_\_

4. Please inclose any literature pertaining to the above matter.