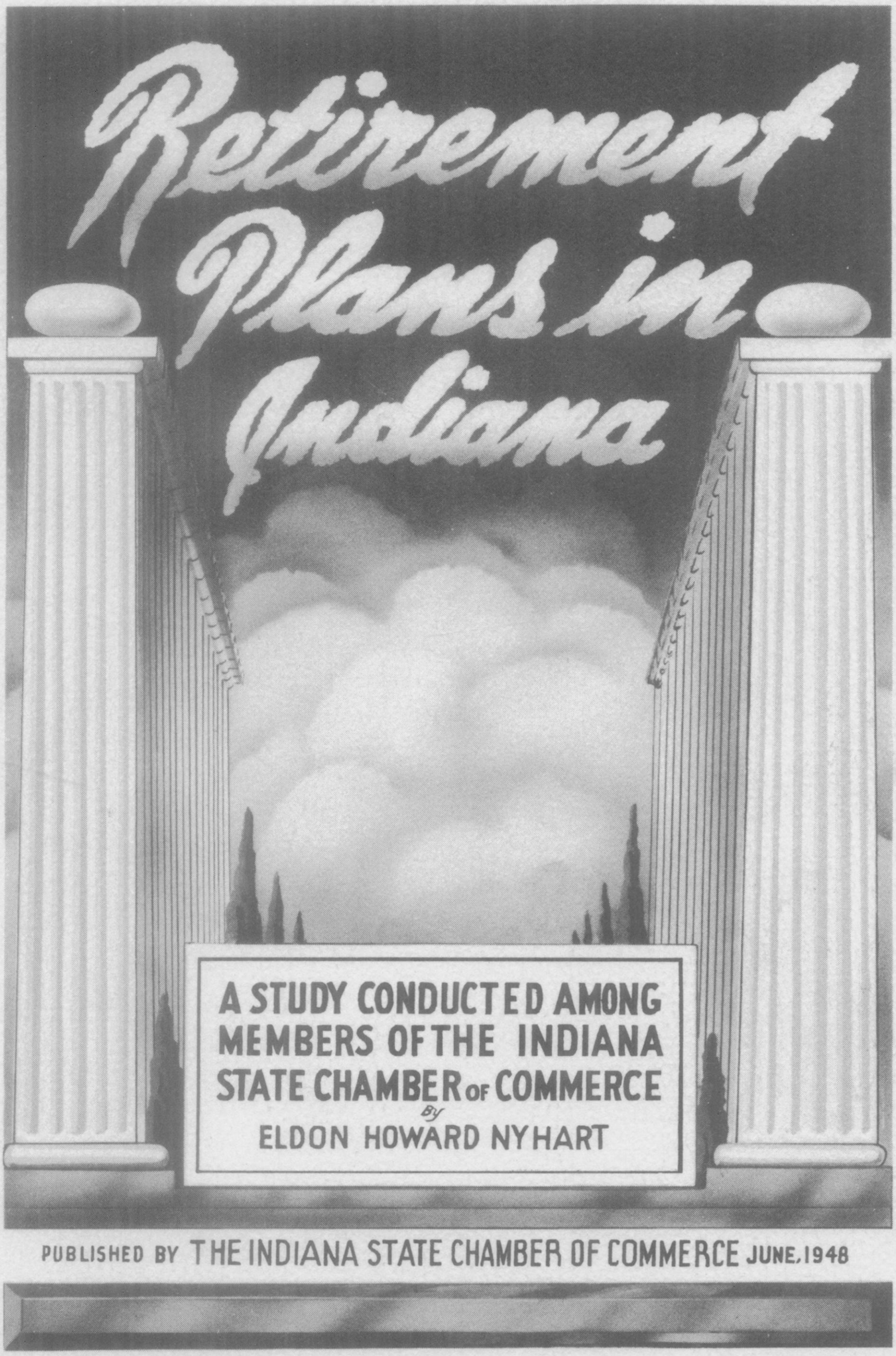
Pensions
(1948)



PREFACE

The information on which the following study is based was obtained from answers to a questionnaire mailed to all members of the Indiana State Chamber of Commerce in January 1948. The membership embraces all fields and sizes of Indiana business and professional activity and only a comparatively small number had pension plans in effect. Nevertheless, a total of 904 questionnaires accounting for about 20% of the membership were returned. This is far above the normal expected return.

The questionnaires were processed by Eldon Howard Nyhart, a senior student in the Princeton University School of Public Affairs and son of Howard E. Nyhart, president of The Howard E. Nyhart Co., Inc., pension consultants. Mr. Nyhart had the facilities of the Industrial Relations Section of Princeton University to use in compiling and preparing this interesting and informative report.

Pension Plans Growing Rapidly

Although there has been much interest in pension and retirement plans for many years, a recent decision of the National Labor Relations Board has given this subject a sudden and sharply increased interest. The NLRB has ruled that employers must bargain collectively on this issue and must consult with the union before making any changes in an already established plan. Thus a new problem has been dropped into the lap of practically every employer in the country. This study of the various kinds of retirement plans now in existence in Indiana is, therefore, very timely.

Are Pension Plans Appreciated?

Personal experiences within the last few weeks have raised the question as to whether pension plans now in effect in many businesses have been properly interpreted to the employee beneficiary. In the older companies where retirement plans have been in effect for some time, the pensions appear to be taken for granted and the potential recipients have little knowledge or appreciation of the actual "cash" value of their equities in these plans. These disturbing questions are posed:

> Is there a proper understanding, even though the employee as well as the employer contributes to a pension plan, that there has been added

to that business a basic and almost irrevocable increase in operating costs?

Is the proper interpretation repeatedly being made to the recipient of what his pension would cost him if he went into the open market to buy it?

Is the employee well informed on how, by being associated with his particular employer and by going into partnership with his employer in the buying of his pension, he has received a real bargain?

House organs published in Indiana give little if any explanation of the pension plans pointing to any of the questions raised above. Many employees seem to have the impression that an old age pension is their "God-given right" and who are continually calling attention to the fact that they couldn't possibly live in their old age, in the manner to which they have been accustomed, on the pension they are scheduled to get.

Today the amount of "take-home pay" is of paramount interest. This is apparently a general reaction not only among employees of corporations but among firemen, policemen and other public employees for whom the taxpayers make huge pension contributions each year.

A firm of pension engineers and a general insurance agent provided the figures quoted below. This table shows in "pocket-book" terms what it would cost an individual at various ages to buy for himself, out of his own earnings, a $100-a-month pension beginning at the age of 65. Obviously a smaller monthly pension or a larger one can easily be computed from these basic figures.

It seems that good personnel relations would be advanced if employees were given such information at this about the actual plan of which they are a part. Certainly the man at say the age of 40 who has a $100-a-month plan in sight, all or part of which is being paid for by the company, would have a better appreciation of the real value of that pension if he knew that it would cost him $42.18 a month to carry it on his own.

Annual Premium Deferred Annuity
Income of $100 a Month
Commencing at age 65 and Payable
for 10 years Certain and
Life Thereafter

Application age -Male-	Cost per Year	Cost per Month	Cost per Week
25	$ 255.00	$ 21.50	$ 4.90
30	313.30	26.11	6.03
35	392.70	32.73	7.55
40	506.10	42.18	9.73
45	679.40	56.62	13.07
50	974.20	81.18	18.73
55	1580.70	131.73	30.40
-Female-			
25	286.60	23.88	5.51
30	352.20	28.52	6.77
35	441.50	36.79	8.49
40	568.90	47.41	10.94
45	763.70	63.64	14.69
50	1095.20	91.27	21.06
55	1776.90	148.08	34.17

If there are to be pension plans for practically all employees, much higher production costs must result unless this burden can be off-set to some degree by increases in efficiency per man, through better tools, better merchandise and better job appreciation.

It must be borne in mind that pension plan costs also will probably "go up" in the future and that pension plan costs are only one of the numerous increased costs in all kinds of operations both in private and public business.

This being true, it is all the more important that taxpayers realize, more governmental services mean more governmental employees with their pension plans, their sick leaves, their limited hours of work and these must be paid for with sweat and backaches of those who produce.

It is important that businessmen remember the effect of these costs in the fields of the private production of goods and services, in building an automobile, pressing pants or washing shirts, or in the practice of medicine or law. All the costs for both private and governmental pensions must be "earned."

To be "demanding" more pay, more pensions, more facets of the social security program, in return for less actual productive activity is to follow a policy with very definite limits.

The following is from a Pension Letter published by the American National Bank in May 1947 and points out in specific cases the advantages of a working-together partnership between employer and employee in the pension plan field:

SAVING MONEY THE HARD WAY -- A Pension Letter prepared by American National Bank at Indianapolis, May, 1947.

NOTE: The costs computed in this letter were based on Federal net Income Tax rates existing prior to 1948.

High income tax rates and low investment yields -- factors that probably will not change greatly for years -- combine to make it almost impossible for employees to provide adequate retirement security for themselves.

Consider the case of Jones, an employee now making $3,000 a year. How would he fare if he received a 10% pay raise and tried to provide for his own retirement out of it? Assuming he has the moral stamina to resist the temptation to spend some of the money and that he met no investment obstacles, the most he could accumulate by investing in savings bonds or in something else paying about 3% would be:

In 20 years:	$ 6,000
In 30 years:	10,200
In 40 years:	15,600

But if his employer contributed that $300 each year to a retirement plan, Jones would have:

In 20 years:	$ 8,100
In 30 years:	14,200
In 40 years:	23,600

An individual employee simply can't do the same investment and accumulation job that a Bureau-approved pension or profit-sharing plan can, because of the successive tax "bites" taken out of his principal and interest. He must start with a smaller principal and then get a lower net investment return. The cumulative impact is too much for him.

TAX ON "PRINCIPAL": The first handicap the employee faces is the personal income tax on his pay increase. To a $2,000 employee this tax is now 19%. It is 20.9% to a $3,000 man, 24.7% to a $6,000 man, 32.5% to a $10,000 man, and then skyrockets until more than 68 cents comes out of each dollar paid to a $50,000 man.

But every dollar paid by the employer would still be 100 cents if contributed to a qualified pension or profit-sharing plan.

TAX ON "INCOME": The employee's second handicap is also the income tax. This time it hits the rate of return on the investments he makes (assuming, of course, that his investments are not in tax-exempt secuities). Because the income is subject to tax, a 3% investment returns only 2.43% to a $2,000 man, 2.37% to a $3,000 man, 2.26% to a $6,000 man, 2.03% to a $10,000 man, and a mere $.95% to a $50,000 man.

But a 3% investment still yields 3% to a qualified pension or profit-sharing trust because its earnings are tax-exempt.

COMBINED TAXES: The disparity between an employee's investments and a trust's investments becomes more startling each successive year. As against $1 riding along at a 3% compounded rate under the trust, a $2,000 salary employee would have only 81 cents earning 2.4% compound interest in his individual "retirement fund." Similarly, the pay-rise dollar of the $3,000 man would drop to 79 cents and net him only 1.87 cents per year; the $6,000 man would have only 75 cents earning 1.70 cents; the $10,000 man only 68 cents earning 1.37 cents; the $20,000 man only 50 cents earning 0.74 cents; and the $50,000 man only 32 cents earning only 0.3 of a cent.

The cumulative handicap is illustrated in the following table, which compares (1) the growth of a dollar paid to various employees as increased pay and saved by those employees, with (2) the growth of an employer's dollar when contributed to a qualified trust and invested at 3% compound interest.

Received and Invested by	20-Yr. Result	30-Yr. Result	40-Yr. Result
$ 2,000 man	$ 1.29	$ 1.63	$ 2.10
3,000 man	1.20	1.52	1.92
6,000 man	1.17	1.46	1.83
10,000 man	1.01	1.23	1.50
20,000 man	0.68	0.78	0.91
50,000 man	0.39	0.43	0.47
Received and Invested by			
Trust	$ 1.81	$ 2.43	$ 3.26

It may be difficult to be so specific and interpret the advantages of a "working-together" program in dollar terms in all of our relations between employer and employee but it is a goal worth shooting for.

Now that pension plans are to attract more attention it is time to take a good look at this new and over-all production, distribution, and governmental cost item.

This survey is intended as a contribution to that end.

Clarence A. Jackson
Executive Vice-President
INDIANA STATE CHAMBER OF COMMERCE

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CHAPTER I

INTRODUCTION

Within our generation, America has moved from a period of high interest rates and low taxes, into a period of high taxes and low interest rates. It is only natural that this factor has brought about an increased interest in retirement plans. Around the turn of the century it was comparatively easy for any who had an annual income of $1800 to save 16% of it annually, and to invest those savings at 5% compound interest. In thirty years a savings of $20,000 could have been accumulated, which, in turn, could have been invested at favorable interest rates to provide that workman at retirement age with a small, but fairly adequate, retirement income for the rest of his life. Today, the problem of accumulation is at least three times harder with high living costs, lower interest rates and high taxes. To illustrate, it is difficult today for the worker, with an annual income of $1800, to save as much as 8% of it annually and what he does save, earns a lower interest rate. If he can invest this 8% annually at 3% compound interest for 30 years, he will have accumulated around $7,000. Income from this $7,000 would not be sufficient to afford him satisfactory retirement income. Although Social Security provides some solution to the retirement problem, the benefits are not adequate for retirement. If the employee earns more than $14.99 per month in covered employment after retirement, he cannot receive during that time, the benefits under Social Security. However, the Old Age Benefit of Social Security has furnished a base on which private pension plans can be superimposed, so that the retirement income from all sources will be at an adequate level.

Another important factor which has influenced the creation and operation of private pension plans has been the tax encouragement provided under the Internal Revenue Code. However, to eliminate abuses, revisions and decisions have been made, regulations have been given, so that the Government might more closely prescribe requirements of a pension or profit-sharing plan such as; the manner in which private benefits are integrated with Federal Old Age Benefits, the general methods of funding, and the amounts of employer contributions which may be considered as deductible items of expense from taxable income. Another influence in bringing about the adoption of retirement plans has been the fact, that during the time employers were forced to freeze salaries and wages, the pension plan afforded means and inducement to hold employees against offers of higher pay elsewhere. Furthermore, large wartime profits were responsible in bringing about the adoption of pension plans. (1)

Evidence of the increasing nationwide interest in retirement and profit-sharing plans can be shown in recent statistics of the Bureau of Internal Revenue. Their figures show that only 110 plans, which had become effective prior to 1930, had been approved by them for qualification under Section 165a of the Internal Revenue Code. However, they approved 549 plans which had become effective from 1930 until 1939. From January 1st, 1940 to September 1st, 1942, 1,288 plans had been put into effect. From September, 1942 to December 31, 1944, a total of 5,839 plans were installed throughout the nation. During 1945 and 1946 the number of plans installed showed a decrease. However, this figure excluded a substantial portion of the plans which became effective during 1946, and some plans which became effective in 1945, for which favorable rulings were not issued and processed until after August 31, 1946. (2)

The purpose of this study is to discover what interest there is in retirement plans among members of the Indiana State Chamber of Commerce, which type pension plans have been adopted, and what their effectiveness has been. We propose to compare the results of this survey with results of previous studies which have been made on the subject, and to discuss, compare and explain the findings of this survey in the light of recognized authorities on the subject of pension plans, so that a specific knowledge of the pension situation in Indiana may be correlated with the general findings on a nationwide basis.

In order to facilitate the study of pension plans and their use among the members of the Indiana State Chamber of Commerce, 4,989 letters were sent out on January 12, 1948 to the key mailing list of the Indiana State Chamber of Commerce. This letter of explanation had enclosed with it two questionnaires; a shorter one to be filled out by those not having pension plans in operation, and a longer one to be filled out by those who did have pension plans (3). The

(1) National Industrial Conference Board Reports, Studies in Personnel Policy, No. 61, P. 5.
(2) Bureau of Internal Revenue, Income Tax Unit, Pension Trust Stastical Tables, through August 31, 1946
(3) See Appendix I

questions used in this questionnaire were adopted after consultation with officers of the Indiana State Chamber of Commerce, qualified experts in the field of insurance and pension consulting, and Professor Lester of the Industrial Relations Section of Princeton University. The purpose of the shorter questionnaire was to find out primarily whether or not the respondent had any interest in pension plans, although he might not have a plan in effect at the present time. The longer questionnaire to be answered by those having retirement plans was designed to discover the type of plan which was in effect, how long it had been in operation, the eligibility requirements in order for the employees to participate in the plan, the retirement benefits under the plan, and, in general, the all around effectiveness of the plan. An open question was added at the end of the questionnaire providing the respondent an opportunity to make any general comments he so desired on the questionnaire, on his retirement plan, or why he answered some of the questions as he did. Finally, so that the questionnaire might be clear and easily answered, assistance was procured from experts in psychology and opinion polling attached to the faculty of Princeton University. As the questionnaires were returned, data was removed from them and carefully correlated. Most of this study will be concerned with the findings of these questionnaires.

Of the nearly 5,000 questionnaires sent out 904 of them were returned in time to be included in the tabulation. (1) This was a return of 18.1%, or approximately 3% above the normal return on a mail questionnaire. (2) Of those who replied, the largest percentage, 44.8%, stated that they were engaged in manufacturing; 8.7% were engaged in finance, which included banks, trust companies and loan companies; 8% were engaged in wholesaling; 4.1% in building construction; and 3.8% of those who replied were public utilities. A miscellaneous category, 14.9% of the replies made up most of the rest of the answers and consisted of such type firms as insurance companies, service companies, law firms, and the like which were not included in any of the above named categories.

The largest percentage (40%) of the respondents stated that they employ-

(1) See Appendix II, Table I
(2) Blankenship, Consumer and Opinion Research, P. 10.

ed less than 25 people. Firms employing 26 to 50 people were the next largest category, with 17.3% falling in this group; 13.3% of those replying stated that they employed from 51 to 100 people; 10% employed 101 to 200 workmen; 7% employed 201 to 400 people; 5.6% employed 400 to 1,000 people, and the remainder of respondents, 6.4%, stated that they regularly employ over 1,000 people. According to Wilfred Bradshaw, Director of Personnel Relations Department of the Indiana State Chamber of Commerce, the returns on this survey, as stated above, represent an approximate cross section of the membership of the Indiana State Chamber of Commerce. (1)

Due to the varied response to the questionnaire, and the comparatively small number of questionnaires that were sent out over a very limited area, namely the membership of the Indiana State Chamber of Commerce, no attempt will be made in this study to give the results of the survey any statistical significance. We do not claim that the results of this survey represent business as a whole in the Midwest, or even in Indiana itself. The sample attained by this survey, while it is believed to be an accurate cross section of the Indiana State Chamber of Commerce membership, is not sufficiently broad to make any generalizations employing statistical methods. In order to apply formulae, such as standard area of a proportion, and standard area of the difference between proportions, a more or less cross section of an infinite population must be obtained. That is not within the scope of this survey. Furthermore, since it may be assumed in a mail ballot such as was adopted in this survey, those most interested in the subject, namely retirement plans, would be more likely to reply to the questionnaire than those who had no interest. Consequently this survey cannot make a claim to any statistical significance in the figures used in the survey, beyond the fact that the replies represent an approximate cross section of the membership of the Indiana State Chamber of Commerce, and that the results themselves correlate approximately with surveys of broader scope undertaken on a nationwide basis and with the view of many recognized authorities.

Cooperation among those replying to the questionnaire was, in the main, excellent. However, it is unfortunate to note that the questions were answered

(1) Statement of March 26, 1948.

less fully and carefully by the larger companies which had the greatest proportion of pension plans in effect, while in the smaller companies which had proportionally fewer pension plans, the answers were generally more complete and more carefully worked out.

CHAPTER II

APPLICATION OF THE RETIREMENT PLAN PRINCIPLE IN INDIANA

Employers in Indiana have clearly reflected the growing interest in retirement plans in the United States. Out of the 904 respondents to the questionnaire, 14.4% of those replying stated that they had retirement plans in effect and 7.6% of those replying indicated that they were definitely going to establish a retirement plan at some future date. Of the remainder, 10.5% of those replying stated that they were considering the installation of a retirement plan, or were definitely interested in the subject. Of the respondents, 67.5% evidenced little or no interest in retirement plans or said that they were not planning installation of a retirement plan. Financial institutions indicated greatest usage of retirement plans. Of those firms in the financial category 46.8% stated that they had, or definitely intend to install, a retirement plan. Companies in the field of public utilities had the next largest percentage of retirement plans in operation or definitely intend to install them. Of the companies in this field, answering the questionnaire, 44.1% had plans. Companies engaged in manufacturing ranked next. Of those answering, 24% have retirement plans or definitely intend to install them. Wholesaling establishments came next with 12.5%, while those companies engaged in retailing had only 9.2% using retirement plans or definitely intending to use them. Companies engaged in building construction evidenced least application of the retirement plan idea. Of the companies answering the questionnaire only 2.3% had plans or definitely intend to install them. The other firms, not placed in any particular category, replied that 20.1% had installed or intend to install retirement plans. A large percentage of these firms in the latter category, it must be noted, were insurance companies, most of whom had retirement plans.

The larger firms, those employing a thousand or more men, showed the greatest use of retirement plans. Of those firms, 84.6% had or intend to install a retirement plan. Generally, as the firms decreased in size, they showed a decreasing use of retirment plans. Those firms employing 400 to 1,000 employees had 45.1% using retirement plans, or intend to use them. Of those firms employing 200 to 400 employees 34.9% had or intend to install retirement plans. Those firms employing 100 to 200 employees 27.8%; 51 to 100, 24.1%; 26 to 50 employees, 12.2% and finally those firms which employ 25 or less showed the smallest interest and use of retirement plans. Only 8.9% of the firms replying in this category had or intend to install retirement plans. Of these smaller business firms, (those employing less than 25 people) least use of retirement plan was found in the retailing establishments. There only 2% of those replying use or intend to use retirement plans. In this category, of smaller business firms, financial institutions, mainly banks, showed the greatest interest and use of retirement plans. Here 31.9% had or definitely intend to install retirement plans. Of these smaller companies, public utilities had 22.2% using retirement plans, while only 4.3% of the smaller business firms engaged in manufacturing had or intend to install a plan. (1)

We have previously stated that the smaller firms, especially those engaged in retailing, wholesaling and manufacturing, according to this survey, evidenced the least use of retirement plans in their businesses. Exceptions to this rule are the small financial enterprises and the smaller public utilities. It might well be that these smaller industries are unacquainted with possible benefits that might be derived from the use of retirement plans in their industries, or that they might be unaware of the applicability of a retirement plan to their type of business. The insurance companies, pension consultants, and trust companies in the past have concentrated on the larger companies as a more lucrative field. Furthermore, the smaller industries have not felt the great influence of the United States Chamber of Commerce, the National Association of Manufacturers, the American Bankers Association, and other groups which have done much publicizing of the advantages of pensions. Furthermore, the labor situation in the smaller firms has not been, as a rule, one that would cause the adoption of pension plans, especially in Indiana. (2)

(1) See Appendix II, Table II
(2) Howard E. Nyhart, Pension Consultant, Statement of March 27, 1948.

CHAPTER III

REASONS FOR INSTALLATION OF RETIREMENT PLANS

Retirement plans are becoming more and more a means to improve employer-employee relationships. However, the motives for installing plans have tended to change over the years. In this questionnaire, the reason which the respondents gave more times than any other for adopting a plan was to supplement the employees' Social Security, so that benefits would be more adequate. Of those replying to the question, 70.8% gave that as a reason. It is clear that the employers who answered this question fully realized that current high taxes, increased living costs, and lowered interest rates make it practically impossible for most employees to accumulate an amount of savings, which together with Social Security benefits would provide an adequate retirement income. (1) It is this fact that was pointed out in the introduction as one of the major reasons for the increase of pension plans throughout the United States.

The next reason for installing a plan which was most often given by those replying to the questionnaire was that their plan was instituted to improve employee morale. Of those replying 60% gave that as a reason. Of those who replied 49.2% said that their plan was instituted to discharge a moral obligation to their employees; 48.5% stated that they instituted their plan in order to attract a better type of employee; 44.6% said that they desired to decrease labor turnover by instituting a plan. The encouragement of employee initiative was the reason which 31.5% of those replying gave for installation of a plan. Only 27.7% gave the plans' use as means of amortizing employee obsolescence and depreciation as a reason for the institution of their plan. It should be noted that the least popular reason given by employers for instituting pension plans was the fact that their contributions were deductible for tax purposes. (2)

All of the above motives have been recognized by industrial counselors as valid reasons for instituting retirement plans. As the National Industrial Conference Board points out, at first employers were concerned only with rewarding long periods of service. By instituting a pension plan the employer could fulfill a social obligation to the workers who had served him faithfully for many years. Undoubtedly this is still a major reason for instituting retirement

(1) Prentice-Hall, Pension and Profit Sharing, P. 2015.
(2) See Appendix II, Table XXVIII

plans. More recently other motives have come to the fore through the comparison of aging man power to aging machinery. Indeed, as the Conference Board has pointed out, it is even more important to remove older workers who are inefficient than it is to get rid of over-age machinery. Through the elimination of these superannuated employees it is possible to s tep up the efficiency of the whole organization, and opportunities for younger employees are then opened up. (1) Other tangible reasons for adopting a retirement plan are those which relate to improving the esprit de corps of the worker. The adoption of a program which will promote good will and cooperation on the part of the employee and increase loyalty, naturally will be reflected in greater output and efficiency on the part of the organization. Other general motives behind pension plans are those related to the desire to have the organization known as a good place to work, and thus attract and hold higher grade employees.

In this survey, as was shown, the least popular reason for the institution of a retirement program was because the contribution to the plan was deductible for tax purposes. It is probably the most unsound reason for adopting a retirement plan. The tax advantages that are possible under a retirement plan have undoubtedly brought about their adoption in some companies. However, if the employer is not interested in solving his personnel problem, but only in achieving tax gains, the plan is on an unsound foundation and probably will not achieve the desired results. (2)

(1) National Industrial Conference Board Reports, Op. Cit., P. 5
(2) Ibid, P. 6

CHAPTER IV

PENSIONS AND COLLECTIVE BARGAINING

Union interest in the subject of pensions has been steadily increasing in the last few years. However, as yet, this increased union interest in retirement plans has been reflected only slightly in the results of this survey. Out of all of those who had pension plans and responded to the questionnaire only two stated that their plans were installed as the result of collective bargaining. (1) Both of these firms were large, one a public utility employing more than a thousand people, and the other employing more than three hundred. The survey only showed that a comparatively few of those who had plans had made their plan a part of the collective bargaining agreement. Only eight of the firms had included their plans in their agreements; six which were engaged in manufacturing, one public utility, and one in the miscellaneous category. (2) All of these firms were relatively large. Of these two manufacturing firms stated that they employed over one hundred people; one firm had over five hundred employees and the remainder of the manufacturing establishments (three in number) stated that they employed over a thousand people. The public utility which had made its plan part of the collective bargaining agreement stated that it employed over a thousand people, while the firm in the miscellaneous category stated that they employed over three hundred. The remainder who replied to the questionnaire said that they either did not have a union in their establishment or that the plan was not included in the collective bargaining agreement.

Traditionally, unions have never been enthusiastic about pension plans on a company basis and they have actually opposed them in some instances. The extreme labor view was expressed by Samuel Gompers years ago in his violent denunciation of pension plans. His main contention was that pension plans were established to abolish union organizations, and they tended to lower labor turnover where the wages and working conditions were unsatisfactory. In general he believed that the plans were designed to chain the employees to their jobs. (3) The steadily increasing number of union demands for establishing of pension plans would suggest that the traditional union opposition has vanished. In the past much union opposition was centered around the actual unsoundness of the

(1) See Appendix II, Table XXVI
(2) See Appendix II, Table XXVII
(3) O'Neill, H., Modern Pension Plans (Prentice-Hall, 1947), P. 3.

plans, that the plans were complicated and not understood, and that they were inflexible and did not meet employee needs. (1) Today old age benefits available from Social Security have familiarized the employees with the desirability and need for retirement income. The declining yield on savings, as well as high income taxes, have prompted union officials to look upon retirement plans with increased favor. Most pension plans installed now are actuarily sound and termination is discouraged by the Government through the possible invocation of an income tax penalty in case of an unjustified discontinuance. Generally today, labor and management both agree that pension plans are good for all concerned. However, they do not always see eye to eye on the question of control. Labor unions claim that the creation and administration of retirement plans should be subject to collective bargaining. Management in general believes that plans should not be subject to collective bargaining and claims exclusive right to establish a plan if so desires and to handle the administration of the plan. (2)

Insofar as coverage and similar considerations are concerned, there is probably little difference whether a retirement plan is instituted voluntarily by an employer or is instituted through the medium of collective bargaining. However, there could be serious disadvantages. There are a number of reasons why an employer should consider adopting a plan voluntarily rather than waiting until he is forced to do so by unions through collective bargaining. First of all, voluntarily installing the plan might prevent the union from insisting on an inflexible nationwide plan rather than a company program. Furthermore, the retirement benefits under a plan installed through collective bargaining might be comparatively less and the union might lean heavily upon the creation of the greatest possible immediate accumulations for participants, thus increasing the cost sharply. This, in turn, might necessitate a correspondingly sharp reduction in retirement benefits for management personnel. Also, employees connected with management and other non-union personnel might possibly be excluded from any union proposed plan. This could conceivably result in the duplication of plans and the division of personnel into two groups which might result in the

(1) Prentice-Hall Op. Cit., P. 2023
(2) Prentice-Hall, Pension and Profit Sharing Report, Vol. 11, No. 2, P. 3.

selection of a less flexible and less satisfactory funding method for either or both groups. Another reason for the institution of retirement plans voluntarily on the part of management would be that the employer might lose a large degree of influence, and perhaps the entire control over a pension committee to manage the plan, if it were instituted as the result of collective bargaining. Lastly, the cost of a retirement plan instituted through collective bargaining is likely to be higher because the retirement benefits would very probably be subordinated to the more immediate benefits payable at resignation, dismissal, or death before retirement, thus nullifying any cost reducing effect of discounting for mortality and severance. (1) Whether or not an employer may set up a retirement plan and administer it independently, ignoring the union, is largely a question that has been unsettled to date. The controversy appears to be headed for decision in the Supreme Court. The unions believe it is the proper subject of collective bargaining, employers say they do not have to bargain over this issue. During 1947, two trial examiners for the National Labor Relations Board ruled that employers do have to bargain over pension and insurance plans. (2) The cases were both argued before the National Labor Relations Board in November, 1947, but the final decision has not been given at this writing. If these cases are decided in favor of the unions the employers will have to bargain over union demands for a retirement plan. This does not necessarily mean that the employers will have to establish such a plan. It does mean, however, that they could not refuse to deal with the union on the ground that pension plans are solely for the employer's decision. (3) While waiting for the situation to be clarified by ruling of the Supreme Court, as a general rule, sound pension plans, presented clearly and thoroughly to union employees, are being readily and favorably accepted today. (4)

(1) Prentice-Hall, Pension and Profit Sharing, P. 2023
(2) Inland Steel Co. Case (c-13-2386; 1-8-47) and W.W. Cross Case (1-c-2676; 2-3-47)
(3) Prentice-Hall, Pension and Profit Sharing Report, Vol. XI, No. 17, P. 2
(4) Profitable Pension Plans Bulletin, Jan. 1947, P. 1.

CHAPTER V

TYPES OF PLANS

The question as to the relative value of various types of retirement plans is a difficult one to decide. There is no particular type of retirement plan that is best suited to every employer. Pensions, to be profitable and sound, should be tailor-made to fit the situation of the employer and his group of employees.

As a general rule, pension plans fall into two distinct groups, informal and formal plans. Those who replied to the questionnaire showed a distinct partiality toward formal plans. Of those replying, 93.1% stated that they had instituted a formal plan, while only 6.9% stated they had informal type. (1) The Treasury Department has defined the formal type of plan in Section 165a of the Internal Revenue Code. In substance, it is a plan that provides a systematic retirement of employees on a pension calculated in accordance with a formula which has been predetermined and announced to the employees. (2) An informal retirement plan is one in which the employer on an individual consideration basis may provide some kind of a pension for his employees. Since the plan is discretionary, usually, there is an absence of a definite statement setting forth the amount of the pension and the manner in which funds providing it shall be accumulated. The informal plan has a disadvantage, in that it tends to lower morale, because the employee never knows the kind of a pension he will receive, and because discretion is often used as to who shall retire under the plan. Naturally, the cost of such a plan must be borne entirely by the employer and cannot have the advantage of employee contributions. It is impossible under an informal type plan to accumulate the funds during the working period of the employee and financial burden is likely to accumulate as more and more employees are being awarded pensions.

A formal retirement plan can either be funded or unfunded. A funded plan makes provision for accumulating the funds that will be needed to meet the pension liability of the employer under his plan. An unfunded, formal pension plan sets up the basis for furnishing retirement income, but makes no provision for accumulating the fund before the time the employee's retirement begins.

(1) See Appendix II, Table III
(2) Profitable Pension Plans Bulletin, Jan. 1947.

Some employers with unfunded formal plans set up a special reserve account. However, no funds are actually accumulated in advance of the employee's retirement. (1)

Five general methods of funding retirement plans have been considered in this study. Of those who answered the questionnaires on this subject, 29.2% stated that they had self-invested plans; 29.2% of those who replied said they had either a group annuity or group permanent type plan. Those plans funded through individual policies ranked next. Of those answering 20% stated they had this type plan; 19.6% stated that their plans were a combination of several types, and finally, 6.2% of those answering stated that they had a profit-sharing plan. (2) Our survey, however, does not follow the trend shown of studies on this subject made by the National Industrial Conference Board. Their study shows 66% of the plans that they studied were of the group annuity type; 9.8% were individual policy type; 19.8% were self-invested, and only 4.4% of those studied were a combination of several types. (3) In those plans approved by the Treasury Department through August 31st, 1946, according to the figures recently released by the Bureau of Internal Revenue, 44.3% were wholly insured by individual contracts; 15.7% were wholly insured through group annuities; 26.8% were profit-sharing plans; 7% were self-insured plans; and 6.2% were insured by a combination of methods. (4)

Group annuity as a type of plan, almost universally uses the factor of discounting mortality in advance. This procedure necessitates consideration of larger groups of employees. The use of this discount factor provides for a lower cost plan. It is particularly adaptable to larger groups because of its flexibility in administration. This flexibility of administration is provided by a master group policy with individual certificates issued to participants.

Group Permanent also provides considerable ease of administration because of the use of a master group policy. Most often in group permanent the master group policy provides for a larger death benefit than in the group

(1) Prentice-Hall, Pension and Profit Sharing, P. 2091
(2) See Appendix II, Table IV
(3) National Industrial Conference Board Reports, *Op. Cit.*, P. 7.
(4) Bureau of Internal Revenue, *Op. Cit.*

annuity type plan. Frequently this death benefit is as much as one hundred times the amount of the pension at retirement. This plan is often used in combination with self-invested plans. It has an advantage of guarantees in rates seldom found in group annuities.

Individual policies are most often used in those plans which involve 200 or less participants. The administration of this type of plan is provided through use of a pension trust agreement. The trustee purchases and holds individual policies with or without life insurance, which provide at a guaranteed rate, the amount of the annuity to be received by the participant at time of retirement. In view of the fact that this type of funding provides a higher death benefit before retirement, and employs the use of the level premium method of funding at a guaranteed rate, the initial contribution required is larger than in the case of the group annuity.

The self-invested plan employs the administration procedure of the individual policy plan and usually the calculation procedure is comparable to that of the group annuity plan. This plan provides unusual flexibility but most often less guarantees than the insured plans.

In order to get the flexibility available in a self-invested plan and the guarantees of an insured plan, many combinations of these have originated in the past few years. Among the most practical of these combinations is that of the self-invested and group permanent combination.

The growth of the profit-sharing principal during World War II, and the desires of employers to solve their retirement problems without fixed commitments, has made the use of the profit-sharing retirement idea exceedingly popular. Under this arrangement profit-sharing distribution is deferred until the time of retirement.

Because of the broad diversification of industries in this survey our results must necessarily show a broad diversification of types of plans as referred to above.

CHAPTER VI

ELIGIBILITY REQUIREMENTS OF RETIREMENT PLANS

With the conclusion of the War, and increased demand for higher and more adequate retirement income, union pressure for retirement plans has brought about a trend toward plans having no minimum salary requirement. Of the plans studied in this survey 86.2% had no minimum salary requirements for participation. (1) according to the National Industrial Conference Board, during the War there was a decided trend toward plans restricted to employees earning over $3,000.00. Of the plans studied in this survey, 11.5% had this restriction. Because of the wage and salary stabilization regulations during the War, it was difficult to increase the compensation of higher paid executives and in a number of cases the retirement program was instituted for the benefit of these employees. Another factor in favor of restricting eligibility to employees earning over $3,000.00 is that Social Security benefits do not increase for those who are paid incomes exceeding $3,000.00 per year, with the result that this Federal benefit is entirely inadequate. (2)

Of those who replied to the questionnaire, 3.8% stated that their plans were designed to include only the salaried employees and salesmen. (3) The theory is that salaried workers may be considered as permanent employees, whereas piece rate or hourly paid employees are considered less permanent. As a rule, directors are not eligible for membership in a retirement plan unless they are employees or officers of the company and partners are not eligible. (4)

Most authorities are in agreement that restrictive plans are generally unwise from the standpoint of sound industrial relations because they are disruptive of good employer-employee relations. Section 165, Internal Revenue Code, by its integration restriction, also discourages the adoption of plans limited to higher income groups.

The majority (87.7%) of those responding to this survey stated that their plans have no maximum salary limit. The remainder, (12.3%) stated that they did have a maximum salary limit. Of those replying, 2.3% stated that this maximum was $15,000.00; 1.5% stated that it was $5,000.00, and 2.3% stated that

(1) See Appendix II, Table VI
(2) National Industrial Conference Board, Op. Cit., P. 9
(3) See Appendix II, Table VI
(4) Internal Revenue Code, Section 165

it was $6,000. (1) As a rule, this provision of a maximum limit is instituted to reduce the overall cost of a retirement plan and to prevent undue discrimination in favor of those in the higher income brackets as set forth under Section 165, of the Internal Revenue Code.

Another method often used to hold down the cost of a retirement plan is to have a minimum age limit. Many of the younger employees are not so interested in the future security and are more inclined to move from job to job. The younger female employees especially are more inclined to look upon their job as temporary.

However, in the plans studied in this survey, 66.9% of those replying stated that they had no minimum age as an eligibility requirement for participation. Of the slightly less than one-third who stated that they did employ a minimum age, 39% said that they used a minimum age of 30 years for men. The next most prevalent group (22%) said the minimum age for men was 35 years. Seventeen point one (17.1%) stated that they had as a minimum age 25 years, and 12.3% said that they had as a minimum age 21 years for men.

Most of the plans tended to have the minimum age slightly higher for women. Of those using a minimum age for women, 45% stated that it was 30 years; 22.5% stated that it was 35 years; 12.5% stated that it was 25 years, and 12.5% stated that it was 21 years. (2) According to the National Industrial Conference Board the trend in the newer plans is toward a lowering of the minimum age requirement. Around 1939 age restrictions were most commonly set at 35 or 40 years of age. (3)

Of those firms which replied to the survey, 31.5% stated that there was no maximum age above which participants could not enter their plans. The remainder, or over 66%, stated that they did have such a maximum age. (4) Many corporations have more than a normal number of older employees hired during the war period. Therefore, the cost of a plan which would include this older group, (those over the age of 60) might make it difficult to establish any plan at all.

(1) See Appendix II, Table VII
(2) See Appendix II, Tables VIII and IX
(3) National Industrial Conference Board Reports, Op. Cit. P. 9
(4) See Appendix II, Tables X and XI

Therefore most authorities feel that it is better to eliminate the older age group from the plan, thus reducing the heavy financial burden on the employer. Provision may be made for these older employees out of current earnings of the company and outside the regular funds of the plan. (1)

Of those plans which did have a maximum age for men above which they could not enter, 43.2% said that this age was 65; 20.5% stated that it was age 60; and 13.7% stated that it was age 55. The average maximum age for the above group was 62. Of those plans which had a maximum age for women above which they could not enter, 33.7% stated that this age was 60; 31.4% stated that it was age 65; 13.9% stated that it was age 55. The average maximum age for this group was age 60 compared with age 62 maximum for men.

The survey shows that 93.1% of the plans studied have a minimum period of employment in order for employees to be eligible to participate under the plan. The number of years necessary in order to be eligible to participate range from 0 thru 5 years, in most instances as follows: 6.9% have waiting periods of less than a year; 24.6% have one year; 9.2% have two years; 18.5% have three years; and 29.3% of the plans have waiting periods of five years. The remaining plans, 4.6%, have minimum periods of employment of more than five years in order for employees to be eligible to participate. (2)

The number of years waiting period in plans seems to have increased during and since the War. (3) The National Industrial Conference Board Studies show that only 16% of the companies require five years as a waiting period, whereas, our study which is later and includes plans more recently installed, show that 29.3% have a waiting period of five years. Probably the longer waiting period trend is due to the greater instability and greater mobility of labor currently. Employers require a longer period of time in order to make their investment in pensions primarily for those employees who evidence a desire to stay with the company permanently.

Most employers must feel that they want to buy pensions for those employees whose period of service with their company is of such duration as to

(1) Central Hanover Pension Bulletin, February 1946, P. 2
(2) See Appendix II, Table XII
(3) National Industrial Conference Board Reports, Op. Cit. P. 9

justify the pensioning of them. Only 40.7% of those plans studied have no period of service necessary for retirement under the plan. However, of those plans which do have a period of service required in order to retire, 58% require that this period of time be 10 years or more. This is particularly significant in view of the fact that many employers were required to hire older persons during the war labor shortage. Of all the plans in our study which had compulsory minimum number of years service before retirement, the average period of time was 11.1 years. (1)

Of those plans of members of the Indiana State Chamber of Commerce which were studied, only 37.7% made membership compulsory and 81.6% of such compulsory membership plans were of the non-contributory type. (2) As may be seen in the majority of cases, compulsory membership is not usually adopted in retirement plans. Compulsion is generally resented by the employees, and employers use persuasion to bring about participation in the plan. In this way they maintain employee participation in the plan at a satisfactory level. However, many authorities believe that participation should be compulsory among those hired after the plan's adoption. (3)

(1) See Appendix II, Table XIII
(2) See Appendix II, Tables XIV and XV
(3) National Industrial Conference Board Reports, Op. Cit., P. 1

CHAPTER VII

BENEFITS UNDER RETIREMENT PLANS

It has been said that for a retirement plan to be successful, it must be a good investment for the employer. One of the ways to make a plan a good investment for the employer is to have the benefits attractive enough to reduce employee turnover. A retirement benefit based on a per cent for each year of service, times compensation, appears to be the most adequate for this purpose. Of the methods for calculating the retirement benefits, this years of service formula appeared to be the most popular. Of those plans studied 45.4% used this method.

The money purchase formula in which the amount of retirement income is based entirely upon a fixed sum of money used in the purchase of retirement benefits, was the next most popular method of those plans studied. A fixed benefit formula provides a fixed amount for retirement benefit such as a per cent of compensation or a fixed dollar amount. (1) This formula was used, at least in part, in 31.5% of the plans studied.

The results of the survey show a death benefit before retirement is a popular feature in a pension plan. All but 18.5% of plans studied, (excluding those where this question was not answered) provided a death benefit before retirement. Of the plans studied, 23.1% return the full contribution of the employer and the employee as a death benefit before retirement; 17.5% provide a death benefit of a fixed amount, such as 100 times the monthly retirement income; 13.8% return only the employee's contribution before retirement and 17.1% of the plans studied have death benefits of a miscellaneous nature.

Most of the plans providing the larger death benefits are those of the pension-trust type which use individual policies as a method of funding. (2) Individual policies usually provide a minimum death benefit which is the return of the contribution of the employee and the employer, or the cash value accumulated in the policy, whichever is the larger. Very often when the employee is permitted to elect a larger death benefit, such as a sum equal to 100 times the monthly income at retirement, the cost of this benefit is paid by the employee. It is sometimes called a Family Pension Death Benefit. (3) A similar death

(1) See Appendix II, Table XX
(2) Profitable Pension Plans Bulletin, April 1947, P. 2
(3) Ibid, P. 1

benefit may be provided through the use of group permanent or some combination of it with a self-invested plan. (1)

Of the plans studied 75.4% stated that they had provided for some type of death benefit after retirement. Of those replying 11.6% failed to answer this question. Of those answering 23% provided a death benefit equal to the return of the difference between the contributions and the amount which had been drawn by the retirant; 15.4% provided for a fixed benefit such as five or ten years certain and for life or survivorship annuity, and 25.4% had special kinds of death benefits.

It is possible for the employer in his retirement plan to provide for an income in the event of total and presumably permanent disability prior to the retirement of the employee. Of the plans studied in this survey 53.8% of them do make such a provision while 43.9% do not. The question was not answered by 2.3%. (2) Usually the amount of income depends upon the accumulation to the credit of the participants at the time of the disability. The income may be for life or for a temporary period, such as to age 65 when the Old Age Benefits of Social Security begin.

From the plans studied, it is apparent that a severance benefit is a popular feature of a pension plan. Of those replying to this question, 97.2% stated that an employee who terminated his services before his retirement would get all of his contributions back as a severance benefit. In addition to this, 73.8% of those replying to this questionnaire stated that some portion of the employer's contribution might be returned in case the employee leaves the company before retirement. Only 36.4% of those who replied stated that there would be no severance benefit accumulating as a result of the employer's contribution. (3)

As a general rule in the plans studied, interest is included with the return of the employee's contribution in case he leaves the employ of the company. Excluding 16% who did not answer this question 86.9% stated that interest was included. The most popular rate of interest was 2% and 40.6% of

(1) Prentice-Hall Pension and Profit Sharing Plans, Op. Cit. P. 2056
(2) See Appendix II, Table XXI
(3) See Appendix II, Tables XXIII and XXIV

those replying stated that this was the rate used by them. The next most prevalent rate was one set by the insurance companies; 10.1% used this rate. (1)

Many of those replying to this questionnaire stated that the employer paid a severance resulting from his contribution, only after the participant had been under the plan a certain length of time or had attained a certain age; 39.2% of the plans had this feature. According to the National Industrial Conference Board most of the early pension programs made the participant forfeit all claims to the employer's contribution in case he terminated his employment. However, during the past decade the practice has arisen of giving all or part of the employer's contribution to members of the plan in the event of termination of employment. (2)

(1) See Appendix II, Table XXV
(2) National Industrial Conference Board, Op. Cit. P. 19

CHAPTER VIII

NORMAL RETIREMENT AGE

From the point of view of an employer, those working for him should be retired when they can no longer earn their salaries. However, there is no way to accurately forsee the end of an employee's usefulness, as some employees become more valuable as they grow older and others more rapidly lose their effectiveness. Therefore, it is essential that a definite retirement age be specified and adhered to in any retirement plan. Technically, the normal retirement age is the age at which retirement income begins. In the plans studied in this survey 92.3% stated that their normal retirement age for men was age 65, while 71.5% stated that age 65 was also the normal retirement age of the females. (1) There are several important reasons why most retirement plans fix the retirement age at 65. A major reason which has influenced the selection of this age is the fact that a worker's Social Security benefits do not commence until he has reached 65. Also, to fund a plan providing benefits at age 60 required contributions of 50% more (in most instances) than would be needed if the benefits were to start at 65. This is true because the contributions cease five years sooner and the payments begin five years earlier. (2) Where pension benefits are related to years of service, an earlier retirement age, such as age 60, would not provide adequate benefits in many instances. Furthermore, not only are employees not ready to retire at age 60, but unions often do not favor retirements before 65, and in some cases request management to keep workers until age 70. Of those plans studied 20.8% set the normal retirement age at 60 for women. However, according to National Industrial Conference Board, there has been a tendency in the newer plans to set the normal retirement date at age 65 for all employees, regardless of their sex. The reason for this being that it is more costly to finance women's annuities with a normal retirement age at 60, and the women would receive a lower pension because they have had a shorter time in which to build up an annuity reserve. Many believe that women who remain with the company after age 60 are still quite efficient. (3) The decision as to when to establish a normal retirement age in a plan is largely discretionary. An employer is in a better position to establish a normal retirement age after

(1) See Appendix II, Table XVII
(2) Central Hanover Pension Bulletin, May 1947, P. 1
(3) National Industrial Conference Board Report, Op. Cit. P. 11

weighing all factors which may have a bearing on his business. (1)

In most plans it is customary to provide for an earlier retirement so that an employee, with the consent of his employer, may retire earlier than normal retirement age. Of the plans studied in this survey 90% had this provision included. Only 7.7% said that their plans did not include this provision, and 2.3% failed to answer. Of those plans which provided for earlier retirement; 34.2% allowed this early retirement only after age 55; 17.9% only after a certain number of years with the company; and 9.4% provided for earlier retirement only in the case of illness. (2)

In most cases where earlier retirement is provided, the employee receives a considerably reduced retirement benefit because of the loss of pension benefits not yet funded and because the payments start earlier and continue longer.

Most insured plans of the group permanent or individual policy type permit an earlier retirement, generally up to a ten year limit. Trust fund plan provisions are usually more flexible, and the prevalent practice under this type is to set a normal retirement age, and to permit earlier retirement only if the employee completes a stated number of years with the company. (3) It seems unwise to retain employees on the payrolls after the normal retirement age, because it tends to lower the morale among younger members of the company, and reduces the effectiveness of the retirement plan. In the companies studied in this survey, it is interesting to note that 65.4% of the plans did not make retirement mandatory at the normal retirement age; 23.1% said retirement was mandatory; 8.4% said that retirement was mandatory except in special cases. One plan had the provision that retirement was mandatory for members of management but was not mandatory for employees, and 2.3% failed to answer this question. Usually, in cases where an employee continues to work after the normal retirement age, any further contributions to the pension plan, either by the employer or employee, cease. Furthermore, the employee does not receive a larger pension than if he had retired at the normal age. (4)

(1) O'Neill, Op. Cit., P. 198
(2) See Appendix, Table XVII
(3) National Industrial Conference Board Reports, Op. Cit., P. 11
(4) See Appendix II, Table XIX

CHAPTER IX

EMPLOYEE PARTICIPATION

Since the close of the war the trend has been toward plans which require employees to contribute to the cost of the benefits. In the plans studied in this survey 54.6% were contributory plans, while 45.4% were non-contributory in character. (1) This result is a reversal of the trend that was evident during the war when many of the plans installed were non-contributory in character. The chief reasons for this wartime trend toward non-contributory plans were: (a) the purchase of war bonds by employees, (b) the withholding of pay for income taxes, (c) the tax advantages to the employer in installing a non-contributory plan, and (d) contributions of employees for other benefit plans such as group life, sickness, medical and hospital insurance. In addition, corporate earnings were high, and with some companies paying excess profit taxes of 80% and better, the cost of a qualified retirement plan was borne mostly by the Government.

With the change over to a post war economy there is a definite trend at the present time toward adoption of contributory type plans. According to Fred P. McKenzie the specific reasons for this trend seem to be as follows: wages are higher, withholdings are less, and shall probably decrease even more. Moreover, corporate taxes now do not exceed 38% as against a high of 98% during the war. He believes that companies are looking ahead to more normal earnings and possible recessions. Mr. McKenzie is of the opinion that employees and their families take a greater interest in the plan, and are more familiar with and appreciative of the benefits that are afforded, if they are allowed to contribute. Also, contributory plans are not considered paternalistic and are regarded by employees as less likely to be discontinued. Benefits can be more liberal under a contributory plan and this has a favorable psychological effect upon the employee, even though he has paid for the added benefit. The employee realizes that a savings fund is accumulated which is available, generally with interest, if he leaves the employ of the company, or it is paid to his beneficiary if he dies in the service of the company. Once a plan is non-contributory, it is difficult later, because of the employee-employer relationship, to make the plan contributory if an employer finds himself unable to carry the plan alone.

(1) See Appendix II, Table XV

Unions, too, seem to appreciate the advantages of a contributory plan and in their negotiations have expressed a willingness to pay up to half of the cost of current service benefits. (1) This trend toward contributory plans is clearly shown by the Bureau of Internal Revenue Statistics. These figures show that there has been an 8.8% increase in contributory plans when you compare the period from September 2nd, 1942 through December 31st, 1944, with the period of 1945 and 1946. (2)

Of the contributory plans studied in this survey, 49.3% of the plans have employee contributions of variable amounts, such as a fixed percentage on a certain amount of annual income with an increasing percentage of contribution on an income above that certain amount. The next most popular contribution amount for employees is a flat 5% of annual income. Of the plans studied, 11.3% have this employee contribution. Both annual income percents of 3% and 2% showed to be equally popular in the contributory plans. Of the plans studied, 5.8% each had this contribution amount; 4.2% of the plans studied had a fixed amount to be contributed, regardless of the annual income. (3)

There seems to be considerable evidence that employees are willing to contribute to a retirement plan. According to the Public Opinion Research Corporation in its publication, Public Opinion Index for Industry, October, 1944, it is pointed out that a nation-wide survey reveals that 76% of the employees of the nation say that workers should pay a part of a company pension even though deductions may be substantial. It is surprising to note that 52% of them said they would be willing to pay as much as 5% or over of their annual salaries to a contributory type pension plan.

The employee interest in retirement plans might well be evidenced by the high percentage of the eligible employees who volunteer to participate in the non-compulsory contributory plans. Of the plans studied in this survey of this type, 56.4% stated that they had employee participation of 95% or above, and 77.5% of the plans studied stated that they had 90% or better of eligible employees participating; 30% of the non-compulsory contributory plans studied had 100% participation. (4)

(1) McKenzie, F. P. "Present Trend Toward Contributory Plans," Journal of Commerce, June 16, 1947
(2) Bureau of Internal Revenue, Pension Trust Statistical Tables
(3) See Appendix II, Table XXII
(4) See Appendix II, Table XVI

CHAPTER X

RESULTS AND EFFECTIVENESS OF PENSION PLANS

A retirement plan is clearly one method by which an employer may improve employer-employee relationships. Some of the claims for pension plans are that they will improve morale, reduce labor trouble, create good will in the community, reduce labor turnover, and increase efficiency of the worker. It is improbable that any pension plan designed could ever realize fully all of these purposes. It is not even necessary to contend that a retirement plan should completely fulfill these objectives, any more than a particular machine in a factory might be expected to perform the entire manufacturing process. The results of this survey show that a properly designed retirement plan may be expected to solve some industrial relations problems, but it cannot be expected that it is a panacea for all such problems.

One claim made of pension plans is that they increase employee efficiency. This survey finds that for the plans studied in Indiana this is largely true. Excluding those firms which failed to answer, and those who said they could not yet determine because their plans were too new, 45.8% stated that their plans definitely increased employee efficiency. Of this percentage, 8.3% stated that greatly increased employee efficiency was attributed to a retirement plan. (1) This finding is largely borne out by a study made in 1939 for Sub-committee of the Committee on Finance of the United States Senate. In the survey conducted for this Senate Committee it was found that of those companies which had a single employee benefit plan, 43.2% stated that they could attribute an increased efficiency among employees to their plans. It was further found that there was far greater effectiveness when the employee benefit plan created an estate for old age security instead of providing for current distribution. (2)

It appears that of the plans studied in our survey, efficiency was increased most in those companies engaged in retailing and wholesaling and least in public utilities. Furthermore, our survey indicates that efficiency was increased more in the smaller than in the larger companies. By smaller companies we refer to those employing less than 50 people. (3)

(1) See Appendix II, Table XXIX
(2) Senate Report No. 610, Survey of Experience on Profit-Sharing, PP. 147-50
(3) See Appendix II, Table XLV

Whether or not a retirement plan decreases costly labor turnover, is a question often asked by employers. Of those firms which answered our questionnaire on this subject, and felt that their plans were old enough to be able to judge, 63% stated that they could definitely attribute a decreased labor turnover to their retirement plans; of those plans studied 12% showed that they had greatly decreased turnover; 37% attributed no change in turnover to their retirement plans. (1)

Of those firms studied, a retirement plan had the greatest effect in reducing turnover on public utilities and retail establishments, while banks, with their characteristically small employee turnover, showed the least effect of a retirement plan. In general both the smaller and the larger companies showed that a retirement plan was most effective in reducing turnover. Those companies employing between 100 to 400 persons showed least effect in reducing turnover. (2)

The effectiveness of retirement plans in reducing turnover was even evident during the confused labor situation of the war period. A study, made by the National Industrial Conference Board, of plans scattered throughout the country, stated that 50.7% of the plans studied showed the effect of a retirement plan in reducing labor turnover; 49% stated that they could not determine the effect, or that their plan had no effect. (3)

Because of the present tax situation, men who possess no other resources than their ability to earn, are not in a position to build up an estate in order to secure financial independence for themselves and their families. Because of this fact, a retirement plan aids in attracting a higher type of employee. Experience has shown that employees who could command high salaries elsewhere are often drawn to a company that provides for their security in old age. Of the plans studied in this survey 57% said definitely that their plans aided in attracting a higher type employee and 43% said that their plans did not. These figures exclude those who did not reply to this question, and those who stated their plans were too new for them to judge their effectiveness. (4)

(1) See Appendix II, Table XXX
(2) See Appendix II, Table XLVI
(3) National Industrial Conference Board Reports, Op. Cit., P. 26
(4) See Appendix II, Table XXXI

One of the most significant results of this questionnaire was the discovery of the startingly high number of firms which felt their plans definitely increased employee loyalty. Of those who answered this question, we find that 83.2% stated that their plans had definitely increased employee loyalty, while only 16.8% stated that their plans had no effect on increasing loyalty. The survey shows that a greater percentage of retail establishments (as compared to other occupational categories) attributed to their plans an increase in employee loyalty. Those firms of a size less than a hundred employees had most plans showing an increase in loyalty. (1)

Of the study made before the war, for the Senate Finance Committee, among companies scattered throughout the United States, 63.2% of the companies studied which have single employee benefit plans, attributed an increased loyalty to their plans. But here again, loyalty was greatest in those firms which had employee benefit plans that accumulated funds for the creation of an estate for old age security. (2)

The adoption of a retirement plan among the firms studied in our survey, showed very little effect on wage increase demands. Of the firms which answered this question, 2.7% said that their plans had greatly lessened wage increase demands; 15.5% said their plans had slightly lessened demands; 80.9% said that their plans had no effect on wage increase demands. One of the respondents stated that their plan had increased wage demands. (3)

Among those replying to the questionnaire, the retirement plan seemed to be most beneficial in reducing wage increase demands among retail establishments and public utilities, but least beneficial in lessening demands among firms engaged in manufacturing. A retirement plan has also proven most beneficial in reducing wage increase demands among the firms of between 26 and 200 employees, while the larger firms, especially those of 1,000 employees and over, indicated that plans had very little effect on their wage increase demands. (4)

The firms were asked in the survey whether or not their plan had affected the average age of their workers. Of those who replied, 18.8% said

(1) See Appendix II, Table XXXII
(2) Senate Report No. 610, Op. Cit., P. 148
(3) See Appendix, Table XXXIII
(4) See Appendix, Table XLIX

that the plan had decreased the average age of their work force; 12.9% said that it had increased the average age; 68.3% said that the average age of their workers had not changed because of it. (1) It is difficult to attach significance to these figures because of the various factors involved. A retirement plan, as we have shown, tends to reduce employee turnover; thus has a tendency to increase the average age of the work force by keeping employees longer with the company. However, in those firms which have a large percentage of their employees over age 65, the introduction of a retirement plan tends to decrease the average age. The average age of the employees of a company changes very slowly. It may be for this reason that 68%, roughly, said that their plans had not changed the average age. Either the plans were not yet old enough, or the tendencies toward decreasing and increasing the average age counterbalanced each other, so little change in average age was noticed.

When asked whether or not their retirement plans had aided in reducing the number of inefficient employees, 36% of the firms making a definite answer to this question stated a reduction in the number of inefficient employees could be attributed to their having plans, while 64% said there was no such evidence. (2) It is apparent that a retirment plan is not designed to reduce the number of inefficient employees urler age 65, and there is little reason to believe that a well run company will allow a naturally inefficient employee to remain long in their employ. As one respondent to the questionnaire said, and I quote: "We don't hire an inefficient employee." However, it has been shown, that even though an employee might at one time have been efficient and well trained in his position, as he reaches his sixties or beyond he becomes more and more inefficient and may be actually costing the company money to keep him employed. A retirement plan makes it possible to gracefully eliminate these superannuated employees from the company payrolls and reward their loyal service to the company with a retirement income.

It should be pointed out here, that only the firms which made definite answers on the subjects discussed above were included in the statistics given.

(1) See Appendix, Table XXXIV
(2) See Appendix II, Table XXXV

There were a number of firms who failed to answer some of the questions set forth in the questionnaire. Some firms obviously did not want to commit themselves as to the effectiveness of their retirement plans, and others had no way of determining their effectiveness in various areas. However, it is interesting to note that in all of the plans studied in this survey, only three plans were felt to be completely ineffective in every way, and had nothing at all to recommend their existence.

When asked which result of their pension plan proved to be the greatest factor in offsetting its cost, of those who answered, the greatest number stated it improved employee morale. The next greatest number stated it reduced labor turnover and retained better trained employees.

Of the plans studied, a number failed to answer positively to the questionnaire because it was felt that their plans were too new to judge their effectiveness fully. This number varied from between 10% and 15% in all of the questions asked on the questionnaire. Of the plans that were thought to be too new, 87.5% of them were four years old or less. Of the plans showing the greatest effectiveness 91.7% are four or more years old. Clearly then, it is indicated that it takes four or more years for a plan to reach its effectiveness, and maximum results of a plan cannot be expected before that time. (1)

In studying the relative effectiveness of those plans which make retirement at the normal retirement age mandatory, and those which do not, those making retirement mandatory are clearly the more effective. Of those plans studied in the survey, 40.7% which make retirement mandatory at the normal retirement age said it aided in reducing the number of inefficient employees compared to 30.9% of the plans that did not make retirement mandatory at the normal retirement age. It should be noted that 38.7% of the plans which made retirement mandatory, showed a decrease in average age of their employees, while only 9% which did not make retirement mandatory showed a decrease in average age. (2)

Whether or not a plan was contributory or non-contributory made relatively little difference in the effectiveness of the retirement plans studied

(1) See Appendix II, Table XLIV
(2) See Appendix II, Tables XXXVI, XXXVII and XXXVIII

in this survey. The non-contributory plans showed a slightly larger percentage of plans, to which improved efficiency could be attributed, than was evidenced among the contributory plans. However, this difference was not large enough to be really significant. Likewise, the non-contributory plans had a greater percentage which showed a reduced employee turnover. Here again, the percentage was not large enough to be significant. Contributory plans showed a larger percentage which attracted a higher type of employee than did the non-contributory plans. Both types of plans showed the same increase in loyalty, attributable to them. The non-contributory plans, also, had a slightly larger percentage which lessened employee wage demands than did the contributory plans. Overall there was little difference between the results of contributory and non-contributory pension plans. (1) This conclusion is the same as was found in the pre-war survey of retirement plans made for the Senate Finance Committee. (2)

Furthermore, among those plans studied in this survey, there was almost no difference in effectiveness of the plans, due to the length of waiting period required in order to participate in the plan.

(1) See Appendix II, Tables XXXIV, XL, XLI, XLII and XLIII
(2) Senate Report #610, Op. Cit., P. 148

CHAPTER XI

SUMMARY

In conclusion, may we say, it is our belief that the return on the questionnaire, sent to the members of the Indiana State Chamber of Commerce, was adequate to determine certain definite trends that retirement plans are taking. As the survey shows, the use of retirement plans has been largely adopted by larger firms and is least prevalent in the smaller firms, especially the smaller retailing and wholesaling firms. However, a large percentage of those who responded to the questionnaire stated that they were considering a retirement plan, or were interested in learning more about it. It is noteworthy, that the firms expressing an interest in retirement plans were generally spread widely over the small, as well as the large firms, and in all of the business categories.

In studying the questionnaires that were returned by those members of the Indiana State Chamber of Commerce who have retirement plans, we find a wide range of reasons for such installation. The reason given more times than any other was to make more adequate Old Age Benefits of Social Security. The most selfish reason which employers might have given, that the contributions were deductible for tax purposes, was the reason least often given among those who replied to the questionnaire.

In general, there was a wide diversity in the types of plans studied in this survey. From this diversification, we can definitely conclude that a pension plan, to be effective, should be properly designed. This survey indicates a wide diversification in eligibility requirements, formula for providing adequate benefits, employee contributions, methods of funding, etc. The various adaptations of these important parts of a retirement plan, and other parts, indicate that they must be put together in a plan that will fit the particular industry, the ages, sex, years of service, income, etc., of each group of employees in a plan. The most common point of similarity among the plans studied was that, by and large, the normal retirement age was 65. This is probably due to the fact that Social Security benefits are only available at that age.

On the whole, the firms studied in this survey, felt that their retirement plans were very effective, although many firms did express the belief that their plans were too new to show full effectiveness. It is safe to conclude that this survey has shown that retirement plans are effective in improving employer-employee relationships. Of all the plans studied, in only three was the opinion given, that their plan was worthless, unbeneficial, and an unwise investment. On all the other plans studied, comment was either favorable, or the effectiveness of the plan was indeterminable.

It is fair to conclude from this survey that retirement plans are not by any means a cure-all, nor are they a golden key, which will open the treasure house of faultless employer-employee relationships. However, this study has shown, that in most cases, a retirement plan has proved to be a good investment among those firms studied. A large percentage of the plans have improved employee morale, decreased labor turnover, increased employee efficiency, aided in elimination of superannuated employees and proved generally beneficial in building company esprit de corps.

It is interesting to note, too, that among the respondents who had retirement plans, practically all of these plans were instituted by the employer alone. This survey revealed very little labor union participation, either in the establishing of retirement plans, or in their operation.

This study has shown that the effect of retirement plans is not immediate. We might conclude from this study that a few years (perhaps four) is a rough estimate of the length of time it takes for a retirement plan to become effective. This clearly points out the fact that a retirement plan is not a short range tool to be used by a company, but rather should be looked on as a long range investment which increases in value to the employer year by year.

APPENDIX I

Sample Copy of Questionnaire

and

Accompanying Letter Sent to Members

of

Indiana State Chamber of Commerce

(INDIANA STATE CHAMBER OF COMMERCE LETTERHEAD)

Attached are two questionnaires calling for information about pension and retirement plans in Indiana, which we hope you will take the time to answer completely and return one to us at your earliest convenience.

This survey is being made by the Personnel Relations Department to furnish the State Chamber and its members with information upon which a valuable analysis can be made of the existence of and interest in pension plans in Indiana. The research work is being done for us by an Indiana student at Princeton University, School of Public Affairs, as a basis for his thesis, and has been approved by the University.

Names of companies will be kept strictly confidential. However, a detailed analysis of the questionnaires will be made by this student, assisted by the Industrial Relations Section of the University. The general information furnished by the analysis will be made available to the public.

We enclose two questionnaires, one to be used by those companies having a retirement plan, and the other by those who do not presently have a plan. If you do not have a pension plan, it is equally important that you return to us the short questionnaire.

We hope that you will cooperate with us by your promptness in filling out the questionnaire.

Yours very truly,

Wilfred Bradshaw, Director
Personnel Relations Department

WB:pl
enclosures

TO BE ANSWERED BY THOSE <u>HAVING</u>

RETIREMENT PLANS

1. Name of concern ______________________________

2. Address ______________________________

3. Your concern is engaged in which of the following general business classifications: (check)

_____(1) Retailing

_____(2) Wholesaling

_____(3) Manufacturing

_____(4) Public utilities

_____(5) Building construction

_____(6) Financial

_____(7) Other ____________

4. How many years has your company been in business?

_______(no. of years)

5. Approximate number of employees in your company?

_______(employees)

6. Is your plan a formal retirement plan?

_____(1) Yes

_____(2) No

7. What type of plan do you have?

_____(1) Group permanent (i.e. group life ins. with group annuities)

_____(2) Individual policies

_____(3) Self invested

_____(4) Combination

8. How man years has the plan been in operation?

____

9. If in force prior to January 1, 1937, has it been revised?

_____(1) Yes

_____(2) No

10. Eligibility requirements for an employee to enter your plan.

A. Is there any minimum salary required in order to participate?______

If so, what?______

B. Any maximum salary required?______

If so, what?______

C. Is there a necessary minimum age in order to participate?______

If so, what is it for men?______ For women?______

D. Is there a maximum age above which participants cannot enter plan?______

If so, what is it for men?______ For women?______

E. What minimum period of employment is necessary in order to be eligible to participate?______

F. What is the minimum number of years an employee must be in the plan in order to retire under it?______

G. Is membership in the plan compulsory for eligible employees?

______(1) Yes

______(2) No

If not compulsory, approximately what % of eligible employees have joined?

______

11. What is the normal retirement age under your plan?

______(1) For men

______(2) For women

12. Is earlier retirement possible?______

If so, at what age?______

13. Is retirement from the company mandatory at normal retirement age?

______(1) Yes

______(2) No

14. Upon which of the following are the retirement benefits of your plan based?

______(1) Money purchase (i.e., amount of retirement income fixed contribution will buy)

______(2) Fixed benefit (i.e., fixed amount such as % of compensation or fixed $ amount)

______(3) Years of service (i.e., % for years of service times compensation)

15. What death benefits are provided?
Before retirement______

After retirement______

16. Is there any provision for income in event of total and presumably permanent disability prior to retirement?

______(1) Yes

______(2) No

18. Do employees contribute to the plan?______

If so, at what rate of annual salary?______

19. If an employee severs his employment before retirement, does he receive any accumulation of employer's contribution?

______(1) Yes

______(2) No

If the employee contributes does he receive all of his contribution back?

______(3) Yes

______(4) No

If interest is included, what rate?______

20. Was the plan installed as the result of collective bargaining?

______(1) Yes

______(2) No

21. Has the plan been included in the collective bargaining agreement?

______(1) Yes

______(2) No

22. Which of the following motives prompted your company to adopt a pension plan? If more than one, rate in order of importance.

______To decrease labor turnover

______To improve employee morale

______To attract better grade employees

______To encourage employee initiative

______To supplement employee's social Security so that benefits may be more adequate

______Because contribution to plan is deductible for tax purposes

______To discharge a moral obligation to your employees

______As a means of amortizing employee obsolescence and depreciation

23. Is there attributable to your plan any improvement in employee productive efficiency?

______(1) Greatly improved efficiency

______(2) Slightly improved

______(3) No change

______(4) Decreased efficiency

24. What effect has your plan had on employee turnover?

______(5) Greatly reduced turnover

______(6) Slightly reduced turnover

______(7) No change

______(8) Increased turnover

25. Has your pension plan aided in attracting a higher type of employee?

______(1) Yes

______(2) No

26. Has your plan improved employee loyalty?

______(3) Yes

______(4) No

27. Has your plan had any effect on wage increase demands?

______(1) Greatly lessened demands

______(2) Slightly lessened demands

______(3) No change

______(4) Increased demands

28. How has your pension plan affected the average age of your workers?

______(1) Decreased average age

______(2) Increased average age

______(3) No change

29. Has your pension plan aided in reducing the number of inefficient employees?

______(3) Yes

______(4) No

30. What result of your pension plan has proved to be the greatest factor in offsetting its cost?____

31. We would like to have any comments you would care to make as to the retirement plan in your company; what you think of this questionnaire; and any comments you might care to make on why you have answered some of the questions as you have. ______________________________

____

____

____

TO BE ANSWERED BY THOSE NOT HAVING

PENSION PLANS

1. Name of concern____

2. Address____

3. Your concern is engaged in which of the following general business classifications: (check)

_____(1) Retailing

_____(2) Wholesaling

_____(3) Manufacturing

_____(4) Public utilities

_____(5) Building construction

_____(6) Financial

_____(7) Other_____________

4. How many years has your company been in business?

_________(no. of years)

5. Approximate number of employees in your company?

_________(employees)

6. Do you plan to initiate a retirement plan in your company?

_____(1) Yes

_____(2) No

7. If "Yes" on above, about when do you expect to start the retirement plan?

____

8. What type of plan do you expect to have?

_____(1) Group permanent (i.e., group life ins. with group annuities)

_____(2) Individual policies

_____(3) Self invested

_____(4) Combination

APPENDIX II

Tabulation

of

Response Received

TABLE I

RESPONSE RECIEVED

	0-25 Employees	26-50 Employees	51-100 Employees	101-200 Employees	201-400 Employees
Retailing	98	25	6	4	0
Wholesaling	38	17	11	2	2
Manufacturing	94	65	63	61	41
Public Utilities	9	1	3	3	6
Building Construction	8	9	14	3	2
Financial	47	13	11	4	2
Others	67	25	12	13	10
No Answer	1	1	0	0	0
Total	362	156	120	90	63
% Total	40%	17.3%	13.3%	10%	7%

TABLE I (continued)

	401-1000 Employees	More than 1001 Employees	No Answer	Total	%Total
Retailing	1	5	1	140	15.5%
Wholesaling	1	1	0	72	8%
Manufacturing	40	39	2	405	44.4%
Public Utilities	5	7	0	34	3.8%
Building Construction	0	1	0	37	4.1%
Financial	2	0	0	79	8.7%
Others	2	5	1	135	14.9%
No Answer	0	0	0	2	.2%
Total	51	58	4	904 Grand Total 100%	100.0%
% Total	5.6%	6.4%	.4%	100.0%	

TABLE II

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees	
	A*	B*	A*	B*	A*	B*	A*	B*	A*	B*
Retailing	2.0%	5.1%	16.0%	4.0%	16.7%	None	None	None	None	None
Wholesaling	2.6%	10.5%	17.6%	5.9%	18.2%	None	None	None	100%	None
Manufacturing	4.3%	12.8%	4.6%	12.3%	27.0%	12.7%	23.0%	8.2%	29.3%	17.1%
Public Utilities	22.2%	11.1%	None	None	None	66.7%	66.7%	None	None	None
Building Construction	12.5%	12.5%	None	11.1%	None	None	None	33.3%	None	None
Financial	31.9%	23.4%	46.1%	23.1%	72.7%	9.1%	100%	None	100%	None
Others	10.4%	10.4%	12.0%	12.0%	8.3%	None	38.5%	None	60%	None
% of the Total	8.9%	11.3%	12.2%	10.9%	24.1%	9.2%	27.8%	6.7%	34.9%	11.1%

*A--Firms who have plans or definitely intend to install them

*B--Firms who are considering installation or expressing interest in installing a plan

TABLE II (continued)

	401-1000 Employees		More than 1001 Employees		% of the Total	
	A*	B*	A*	B*	A*	B*
Retailing	100%	None	100%	None	9.2%	4.3%
Wholesaling	None	100%	100%	None	12.5%	8.3%
Manufacturing	37.5%	12.5%	82.1%	10.3%	24.0%	12.3%
Public Utilities	100%	None	85.7%	None	44.1%	8.8%
Building Construction	None	None	None	None	2.7%	8.1%
Financial	100%	None	None	None	46.8%	19.0%
Others	None	50%	100%	None	20.1%	8.9%
% of the Total	45.1%	13.7%	84.6%	6.9%	*	*

*A--Firms who have plans or definitely intend to install them

*B--Firms who are considering installation or expressing interest in installing a plan

TABLE III

	Number	%
Firms with formal retirement plans	121	93.1%
Firms with informal retirement plans	9	6.9%
Total	130	100%

TABLE IV

Type Plans	Number	%
Group Permanent and Group Annuity	38	29.2%
Individual Policies	26	20.0%
Self-invested	38	29.2%
Profit Sharing	8	6.2%
Combination	19	4.6%
No Answer	1	.8%
Total	130	100.8%

TABLE V

Years Plan Has Been In Operation	Number	%
Less than 1 year	12	9.2%
One year	5	3.8%
Two years.	12	9.2%
Three years.	16	12.3%
Four years	26	20.0%
Five years	11	8.5%
Six years	7	5.4%
Seven years.	10	7.7%
Eight years.	5	3.8%
Nine years	2	1.5%
Ten years	6	4.6%
Twelve years	2	1.5%
Thirteen years	1	.8%
Fifteen years	3	2.3%
Seventeen years.	3	2.3%
Eighteen years	1	.8%
Twenty-five years.	2	1.5%
Thirty-five years.	2	1.5%
Thirty-six years	1	.8%
Forty years	1	.8%
Forty-five years	1	.8%
No Answer.	1	.8%
Total	130	100%

TABLE VI

Minimum Salary Participation Requirement	Number	%
None	112	86.2%
$3,000 and above	15	11.5%
$1,500 and above	1	.8%
$1,000 and above	1	.8%
Includes only salaried Personnel &/or Salesmen	5	3.8%
Total	134	103.1%

TABLE VII

Maximum Salary Limit Participation Requirement	Number	%
None	114	87.7%
$15,000 and below	3	2.3%
$10,000 and below	1	.8%
$ 7,000 and below	1	.8%
$ 6,000 and below	3	2.3%
$ 5,000 and below	2	1.5%
$ 4,000 and below	5	3.8%
Officers excluded	1	.8%
Total	130	100%

TABLE VIII A

Required Minimum Ages For Men In Order To Participate	Number	%
Plans without minimum age requirement	87	66.9%
Plans with minimum age requirement	41	31.6%
No Answer	2	1.5%
Total	130	100%

TABLE VIII B

Minimum Ages For Men (Where required)	Number	%
Age 20	1	2.4%
" 21	5	12.3%
" 26	1	2.4%
" 28	1	2.4%
" 30	16	39.0%
" 35	9	22.0%
" 40	1	2.4%
Total	41	100%

Average minimum age--29 years

TABLE IX A

Required Minimum Ages For Women In Order To Participate	Number	%
Plans without minimum age requirement	87	66.9%
Plans with minimum age requirement.	40	30.8%
No Answer	3	2.3%
Total	130	100%

TABLE IX B

Minimum Ages For Women (Where required)	Number	%
Age 20	1	2.5%
" 21	5	12.5%
" 25	5	12.5%
" 26	1	2.5%
" 30	18	45.0%
" 35	9	22.5%
" 40	1	2.5%
Total	40	100%

Average minimum age--29.3 years

TABLE X A

Maximum Age Limit Requirements For MenTo Participate	Number	%
Plans without maximum age requirement.	41	31.5%
Plans with maximum age requirement	88	67.7%
No Answer.	1	.8%
Total	130	100%

TABLE X B

Maximum Age Limits For Men (Where required)	Number	%
Age 45	6	6.9%
" 50	1	1.1%
" 51	1	1.1%
" 55	12	13.7%
" 57	1	1.1%
" 59	2	2.3%
" 60	18	20.5%
" 63	1	1.1%
" 64	5	5.7%
" 65	38	43.2%
" 70	1	1.1%
" 75	1	1.1%
" 80	1	1.1%
Total	88	100%

TABLE XI A

Maximum Age Limit Requirements For Women To Participate	Number	%
Plans without maximum age requirement	41	31.5%
Plans with maximum age requirement	86	66.2%
No Answer	3	2.3%
Total	130	100%

TABLE XI B

Maximum Age Limits For Women (Where required)	Number	%
Age 40	3	3.5%
" 45	3	3.5%
" 50	1	1.2%
" 51	1	1.2%
" 55	12	13.9%
" 57	1	1.2%
" 59	2	2.3%
" 60	29	33.7%
" 64	5	5.7%
" 65	27	31.4%
" 70	1	1.2%
" 80	1	1.2%
Total	86	100%

Average maximum age--60 years

TABLE XII

Minimum Period of Employment Necessary To Participate	Number	%
None	9	6.9%
Less than 1 year	9	6.9%
One year	32	24.6%
Two years	12	9.2%
Three Years	24	18.5%
Five years	38	29.3%
Six years	1	.8%
Fifteen years	2	1.5%
Twenty years	3	2.3%
Total	130	100%

TABLE XIII

Minimum Number Of Years An Employee Must Be Included In The Plan In Order To Retire With Its Benefits	Number	%
None	53	40.7%
One year	5	3.8%
Two years	2	1.5%
Three years	2	1.5%
Five years	10	7.7%
Ten years	27	20.8%
Twelve years	1	.8%
Fifteen years	7	5.4%
Twenty years	12	9.2%
Twenty-two years	1	.8%
Twenty-five years	1	.8%
Thirty years	1.	.8%
No Answer	8	6.2%
Total	130	100%

Average number of years where length of time required--11.1

TABLE XIV

	Number	%
Compulsory Plans	49	37.7%
Non-Compulsory Plans	78	60.0%
No Answer	3	2.3%
Total	130	100%

TABLE XV

	Number	%
Contributory Plans	71	54.6%
Non-Contributory Plans	59	45.4%
Total	130	100%

TABLE XVI

Participation In Non-Compulsory Contributory Plans

	Number	%	
	2	3.2%	No Answer
100% Participation	19	30.6%	
99% "	1	1.6%	
98% "	5	8.1%	
97% "	2	3.2%	
96% "	1	1.6%	
95% "	7	11.3%	
94% "	3	4.9%	
93% "	3	4.9%	
92% "	1	1.6%	
91% "	1	1.6%	
90% "	5	8.1%	
85% "	2	3.2%	
82% "	1	1.6%	
80% "	3	4.9%	
75% "	1	1.6%	
71% "	1	1.6%	
65% "	1	1.6%	
58% "	1	1.6%	
51% "	1	1.6%	
50% "	1	1.6%	
Total	62	100%	

TABLE XVII A

Normal Retirement Age For A Man

	Number	%
Age 60	6	4.6%
" 63	1	.8%
" 65	120	92.3%
No Answer	3	2.3%
Total	130	100%

TABLE XVII B

Normal Retirement Age For A Woman

	Number	%
Age 55	3	2.3%
" 60	27	20.8%
" 65	93	71.5%
No Answer	7	5.4%
Total	130	100%

TABLE XVIII A

	Number	%
Plans that make early retirement possible	117	90.0%
Plans that do not provide for early retirement. .	10	7.7%
No Answer	3	2.3%
Total	130	100%

TABLE XVIII B

Plans In Which Early Retirement Is Provided	Number	%
An employer's discretion only	19	16.2%
In case of illness	11	9.4%
After a specified number of years with the company	21	17.9%
After age 50	7	6.0%
" " 51	1	.9%
" " 53	1	.9%
" " 55	40	34.2%
" " 60	13	11.1%
" " 65	2	1.7%
No Answer.	5	4.3%
Total	120	102.6%

TABLE XIX

	Number	%
Plans in which retirement is mandatory at the normal retirement age	30	23.1%
Plans in which retirement is not mandatory. . . .	85	65.4%
Mandatory for management but not for employees. .	1	.8%
Retirement mandatory except for special cases . .	11	8.4%
No Answer	3	2.3%
Total	130	100%

TABLE XX

Basis Used To Determine Retirement Benefits	Number	%
Money Purchase	35	26.9%
Fixed Benefit	41	31.5%
Years of Service	59	45.4%
No Answer.	4	3.1%
Total	139	106.9%

TABLE XXI

Provision For Income In Event Of Total And Presumably Permanent Disability Prior To Retirement	Number	%
Yes	70	53.8%
No	57	43.9%
No Answer	3	2.3%
Total	130	100%

TABLE XXII

Amount Of Contribution In Contributory Plans	Number	%
Variable % of annual income depending on its size	35	49.3%
Fixed amount regardless of size of income	3	4.2%
One-half % of annual income	1	1.4%
1% of annual income	3	4.2%
2% " " "	6	8.5%
2.5% " " "	2	2.8%
3% " " "	6	8.5%
4% " " "	2	2.8%
5% " " "	8	11.3%
No Answer	5	7.0%
Total	71	100%

TABLE XXIII

If An Employee Severs His Employ Before His Retirement, Does He Receive Any Accumulation Of Employer's Contribution?	Number	%
Yes	32	24.6%
Yes, after a certain age	51	39.2%
No	46	35.4%
No Answer	1	.8%
Total	130	100%

TABLE XXIV

Return Of Employee Contribution In Contributory Plans In Case Of Severence Of Employment Before Retirement	Number	%
All of employees contribution returned	69	97.2%
All of employees contribution not returned	2	2.8%
Total	71	100%

TABLE XXV

Rate Of Interest Provided With Return Of Employee Contributions In Case Of Severence Of Employment

	Number	%
No interest provided	9	13.1%
Interest earned by fund or set by insurance company	7	10.1%
.5% Interest	1	1.4%
2% "	28	40.6%
2.5% "	6	8.7%
3% "	6	8.7%
3.5% "	1	1.4%
Total	69	100%

TABLE XXVI

	Number	%
Plans installed as a result of collective bargaining	2	1.5%
Plans installed without collective bargaining	127	97.7%
No Answer	1	.8%
Total	130	100%

TABLE XXVII

	Number	%
Plans included in the collective bargaining agreement	8	6.1%
Plans not so included	101	77.7%
No Answer	21	16.2%
Total	130	100%

TABLE XXVIII

Motives Given For Adoption Of Retirement Plans

	Number	%
To decrease labor turnover	58	44.6%
To improve employee morale	78	60.0%
To attract a better grade of employees	63	48.5%
To encourage employee initiative	41	31.5%
To supplement employees social security	92	70.8%
Because contribution is deductible for tax purposes	28	21.5%
To discharge a moral obligation of their employees	64	49.2%
As means to amortize employee obsolescence and depreciation	36	27.7%
No answer	7	5.4%
Total	467	359.2%

TABLE XXIX

Effect Of Pension Plan On Productive Efficiency Of Those Replying To This Question	Number	%
Greatly improved efficiency	8	8.3%
Slightly improved efficiency	36	37.5%
No change	52	54.2%
Total	96	100%

TABLE XXX

Effect Of Plan On Labor Turnover Of Those Who Answered The Question	Number	%
Greatly reduced turnover	12	12.0%
Slightly reduced turnover	51	51.0%
No change	37	37.0%
Total	100	100%

TABLE XXXI

Effect Of The Pension Plan In Attracting Higher Type Employees Of Those Who Answered This Question	Number	%
Plan aided in attracting higher type	57	57.0%
Plan had no effect in attracting higher type	43	43.0%
Total	100	100%

TABLE XXXII

Effect Of Retirement Plan On Improving Employee Loyalty Of Those Who Answered This Question	Number	%
Improved loyalty	89	83.2%
Loyalty not improved	18	16.8%
Total	107	100%

TABLE XXXIII

Effect Of A Retirement Plan On Wage Increase Demands Of Those Who Answered This Question

	Number	%
Greatly lessened demands	3	2.7%
Slightly lessened demands	17	15.5%
No change	89	80.9%
Increased demands	1	.9%
Total	110	100%

TABLE XXXIV

Effect Of A Retirement Plan On The Average Age Of Workers Of Those Firms Who Answered This Question

	Number	%
Decreased Average age	19	18.8%
Increased average age	13	12.9%
No change	69	68.3%
Total	101	100%

TABLE XXXV

Effect Of A Retirement Plan On Reducing The Number Of Inefficient Employees Of Those Firms Who Answered This Question

	Number	%
Number of inefficient employees reduced	31	36.0%
Number of inefficient employees not reduced	55	64.0%
Total	86	100%

TABLE XXXVI

Effects Of Mandatory Retirement Plans and Non-Mandatory Plans In Reducing Inefficient Employees

	Mandatory Plans		Non-Mandatory Plans	
Aided in reducing inefficient employees	11	40.7%	17	30.9%
Not aided in reducing inefficient employees	16	59.3%	38	69.1%
Total	27	100%	55	100%

TABLE XXXVII

Effect Of Mandatory And Non-Mandatory Plans In Improving Employee Efficiency

	Mandatory Plans		Non-Mandatory Plans	
Improved efficiency	12	44.4%	29	43.9%
No change	15	55.6%	37	56.1%
Total	27	100%	66	100%

TABLE XXXVIII

Effect Of Mandatory And Non-Mandatory Plans On The Average Age Of Employees

	Mandatory Plans		Non-Mandatory Plans	
Decreased average age	12	38.7%	6	9.1%
Increased " "	3	9.7%	9	13.6%
No change	16	51.6%	51	77.3%
Total	31	100%	66	100%

TABLE XXXIX

Effect Of Contributory and Non-Contributory Plans On Improving Employee Efficiency

	Contributory Plans		Non-Contributory Plans	
Improved efficiency	23	43.4%	21	48.8%
No change	30	56.6%	22	51.2%
Total	53	100%	43	100%

TABLE XL

Effect Of Contributory and Non-Contributory Plans On Employee Turnover

	Contributory Plans		Non-Contributory Plans	
Turnover reduced	34	61.8%	29	64.4%
No change	21	38.2%	16	35.6%
Total	55	100%	45	100%

TABLE XLI

Effect Of Contributory And Non-Contributory Plans On Attracting Higher Type Employees

	Contributory Plans		Non-Contributory Plans	
Aided in attracting higher type employees	34	60.7%	23	52.3%
Did not aid in attracting higher type employees	22	39.3%	21	47.7%
Total	56	100%	44	100%

TABLE XLII

Effect Of Contributory And Non-Contributory Plans On Improving Employee Loyalty

	Contributory Plans		Non-Contributory Plans	
Improved loyalty	50	83.3%	39	83.0%
Loyalty not improved	10	16.7%	8	17.0%
Total	60	100%	47	100%

TABLE XLIII

Effect Of Contributory And Non-Contributory Plans On Wage Increase Demands

	Contributory Plans		Non-Contributory Plans	
Demands lessened	10	16.4%	10	20.4%
Demands increased	1	1.6%	39	79.6%
No change	50	82.0%	0	0.0%
Total	61	100%	49	100%

TABLE XLIV A

Length Of Time The 12 Most Effective Plans Studied Have Been In Operation	Number	%
Less than 1 year	1	8.3%
4 years	4	33.3%
6 years	1	8.3%
7 years	1	8.3%
8 years	1	8.3%
9 years	1	8.3%
12 years	1	8.3%
13 years	1	8.3%
25 years	1	8.3%
Total	12	100%

TABLE XLIV B

Plans That Were Felt To Be Too New For The Results To Be Fully Determined	Number	%
Less than 1 year	11	34.4%
1 year	2	6.3%
2 years	6	18.7%
3 years	5	15.6%
4 years	4	12.5%
5 years	1	3.1%
6 years	1	3.1%
10 years	2	6.3%
Total	32	100%

TABLE XLV

(See next page)

TABLE XLV A

Improvement Of Productive Efficiency Attributable To Retirement Plans Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Greatly improved efficiency	1	7.1%	2	18.2%	5	6.4%	2	16.7%	0	0.0%	0	0.0%
Slightly improved efficiency	7	50%	2	18.2%	19	24.4%	3	25.0%	4	26.7%	4	30.7%
No change	1	7.1%	4	36.3%	32	41.0%	7	58.3%	6	40.0%	5	38.5%
Too new to judge	3	21.5	2	18.2%	7	9.0%	0	0.0%	5	33.3%	2	15.4%
Not answered	2	14.3	1	9.1%	15	19.2%	0	0.0%	0	0.0%	2	15.4%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE XLV B

Improvement Of Productive Efficiency Attributable To Retirement Plans Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Greatly improved efficiency	1	16.7%	2	22.2	1	6.7%	0	0.0%	1	5.9%	1	5.9%	2	4.3%
Slightly improved efficiency	2	33.3%	4	44.5	4	22.6%	8	42.1%	5	29.4%	4	23.5%	9	19.1%
No change	1	16.7%	2	22.2	8	53.7%	9	47.4%	8	47.0%	10	58.8%	14	29.8%
Not answered	1	16.7%	0	0.0%	1	6.7%	0	0.0%	1	5.9%	1	5.9%	14	29.8%
Too new to judge	1	16.7%	1	11.1%	1	6.7%	2	10.5%	2	11.8	1	5.9%	8	17.0%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE XLVI A

Effect On Employee Turnover Attributable To Plans Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Greatly reduced turnover	1	7.1	2	18.2%	7	9.0%	4	33.3%	0	0.0%	0	0.0%
Slightly reduced turn-over	8	57.1	4	36.3%	29	37.2%	5	41.7%	4	26.7%	6	46.2%
No change	2	14.[illegible]	3	27.3%	22	28.1%	2	16.7%	6	40%	5	38.4%
Not answered	0	0.0	0	0.0%	12	15.4%	1	8.3%	0	0.0%	1	7.7%
Too new to judge	3	21.[illegible]	2	18.2%	8	10.3%	0	0.0%	5	33.3%	1	7.7%
Total	14	100	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE XLVI B

Effect On Employee Turnover Attributable To Plans Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Greatly reduced turnover	1	16.7%	2	22.2%	3	20.0%	2	10.5	0	0.0%	1	5.9%	3	6.4%
Slightly reduced turnover	1	16.7%	4	44.5%	8	53.3%	6	31.6%	9	52.9	8	47%	15	31.9%
No change	2	33.2%	2	22.2	3	20%	9	47.4	6	35.3%	4	23.5%	11	23.4%
Not answered	1	16.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	11.8%	11	23.4%
Too new to judge	1	16.7%	1	11.1%	1	6.7%	2	10.5	2	11.8	2	11.8%	7	14.9%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE XLVII A

Attraction Of Higher Type Of Employees Attributable To Retirement Plans Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Attracted higher type of employee	6	42.9	4	36.3	32	41.1%	7	59.3%	5	33.3%	9	69.2%
No effect	3	21.4	2	18.2%	28	35.9%	5	41.7%	6	40.0%	2	15.4%
Not answered	2	14.3	2	18.2%	9	11.5%	0	0.0%	0	0.0%	2	15.4%
Too new to judge	3	21.4	3	27.3%	9	11.5%	0	0.0%	4	26.7%	0	0.0%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE XLVII B

Attraction Of Higher Type Of Employees Attributable To Retirement Plans Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Attracted higher type of employee	2	33.3%	5	55.6	8	53.3	9	47.4	8	47%	4	23.5%	21	44.7%
No effect	2	33.3%	1	11.1	6	40%	6	31.5	6	35.3%	11	64.7%	11	23.4%
Not answered	1	16.7%	2	22.2%	0	0.0%	1	5.3%	2	11.8	0	0.0%	8	17%
Too new to judge	1	16.7%	1	11.1	1	6.7%	3	15.8	1	5.9%	2	11.8	7	14.9%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE XLVIII A

Effect Of Employee Loyalty Attributable To Retirement Plans Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Improved employee loyalty	12	85.7	8	72.7%	50	64.1%	9	75.0%	8	53.3%	12	92.3%
No effect	0	0.0%	1	9.1%	13	16.6%	3	25%	2	13.4%	0	0.0%
Not answered	0	0.0%	0	0.0%	8	10.3%	0	0.0%	0	0.0%	1	7.7%
Too new to judge	2	14.3	2	18.2%	7	9%	0	0.0%	5	33.3%	0	0.0%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE XLVIII B

Effect Of Employee Loyalty Attributable To Retirement Plans Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Improved employee loyalty	2	33.3%	9	100%	13	86.6%	13	68.4%	13	76.5%	12	70.6%	27	57.4%
No effect	2	33.3%	0	0.0%	1	6.7%	4	21.1%	2	11.7%	2	11.8%	7	14.9%
Not answered	1	16.7%	0	0.0%	0	0.0%	0	0.0%	1	5.9%	0	0.0%	7	14.9%
Too new to judge	1	16.7%	0	0.0%	1	6.7%	2	10.5%	1	5.9%	3	17.6%	6	12.8%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE XLIX A

Effect Of Wage Increase Demands Attributable To Retirement Plans Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Greatly lessened demands	0	0.0%	1	9.1%	2	2.6%	0	0.0%	0	0.0%	0	0.0%
Slightly lessened demands	5	35.7%	2	18.2%	7	9.0%	3	25%	2	13.2%	2	15.4%
No change	8	57.1%	6	54.5%	53	67.9%	9	75%	9	60,0%	11	84.6%
Increased demands	0	0.0%	0	0.0%	1	1.3%	0	0.0%	0	0.0%	0	0.0%
Not answered	0	0.0%	0	0.0%	6	7.7%	0	0.0%	0	0.0%	0	0.0%
Too new to judge	1	7.2%	2	18.2%	9	11.5%	0	0.0%	4	26.7%	0	0.0%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE XLIX B

Effect Of Wage Increase Demands Attributable To Retirement Plans Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Greatly lessened demands	0	0.0%	0	0.0%	1	6.7%	1	5.3%	1	5.9%	0	0.0%	0	0.0%
Slightly lessened demands	0	0.0%	3	33.3%	1	6.7%	6	31.5%	2	11.8%	1	5.9%	4	8.4%
No change	4	66.6%	6	66.7%	12	80%	9	47.4%	13	76.4%	14	82.3%	31	66.0%
Increased demands	1	16.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not answered	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6	12.8%
Too new to judge	1	16.7%	0	0.0%	1	6.7%	3	15 8%	1	5.9%	2	11.8%	6	12.8%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE L A

Effect Of Retirement Plans On The Average Age Of Workers Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Decreased average age	2	14.3%	0	0.0%	10	12.8%	5	41.7%	1	6.7%	1	7.7%
Increased average age	2	14.3%	2	18.2%	6	7.7%	4	33.3%	1	6.7%	2	15.4%
No change	6	42.8%	6	54.5%	44	56.4%	2	16.7%	9	60%	7	53.8%
Not answered	2	14.3%	1	9.1%	7	9.0%	1	8.3%	0	0.0%	0	0.0%
Too new to judge	2	14.3%	2	18.2%	11	14.1%	0	0.0%	4	26.6%	3	23.1%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE L B

Effect Of Retirement Plans On The Average Age Of Workers Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Decreased average age	0	0.0%	0	0.0%	1	6.7%	2	10.5%	1	5.9%	2	11.8%	13	27.6%
Increased average age	0	0.0%	1	11.1%	2	13.3%	3	15.8%	0	0.0%	4	23.5%	3	6.4%
No change	4	66.7%	7	77.8%	10	66.7%	9	47.4%	13	76.5%	9	52.9%	17	36.2%
Not answered	0	0.0%	1	11.1%	0	0.0%	2	10.5%	0	0.0%	0	0.0%	6	12.8%
Too new to judge	2	33.3%	0	0.0%	2	13.3%	3	15.8%	3	17.6%	2	11.8%	8	17.0%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

TABLE LI A

Effect Of Retirement Plans On Reducing The Number Of Inefficient Employees Arranged As To Type Of Business

	Retail		Whole.		Manu.		Pub. Util.		Financial		Others	
Aided in reducing	5	35.7	3	27.3%	14	17.9%	6	50.0%	3	20.0%	4	30.7%
Not aided	3	21.4	4	36.3%	35	44.9%	5	41.7%	6	40.0%	6	46.2%
Not answered	4	28.6	2	18.2%	18	23.1%	1	8.3%	0	0.0%	1	7.7%
Too new to judge	2	14.3	2	18.2%	11	14.1%	0	0.0%	6	40.0%	2	15.4%
Total	14	100%	11	100%	78	100%	12	100%	15	100%	13	100%

TABLE LI B

Effect Of Retirement Plans On Reducing The Number Of Inefficient Employees Arranged As To Size Of Business

	0-25 Employees		26-50 Employees		51-100 Employees		101-200 Employees		201-400 Employees		401-1000 Employees		More than 1000 Employees	
Aided in reducing	1	16.7%	3	33.3%	2	13.3%	3	15.8%	2	11.8%	3	17.6%	17	36.2%
Not aided	3	50.0%	3	33.3%	9	60.0%	10	52.6%	10	58.8%	8	47.1%	12	25.5%
Not answered	1	16.7%	2	22.2%	2	13.3%	3	15.8%	2	11.8%	3	17.6%	10	21.3%
Too new to judge	1	16.7%	1	11.1%	2	13.3%	3	15.8%	3	17.6%	3	17.6%	8	17.0%
Total	6	100%	9	100%	15	100%	19	100%	17	100%	17	100%	47	100%

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