
by Mark Glenn Eskenazi

Pensions have never been more important to working people than they are today, on the cusp of massive baby boomer retirements. But the availability and security of retirement benefits are increasingly being called into question. Less than half of older households now have anyone with a private pension, down from two-thirds of older households in 1983. And the widespread corporate penchant for risky investments and creative accounting in the 1990s has left employee pensions underfunded by some $300 billion. The Pension Security Act, backed by large corporate interests and much of the U.S. Congress, would give business firms the ability to exclude lower-paid workers from pension benefits that are still given to the highest-paid executives. Concern over the solvency of private pensions has been heightened by the proposal of President George W. Bush and others to privatize Social Security, thereby increasing its vulnerability to stock market fluctuations.

Current debates over proposed changes in the country’s retirement benefit structure too often lack adequate understanding of the forces that shaped today’s system. This paper explores the development of pathbreaking pension innovations in New York. It focuses, in particular, on the central contributions of Harry Van Arsdale, Jr., legendary leader of New York City’s main electricians’ union and long-time president of the City’s Central Labor Council. He was able to successfully coordinate management and union efforts in the 1940s to attain a multi-employer pension plan in the NYC electrical industry. These pension agreements allowed for increased plant productivity as well as a pension committee fund that made possible unprecedented advances in social investments for workers, including low-cost housing, health care, and education. The Joint Industry Board of the Electrical Industry (JIB) was responsible to a large extent for laying the foundation for the spread of private pensions, not only in the building trades, but in many other industries as well.

Origins

The first pensions for retired American workers were granted in 1890 to Union army veterans for their military service in the Civil War. These payments stemmed from the General Law of 1862, which provided pensions to regular recruits and volunteers who were disabled as a direct result of military combat. From this beginning, Executive Order 78 of 1904 authorized the U.S. Pension Bureau to grant pensions on the basis of age. And the Commission on Economic Security in 1934 decided that the age of 65 years should be that of pension-paid retirement. The following year brought the establishment of the Social Security program, one of the longest-lasting legacies of President Franklin D. Roosevelt’s New Deal. Created to alleviate the bitter economic depression, the program funded fixed payments to senior citizens whose work history met certain eligibility criteria, and to their survivors.

The need for Social Security was all the greater because most private employers, in good times and bad, opposed granting employee pensions, claiming they threatened profitability. Even in the heyday of unionism during the 1930’s, when the National Labor Relations Act (NLRA, known as the Wagner Act) provided monumental rights for labor, these rights were bitterly fought over by the courts and by employers. This language did not signify that labor was now afforded an equal role to management; unions were now legally able to discuss their wants and organize freely, but the law made it explicit that “mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith...does not compel either party to agree to a proposal or require the making of a concession.” Essentially, labor had gained a legal presence without attaining any practical backbone.
Nearly a decade before NLRA, at least one pioneering union did manage to secure pensions from private sector employers: the International Brotherhood of Electrical Workers (IBEW). In 1927, the IBEW had “already preempted the Social Security Act: qualified members each received a $3,000 life insurance policy and a pension of $40 a month on retirement at the age of 65.” Union members financed these benefits by paying an extra 37 cents per month, a burden that would later be lifted.

The Social Security Act of 1935 did raise hopes for labor’s efforts to improve both public and private pension benefits. Among the most creative and influential union leaders seeking such improvements was Harry Van Arsdale, leader of New York City’s big Local 3 of the IBEW. Van Arsdale insisted that employers assume all Social Security payments for their workers. The Social Security tax burden was to be placed originally on employees and employers equally, but Van Arsdale argued, “pensions are a proper charge to the cost of doing business.” This was an early indication of Van Arsdale’s objective to improve not only union members’ wages and working conditions, but also their general quality-of-life.

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Joint-Labor Management Systems

In 1934, the foundations of a new private pension system, jointly run by labor and management, were being shaped in New York’s construction industry. Van Arsdale, newly elected as Local 3’s leader (formally, the “Business Manager”) the year before, met with John Flagg, president of the New York Electrical Contractor’s Association (NYECA) to discuss the beginnings of a joint-labor management team to make decisions. By 1939, a collective bargaining agreement with the National Electrical Contractor’s Association (NECA) set the terms for the establishment of a joint board with real power. NECA and Local 3 “put into effect a plan for equitable distribution of employment in the industry through cooperative action of members of the Association and Union.” The fledgling board was called the “Joint Employment Committee” (JEC) and this was the last major step before the foundation of the Joint Industry Board of the Electrical Industry (JIB).

It is from these crucial beginnings that Local 3 would negotiate the design of the multi-employer pension plan in 1939. In his history of the union, Warren Moscow writes that: “inherent was the concept that any pension plan for the Local 3 had to be industry-financed rather than company-financed and this existed nowhere else on the American scene.”

Harry Van Arsdale believed that management and labor could—and should—work together for their mutual benefit. He told his Local 3 workers, “if you produce more I’ll get you more.” The purpose of the Joint Employment Committee (JEC) was to do
exactly as Van Arsdale had desired—get “more” for both sides. The JEC was essentially “a streamlining of the employment process that would give his membership more security and at the same time improve hiring procedures and efficiency for management.” Five union representatives and five NECA representatives comprised the JEC. According to Gene Ruffini’s recent Van Arsdale biography, the five paramount objectives of the committee were to:

1. Administer all collective bargaining agreements;
2. Create surveys and studies of the electrical industry;
3. Take care of arbitration disputes;
4. Operate pension plans, and;
5. Study apprentice system and classification of employees.

Workweeks were adjusted by an agreed formula and an employment rotation plan involving the amount of jobs needed for a particular company and the number of workers unemployed at the time. This adjustment was key for management because it made information more accessible and gave labor the chance to obtain a better fit in its employment desires. Necessary changes to accommodate the industry’s fluctuating supply and demand were essentially being carried out. Beyond getting to stable ground on unemployment ebbs and flows, the JEC’s operation of pension plans would later come to full fruition with the establishment of the Joint Industry Board (JIB).

The JEC was originally called the Joint Employment Referral Service and was vested with the objective to end on-the-job hiring practices that were heavily tainted with nepotism. Each side had incentive to end such procedures due to the mass unemployment that was occurring in the electrical industry, and the need for skilled, efficient labor to prepare for wartime productivity. Van Arsdale did not just want there to be cooperation on paper. He personally enforced such practices and publicly denounced employee loafing, free-riding, and goldbricking, practices that were common in the industry up to this point. Hy Greenblatt, who spent his career in the electrical industry and served as Executive Secretary for the joint administration of pension funds for the manufacturing and supply portions of the industry, recalled in an interview that Van Arsdale scouted out employees who slacked on the job, and once even told a Local 3 employee to go home after he had spent the whole day at the bar instead of doing his job.

Van Arsdale’s belief that organized labor must work within capitalism instead of against it fueled the initial cooperation of the JEC. Finally, in January of 1943, the JEC was transformed into the JIB, an organization that would have (and still has) an incredible impact on the lives of thousands of members of Local 3. The JIB is composed of twelve contractors’ association members, twelve union members, and one unaffiliated public member. Van Arsdale strongly encouraged contractors to play a significant role in its direction. A significant event transformed the joint association into more than just an employment-arrangement organization. The negotiations for the monumental first national multi-employer pension plan that occurred in the electrical construction industry prompted the JIB to almost exclusively assume the role of pension administration.

During World War II, when President Roosevelt ordered wage freezes in certain industries to prevent inflation from harming wartime production, Van Arsdale willingly complied. However, in so doing, he insisted that employers had to compensate labor in other capacities: mainly, an increase of fringe benefits instead of straight-time wages. Local 3 bargained for the creation of a pension fund in which a “hidden” increase in wages was the method of gathering cash for the fund. Construction industry apprentices would attain a 15-cent wage per hour increase that they would never see in a paycheck. Instead, these monies were transferred directly to the pension fund. Van Arsdale, knowing that management would desire something in return for such a concession formally called the benefit a part of an “employer-employee pension fund.”

In effect, the terms of the pension would not be administered solely by one side, but rather managed by a Joint Pension Committee. The initial plan, crafted by both seemingly opposed sides of the electrical industry, supplied elders 60 years of age and older $40 a month and the fund accrued to $48,000 per year. “An industry—not individual employer—would insure the pension of workers to become the model of all multi-employer pension plans to follow.”

Why was the establishment of this pension plan so crucial to the industry? Not only was it the first multi-employer plan, but also it ensured that labor and management would be allowed to work together for future gains. The plan itself enticed Local 3 members to stay with the union for the purpose of attaining the benefits, as well as allowed the flexibility for employers to shuffle employment arrangements to an efficient level. “Union membership or employment within the covered area of the trade or industry—rather than long and continuous service with an individual employer” freed employees from staying in a position that was underpaid or had poor conditions, and simultaneously decreased labor-management conflict over layoffs or transfers to other building trades companies.
Winning Public Support

Armed with “the finest pension plan there was in the world,” Harry Van Arsdale, Jr. and Local 3 were ready to tap into the powerful, cooperative ideal of industrial relations that was embodied by the Joint Industry Board. Without strong leadership from both represented sides of the JIB and public support for such an unheard of operation, the electrical industry would never have achieved the productivity and benefit gains it did.

Van Arsdale’s mere presence as the industry’s labor leader in JIB affairs bolstered the image and abilities of the organization. But, without enthusiastic backing and participation by management, the effort might have been lost. Luckily, A. (Abraham) Lincoln Bush took the lead as the first chairman of the Board in 1943, and served as chairman of the Pension Committee from 1944-1960. Bush started out as an errand boy for the Belmont Electrical Company in 1900 and gradually worked his way up to owner by 1923. By the 1940’s Bush was not only one of the largest employer contractors to deal with the electrical industry, but was also described even by Local 3 members as “forward thinking” and one who “enlisted cooperation of many contracting companies.”

In a survey of the New York City electrical industry, the Joint Industry Board Research Committee credited Bush for many of the gains made by both sides. According to the Committee, Bush stated:

“The continued good will and harmony between labor and management in the electrical contracting industry…has made possible for both sides to settle their differences amicably and fairly without the need to utilize the weapons of strike or lockout during this period.”

With Bush and Van Arsdale at the forefront, along with key employer representatives including Efrem A. Kahn and Denis J. Crimmins and employee delegates Bert Kirkman and Jeremiah P. Sullivan, the JIB was ready to work together, and had public support behind it.

From early on in Van Arsdale’s Local 3 career, he won support from many national and local political leaders, including the labor-friendly New York Mayor Fiorello LaGuardia. In the late 1930’s, when discussions to found the JEC had been brewing, LaGuardia “urged organized labor to discipline itself…to exhaust legal processes before resorting to strikes.” Van Arsdale was shrewd and discovered through experience that any gains labor could make—even with the assistance of management—could be taken away by the state legislature and political system.

To ensure the success of the 1941 multi-employer pension agreement, Father P. Boland, Chairman of the New York State Labor Relations Board, Representative James H. Fay, and then-Assemblyman Robert F. Wagner joined in the formal establishment of the JIB. Wagner, later New York City’s mayor, would develop a friendly relationship with Van Arsdale in later years, as he attempted to utilize political support for the sake of bettering his union.

In a letter to JIB Chairman Bush, W.T. Stuart, editor of the publication Electrical Construction and Maintenance, discussed his impressions of the JIB Pension Committee:

“[The Board] has human character…treats members with kindliness, courtesy, dignity and human understanding…It is impossible by weighing the remarks of individuals to determine which ones were representing labor and which were representing management…It was evident from the very beginning that this operation is truly a joint activity…to be proud of.”

In a comprehensive pamphlet released by the Bureau of Labor Standards during the early years of the JIB, the labor-management conference of the pulp and paper industries first openly praised the use of a joint industrial relations system on a widespread level. Delegations of both management and labor convened from the industry’s top plant sites in Washington, Oregon, and California to cite the benefits from the meshing of negotiations in a joint structure. “[The] study serves as proof that there is much common ground on which employers and organized workers can reach agreement.” Much like the electrical industry’s JIB, the pulp and paper industry’s experience seemed largely positive, including improvements in: mutual confidence in each others’ sincerity; frankness in stating problems; fact-finding on roots of problems; better supervision of employees, and; regular safety committee meetings.
The JIB was cited as a national example on the floor of the U.S. Congress in the 1950’s by the senior New York Representative, Emanuel Celler. He described the JIB’s three crucial aims as: first, to find ways and means to expand harmony between management and labor; second, to work out plans for increasing the services of electrical contractors to the public; and third, to develop new tools and methods of installation to increase production and cut costs. In Celler’s view:

“The public is inclined to attribute all the wrongs of labor and management relations to organized labor…a publicized investigation often obscures the vast amount of good things that go on as a matter of routine day by day and which are the product of enlightened work of progressive union labor leaders and their counterparts in management…Labor wanted employment opportunities, job security, and a measure of security in old age and in event of disaster. Management sought a high level of production, responsibility in its dealings with labor, and all of those conditions that make it possible to produce to the satisfaction of the public.”

Why was all of this praise so significant for the survival of the JIB? Popular support gave the JIB trustees from both sides of industrial relations a strong and visible vote of confidence in their novel system. Most local as well as state government officials appear to have been convinced of the commitment of both union and employers to a cooperative relationship.

Roadblocks to Success

Utilizing the JIB as vehicle for pension gains and broader social investments did not come without challenges. Van Arsdale and Local 3 sparred internally with the national IBEW and the AFL-CIO’s Building and Construction Trades Department and also faced financial difficulties and employer dissent during the joint-negotiations.

Although the outcomes of the 1941 pension plan were unparalleled in any other sector of industry, the Building and Construction Trades Department of New York (a state AFL-CIO body with which the IBEW was affiliated) was not in favor of the joint activities that were taking place. President John P. Coyne of the New York Building Trades Council (a coalition of construction unions, including IBEW) believed that the creation of the JEC would be more detrimental than beneficial to the labor movement.

Fortunately, at the time of Coyne’s dissent, Harry Van Arsdale was acting Vice President of the Building Trades Council and skillfully persuaded the membership to accept the terms and responsibilities of the JEC. In spite of opposition that could have ruined the course of joint labor-management’s future in the electrical industry, the JEC was established.

Along with the Building Trades Council, the national IBEW under the leadership of President Daniel Tracy was against several Local 3 Joint Pension Committee gains in the 1940’s and 1950’s. Tracy and the top international brass believed that the creation of such a comprehensive plan on a local level as contrasted to the less-intricate, broad IBEW plan made the union appear to be disjointed.

By the year 1950, the national pension plan only offered 1% of payrolls to the National Electrical Benevolence Fund, while collective bargaining on the Local 3 level was continuously growing. Tracy believed that this difference gave the IBEW’s negotiating stance appear meek, and he also told Van Arsdale that the way the Joint Pension Committee carried out its policies could be destructive for employees. Tracy stated that an “unexpected change in local employment conditions can destroy the security of a local plan.”

The issue of vesting in the Local 3 pension plan also stirred opposition from IBEW President Tracy. Vesting occurs when funds are “extended to include the right of an employee to a deferred pension should he terminate his employment before becoming eligible for a pension.” Van Arsdale believed that vesting was a positive aspect of the pension plan because it offered flexibility to the workers much in the same way as the multi-employer, transferable aspect of the plan had done. Tracy believed that funds would be withdrawn haphazardly and that such a policy would translate into mistrust by management.

The Local 3 membership, by the time intra-organizational rifts had begun to brew, was extremely loyal to the leadership of Van Arsdale. However, seemingly uncontrollable obstacles, such as financial constraints and employer dissent loomed in the way of the JIB and Joint Pension Committee. In almost every way, the historic 1941 pension plan had seemed golden. Employers from the NECA agreed to administer future pensions with rank-and-file union representatives (in the JIB) and initial funding had been taken care of by “increasing” the salaries of apprentices on jobs in the electrical construction companies.
But, by the time the United States entered World War II, financial constraints still lingered and the funding of the pension plan had to be changed. As apprentices joined the Armed Forces, the union had to find a new, innovative way to fund the pension plans. With new financial worries, employers increasingly took the stance that during wartime employees should work for themselves without thinking about all the “extras.” Contractors gradually refused to make outright payments to the fund when the war began. The contractors had the “feeling that men should make do for themselves.”

Van Arsdale remedied the problem by temporarily shifting the then-needed fees onto the shoulders of more senior journeyman electricians. Instead of apprentices’ wage raises being docked for the pension fund, journeymen on jobs would pay a surcharge that went directly to the Joint Pension Committee.

This shift in payments sowed the seeds for the ultimate gain in the pension benefit—full employer payment. Though employers could always “shift the costs of any benefit onto the worker or consumer,” Van Arsdale, from the very first pension negotiation in 1939 desired that the contractor associations pick up the entire bill on the pensions without creating a façade (i.e., the add-on of apprentice salaries) in increasing the benefit. Then, on New Year’s Day, 1947, NECA finally agreed through negotiations with the JIB for employers to assume the entire cost of the pension. From the brink of disaster, Van Arsdale and the JIB resolved several key issues.

**Pension-funded Social Investments**

The landmark pension plan of the electrical industry would reap a lot more benefits for workers than just retirement-income. In the years of the Joint Pension Committee, founded in 1944, the pension plan increased in funding, expanded to other industries, and was responsible for investments with no immediate financial reward. The Pension Committee directly sponsored such “social investments” for the well-being, recreation, and health of employees and their communities. These included: the building of a cooperative housing development, the establishment of an educational center, and the creation of a number of other innovative programs.

Before the IBEW Pension Fund began investing socially in the late 1940’s, however, their pension model began to spread to some related industries. By 1945 the fixture employees got their own pension plan. Just years after that a similar plan spread to the illumination products, wholesale, switchboard, panel-board, and lampshade divisions. In terms of the financing of the plan, the Pension Committee had picked up much ground since 1941. By 1950, the industry saw a sweeping increase that included a “$150 benefit…largest provided in any industry, in which all the costs were born by the employer.” Via the JIB, the New York Electrical Contractor’s Association (NYECA), agreed to pay both the employer and employee shares of not only the pension plan, but also of federal Social Security taxes. The JIB also recognized management’s desire to improve worker productivity. Committee Chair A. Lincoln Bush urged “men to create a higher output on the job,” in light of the pension increases they had won.

In the Pension Committee’s first branching-out effort in 1944, Bush was instrumental in negotiating a member Hospitalization Plan for all employees who had investments in the Pension Fund. The plan (which actually changed the name of the “Pension Plan” to the “Joint Pension and Hospitalization Plan”) funded medical benefits that were in future years extended to the entire employee’s family. The current hospitalization provisions cover self-insured injury, surgical and major medical family plans, coupled with the services rendered through the Optical and Dental Departments.

With the momentum of the greatest financial increases the Pension Fund had ever seen, Van Arsdale’s pragmatic, yet ever creative efforts focused on creating broader social benefits for workers. Probably the most famous and useful of the Pension Committee’s projects was the creation of Electchester, a large cooperative housing complex for employees built in Queens. New York City began the postwar era with a major housing shortage, the result of a wartime hiatus in residential construction and the vast number of returning soldiers. Local 3’s leaders had the foresight to devise a plan to build the Electchester community at the old site of the Pomonok Country Club in Flushing. Van Arsdale received invaluable advice from Abraham Kazan, who years earlier had spearheaded the Amalgamated Clothing Workers Housing Project.

In 1949, Chairman Bush of the JIB and Pension Committee appropriated $250,000 out of the pension fund to help pay for the building of Electchester. The idea of the housing project was seen as an excellent opportunity for the Pension Committee, and funds were not removed from employee received pensions, they were replenished by greater commitments to the fund by the rank-and-file.
Housing was not the only social investment Van Arsdale and the JIB had in store for workers. In the same year as the decision to fund Electchester was made, 1949, the Pension Committee appropriated more funds for the creation of a “critical thinking and learning center.”

Originally planned as a Convalescent Home for sick employees to stay for two to four weeks following a hospital stay, the idea had good intentions but just did not pan out. Harry Fischbach, a principal Electchester architect, recalled that many wives would not allow their husbands to stay away from home for long periods of time, and so the Home was transformed into an educational institution.

Bayberry Land, Local 3’s newly created education center sat on a 314 acre estate located in Peconic Bay, Long Island. The facility consisted of a thirty-two room house that cost $140,000. Education would take on an appropriate and significant tone—employees would learn new, cutting edge techniques in their industries and the history and structure of labor-management relations.

College scholarship funds were also developed via the Pension Committee. The first scholarship program was instituted in the late 1940’s to provide incentives for the sons and daughters of the Local 3 membership to make a contribution to the developing professional field of industrial and labor relations. In so doing, the Committee first established the “Father William J. Kelly Scholarship” for a student to attend the recently-founded New York State School of Industrial and Labor Relations at Cornell University. The Pension Committee then vested its power to a Scholarship Advisory Committee to steer the group’s administrative functions in the 1950’s.

The union also established a fund at Columbia University to provide 14 students each year with six-year scholarships. According to Armand D’Angelo, a JIB chairperson “Harry Van Arsdale, Jr. Business Manager of our union worked out the program in cooperation with A. Lincoln Bush…and Lawrence H. Chamberlain, dean of Columbia College…provide for three years of liberal arts study…and three years of additional study in electrical engineering.” He explained that students were eligible directly via their parents’ involvement in the Joint Fund: “we have about 10,000 workers participating in our Pension Plan. They have about 1,000 sons who are high school students…who will be eligible.”

One of the later, but important, social investments made by the Joint Committee during the Van Arsdale era was the creation of the 1950 interest-free Loan Fund for its membership. The JIB set up a “revolving loan fund of $250,000—saves members up to $200 on a car or up to $500 on a home.” According to the New York Times:

“The Loan Fund was conceived because, in the belief of many prominent officials of the industry, the interest charged by private loan companies and banks was too large an expense for the average worker to afford.”

What made the Loan Fund so special and innovative was that there was true effort on behalf of the JIB to make sure that the loans granted were affordable by each employee and were paid back to the fund in due time. Advice and assistance sub-committees were created to help members make well-informed and thoroughly researched choices on the purchase of consumer goods. The Joint
Van Arsdale’s Legacy: Recent Pension Gains

The Employee Retirement Income Security Act (ERISA) enacted in September 2, 1974 was the greatest overhaul of the government’s procedure for the protection of retired employees. ERISA ensured that “employees who are covered by private pension plans receive benefits from those plans in accordance with their credited years of service with the employer.”

But, IBEW Local 3 employees had enjoyed this sort of treatment for years, thanks to Van Arsdale’s negotiations in 1939. And the industry has remained stalwart in supplying workers with a reliable and continuous commitment to a pension plan ever since. Through Harry Van Arsdale’s efforts as President of the New York City Central Labor Council (CLC) from 1959 to his death in 1986, the AFL-CIO began an important national pension program that assists workers to this day.

Van Arsdale, as New York’s CLC leader, inspired unions to participate in the Mortgage Investment Trust (MIT) program, developed by the AFL-CIO. The MIT, a joint labor-management investment administration prompted by the Housing Acts of 1968, allowed for the expansion of such trusts into government sponsored projects (i.e., those under the jurisdiction of the Federal Housing Administration). By the mid-1970’s, pension investments in the Trust exceeded $61 million and were responsible for financing the construction of more than 5,900 housing units.

By 1983, the Trust was renamed the “Housing Investment Trust” (HIT) and expanded from its original functions to include the construction of retirement and health care facilities. It now even accepts investments from the public sector for pension capital (i.e., from the Public Employee Retirement System of Ohio). The HIT continues to be among the nation’s leaders in pension investment and community development. Current AFL-CIO President John Sweeney praised the HIT for its ability to enable “workers an effective vehicle for directing how portions of their pension assets are used, while at the same time changing the way this country meets its housing needs.”

HIT truly does assist the union employee better himself as well as the industry: HIT rewards workers with competitive returns on their pension investments, generates jobs in communities where new housing emerges, and all construction work on houses is 100% ‘union.”

The priority placed on a joint pension plan by Van Arsdale in the 1940’s has also come full circle on a local as well as a national level. Current Local 3 employees have the ability to “shift the percentages” to a desirable mix of retirement and other welfare benefit levels during collective bargaining proceedings. Unlike most other industries, electrical workers have separate pension retirement funds and hospitalization and other welfare funds to work out in negotiations. One year the rank-and-file may decide to raise the amount of pensions, while another they may choose to invest in medical benefits. This flexibility has been inherent in the Pension Committee’s negotiations for decades.

Conclusion

All work and no play? Much work and some leisure is a more apt description of most American workers’ lives today. But, while most work lengthy hours, day in and day out all year long for the majority of their lives, a significant portion of one’s lifetime is still spent out of work during retirement. When one considers the financial and other rewards a worker receives over the course of her or his employment, retirement benefits have often been underappreciated. This tendency to give less attention to benefits that may only be attained years down the road is an understandable example of “present orientedness.” That is, it is easier to get excited about a reward that will be reaped immediately (like a wage increase) than one that will be had in an uncertain, distant period of time.

Today, nonunion employees in construction and many other sectors still lack even the most minimal pension benefits. The IBEW was a pioneer in the unions’ battles to protect retirees. Even before the 1935 Social Security Act was passed, the IBEW already had a comprehensive pension plan for its workers. But, Harry Van Arsdale, Jr. was not satisfied with the achievement of a federal program to assist older workers. Instead, he pushed forward the cause of an employer-funded and transferable pension plan in the construction portion of the electrical industry. Such a plan was just a visionary pipe dream for workers until the Joint Industry Board of the Electrical Industry could put the ideal into successful policy and practice.

The JIB built momentum in policy-making for the benefits of construction workers in the 1940’s by feeding off of the mass of political and public support for cooperative organizational forms. The Joint Pension Fund, set to administer the payments granted to
retired employees of the electrical industry grew into a body responsible for much more than just financial bookkeeping. In addition to surmounting intra-organizational challenges and financial and employer roadblocks, Van Arsdale and the Pension Committee devoted a large portion of their energy to making social community investments. And the many investments in workers’ day-to-day welfare, their families’ health care, and educational and housing opportunities snowballed.

Today, the electrical industry enjoys one of the most comprehensive rosters of benefits seen anywhere, as well as a viable, cooperative vehicle composed of representatives from management and labor. That vehicle continues to be a true testament, not only to the potential gains that workers may achieve, but also to the benefits to employers from improved employee retention, morale, and productivity.

Working people today are increasingly confronted by a crucial question: can they protect hard-won pension protections at a time when the fraction of employees with union representation has dropped nationwide to barely 13%? Future research needs to explore this and a number of related questions, including: How can international unions within the ‘global village’ attempt to standardize benefit schemes and at the same time cope with free trade agreements? Is it still possible to reverse the decline of American unionism and thereby strengthen employees’ retirement security? And is there still a future for joint labor-management cooperation in efforts to improve both productivity and workers’ living standards?

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Chronology

April 1, 1937 – IBEW Collective bargaining agreement has employer pay for all of Social Security Act taxes
January 5, 1939 – First meeting of the Joint Employment Committee (JEC)
January 1, 1941 – First ever U.S. multi-employer pension plan
January 1, 1943 – Formation of the Joint Industry Board of the Electrical Industry (JIB)
March 30, 1943 – First JIB meeting at Building Trades Employer’s Association
March 15, 1944 – Establishment of the Joint Pension Committee
April 26, 1944 – Hospitalization and Pension Plan
January 1949 – Rest Home Benefit (later Bayberry Land), Scholarship Benefit, Serious Injury Benefit, Surgical Payment Benefit
November 1, 1949 – Electchester cooperative housing project opens
January 1950 – Pension Plan establishes Loan Fund and Dental Department

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NOTES

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3 National Labor Relations Act. 49 Stat. 449, Section 8(d), 1935; italics added.


6 Ibid.: 58.

7 Moscow, Warren. History of Local Union No. 3.


9 Ibid.: 71.

10 Ibid.: 88.


12 Greenblatt, Hy. Personal Interview, Roslyn, New York (5/26/03).

13 Ruffini, Gene. Harry Van Arsdale Jr.: Labor’s Champion; Greenblatt, Hy. Personal Interview


17 Greenblatt, Hy. Personal Interview.


19 Greenblatt, Hy. Personal Interview.


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