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Private Pension Plans Set Record In **Coverage And Resources For Year; Shows Growing Force In Economy**

Private pension and retirement 1950 total. Pension payments un-American people through voluntary decision, have reached new high levels in their coverage and resources in a continuation of

their rapid and persistent growth in recent years. Today these programs are one

of the fastest-growing of the nation's leading thrift channels, and are an outstanding example of how the people are building for the future and their confidence in it.

Highlights of Growth Here are some of the highlights of the balance sheets of these private pension and retirement programs, insured and non-insured combined, as the year 1958 gets into its stride:

Coverage-more than 16 million members of the working population are now on the rolls (excluding retired pensioners), up more than 7 million, or 83 per cent, since 1950. Right now, private pension and retirement programs cover nearly one person in every three in private nonfarm employment.

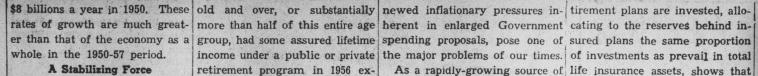
Pensioners - approximately 1.3 million persons are now drawing a pension or receiving a retirement benefit under these plans, about three times as many as in 1950 when the number of pensioners added up to fewer than a half million. The trend of recent years indicates that the number of pensioners will show an increasing growth as the plans in effect continue to expand and to de-velop more maturity.

Pension payments - now running at an annual rate of more than a billion dollars for the first, time, representing practically a threefold rise since 1950 when benefit payments were little more than \$350 millions.

Reserves Rising Rapidly Reserves-estimated at approx imately \$34 billions at the end of 1957, up about \$23 billions from 1950 and triple the total in that year. Reserves have also been showing an increasing growth trend, and the indicated 1957 increase of about \$4 billions was the biggest in the record of these programs.

Contributions-total of employer and employee combined now at an annual level of more than \$4 billions a year, over double the comparable 1950 figure. Employers are the predominant contributors, their proportion running about 85 per cent of the total annual contributions into private pension and retirement programs.

The number of persons covered



Thus, from the point of view clusive of life insurance or any capital and investment funds for close to half of all these reserves of how much they are now con- other savings they may have. business and industry (small as are in corporation bonds. Most of tributing to the nation's income Thus the majority of our older well as large), Government, and the balance is divided between stream, pension and retirement population has some degree of the home owner, private pension Government securities, mortgagprograms have become one of the financial independence, but this is and retirement programs have es and common and preferred programs, one of the major eco- der private and public plans com- significant stabilizers in the at the mercy of the trend of the likewise become one of the major stocks. Thus the contributions nomic forces built up by the bined have shown a rate of American economy, and will grow buying power of the dollar. In forces supporting the growth of into private pension and retiregrowth four times that of con- in importance in the years ahead. this respect, the rise in living the economy. ment programs are being employ-

tributions in the period. They Based on the latest figures, more costs to new record levels over An analysis of how the reserves ed directly to promote jobs and are now estimated to be at least than 8 million persons 65 years the last two years, and the re- behind private pension and re-opportunity.





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under insured pension plans represents about a third of all those enrolled under private pension and retirement programs. The reserves behind the insured plans, which now exceed \$13 billions currently constitute about 40 per cent of the reserves behind all private pension and retirement programs

Taking the broad sweep of pension and retirement programs, public as well as private, the figures show that combined contributions into these plans are now running at the rate of approximately \$15 billions a year, more than double the comparable

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