Contributors

Alan Auerbach
Department of Economics
University of Pennsylvania
Philadelphia, Pennsylvania 19104

Fischer Black
Massachusetts Institute of Technology
50 Memorial Drive
Cambridge, Massachusetts 02139

Zvi Bodie
School of Management
Boston University
704 Commonwealth Avenue
Boston, Massachusetts 02215

John Bossons
Institute for Policy Analysis
University of Toronto
Toronto, Ontario M5S 1A1
Canada

Jeremy Bulow
Graduate School of Business
Stanford University
Stanford, California 94305

Louis-David L. Dicks-Mireaux
National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, Massachusetts 02138

Daniel Feenberg
National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, Massachusetts 02138

Martin Feldstein
Harvard University
Department of Economics
Littauer Center
Cambridge, Massachusetts 02139

Stanley Fischer
Department of Economics
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

Benjamin Friedman
Harvard University
Department of Economics
Littauer Center
Cambridge, Massachusetts 02138

Jerry Green
Department of Economics
Harvard University
Littauer Center
Cambridge, Massachusetts 02138
Contributors

J. Michael Harrison
Graduate School of Business
Stanford University
Stanford, California 94305

Michael Hurd
Department of Economics
SUNY, Stony Brook
Stony Brook, New York 11794

Mervyn King
University of Birmingham
Department of Economics
P.O. Box 363
Birmingham, B15 2TT
England

Edward P. Lazear
Graduate School of Business
University of Chicago
1101 East 58th Street
Chicago, Illinois 60637

Jay Light
School of Business
Harvard University
Soldier’s Field Road
Boston, Massachusetts 02136

Peter Menell
Department of Economics
Stanford University
Stanford, California 94305

Robert Merton
Sloan School of Management
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

Franco Modigliani
Department of Economics
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

Randall Mørck
National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, Massachusetts 02138

Stewart C. Myers
Sloan School of Management
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

James E. Pesando
University of Toronto
Institute for Policy Analysis
150 St. George Street
Toronto, Ontario M5S 1A1
Canada

Paul Samuelson
Department of Economics
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

Myron S. Scholes
Graduate School of Business
1101 East 58th Street
University of Chicago
Chicago, Illinois 60637

William Sharpe
Graduate School of Business
Stanford University
Stanford, California 94305

John B. Shoven
Department of Economics
Fourth Floor, Encina Hall
Stanford University
Stanford, California 94305

Lawrence Summers
Harvard University
Department of Economics
Littauer Center
Cambridge, Massachusetts 02139
Contributors

Irwin Tepper
386 Highland Street
Newton, Massachusetts 02160

David A. Wise
John F. Kennedy School of Government
Harvard University
79 Boylston Street
Cambridge, Massachusetts 02138

Richard Zeckhauser
John F. Kennedy School of Government
Harvard University
79 Boylston Street
Cambridge, Massachusetts 02138
This Page Intentionally Left Blank
Author Index

Aaron, H. J., 274
Abraham, K., 20
Allais, M., 282
Amemiya, T., 405
Asimakopulos, A., 287
Auerbach, A., 181, 404
Barro, R. J., 350
Becker, G. S., 61
Black, F., 8, 18, 30, 31, 91, 101, 128, 148, 151, 209
Blume, M., 244
Bodie, Z., 213, 291, 294, 302
Boskin, M., 274, 360
Brainard, W., 180
Breeden, D., 251, 269, 272
Brejges, B., 360
Bulow, J. I., 5, 17, 18, 51, 66, 189, 243
Carlson, J. A., 248
Clark, R., 396
Crockett, J., 244
Dasgupta, P. A., 286
Davies, J. B., 403
Deardorff, A., 286
Denton, F. T., 427
Diamond, P. A., 269, 278, 325, 326, 352, 353
Dicks-Mireaux, L-D., 408, 410, 421, 424, 433
Director, A., 279
Fama, E., 161, 162
Feldstein, M., 10, 18, 177, 179, 180, 185, 187, 212, 242
Fischer, S., 160, 260, 271
Friend, I., 244
Gibbons, M., 161, 162
Gigliotti, G. A., 286
Gordon, M., 155, 160, 180
Greene, W. H., 407
Hakansson, N., 155, 330
Hall, R. E., 66
Harris, B., 24
Harrison, M., 18
Heaton, H., 292
Heckman, J. J., 407, 433
Hendershott, P., 212
Holmstrom, B., 24
Hu, S. C., 212
Hurd, M. D., 242, 244, 252, 360
Inman, Robert, 42
King, M., 181, 404, 405, 407, 408, 421, 424, 433
Kotlikoff, L. J., 1, 2, 394
Kreps, J., 396
Lange, O., 282
Lazear, Edward P., 24, 58, 61, 66, 69
Lee, L-F., 405
Lerner, A. P., 287
Levhari, D., 234
Litterman, R., 165
Litzenberger, R. H., 92
Liviatan, N., 234

McGill, D., 51
Meade, J. E., 286
Medoff, J., 20
Merton, R. C., 246, 251, 261, 262, 269, 278
Miller, M., 18, 30, 43, 180
Modigliani, F., 180
Mossin, J., 155
Musgrave, R., 282

Oja, G., 402
Oldfield, G. S., 180

Packard, M., 360
Pechman, J. A., 274
Pesando, J. E., 292
Pigou, A. C., 282
Pollak, R. A., 248
Poterba, J., 243

Samuelson, P., 155, 219, 278, 286, 330, 350
Scholes, M., 18, 30
Seligman, S., 18, 177, 179, 180, 186, 187
Sharpe, W., 18, 91, 92, 121
Sheshinski, E., 353
Shoven, J. B., 242, 244, 252
Sims, C., 165
Smith, Daniel D., 1, 2
Spencer, B. G., 427
Spengler, J., 396
Stigler, G. J., 61
Strotz, R., 282
Summers, L., 212, 243, 244, 248, 394

Tepper, I., 8, 18, 19, 30, 91, 92, 101, 128, 148, 151, 209
Tobin, J., 180
Treynor, J., 18

Van Horne, J., 92

Weiss, Y., 353
Subject Index

A&P Corporation, 23
Accounting data, in inflationary period, 182–83
Accrued benefits, defined, 45
Accrued liabilities, defined, 149
Actuarial assumptions, in overfunding, 50
Advisory Council on Social Security, 231
Age: effect on asset choices, 413; and wealth appreciation, 375
Aged: asset vulnerability of, 242–43; financial status of, 12–13; labor force participation of, 1. See also Elderly; Older workers; Retirees
Age Discrimination in Employment Act, 82
Age-earnings profiles, 61
Alloytek, 48
Annuitytage, and real benefit risks, 297
Annuities, choice of plans, 321–22, 325
Annuities: indexed, 254; life, 6, 269. See also Nominal annuities; Variable annuities
Annuity designs, alternative, 306–7
Asset allocation, 91, 92, 94–101, 126–31; and bankruptcy, 127; and earnings volatility, 128; and prospective risk, 129; and tax status, 130
Asset choices, 413, 420, 422; effects of private plan wealth on, 413, 437; by individuals, 403–4
Asset demand equations, 416–19
Asset distribution, 110–17
Asset returns, 160–69
Assets: high yield, 128; matched to liabilities, 52
Backloading, 44, 45, 51
Balance sheet, corporate, 131–34
Bankruptcy: and asset allocations, 127; probability of, 122, 127
Bargaining agreements, 29, 33. See also Compensation negotiations; Salary negotiations
Benefit formulas, 66
Benefit payments, distribution over time, 296
Benefits: ad hoc increases in, 22; and aggregate per capita consumption, 271; changes in, 246–47; consumption linked, 262–68; dependent on individual contributions, 346; educational, 6; effect of inflation on, 317; eligibility requirement for, 327; employee response to, 207n.29; expected present value of, 72, 73, 74, 79; formulas, 67; guaranteed, 45; indexing of, 241–43, 250; legislative increases in, 357n.13; maternity, 6; payment options, 321–22; percentage of total compensation, 20; plan options, 321–22; present value of, 351; risks with aging annuitant, 297; and standard of living, 246–47; as termination policy, 52; vested, 45. See also Social security benefits; Vested benefits
Blue-collar workers, 86
Bond market, elderly participation in, 369
Bonds: indexed, 318; tax advantages of, 30; for variable annuities, 291, 294; wage linked, 271
Braniff, 49
Subject Index

Business ownership, among elderly, 369
Canada and Quebec Pension Plans, 408
Canadian Registered Home Ownership Savings Plan, 410
Capital asset pricing model, 181, 185, 246
Capital stock, and pension plan growth, 2
Capital structure, and pension funding, 149–50
Chrysler Corporation, 49
Common stock, return of, 320; for variable annuities, 307
Compensation negotiations, 24–28
Consumer Price Index, 248–49, 251; for indexing social security benefits, 351. See also Cost of living
Consumption: per capita, 269, 270; and retirement benefits, 271; tax, 272
Consumption indexed public plan, feasibility of, 274–75; merits of, 269, 271–74
Consumption tax, 353
Contingent claims, valuation of, 92–93
Contracts, implicit, 19, 33
Contributions, individual, 346
Corporate balance sheet, 131–34
Corporate Pension Plan Study, 58, 67
Corporate pension policy, 3
Cost of living: adjustments for retirees, 292; ceiling on adjustments, 301; for elderly, 360–61; index, 248–50, 251
Consumption tax, 353
Contingent claims, valuation of, 92–93
Contracts, implicit, 19, 33
Contributions, individual, 346
Corporate balance sheet, 131–34
Corporate Pension Plan Study, 58, 67
Corporate pension policy, 3
Cost of living: adjustments for retirees, 292; ceiling on adjustments, 301; for elderly, 360–61; index, 248–50, 251
Credit, availability of, 326
Cyclops, 49
Deferred life annuities, present value of, 6
Defined benefit plans: advantages of, 43–44; defined, 3; differentiated from defined contribution plans, 3; and ERISA, 18, 39–51; expected present value of, 72, 73, 78; fixed nominal annuity in, 213; as form of severance pay, 7; funding of, 91–105; and older workers, 44; ownership of, 7, 18–24, 28–31, 37; pension fund performance in, 213; reasons for using, 43–44; tax consequences of, 28; value of, 4
Defined contribution plans, 75, 76, 77; defined, 3; distinguished from defined benefit plans, 3; equity investment in, 146n.26; expected value of benefits, 74, 76, 77
Distributions, lump sum, 22
Early retirement, 58; benefits, 21–22; in lieu of severance pay, 44; and pension values, 7, 84
Earnings, management of, 124–25
Earnings-smoothing hypothesis, 123–25
Earnings volatility, and equity allocation, 128
Economic rents, 24
Economic well-being, income as an indicator of, 379
Economy, real rate of growth, 353
Educational benefits, 6
Elderly: bond market participation, 369; business ownership among, 369; and cost of living, 360–61; farm ownership among, 369; financial problems of, 387; home mortgages among, 369; home ownership among, 369; incomes of, 361–66; labor force participation of, 362; opinion poll of, 387; participation in savings accounts, 369; per capita income compared with general population, 394; protection from inflation, 252; stock market participation, 369; wealth of, 366, 368–76. See also Aged; Older workers; Retirees
Employee Retirement Income Security Act of 1974 (ERISA), 17; and asset allocation, 8; and corporate pension policy, 3; difficulties in applying, 47–49; effects of, 7, 23, 29–31, 37; and equity stake of employees, 7; Form 5500, 109–10, 113, 137–42; ineffective provisions of, 51; and optimal pension funding, 8; reform of, 51–52; and underfunded plans, 54; vesting under, 21
Employees, and salary negotiations, 24–28
Employee turnover, 63–64, 86
Equilibrium: in financial markets, 333–36; in goods and labor markets, 336–38; perfect market path, 338–49; when human capital is not tradable, 338–49; when human capital is tradable, 328–38
Equilibrium model, intertemporal, 262–68
Equity allocation, and earnings volatility, 128
ERISA. See Employment Retirement Income Security Act of 1974
Expenditure tax, individual, 274
Family relations, change in, 1
Family support, decline in importance of, 1
Farm ownership, among elderly, 369
Federal employees, pensions for, 251n.2
Financial Accounting Standard Board, 6, 53n
Formulas, for benefits, 66
Funding: actuarial assumptions, 50; asset allocation decisions in, 94–103; of defined benefit plans, 91–105; level of, 283–84; overfunding, 31, 38, 42–44, 46, 50; tax benefits of, 201; tax reasons for full, 150; underfunded plans, 40–42, 46, 49–50, 54, 124, 148, 150, 427

Funding ratio, and prospective risk, 129

Future, planning for, 282–83

Graduated payment plan, 321
Grumman Corporation, 23, 33
Guaranteed Income Supplement (GIS), 408

Hedge portfolios, 246
Holding period, 154–56; defined, 9; length of, 156–57, 160, 170–71; risk of stock return falls in, 161
Home mortgages, among elderly, 369
Home ownership: among elderly, 369; tax advantages of, 413, 421
Household size, and wealth, 427
Human capital, 4–41, 278, 380; defined, 24–25, 331; nontradability of, 326, 327; redistribution of, 328; tradable, 328–38

Implicit contracts, 19, 33
Income: estimates of, 432–34; as indicator of economic well-being, 379; per capita, 394; redistribution of, 281; and wealth, 376–80
Income tax, indexing of brackets, 238
Indexing of bonds, 318
Indexing of pensions: aggregate per capita consumption as base of, 11; alternatives to, 231; effect on real economic behavior, 250; and high income employees, 228n.4; for inflation, 241–46; as insurance, 235, 238; methods of, 11, 238, 255; performance method, 11; as precommitment, 238, 240–41; price-level system, 11; private pensions, 10, 241–46; public pensions, 233–41, 250; and risk aversion, 215–16; tax bracket, 238; with riskless social security, 219–24; without social security, 212–19; with uncertain social security, 224–27; using Treasury bills, 213, 216; vesting provisions, 243–44
Inflation: and annuity return, 300; correlation between expected and actual, 253; effect on elderly, 242–43, 252, 381–84, 386–87; effect on pension benefits, 317; effect on pension system, 10; and indexing of private plans, 10, 241–46; and social security, 219–27; Treasury bills as hedge against, 213; uncertainty about, 216; vulnerability to, 395
Information costs, 273; economies of scale in, 11, 260–61
Interest rate: average, 192; and present value of vested benefits, 189; real, 247
Interest rate assumptions, 187–93, 201–3; and accrued pension liabilities, 202; actuarial, 208; reasons for differing choices, 201–5
Internal Revenue Service, ERISA form requirement of, 109–10, 113, 137–42
Investment choices, 92–105, 206n.19
Investment horizon, 154–56
Investments: in defined contribution plans, 146n.26; of pension funds, 30; tax strategies in, 148

Labor, inelastic supply of, 338–44
Labor contract model, 24–27; justification for using, 28
Labor force, participation of elderly in, 1, 362
Labor market behavior, contractual models of, 5
Labor mobility, 58; severance pay to guarantee, 58
Laspeyres index, 360
Leisure time, 330, 331
Liabilities: actuarial concepts of, 147n.34; actuarial values of, 145n.11; hidden nature of, 124; present value of, 37–38; unfunded, 121. See also Pension liabilities
Life-cycle rationality, 282
Life expectancy, 371
Long-term employees, backloading and, 44, 45, 51
Lump sum distributions, 22

Mandatory retirement, 61
Marginal tax rate, 413
Marital status: effect on asset choices, 413; and wealth appreciation, 375
Market equilibrium. See Equilibrium
Market value: accrued liability in, 192; and unfunded pension liabilities, 181
Market values, relation to pension liabilities, 204
Marriage, effect on asset choices, 413
Maternal benefits, 6
Mean pension value, 69  
Medicare/medicaid, 360, 364  
Merit wants, 282  
Minimum variance portfolios, 158–60  
Money market instruments, as hedge against inflation, 213, 216–17, 220  
Mortgages: in the elderly population, 369; M.I.T. study, 318  
Municipal pension plans, 42  
Net debt, defined, 206n.11  
Net worth, 118–19; defined, 151n.3; defined by ERISA, 48; of private sector, 399  
“New Mortgage Designs for Stable Housing in an Inflationary Environment,” 318  
Nominal annuities: with alternative asset base, 294–97; defined benefit plans, 213; graduated payment plan, 297, 321; level payment, 292, 294  
Old Age, Survivors’ and Disability Insurance, 236–37; benefit increases, 357n.13; benefits, 212, 257n.13; indexing of, 233–41; full funding of, 351; legislative changes in, 235; pay-as-you-go system, 351; and population growth, 287n.1; possible insolvency of, 351  
Old Age Security (OAS), 409  
Older workers: and defined benefit plans, 44; and mandatory retirement, 61; pension compensation for, 44; postponed retirement of, 65. See also Aged; Elderly; Long-term employees; Retirees  
Overfunded plans, tax advantages of, 42–44  
Overfunding, actuarial assumptions, 50  
Pay-as-you-go system, 351; defined, 356n.7  
PBGC. See Pension Benefit Guaranty Corporation  
Penn-Dixie, 48  
Pension accruals, present value of, 28  
Pension assets, claims on, 23  
Pension Benefit Guaranty Corporation (PBGC), 7, 17, 18, 23, 118, 119; effects on defined benefit pension plans, 30–31; interest rate calculation, 48; pension fund monitor, 52; and underfunding of pensions, 121  
Pension benefits. See Benefits  
Pension contributions, timing of, 124  
Pension covenants, 19–24  
Pension funding: and capital structure, 149–50; strategy, 117–23  
Pension fund investments, 30  
Pension funds: choice of assets, 93–101; ownership of, 7; performance of, 213; solvency of, 55  
Pension indebtedness, vested accrued liability as measure of, 6. See also Pension liabilities  
Pension indexing. See Indexing of pensions  
Pension investments, 171–72  
Pension liabilities: accrued, 4, 202; accrued benefit method of accounting, 20–24; and assumed interest rate, 201; and corporate debt, 181; market value deductions for, 209; and market values, 181, 204; present value of, 187; and rate of return on equity, 206n.25; unfunded, 183–87; and value of corporation equities, 177–80  
Pension plans: as a corporate asset, 18; employer sponsored, 2; growth of, 2; tax shelter nature of, 8  
Pension promises, compared with bond contracts, 29–30  
Pensions: expected present value of, 80, 81; insurance motive for, 87; matched data values, 83; nominal value of, 58; savings motive for, 87; as tax-free savings accounts, 57. See also Funding; Plan termination; Private pension plans; Public pensions; Underfunded plans  
Pensions in the American Economy, 2  
Pension system, primary objective of, 259  
Pension value: decline in, 82; mean, 69  
Pension wealth: and early retirement, 21; effect on portfolio composition, 420, 422–31, 436–37; measure of, 19, 34  
Perfect-market equilibrium. See Equilibrium  
Performance indexing, 11  
PIA (primary insurance amount), 392  
Plan termination, 29–30, 47, 52; insurance against, 45, 46; pre-ERISA, 39–42  
Pooling, benefits of, 261  
Population, growth rate of, 285–86; 287n.1  
Portfolio behavior, econometric model of, 403–7  
Portfolio choice, myopia in, 155  
Portfolios: composition of, 155, 413, 420, 422–31, 436–37; decision period, 173n.12; hedge, 246; holding period, 154–56; imbalance, 327–28; inefficiency of, 326; minimum variance, 58–60; optimal decision on, 354–55; optimal mean variance, 158–60; reallocations, 253; results, 169–71; risk aversion, 160  
Poverty level, 362–63, 394
President's Commission on Pension Policy, 231, 233
Price level shocks, vulnerability to, 381
Price-level indexing, 11
Primary pension amount (PIA), 392
Private pension plans: differentiated from public plans, 260; effect on asset choices, 413, 437; financial soundness of, 3–6; inflation indexing of, 241–46; number of, 4; and political demand for public pensions, 256; present value of, 409; tax treatment of, 410
Probit equations, 407
Probit model, 411, 414–15, 425
Public pensions: in Canada, 256; consumption indexed, 269–75; differentiated from private plans, 260; indexing of, 233–41, 256; permanence of, 260; political demand for, 256; present value of, 409; redistributive nature of, 277
Quitting behavior, efficient, 63–64, 86
Registered Home Ownership Savings Plan, 410
Registered Retirement Savings Plans, 410
Retirees: cost-of-living adjustments for, 292; indexing benefits for, 241–46. See also Aged; Elderly
Retirement: mandatory, 61; postponed, 65. See also Early retirement
Retirement age, 65, 262; effect on present value of benefits, 76; and pension value, 57
Retirement benefits. See Benefits
Retirement History Survey, 364–96
Retirement pay, as corporate liability, 18
Retirement plans: desirable features of, 279; individual choice of, 325. See also Private pension plans; Public pensions
Return, rates of, 156–57, 160, 170–71; and pension investments, 171–72
Risk: and asset allocation, 129; and funding ratio, 129; in pension plan choices, 29; repackaging of, 252
Risk aversion, 155, 225, 228n.13; and pension indexing, 215–16; portfolios, 160
Risk bearing: by firms, 244, 246; efficiency in public pensions, 261
Rockefeller Foundation Plan, 292, 297, 300, 302, 310, 314n.2, 321
Salary negotiations, 24–28, 40–41
Saving: effect of pensions on, 177, 207n.29; forced, 326; mandatory, 262–68; personal, 410
Savings account: tax-free, 57; participation of elderly in, 369
Savings plan, individual choice of, 325
Separation efficiency, 63–66
Severance pay: defined benefit plans used as, 7; derivation of model, 58–65; early retirement benefits as substitute for, 22, 44
Short sales, restriction on, 242
Single persons, wealth of, 371–74
Social security: advisory council on, 231; full funding of, 351, 356n.7; growth of, 359; indexing of, 233, 238; optimal amount of, 221–22; pay-as-you-go system, 351, 356n.7; and pension benefits, 51; and pension indexing, 219–27; real financing of, 284; and redistribution of income, 281; role of, 12. See also Old Age, Survivors' and Disability Insurance
Social Security Administration Earnings Record, 392
Social security benefits: for high income employees, 228n.4; indexed to Consumer Price Index, 351; indexed to level of aggregate consumption, 251; legislative changes in, 235, 236–37
Social security wealth, present values of, 409
SPA (Spouses’ Allowance), 408
Spot labor market, theories of, 5
Spouses, surviving, 408–9
Spouses’ Allowance (SPA), 408
SSI (Supplemental Security Income), 359
Standard of living, and benefit changes, 246–47
Stock market, participation of elderly in, 369
Stock return predictions, 162–69
Study of Corporate Pension Plans 1975, 67
Sun Life Insurance Company, 297
Supplement Security Income (SSI), 359
Tax advantages: of bonds, 30; of over-funded plans, 31, 38, 42–44
Taxes: constant proportional, 327; consumption, 272, 353; and defined benefit plans, 28; home ownership advantages, 413; income, 238; on individual expenditures, 274; liabilities, 395; and personal saving, 410; on private plans, 410; to replicate perfect market equilibrium path, 338–49; value added, 275; wage, 328
Tax shelters, 8
Tax status, 130
Teachers Insurance and Annuity Association (TIAA), 292, 314n.3
Tenure, 71, 72
Termination of plans. See Plan termination
Thrift decisions, 284–85
TIAA, 292, 314n.3
Tobit model, 405
Transaction costs, 174
Transfers, to replicate perfect-market equilibrium path, 338–49
Treasury bills, 318; average real return, 353; as hedge against inflation, 213, 216–17, 220, 228n.8; as inefficient substitute for long-term asset, 257n.12; real return of, 320; for variable annuities, 291, 294, 297, 303, 304
Underfunded plans: claims on, 41–42; and debt structure, 150; and ERISA, 40, 46, 49–50, 54; and hidden nature of liabilities, 124; value of PBGC put, 148; and wealth, 427
Uniroyal, 49
University of Chicago, 28
Value-added tax, 275
Variable annuities, 318–19; with alternative asset bases, 294–97; benefit calculation for, 312–13; ceiling on, 321; common stocks for, 307; equity-based, 294; floor on, 321; with nominal floors, 297–301; with nominal floors and real ceilings, 301–6
Vested benefits: distinguished from other pension payments, 178–79; present value of, 19, 189; under social security system, 351
Vesting, 3, 66, 68; and indexing, 243–44; under ERISA, 21
Veterans, pensions for, 251n.2
Wages, growth rate of, 187, 188
Wage subsidy, 353
Wage tax, 328, 348
Wealth: and income, 377–80; and unemployment, 427
Wheeling-Pittsburgh, 49
Work, efficiency of, 59
This Page Intentionally Left Blank
Books of Related Interest

Pensions in the American Economy
Laurence J. Kotlikoff and Daniel E. Smith
The most comprehensive guide to American government and private pension plans ever compiled, this book has hundreds of tables and a lucid text that explains and highlights the information. Without the aid of a pension specialist, any reader can now compare pension vesting, retirement, and benefit provisions by plan type, plan size, industry, union status, and many more characteristics. A book equally useful for workers, employers, pension specialists, and scholars.
An NBER Monograph

New Developments in Productivity Measurement and Analysis
Edited by John W. Kendrick and Beatrice N. Vaccara
Kendrick and Vaccara present a sampling of research on concepts, measurements, and analysis of productivity, with respect not only to causal factors, but also to the interrelation of productivity, costs, and prices in the United States and abroad.
"This volume is an important one, both as a report on the results of measuring and analyzing productivity growth, and as an affirmation of improving methodology."—J. R. Norsworthy, Journal of Economic Literature
NBER Income and Wealth series, no. 44

Modeling the Distribution and Intergenerational Transmission of Wealth
Edited by James D. Smith
Using modern statistical and simulation techniques, the contributors explain the process of wealth transmission and the persistent problem of the unequal distribution of wealth. The authors examine such issues as the ways in which assets are distributed by divorce, the patterns of bequests and gifts, the factors that influence savings, and decisions about ownership between spouses.
NBER Income and Wealth series, no. 46

The University of Chicago Press