

Senior Citizens News

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LOW INCOME IS BIGGEST PROBLEM OF AGED, SAYS NEW SENATE REPORT

Washington, D. C.—Insufficient income is far and away the most desperate problem of older Americans, the 20-member U. S. Senate Special Committee on Aging warns in a report to Congress issued April 29.

The poverty of millions of older Americans is similarly emphasized in a report issued by the President's Council on Aging just a few days earlier (April 25).

Both reports deal with a wide range of problems that beset the elderly but both insist the need of the elderly for adequate income is paramount.

The Senate Committee report echoes testimony by John W. Edelman, 74-year-old president of the National Council of Senior Citizens, that insufficient income is the number one problem of the elderly.

"This general agreement by 20 Senators and by the President's Council on what the problem is offers new hope," Edelman declared.

Edelman added: "The elderly have been short-changed by the conservative coalition in control of Congress and all but ignored by the Office of Economic Opportunity, the anti-poverty agency.

"Congress could change this picture if it made up its mind to but instead has dealt with the problem by doing too little too late. I urge every Senator and Congressman to read this new Senate report on the pitiful plight of our nation's elderly."

Guaranteed Income

Senator Harrison A. Williams, Jr. (D, N. J.), Chairman of the Senate Special Committee on Aging, said in his introduction to the Committee report: "The great breakthroughs of the 1960s—Medicare, the Older Americans Act, new advances in housing—necessarily shifted time and attention away from other issues demanding action. . . .

"Inadequate retirement income . . . is far and away the major problem facing most elderly individuals but Congress thus far has considered only parts of the overall problem. A comprehensive view of present and long range needs is required. We don't have it."

The Senate report discusses such measures as a Federal guaranteed income which is also being debated in the Presidential election campaign.

The report recommends that the President establish an Institute on Retirement Income to map a course of action on lifting the elderly poor out of their poverty.

This idea was suggested by President Johnson's announcement last December that he was creating the Institute on Urban Development to provide answers to the mounting problems that beset cities and metropolitan areas.

The Urban Development Institute will be a non-profit corporation run by a six-man panel and staff of 100 with initial financing coming from the \$10,000,000 research fund of the U. S. Department of Housing and Urban Development and subsequent private foundation grants.

Coordination Needed

The Senate report points out: "Despite the increasing complexity and magnitude of the forces that affect retirement income, despite our increasing dependence on public and private pension systems, and even with the introduction of new concepts for a guaranteed minimum income, the Federal Government has as yet no mechanism for sustained, comprehensive attention to the issues and problems involved."

Enumerated in the report are nine Government agencies with jurisdiction related to retirement income but the report notes this is only a partial listing of the agencies involved.

These grim statistics on the poverty of the elderly are cited:

- The elderly poor are the only U. S. poor whose numbers are increasing.

- The poor under age 65 fell from 27,390,000 in 1965 to 24,285,000 in 1966. This was a dramatic 10 per cent drop. In the same period, the number of poor 65 or over rose nearly 2 per cent.

- The 1968 social security increase is expected to lift 800,000 or more above the poverty line but, even with this increase, average social security benefits stand at a pitiful \$1,176 a year—approximately \$22.63 a week—for an indi-

vidual and \$1,980 a year—approximately \$38 a week—for a couple.

Social Security benefits go as low as \$660 a year—or approximately \$12.50 a week.

- Projections made by an expert consulted by the Committee—James H. Schulz, Assistant Professor of Economics, New Hampshire University—show the aged will continue to lag in income between now and 1980 whereas income of the rest of the population will continue to gain in coming years.

Justice for Elderly

This finding prompted Dr. Juanita Kreps, Professor of Economics, Duke University, to ask, in testimony before the Committee on Aging, to what extent (and through what mechanisms) older people are to share in the growth of our national productivity and wealth.

Dr. Kreps suggested that increased retirement benefits under social security may have to come from Federal general (income tax) revenue. She recommended a study of this method of supplementing the social security payroll tax, now the mainstay of the social security system.

The Senate report, in a review of the pros and cons of Federal general revenue financing to boost retirement benefits, points out that, unlike the Federal income tax, the social security payroll tax falls most heavily on the lowest paid wage earners.

Even experts who have opposed taking Federal general revenue for retirement benefits seem to be coming around to the idea this would be a good thing, the report notes.

Dr. Herbert Striner, Director of Program Development for the W. E. Upjohn Institute for Employment Research, in 1962 published a study advocating increased payroll taxation to raise retirement incomes.

The report quotes Dr. Striner: "I have come to the conclusion that, in order to provide OASDI (social security old age, survivors and disability insurance) recipients more adequately, we must look to funding from general revenues. . . ."

Other Recommendations

In addition to urging a Presidential Institute on Retirement Income, the Senate Committee report recommends:

- Congressional approval of a resolution calling for a White House Conference on Aging for 1970.

- "Careful attention" to needs of the elderly in preparation of projects under the Federal Model Cities program. (Turn to pages 4 and 5 for a report on this program.)

- Full implementation of the 1967 amendments to the Economic Opportunity Act directing the Office of Economic Opportunity to set up adequate anti-poverty programs on behalf of the elderly.

- Greater efforts to insure quality medical care for the elderly. The report welcomes legislation enacted last year to improve nursing home care but observes that "meaningful progress will not be achieved until the resources of the total health community are utilized to provide the quality and degree of care desired for the elderly in a truly comprehensive spectrum of facilities."

Senator Williams, author of a bill seeking a White House Conference on Aging for 1970, said such a conference would focus attention on the increasing problems of the elderly in a youth-oriented society.

When the Congress acted last year on the 1968 social security increase, the Senator said he was disappointed in this "dismally inadequate increase." He further said he doubted "if Congress could deal effectively with income problems of the elderly by voting social security increases that merely add a few dollars a month to the incomes of people who are falling behind in a race with living costs."

A RESOURCE—Not a Problem

Washington, D. C.—Americans should regard the elderly as a resource rather than a problem group, Chairman Harrison A. Williams, Jr. (D, N. J.), of the Senate Special Committee on Aging says in his introduction to the Committee's April 29 report.

Senator Williams states: "Elderly Americans must not be thought of solely as a problem group even though problems are persistent and, too often, overwhelming for many of them.

"The older citizens of this nation are rich in talent, energies and wisdom. Ways must be found to use this great resource for the public good. . . .

"It is wrong to force all Federal efforts on behalf of the elderly into a welfare context.

"Just as we now regard graduation from high school or college as the beginning of a career so should we recognize that retirement can become the beginning of a rich and rewarding stage in life's development. . . ."

Senator Williams sees the proposed White House Conference on Aging as an effective mechanism for reexamining the difficult problems of the elderly.

The report's findings are based on hearings by the full Senate Special Committee on Aging and its subcommittees.

The President's Council on Aging report says more than five million people who are 65 or over are existing on incomes too meager to permit them to live decently. These incomes must be raised.

(This estimate of more than five million elderly poor should be considered, the Senate Special Committee on Aging's staff notes, in relation to an estimated additional two million impoverished elderly who are not always counted among the poor because they live with relatives so that a true estimate of the elderly poor is, according to these experts, close to 7,000,000).

The President's Council on Aging report also insists that social security benefit levels be raised, that improvements in public assistance (welfare) are needed and that "opportunities for employment, without discrimination based on age, must be increased."

Also, the President's Council insists that "the supply of housing, specially designed for the elderly at rates they can afford, must be significantly expanded."

This report cites Medicare and Medicaid, the Older Americans Act, the Federal programs to deal with heart disease, stroke and cancer (diseases that cause the deaths of seven out of ten older Americans), manpower legislation to provide services to meet special problems of older workers, the Model Cities programs, neighborhood facilities, home rehabilitation, rent supplementation and similar Federal programs to benefit the elderly.

Administration Praised

The report of the President's Council credits the Economic Opportunity Act with combatting "the poverty in which so many older people live" but unfortunately ignores the fact that the Office of Economic Opportunity has devoted no more than 2 per cent of the billions of dollars it has spent to meaningful programs for the elderly, National Council President Edelman notes, although they are 10 per cent of the population.

The report "shows that this Administration has fought continuously and hard to make the retirement period a time of security and meaning." Acting Secretary Wilbur J. Cohen of the U. S. Department of Health, Education, and Welfare commented upon issuing it.

Copies of the Senate Special Committee on Aging report may be had by writing the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. For the President's Council on Aging report, write Wilbur J. Cohen, Acting Secretary of Health, Education, and Welfare, Washington, D. C. 20201.