
Subject Index

- Acceleration, of benefits, 220, 225, 231
Accruals ceilings, 224, 231, 240
Accrued benefits method, 72n
Active-duty release, 38
ACT scores, 295
Affirmative action, 11, 184, 243. *See also*
 Comparable worth; Discrimination
AFQT. *See* Armed Forces Qualification
 Test
AFSCME v. State of Washington, 258
Age, 208; compensation profiles, 20;
 earnings and, 74; employment effects,
 210; of enlistment, 106; of military
 retirees, 53; of older workers, 241,
 251; pension rights and, 13; service
 requirements and, 216, 224, 226, 234
Allen elasticity, 274
Armed Forces Qualification Test
 (AFQT), 98, 104, 113, 115
Armed services. *See* Military service
"At will" labor contracts, 72n. 11

Baby boom, 6, 80, 88
Behavioral analysis, 43
Bias, statistical, 74
Blacks: employment of, 93; labor supply
 and, 142; in military, 81, 119, 127,
 142; public-private ratio, 196; public
 sector workers, 11, 184;
 unemployment rates, 126; youth
 employment, 6, 88, 93, 127
BLS. *See* Bureau of Labor Statistics

Blue-collar workers, comparability for,
 178
Booms, economic, 11, 184
Budget, federal: collective bargaining
 and, 202; employment and, 11, 184,
 196; GNP ratio, 200, 208; labor
 intensity and, 208. *See also* specific
 benefits
Bureau of the Census, 14, 188, 248–49,
 265, 268, 270
Bureau of Labor Statistics (BLS), 92,
 151, 184; comparability surveys, 186;
 NIPA, 205; PATC surveys, 205; Urban
 Family Budget Series, 105; white-collar
 salary survey, 150; youth employment
 data, 84
Business cycles, 115; federal
 compensation and, 194, 196–99;
 military hiring and, 7, 98, 112

Ceilings, accrual, 221, 223, 231, 240
Census of Population, Bureau of Census,
 14, 188, 248–49, 265, 268, 270
CETA program, 143, 195
Choice variables, 152
Cities. *See* Local governments; Standard
 Metropolitan Statistical Areas
Civilian workers. *See* Private sector
Civil Rights Act, Title VII, 243, 250
Civil Service Commission, 177, 186
Clerical workers, 190
Cliff vesting, 217

- Cohort analysis, 106
- Collective bargaining, 14, 163; budgets and, 202; comparable worth and, 244; state employees and, 253. *See also* Unions
- College education, 123; accrued pension wealth and, 33; civilians and, 74; earnings and, 19, 121; junior colleges, 121–23; lifetime compensation and, 43
- Commissary benefits, 57
- Comparable worth, 14, 177; cases for/against, 249–51; Connecticut data, 262; legislation and, 150, 155; Minnesota data, 257; principle of, 13, 147, 243–86; side effects of, 248; supply-side interpretation, 177; wage adjustments (CWWA), 14–15, 248
- Congressional Budget Office (CBO), 3, 47
- Connecticut data, 220–21, 258–62
- Consumer Price Index (CPI), 49, 60
- Corruption, 236
- Cost-of-living (COL) values: adjustments to, 60, 70, 216; indexing of, 4
- Council on the Economic Status of Women, 252–53
- CPI. *See* Consumer Price Index
- Creep, in wages, 189, 203
- Criminal records, 144
- Current Population Survey (CPS), 143, 162, 186; civil service pay differentials, 205; federal-civilian comparisons, 11, 27–32, 184; public sector questions, 161, 191; state government employees, 288
- Deaths, longevity and, 51, 56, 60
- Debt, and MRS, 54
- Defense employment, 47–78, 207–08; Manpower Data Center, 84, 104. *See also* Department of Defense; Military service
- Deficit financing, 184, 198
- Defined benefit plans, 13, 49, 219, 235
- Deflators, 110
- Demand, elasticities of, 277
- Demand constraints, 98, 102, 110
- Demographic factors, 11, 74; population groups, 105, 289; trends in, 208. *See also* specific sectors, states
- Department of Defense: Office of the Actuary, 4, 47–48, 50; retiree survey, 24. *See also* Military service
- Dependents, 127
- Depression, 184
- Disability benefits, 38, 49, 55
- Discontinuity, 220, 239
- Discount rates, 75; higher, 65, 67; inflation and, 61; pension value and, 52–53, 75
- Discrete accruals, 225
- Discrete phenomena, 239
- Discrimination, 14, 181, 184, 243, 250. *See also* Comparable worth; specific groups, sectors
- Downgrades, 159
- Dropouts, high school, 113
- Early retirement, 34, 217, 234; definition of, 236; discontinuous reductions, 224; federal sector, 159; pension system and, 36; penalties for, 13, 63, 223, 231–32
- Earnings. *See* Wages
- Econometric model, NLS data, 301
- Education, 123, 270; ACT scores, 295; benefits for, 105, 141; demographic factors, 210; dropouts, 113; earnings and, 125; educational benefits, 105, 141; enlistment and, 123; female-dominated jobs and, 250; levels of, 25, 74; occupation and, 296–97; of parents, 124, 144; public sector jobs and, 167; publicly financed, 208; quality of, 291; state spending and, 209; vocational training, 83
- Efficiency, of plans: comparable worth and, 289; equity and, 244; market variations and, 238
- Elasticity analysis, 110, 274. *See also* specific variables
- Elderly workers, 241, 251
- Employee Retirement Income Security Act (ERISA), 12, 217
- Employment levels, 82; attrition process, 159; business cycles and, 196; desire for, 9, 163; elasticity of, 201; expenditures and, 210; geographic variations, 89, 99; history of, 21; models for, 87; population and, 104; preference studies, 147–75; queue model, 9, 156–58; stability of, 9; statistical estimation, 6, 82; variation across states, 89
- Enlistment, military, 97–117; age of, 106; behavioral analysis, 43; civilian

- employment and, 115; economic conditions and, 7, 98, 112, 117; family income and, 125; physical handicaps, 144; nonwhites, 112; predictors of, 124; reenlistment, 139; separation rates, 40; in southern states, 98; supply elasticity and, 107; time series models of, 139; unemployment and, 111–12
- Entry age method, 55–56
- Equal Opportunity Employer (EOE), 99
- Equal Pay Act (1963), 243
- Equilibrium, wages and, 152
- Equity, efficiency and, 244
- ERISA. *See* Employee Retirement Income Security Act
- Estimation methods, 314
- Exclusion restrictions, 159, 162
- Executive branch, jobs in, 159
- Experience level, wages and, 8, 125–26, 218
- Factor point methods, 251–58, 288–89
- Family: incomes, 125, 127; parental education, 124, 144
- Federal Salary Reform Act (1962), 150, 174
- Federal sector. *See* Public sector
- Federal Wage System (FWS), 150, 188, 203
- Females. *See* Women
- Fifth Quadrennial Review of Military Compensation* (QRMC V), 3, 47, 71
- Firefighters, 190, 217–42
- Fringe benefits. *See* Nonsalary compensation
- Funding rates, 5, 13, 55
- General Accounting Office (GAO), 3, 36, 47
- General Services Administration, 205, 218; grades in, 203–4; PATC survey and, 189–90, 193; pay schedule system (FWS), 150, 188, 203; step creep, 188–89, 204
- G. I. bill (1977), 105
- Government pension plans. *See* Public pensions
- Government spending. *See* Budget, federal
- GNP. *See* Gross national product
- Grace Commission (President's Private Sector Survey on Cost Control), 3, 5, 47, 49; incentive effects and, 64; on inflation, 61; proposals of, 5, 59–72
- Grade creep, 151, 189, 203
- Grandfathering, 235
- Gross national product (GNP): employment and, 11; federal pay levels and, 198–200; government spending and, 208
- Handicaps, 144
- Hay Point System, 251–58, 284
- Hazard rates, 38
- Health and Human Services Department (DHHS), 208
- Health problems, 241
- Health sector workers, 10
- Hedonic wage equation approach, 247
- Heterogeneity, efficiency and, 239
- Heteroskedasticity, 306
- High school education, 112, 123; academic achievements of, 121; dropouts, 113; lifetime compensation, 43; NLS72 study, 16, 120, 138, 143, 292–93; SAT scores, 302–5
- Highways, 207, 210
- Hiring, queue model. *See* Queues, for jobs
- Homogeneity property, 274
- Human capital, 76, 238
- Incentive effects, 50, 53, 238
- Income. *See* Wages
- Income tax, 20
- Indexation: inflation and, 27, 61–62; of pension benefits, 60, 62; state methods, 110; wages and, 20, 37
- Inflation, 5, 55, 200; adjustment for, 61; benefit erosion by, 77; Grace Commission on, 61; indexation and, 27, 61–62; public pension plans and, 60–62, 218; public sector employment and, 11, 184; rate of, 64–65; salary averaging and, 50; wages and, 200
- Instability, in variables, 110
- Interest rates, pensions and, 52, 218
- Jobs: academic ability and, 297; acceptance decision model, 155–58; changes of, 28–29, 75; choice model, 249, 301; comparable worth of, 13, 251; definitions of, 280; demand curves, 249; evaluation studies, 14, 244, 251, 258–62, 279; experience and,

- 8, 126, 218; factor point method and, 251; grouping of, 270, 276; in high school, 127; job security, 155, 186; substitution across, 274; transfer of, 139; utility functions for, 301. *See also* Employment levels; Mobility; specific sectors
- Korean War period, 195
- Labor history, 21
- Labor market, 79, 140; models of, 14, 249; quality, 238
- Labor supply, 47–48, 238
- Lagged variables, 89, 104, 143
- Lateral reassignment, 159
- Law enforcement personnel, 217–42
- Least squares procedure, 86, 88, 92
- Leisure function, 240
- Likelihood function, 160, 304
- Local governments: comparable worth initiatives, 244–47; expenditure-employment ratio, 207–13; pension plans of, 215–42, 291–316; wages in, 199–202
- Longevity, 51, 56, 60
- Longitudinal files, 161
- Macroeconomic factors, 202
- Managerial employees, 270
- Market forces, 177; equilibrium and, 152, 174; heterogeneity and, 239
- Married individuals, 165
- Matching model, 155
- Matching process, 171
- Maximum likelihood method, 169, 304, 314
- MDTA program, 143
- Merit pay, 151
- Microdata files, 9, 74
- Military academies, 29
- Military bases, 207
- Military Retirement System (MRS), 3, 21, 47–78; accrual basis, 54; age in, 24–25, 53; benefit formula, 49; BMC and, 57; civilian jobs and, 32, 138; cost of, 4, 54, 67; criticism of, 3; defense functions of, 4, 58, 76; financial assets and, 4; history of, 49; incentive and, 53; increments to, 35; legislation on, 36; pay-as-you-go basis, 54; pension wealth, 47; pilgrim system, 49; retention rate, 5; simulation of, 56–57; tax revenues and, 4. *See also* Grace Commission
- Military service: AFQT studies, 98, 104, 113, 115; age-compensation profiles, 2, 24–25; attitudes toward, 144; base pay costs, 51; blacks in, 81; BMC studies, 57; civilian labor market and, 27, 32, 88, 93, 138; combat-related jobs, 36; compensation system, 19, 28, 52, 58; cumulative earnings, 28, 32; decline in manpower, 5–6, 79–80; as employer, 5, 7, 79; excess labor supply, 75; mandatory retirement rules, 24, 35; pay comparisons, 1, 27, 125, 138; promotion ages, 24; ranks in, 24; salary structure, 37; social security and, 24; tax-exempt compensation, 20; training in, 8; volunteer army, 5, 79, 117, 140, 143; wage indexes, 2, 20, 37; whites in, 81, 93; youth and, 93, 199–45. *See also* Enlistment, military; Military Retirement System; Officers, military
- Mills ratio, 305–7
- Minnesota, salary data, 252–58
- Mobility, occupational, 139, 262–67; barriers to, 250; gender-related differences, 265; total compensation and, 14, 247–50
- Monopsony power, 250
- National Bureau of Economic Research (NBER): business cycles, 196; Program on Public Sector Payrolls, 236, 311
- National debt, MRS and, 54
- National Income and Product Accounts (NIPA), 184, 186, 205
- National Longitudinal Study of the Class of 1972 (NLS72), 16, 138, 143, 292–93; follow-up surveys, 120
- National Survey of Professional Administration, Technical and Clerical Employees (PATC), 168, 189, 205
- National time series models, 98
- NBER. *See* National Bureau of Economic Research
- New York State data, 265
- NIPA. *See* National Income and Products Accounts
- NLS72. *See* National Longitudinal Study of the High School Class of 1972
- Nonprofit organizations, 239

- Nonsalary compensation: bargaining and, 262; comparability principle and, 149, 186; incentive effects, 50–51; pension wealth, 33–43; public-private differences, 20, 74; wage inverse relationship, 163
- Nonwhites: public employment of, 165; supply of, 112. *See also* Blacks
- Nursing, 250
- Occupations. *See* Jobs
- Officers, military: aptitude of, 29; compensation of, 3, 19, 27–36; mandatory retirement of, 36–37, 42; separation rates, 41–42. *See also* Military service
- Optimality, of contracts, 237
- Parents: education of, 124, 144; income of, 127
- PATC. *See* National Survey of Professional Administration, Technical and Clerical Employees
- Pay Comparability Acts, (1967, 1970), 2, 20, 36, 189
- Pay Structure of the Federal Civil Service*, 205
- Pension plans, 1, 163; accrual profiles, 2, 20, 50, 219; benefit formulas, 60, 105; constraints on, 239; differences in, 239; discontinuities in, 219; expected present value of, 240; incentives and, 52; interest rates and, 52; job change and, 28–29; optimal contracts, 237; present value of, 64; progressivity in, 241; reduced retirement, 220. *See also* Military Retirement System; Private pensions; Public pensions; Spikes; Vesting
- Permanent-income models, 76
- Pilgrims, 49
- Police pension plans, 215–42
- Political factors, 211
- Population, 80, 108. *See also* Current Population Survey; Demographic factors
- Postal Service, 179, 187; employment and, 208; Postal Service Schedule, 150; unionization of, 174, 211
- PPSSCC. *See* Grace Commission
- Present value calculations, 64
- President's Panel on Federal Compensation (1976), 150
- President's Private Sector Survey on Cost Control (PPSSCC). *See* Grace Commission
- Private pensions, 3; accrued wealth, 21, 33–35; funding rates, 4; MRS and, 58; tenures and, 28
- Private sector, 10; age-compensation profiles, 21–22; annual variations, 11; employment in, 32, 86; fringe benefits, 163; job changes in, 29; military experience and, 7; wages, 2, 9, 147–93; work experience, 8; young workers in, 5, 119–45
- Probabilistic choice model, 303
- Probability studies, 158
- Productivity, 148; controls for proxies, 243; unobserved, 149, 153–54
- Product prices, 239
- Professionals, 270, 299. *See also* by job title
- Public pensions, 11–12; accrual profiles, 216, 222–23, 233; cost-of-living (COL) increase, 216; defined benefits, 13, 49, 219, 235; formulas for, 216–17; eligibility for, 217; police-firefighters, 217–42; salary averaging, 218; social security integration and, 219, 241; spikes in, 223–26; teachers, 291–316; unfunded liabilities, 215; wealth accruals, 216, 233. *See also* Military Retirement System; Social Security
- Public sector: affirmative action in, 11; annual employment variation, 184; budget composition, 207; comparable worth in, 243–86; civil service pay in, 205; decline in relative pay, 186; discrimination in, 181, 243; during Depression, 184; employment patterns, 10, 183–203; executive branch, 159; Federal Salary Reform Act, 150, 174; fringe benefits, 163; funding rates, 13; FWS system, 150; high-paid workers, 183; hiring choices, 149; married employees, 165; nonwage compensation, 51, 149, 163, 186; nonwhites in, 165; overpay in, 9, 147, 168, 184; payroll sources, 205; pay structure, 205; political factors, 211; Reagan administration, 159, 182; shrinking employment, 209; teacher salaries, 211–13; underpay in, 168; wage change effects, 171, 185; wage comparisons, 147–213; women in, 10,

- 170, 173, 179. *See also* Public pensions; specific jobs, parameters
- Quadratic method, 304
- Quasi rents, 153–58, 168, 179
- Queues, for jobs, 10; implicit, 149; model of, 155, 171–72, 180–81
- Quota system, 118n. 6
- Race: employment gap and, 82; enlistment behavior and, 112; military personnel, 81–83; private sector and, 173; wages and, 151, 196; youth estimates, 86. *See also* Discrimination
- Raises, 239
- Rank, and separation rate, 42
- Reagan administration, 159, 182
- Recessions, employment in, 11
- Recruitment, 19; compensation and, 20; incentive, 54; dropouts, 113; high-scoring recruits, 97, 102, 113; low-quality recruits, 99; MRS and, 34, 48; national advertising and, 141; standards for, 144. *See also* Enlistment; Military service
- Redistribution, 207; age composition and, 210; shift in, 208, 210
- Reduced retirement, 225–26, 236
- Reduction-in-force procedures, 159
- Reenlistment, 139
- Regression analysis, 74
- Reservists, 50
- Resignation, 218
- Retirement: accelerated, 225; age-service requirements, 216, 224, 226, 234; DOD study, 24; funding rates, 76; incentives, 4; length of career, 50; mandatory, 24, 35; nondisability, 38; optimal date of, 236, 240; reduced, 225–26, 236. *See also* Early retirement; specific jobs, sectors
- Revolutionary war, 49
- Riskless assets, 50
- Salaries. *See* Wages
- SAT scores, 16, 291–311
- Schooling. *See* Education
- Scoring algorithm, 160
- Selectivity, 74
- Self-selection effects, 121, 126, 128, 139, 152
- Sensitivity analysis, 2, 20, 75
- Separation rates, 42–43
- Sex: academic ability and, 292; SAT scores and, 299–300; wages and, 151, 181. *See also* Comparable worth; Women
- Simulation models, 57–58
- Skill levels, 139, 179
- Smith-Quinn model, 152
- SMSA. *See* Standard Metropolitan Statistical Areas
- Social Security, 208; accrued benefits, 21; pension wealth and, 2, 27, 35, 229; public plan integration, 219, 241; retirement date and, 241; tax on, 20
- Socioeconomic areas, 120
- Sorting model, 155
- South, enlistment rates in, 98
- Spanish-American War, 36
- Spikes, accrual, 13, 219; acceleration and, 231; early retirement and, 220; large, 229; secondary, 224, 233
- Standard Metropolitan Statistical Areas (SMSAs), 267, 272–73
- States: comparable worth legislation in, 244–47; employees, 195, 266, 270; expenditure-employment ratios, 209–13; federal presence in, 165; military enlistment by, 116; mobility across, 101; pension plans, 237; southern, 165, 167; unemployment rates, 103. *See also* Public sector; specific states
- Statistical models, 74, 84, 158
- Step creep, 189, 203
- Substitutability, tests of, 272, 274
- Supply side analysis, 100, 181
- Surpluses, wages and, 198
- Symmetry, 274, 277
- Taxes: on disability income, 57; exemptions, 20; marginal rates, 75; MRS debt and, 4, 54; net debt, 56
- Teachers, 15; career choice model, 313; certification of, 1; earnings of, 15, 17, 292–93, 308–9; SAT scores for, 309; standards for, 308–11, 315; tenure, 28; wage elasticity, 293
- Technical employees, 270
- Tennessee Valley Authority, 187
- Tenure, pension benefits, 28
- Time series models, 84, 98, 205
- Training programs, 246; civilian, 143; military 119; for women, 250

- Translog functions, 274–77
Turnover effects, 186, 238, 285
- Unemployment: adult, 107; dropouts and, 113; enlistment and, 109, 111, 113–14, 116; geographic variations in, 102; local rates, 101; model for, 104; national measures, 103, 106, 108, 110; nonwhite youth, 112; pay ratios and, 201; simultaneity problem, 104; state rates, 103; youth enlistment and, 108
- Unfunded liability, 3, 56
- Unions, 163, 178–79
- Urban areas, 267, 272–73
- Urban Family Budget series, 105
- Variance components model, 84
- Verbal test scores, 121
- Vesting, 5, 54; cliff, 217; incentive effects, 238; inefficiency from, 233; military pension system, 27; non-immediate, 238; pension wealth and, 218; primary, 220, 224; secondary, 220; separation rate and, 40, 42; spikes and, 220, 223, 230
- Veterans, earnings of, 138
- Veterans Administration, 56
- Vietnam war, 6, 80–81
- Vocational training, 83, 121–23
- Volunteer army, 79, 117, 140, 143
- Wages: decomposition of, 185; differentials, 9, 147–82, 183–93; elasticities of, 272, 274; equations for, 143, 152–53; equilibrium determination, 156; experience and, 119, 218; growth of, 218, 241, 247; indexation of, 37; homogeneity property of, 274; life cycle variables, 304; marginal product and, 249; market forces and, 177; regression methods for, 9, 149, 151; step creep and, 189, 203; surpluses and, 198; unemployment and, 201. *See also* Comparable worth; Collective bargaining; specific jobs, sectors
- War, 5–6, 49, 79–81, 184–85
- Washington State data, 250, 258
- White-collar jobs, 8, 10; high-quality youth and, 113; salaries of, 150, 188, 203
- White youths, 87–89; civilian employment of, 93; in military, 119
- Willis evaluation system, 258–62, 279
- Women, 127; Council on Economic Status of Women, 252; children and, 250; employment losses, 281–82; female-dominated occupations, 14–15, 246; function-occupation groups, 14; male-female employment ratios, 15; male-female wage equation, 257; married, 250; mobility of, 267; older, 250; public-private ratio, 196; public sector workers, 11, 184; SAT scores and, 300; schooling effects, 167; training for, 250; wage differentials, 181. *See also* Comparable worth
- Work environment, 9, 246, 303–4
- World War II, 184–85
- Youth: adult unemployment and, 90; civilian employment, 5, 95; earnings of, 119–45; employment of, 1, 6–7, 79, 82, 84, 89–90, 97–117; nonwhite, 6, 81, 112; parameter estimates, 87; supply elasticity, 142