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REPORT FROM THE PRESIDENT'S COUNCIL ON AGING

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Talk by Warren T. Roudebush  
President's Council on Aging  
at the 41st Annual Agricultural Outlook Conference  
Washington, D. C., 3:30 p.m., Wednesday, November 20, 1963

It has been estimated that half the people who lived to the age of 65 are still living today. I cannot vouch for its scientific accuracy, but I am told by experts in demography that it is a plausible estimate. It seems to me to dramatize the fact that in this last half century of the second millennium since the time of Christ, we have come to a totally new situation-- in terms of the number of older people in our population, the character and condition of their place in our economy and our society, and their potential opportunities for self-fulfillment.

The demographers have dramatic figures to show the numbers of older Americans in our population. There are living today more than 10,000 centenarians. There are more than 6 million people over age 75. There are 18 million people over age 65. There are 25 million people age 60 and over. There is a net increase in the number of persons age 65 and over of one thousand persons daily.

From 1900 until today, the total population of the United States has increased two and one-half times, but the increase in the number of persons age 65 and over during the same period has been almost six times.

We know a great deal about the older American. Earlier this year the organization that I represent submitted its first annual report to President Kennedy and published it under the title, The Older American. This report, which I hope all of you have an opportunity to see, is primarily a portrayal of the situation of older people in this Nation.

Older people have less income. The average income received by aged couples is half that of younger 2-person families. Almost half of those over 65 living alone received \$1,000 or less a year. Half the spending units headed by persons over 65 have liquid assets of less than \$1,000. Two-fifths have a total net worth, including their home, of less than \$5,000.

Incomes vary in this age group as in any age group. Two hundred thousand (slightly more than one percent) of people over 65 have annual incomes in excess of \$20,000. But one out of every eight persons over 65 is on public assistance, averaging about \$60 per month per person.

Older people have poor housing. Thirty percent of the households headed by persons 65 and over were found in the 1960 census to be substandard. They were dilapidated, deteriorated, or lacked some or all plumbing facilities. A recent study of quality in housing of persons receiving social security showed that 45 percent of all aged living in households were classified as being in need of better accommodations. Eighty percent were living in houses at least 30 years old and 40 percent living in houses at least 50 years old. The aged in poorest health, by and large, occupied the poorest housing.

Older Americans are sick more often and for longer periods than the rest of the population. Four of every five persons aged 65 and over have some kind of chronic ailment, fortunately, most of them not substantially handicapping. One out of eight is hospitalized annually. Persons 65 and over require three times as many days of hospital care as persons under 65. They have nearly twice as many home accidents as the average adult and three times as many fatal accidents.

These are just a few of the highlights of the situation of the older American. It is this kind of data that the Council had in mind when it reported to the President that the problems of the older American have come dangerously close to making him a second class citizen. The report goes on to say, however, that recognition of the problems and public concern with them have already brought significant action and promise much more to come. I refer to concern and action at all levels of government, by both private and public organizations, by employers, by unions, and by many individuals. In the remainder of this paper, however, I shall discuss only the Federal action programs.

Several times a year I return to the town in Ohio where I grew up and renew relationships with my friends there. When I mention the fact that I am in the field of aging one topic invariably comes up: the issue of hospital insurance under social security. This does not surprise me. It is the priority issue in the field of aging. President Kennedy has said that this is our number one objective for our senior citizens. The members of the President's Council on Aging have gone on record repeatedly urging enactment of the King-Anderson bills. What does bother me is that there seems to be so little awareness of other Federal action going on in behalf of older Americans.

A part of the reason for this, I am sure, is our ideal of individual independence and self-direction, our strong feelings on family responsibility, our strong feeling about local community responsibility, and our feelings about the division of Federal and State responsibilities. And it is true that most Federal action programs are carried out through local or State authorities on a cooperative and supporting basis. The most notable exception to this pattern is the direct-action program represented by the Social Security System, and other direct payment income maintenance programs.

As close as I am to the Federal programs in aging, I continue to be surprised at the extent and size of them. In preparing this paper I made a count of programs in the income maintenance, health and medical care, housing, employment, and certain other areas. There are at least 44 programs of special significance for older people. The total amount of money spent annually by the Federal Government for persons 65 and over is over \$17 billion. In addition to this, there are special tax benefits at age 65 that netted a savings of more than three-fourths billion dollars in fiscal year 1963.

The first major Federal action program for the aging is only 28 years old. I refer to the Social Security Act passed in the thirties. The first old-age assistance grants were made in 1936, and social security benefits began in 1940. Most of the other programs were initiated in the 1950's. A

landmark in the history of aging in the United States was the White House Conference on Aging held in January of 1961. The Conference was held pursuant to a law passed in a Democratic Congress and signed by a Republican President. Principal credit for the White House Conference Act belongs to Congressman John Fogarty of Rhode Island, who has consistently been the strongest supporter in the House of Representatives for programs for the aging. The Conference was attended by 3,000 delegates designated by the Governors. At the end of the Conference, approximately 700 recommendations and statements of objectives had been agreed to. More than 100 of these related to Federal action. We are proud to be able to state that 80 percent of these have been adopted in whole or in substantial part, either in the form of legislative action or by executive action.

The next significant development at the Federal level, in my judgment, was the establishment of the President's Council on Aging by Executive Order of President Kennedy in May 1962. The Secretary of Health, Education, and Welfare is the Chairman of this Council. Its membership also includes the Secretaries of Agriculture, Commerce, Labor, and Treasury, the Administrator of the Housing and Home Finance Agency, the Administrator of Veterans Affairs, and the Chairman of the Civil Service Commission. There had been earlier interagency committees and formal and informal coordination between departments and agencies, but the establishment of the President's Council on Aging brought new purpose and increased efforts. The President's charge to the Council was to maintain a review of Federal programs in aging and make recommendations to him, to assist in coordinating programs in aging, and to carry on information functions.

The 8 member organizations of the Council, along with the Railroad Retirement Board, the Small Business Administration, and the Department of Defense administer programs in the following areas: (1) income, (2) health, medical care and rehabilitation, (3) housing, (4) employment, (5) education and training, (6) social services.

Let us consider for a moment the Federal programs in the income area alone, taking account of direct money benefits, indirect money benefits, nonmoney benefits, and research. The Department of Agriculture's Food Stamp program has special significance for elderly low income persons in their own homes. The Surplus Food program makes distribution to nursing homes and homes for the aged. These activities of the Agricultural Marketing Service represent an important supplemental effort to meet the needs of the low income elderly. The Civil Service Commission makes payment to retirees, to survivors of employees, and to beneficiaries of the life insurance program. In the Department of Commerce, the Bureau of the Census carries on continuing surveys and statistical studies of income of the elderly. The Department of Defense administers benefit programs for the retired military personnel, including the disabled retirees. The Department of Health, Education, and Welfare conducts the program of Old-Age, Survivors, and Disability Insurance. Through cooperation with the States, it administers the public assistance programs, including both direct money payments for subsistence and vendor payments for medical care. In addition to the direct and indirect money benefits from these programs, there is an extensive

program of economic research carried on with special attention to the situation of older people. Certain programs of the Department of Labor have special significance to the older worker. These include unemployment compensation benefits, training allowances under the Manpower Development and Training Act, and research carried on by the Bureau of Labor Statistics. The Railroad Retirement Board administers the retirement program, disability retirement program, survivors' annuities program, and the programs of unemployment and sickness insurance. The Department of Treasury is the Federal action agency concerned with the special tax waivers for persons 65 and over that result in a savings of \$775 million annually. The variety of direct payment programs administered by the Veterans Administration includes survivor and disability benefits to veterans and certain dependents, and the life insurance program that provides a measure of security to millions of veterans. You will notice, then, that there are nine Departments and agencies administering programs of special significance to older people in the income maintenance area alone.

Now let us consider a second area to exemplify the extent of Federal action. In the area of health, medical care, and rehabilitation, the Department of Agriculture is active with nutritional research. The Civil Service Commission is responsible for the administration of the Federal Employee Health Benefits Act. The Department of Defense operates hospitals and medical care facilities for retired military personnel and dependents. Various arms of the Department of Health, Education, and Welfare are involved, so many in fact that the Office of Aging of the Welfare Administration has, among other activities, the functions of coordinating the different programs within the Department. The Public Health Service is concerned with research and construction of health facilities, nursing homes and hospitals, grants, training, direct services, technical assistance, and consultation. The Welfare Administration, through the Bureau of Family Services, administers the Medical Assistance for the Aging program (Kerr-Mills) and, through Federal grants-in-aid to States, provides vendor payments for medical care for recipients of public assistance. The Federal expenditures for these two programs are a substantial proportion of the nearly \$3 billion of Federal public assistance payments to the States. The Food and Drug Administration renders special service to older persons in its regulatory and enforcement activities relating to drugs and fraudulent devices. The Vocational Rehabilitation Administration has put special emphasis on rehabilitation of older workers. The Housing and Home Finance Agency renders Federal assistance in the form of mortgage insurance for proprietary nursing homes. The Small Business Administration makes loans to privately owned health facilities, such as hospitals, convalescent and nursing homes, and medical and dental laboratories. The Veterans Administration provides extensive direct services through the 170 hospitals and domiciliaries. It has special programs for medical and vocational rehabilitation for service-connected disability veterans, and carries on an intensive program in medical research.

I shall not continue to catalog the kinds of programs and activities in the other areas mentioned earlier. The preceding lists illustrate sufficiently a basic point that I wish to register today: There is no single department with exclusive responsibility or even a majority responsibility

for the conduct of Federal programs in aging. On the contrary, there are numerous Federal agencies, many of which have manifold programs and responsibilities in this field of action.

It logically follows from this situation that there is a need for close interagency communication and liaison leading to most effective coordination. This is the reason for being of the President's Council on Aging. It is important to note, however, that the Council is not a separate agency. It should be regarded more as a system or mechanism than an organizational unit. There is a separate staff for the Council that reports to the Chairman, Secretary Celebrezze, but the staff is very small and serves primarily as a secretariat. Our work at the Council is done through committee structure with the different agencies having representatives on the committees dealing with subjects of significance in their program areas.

At the present time, there are four principal committees: A Committee on Nursing homes, chaired by the Surgeon General of the Public Health Service; a Committee on Employment of Older Workers, chaired by the Secretary of Labor; a Committee on Housing, chaired by the Administrator of the Housing and Home Finance Agency; and a Committee on Welfare Services, chaired by the Commissioner of Welfare. These Committees report progress and recommendations to the regular monthly meetings of the Executive Committee of the Council. The cabinet members of the Council have each designated a representative to serve on the Executive Committee. The Chairman, Secretary Celebrezze, named as Deputy Chairman and Chairman of the Executive Committee the Commissioner of Welfare. It is in the Executive Committee that work schedules are planned, projects and activities are approved, and final formulation of recommendations for Council consideration takes place.

Let me interrupt at this point to refer again to what can be considered the principal landmarks in the development of Federal action for older people. First, was the enactment of the Social Security Act in August 1935. Following that, while there were many new individual programs and activities initiated in the period from 1950 until 1960, the next landmark is the White House Conference on Aging in January 1961. Then, I suggest, the next landmark is the establishment of the President's Council on Aging in May 1962.

The fourth landmark was the message to Congress Relative to the Elderly Citizens of Our Nation transmitted by President Kennedy on February 21 of this year. This was the first time that a complete program for aging had been submitted to Congress. The President's special message contained 36 points of action. The principal one was the request for hospital insurance under Social Security, but the other points of the message extended into all six of the areas that I previously described.

There were three direct action assignments to the Council on Aging. One of the assignments was to undertake a searching reappraisal of problems of employment opportunities for the aged and to report by October 31 on what action is desirable and necessary. The second was to study the problems of home financing for older citizens with special reference to the frequent need for modernization or rehabilitation of their homes. The third was a



2-pronged approach to the construction of, and provision of services in, group residents suitable for older people who need a central food service, some help in housekeeping and other helping services occasionally to continue living independently. The Housing and Home Finance Administrator and the Secretary of Health, Education, and Welfare, were requested to develop a plan jointly. The Council completed these tasks on schedule and Chairman Celebrezze delivered a 155-page report to President Kennedy on the morning of October 31.

This report is now under consideration by the White House and is not yet available for publication. Accordingly, I cannot discuss at this time the specific recommendations that it contained. I do feel free, however, to tell you about some of the problems that were identified and some of the ideas that were discussed.

The subject of the older worker has always been considered important in the field of aging. The subject of the older worker illustrates the reason why we in aging sometimes seem to be evasive when asked to identify who are the aging. In the income maintenance field, usually we are talking about persons 65 and over. The Federal Housing programs for the elderly have an eligibility age of 62. When the Department of Labor and the rest of us talk about older workers, we are talking about persons 45 and over. The Council's report on older workers is in the context of persons 45 and over with no ceiling age limit.

The problem of the older worker can be very simply stated. Once unemployed it is harder for him to get a job. His rate of unemployment is not unfavorable compared with the age group 25-45, but once unemployed, the extent of his unemployment is likely to be twice that of the younger group. A large part of this difficulty is likely to be the prejudices against him as an older person. The fact that on the average he has a lower educational attainment, the fact that his training is not so current and his need for retraining greater, and even the fact of less mobility enter the situation.

The Council's Committee on Employment dealt first with the need to expand employment opportunities. Discussions centered on strengthening the special services to older workers provided in the United States Employment Service. Studies have indicated that a quarter of the older worker applicants are in need of intensive counseling service in order to make sound choices of new occupations, to overcome lack of self-confidence, reluctance to enter training, and other obstacles, to prepare him for and find him new employment. At present the USES is able to give such services to only seven percent of the two million job applicants age 45 and over.

The Committee assessed the need for increasing the number of older worker specialists in the Employment Service. These specialists do not counsel individual applicants, but seek to create more opportunities in the labor market for them. They carry on public information programs and Employer Institutes to stimulate consideration of older workers. They participate in the establishment of self-help organizations of unemployed older workers to help find appropriate jobs for themselves and others. They endeavor to enlist community groups and volunteers to carry on promotional

activities in behalf of older workers. They participate in preretirement programs in cooperation with management and labor.

The Committee also took under consideration the growth of part-time employment in the labor market. While full-time employment rose by about 20 percent between 1949 and 1962, part-time employment rose by about 62 percent and is continuing to rise at a significant rate. About 11 million persons are now employed on a part-time basis, two-thirds of them because they prefer to work on this basis. The Committee has discussed the establishment of a part-time employment service as a regular program because of the special benefits that it would provide for older workers.

The need for relocation allowances in declining areas when plants shut down or industries move away was given consideration. Such relocation allowances have already been provided in the Trade Expansion Act of 1962. There has been legislation before Congress to provide additional demonstration projects to test procedures and results of a relocation program. The Committee underscored the need for expansion of training and educational opportunities for older workers. This can be done within existing programs, such as the Manpower Development and Training Act and the Area Redevelopment Act. There is need for better planning to avoid and ease the impact of layoffs on the older worker. Much can be done if there is sufficient notice to find job opportunities for older workers in advance of major plant changes, including reassignment and retraining.

The Committee noted that 17 States now have laws prohibiting age discrimination in employment. Not all these States have active programs to implement these laws, but the 11 of them that do have such programs report significant results. There has been a decrease in discriminatory age specifications in job advertisements and job orders. Older workers are getting more interviews. There is general opinion that there has been a decrease in discrimination in actual hiring. On the other hand, in a survey conducted in May this year in eight cities in eight States which did not have laws prohibiting discrimination it was found that 45 percent of the job orders placed with the USES specified an upper age limit. States which have not yet done so, are encouraged to enact legislation prohibiting discrimination because of age. And States which have such legislation should provide adequate funds and staff for implementation of enforcement and educational campaigns.

The Council has made recommendations to the President regarding discrimination by Government contractors. In the Federal competitive service, itself, maximum age restrictions are prohibited by law. But at the present time, there is no restriction regarding the millions of jobs that are filled by Government contractors.

Other Topics which were discussed in the appraisal of problems of older workers and in the development of the report included the possible subsidization of public service employment, policies on severance pay, adoption of gradual retirement programs, measures to stimulate programs of preparation for retirement, expansion of opportunities for volunteer service, and

greater utilization of State and area manpower advisory committees to focus on problems of older workers.

The other sections of our report to the President dealt with housing, nursing homes, and welfare services. I shall take time here to suggest just a few of the topics treated in these sections.

The Housing Committee focused particularly on the problem of the elderly homeowner who has a substantial equity in his home but relatively low income. The Committee has reviewed a proposal which would permit him to sign a lien for part of the value of his home in order to have the frozen equity converted into a lifetime annuity payment. The proposal contemplates the provision of Federal insurance to stimulate insurance and annuity organizations to develop this program.

The Nursing Home Committee has undertaken a joint effort with the Council of State Governments looking toward the development of model licensure codes for nursing homes.

The Committee on Welfare Services has undertaken a project to take advantage of the data available in the Consumer Price Survey to develop yardsticks that would show levels of living according to levels of income. Based on actual expenditure patterns these yardsticks would show whether families at a given income level have actually spent for food what the United States Department of Agriculture low cost plan says is needed, for example, or whether their necessary expenditures for other basic requirements have prevented this. The description of different levels of living at different levels of income will facilitate budget planning and the determination of levels at which all basic requirements can be met. These yardsticks, or guidelines, will not substitute for the standard budgets. Most of you are familiar with the city workers' family budget and the elderly couples' budget developed some years back by the Bureau of Labor Statistics. These budgets are going to be revised and additional ones developed, but it will be several years before the necessary work can be carried through to completion.

The first national celebration of May as a special month honoring older Americans occurred in 1963, following a proclamation by President Kennedy. The Council recommends that May 1964 be set aside to highlight the significant place in America held by older people, and to stimulate public interest and concern in them.

I have touched on only parts of the current work of the Council. The work of the Federal agencies in strengthening existing programs and seeking solutions for unsolved problems will continue. This work will be guided by the four themes that we expressed in our first report to the President. The first theme, and the starting point of the report, was the individuality of each older American--each with his individual hopes, aspirations, and capacities. Of the 18 million persons 65 and over, there are no two alike. There is no single set of goals for all. There is no panacea for the troubles they may have.

The second theme is the importance of enabling older Americans to live in maximum independence. The basic drive of every human being to be independent in no way lessens and decreases with advanced age. Whether older people enjoy the degree of independence they desire depends partly on the role they play in the community, partly on the condition of their health, and partly on the adequacy of their income, housing, medical care, and other essentials.

The third theme is the importance, both to older Americans and to society, of their social and community participation rather than rejection and isolation because of age. This involves opportunities for citizenship activities, for creative activity and recreation, for participation in volunteer service programs, and for educational opportunities. Just on the last point alone, the average person at retirement has years ahead equivalent to the time necessary to go through elementary and secondary schools and a 4-year college period.

The fourth theme concerns the need for special assistance for older Americans who have become dependent, or who are otherwise at a disadvantage. Much as we consciously accent positive aspects of programs for the aging, we must realistically recognize that a portion of the older population will have suffered economic hardship or physical disability to a point that robs them of independence, that restricts their participation in their community, and that places a responsibility on society to give them the services and the help to which they are entitled.

I conclude with President's Kennedy's words:

Our national record in providing for our aged is a proud and hopeful one. But it can and must improve. We can continue to move forward by building needed Federal programs, by developing means for comprehensive action in our communities, and by doing all we can, as a nation and as individuals, to enable our senior citizens to achieve both a better standard of life and a more active, useful and meaningful role in a society that owes them much and can still learn from them.



