PROBLEMS OF THE AGING

HEARINGS

BEFORE THE

SUBCOMMITTEE ON FEDERAL AND STATE ACTIVITIES

OF THE

SPECIAL COMMITTEE ON AGING UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

PROBLEMS OF THE AGING

Part 1.—Washington, D.C.

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WEDNESDAY, AUGUST 23, 1961

UNITED STATES SENATE,
SPECIAL COMMITTEE ON AGING,
SUBCOMMITTEE ON FEDERAL AND STATE ACTIVITIES,
Washington, D.C.

The subcommittee met, pursuant to call, at 10 a.m., in room 4232, New Senate Office Building, Senator Jennings Randolph, chairman of the subcommittee, presiding.

Present: Senators Randolph, Muskie, and Church.

Committee staff members present: Dr. Frank Atelsek, research director; Dr. Harold Sheppard, staff director; William Reidy, professional staff member; Alice Robinson, research associate.

Senator RANDOLPH. This is the first in a series of hearings that this subcommittee will hold, dealing with the programs and policies of our different levels of government in the broad field of the aging.

We will have hearings not only in Washington, but throughout the country and we will hear from those senior citizens and those officials of municipalities and other political subdivisions who will have information which we believe to be helpful.

If I were to give the story again it would be repetitious of the facts and trends and the problems that characterize not only this generation but past generations.

I had brought forcefully to my attention just a few days ago while reading the Wall Street Journal on August 17, these words carried on the front page of that financial publication:

> Average lifespan of Metropolitan Life Insurance Co.'s millions of present industry policyholders, the company's actuaries forecast, will be 70½ years, up from 65½ years in 1946, and 60.5 in 1937. I repeat, 70.5 years and in 1946 it was 65.5 and in 1937 it was 60.5 years.

Those words, reflecting an increase of 10 years in lifespan in less than one generation have a myriad of implications. That is more than a quiet revolution.

So, with more and more Americans living more and more years in retirement as a result of great strides in public and personal health measures and in technology, there emerges the question regarding the role of those social institutions beyond the family circle—especially local, State, and Federal governmental organizations, to meet the consequences of a rapidly increasing population of senior citizens. This role, which is determined by the social, economic, and technological conditions of modern industrial society must be accepted, and we are now interested in finding to what degree that role is being fulfilled by governmental agencies at any level.

There can be no denying that there is a role that Government must play. Certain programs that make for effective happy, meaningful lives in the later years simply cannot be created and sustained by the individual senior citizen and his immediate family, as much as he might desire to contain it within his own determination.

To offer one startling example of the statistics which certainly fortifying my concern in this matter, as well as your concern, let me cite the fact that today for every three Americans aged 60 to 64, there is one American aged 80 or older, persumably an older relative of those in the bracket of 60 to 64.

This is a rather large ratio but our population is changing so rapidly that we will soon be approaching a ratio of not one person aged 80 or older for every three between 60 and 65 but two persons of 80 years or above for every three between the ages of 60 and 65.

In other words, we will have a larger proportion of great-grandparents in addition to grandparents. I doubt that in our national policy and thinking we have given much thought to coping with this problem. Certainly the ramification is set forth, but there is one aspect we must face with objectivity and realism, and that is the practicality of expecting a 35- or 40-year-old wage earner to assume the complete responsibility for the support of not just his elderly parents, and those, perhaps, of his wife, but also the complete support in many instances of grandparents, not to mention the support of two, or three more children.

Now, contrary to some views, much of the desire being expressed in our Nation for new ideas and new activities in the field of aging by State and National Governments, emanates not from just the senior citizens themselves, as many have assumed, but also from our middle-aged citizens, who are experiencing in a very direct way many of the consequences of the trend that I have just mentioned.

By no means does this indicate that younger Americans wish to abandon their aged in the ice floes of neglect and indifference. I know that they are asking instead for a way in which they can contribute more rationally and equitably to the support of the programs and activities that make for a more effective and useful way of life for their older friends and relatives and, indeed, for themselves when they reach these brackets of the sixties and the seventies and perhaps the eighties.

I want to make it clear that the spirit of my personal interest in this field, an interest that I possessed long before I had the responsibility of being on this subcommittee, might be summed up by a philosopher—I know he was a historian—Arnold Toynbee, when he said the moral tone and lifespan of the civilization can be measured by the respect and care given its elderly citizens.

It is my conviction that respect and care are values that can be manifested not only by individuals who will act individually, and that is important, but by individuals who will act through joint cooperative efforts, that is, useful efforts which can be carried forward through representative government.

So I hope that this subcommittee, at the hearings in Washington and field hearings that are planned in the immediate weeks, will receive testimony on means of coping with these problems, the problems which increasingly confront individuals, and also the officials of our levels of government.

Wilbur J. Cohen, the Assistant Secretary for Legislation of the Department of Health, Education, and Welfare; Mr. Cohen, you have gentlemen with you, and if you will identify them for the record Senator Church and I will be privileged to hear your testimony.

STATEMENT OF HON. WILBUR J. COHEN, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY DR. DONALD P. KENT, CONSULTANT ON AGING, AND WARREN T. ROUDEBUSH, ACTING DIRECTOR OF SPECIAL STAFF ON AGING

Mr. COHEN. Thank you, Mr. Chairman.

I am accompanied by Dr. Donald Kent, who is the special consultant to the Secretary on aging and who will become on September 1, special assistant on aging to the Secretary and the Director of the Special Staff on Aging, and Mr. Warren Roudebush, who is executive secretary of Federal Council on Aging and the Acting Director of the Special Staff on Aging.

Secretary Ribicoff has directed us to institute a vigorous and constructive program in the field of aging. During these recent weeks we have tried to find an outstanding person who would take charge of this program to implement various recommendations of the White House Conference and other activities.

Dr. Kent is leaving his position at the University of Connecticut to come down to help us on the development of this program and during this fall I will implement it. For that reason I would like to put in the record, Mr. Chairman, a statement of Dr. Kent's qualifications, since he will be responsible for carrying through in this area of Federal and State activity for development of the program I am going to discuss.

Senator RANDOLPH. We will be very glad to receive that information.

(The background of Dr. Kent follows:)

BACKGROUND OF DR. DONALD P. KENT

Dr. Kent is well qualified to give leadership to our aging program for he is a professional gerontologist whose academic study and research have been enriched by the practical experience of working with communities, State government, and with senior citizens themselves in organizing programs for the aged.

After receiving a bachelor's degree from Pennsylvania State Teachers College at West Chester, Pa., Dr. Kent did graduate study at Temple University in Philadelphia in economics, history, and sociology. After receiving a masters degree from Temple University he continued his graduate study at the University of Pennsylvania, earning the degree of doctor of philosophy. Much of his graduate training centered about the area of gerontology which was to become his specialty.

He has been a university professor, having taught at the University of Pennsylvania and, since 1959, at the University of Connecticut. In 1957, Dr. Kent was asked to organize and become director of the Institute of Gerontology at the University of Connecticut. In this capacity he has made community surveys leading to the establishment of programs for older people, conducted research in gerontology, and taught graduate courses in social gerontology.

When Connecticut established its permanent commission on services to older persons, Dr. Kent was appointed a member and asked by the commission to serve as executive secretary, which he did from 1957 to 1959. In 1959 he was elected chairman of the commission and, in this role, acted as adviser to the Governor in developing programs for the aged in Connecticut. These programs

included a State-financed housing program for the elderly, raising standards in chronic and convalescent hospitals, introducing recreational services in congregate living facilities, and increasing the adult education offerings to older persons.

He has served as a consultant to many communities in developing services for older persons and he has also been an active coworker with senior citizens in organizing day centers and clubs. He was the Governor's designee to head up Connecticut's preparation for the White House Conference on Aging and served as chairman of his State delegation to the Conference. He was also a member of the National Advisory Committee for the White House Conference on Aging and played a prominent part in the Section on State Organization.

His knowledge and ability have made him valuable consultant to State government units, voluntary groups, and to industry. He has helped plan programs in several States and has served in Connecticut as a consultant to the Housing and Redevelopment Association, Chronic and Convalescent Hospital Association, and the Association of Homes for the Aged. He has been a member of the Inter-University Council on Aging and played an active part in the development of its program.

Dr. Kent developed and taught courses in preparation for retirement both for industrial workers, white-collar workers, and the professional.

He was one of the five-member committee which developed Connecticut's plan for providing medical aid to older citizens under the Kerr-Mills bill, and he provided technical assistance to the insurance industry of Connecticut in developing its new major medical insurance policy for older persons.

He has published many articles in the field of aging and has been the editor of the quarterly bulletin, Aging in Connecticut, for the past 4 years. He is the author of the book, "The Refugee Intellectual," he is a fellow in the Gerontological Association, the American Sociological Society and numerous other professional societies.

Mr. COHEN. Mr. Chairman, I suggest that my statement and Dr. Kent's statement be put in the record in their entirety and then in view of the shortage of time, both of us will point out only the most significant items from our testimony to save your time and concentrate on the key issues.

Senator RANDOLPH. Yes, that will be done.

(The prepared statements of Mr. Cohen and Dr. Kent follow:)

PREPARED STATEMENT BY WILBUR J. COHEN, ASSISTANT SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the committee, I welcome this opportunity to discuss with you the Department's programs and activities in the field of aging. The wide variety of the programs administered by the Department gives us a very significant role and, at the same time, a responsibility for strong, effective Federal action in meeting the needs of our aging and older citizens.

The Department's major role in the field of aging is clearly indicated by the fact that of the $16 billion administered by the Federal Government in providing services and benefits for older people last year, $11 billion—more than two-thirds of the total—were paid through programs of our Department. The Department's role is a constantly developing one, even without special action to more fully implement this responsibility. Estimated costs in 1965, of the programs as they existed in 1960, totaled $22 billion, of which about $14½ billion represented programs of the Department of Health, Education, and Welfare.

Already, as a result of legislative activity since the new administration took over, last year's projections of 1965 costs are outdated. Improvements in the old-age, survivors and disability insurance program alone have raised the projection for this program from $12.9 to $13.9 billion. Similar increases are reflected in several of the other programs of the Department.

THE SIGNIFICANCE OF AGING

This involvement of the Department of Health, Education, and Welfare is, of course, a reflection of the fact that the breadth and magnitude of the problems of aging have become the concern of our entire Nation, of all of the States, and of hundreds of communities throughout the land. It is this same awareness that

is responsible, if I may say so, for the existence of your Special Committee on Aging and for the fine work the committee and its staff have applied to their task.

You know, as we do, that, in one way or another, aging affects the life of every American. The studies of your committee have shown, as did the recent White House Conference on Aging, that aging is having a major impact on scores of our social institutions—indeed, on our entire social structure, on the programs of both governmental organizations and voluntary associations at all levels, and on our whole economic life.

Aging as achievement

Amidst all this concern, however, we often lose sight of the fact that aging is basically an achievement of American ingenuity in the vast field of scientific research and technology. In a real sense, it is a product of the brains and the funds we have applied to the discovery of knowledge and to its application for the benefit of our citizens and of mankind in general.

The growth of our older population is directly attributable, in large part, to the advances we have made in extending the length of human life. Increased life expectancy, in turn, is a product of our phenomenal achievements in the long-time rise in our standard of living, in improved agriculture and better nutrition, and in discoveries and vastly improved practices in public health and medicine. We have added more years to the average length of life since the turn of the century, than were added during the entire preceding 2,000 years.

This rapid extension of life—this gift of more years to all of our citizens—is a remarkable achievement. But it is not all. Parallel to the inventions and discoveries that have added more than 20 years to the length of life since 1900, we have made equally striking and significant advances in the output of our economy and in the nature of the work required to achieve this output.

Over the same period, we have more than doubled our level of living. The use of inanimate energy and machines has made work easier for most of our citizens. We have reduced the length of the workweek from between 55 and 60 hours around 1900 to well under 40 hours today. And, in addition to all of this, we have introduced the practice of retirement and are now making it a normal expectation for nearly everyone.

This is another area of achievement fully as significant as that of the lengthening of life. The benefits accrue to all of our citizens, of course. Yet, they have their greatest impact on those in the middle and later years. It is our aging and older citizens who benefit most from the lightening of the workload, the reduced hours of work, and the opportunity to retire. It is to them that we are giving enormous amounts of free time and opportunity for a period in their lives of true self-fulfillment and enriched living—their extended years. No other society, I may add, has extended life and the benefits of longer living to so many of its people.

The challenge and the problem of aging

This is the positive side of the picture. I think we should not lose sight of it. Unfortunately, there is another side to it, and it is this other side—the challenge of the problem of aging—that concerns all of us so much today. The achievements that we call aging are based, as I have indicated, on vast underlying changes in our economy, in our health practices, in many of our ways of living. We now know that changes of the kind with which we are dealing destroy traditional patterns of living, create numerous problems of maladjustment, and call for new orientations and approaches to the problems of living.

Today, we are all concerned with the challenges of making new adaptations and adjustments in international relationships, to the penetration of space, to urbanization, to population growth, to automation and unemployment, to mechanized agriculture, and to a host of other changes characteristic of our modern, scientific society.

But to return to our subject—nowhere, I think, are the consequences of change more clearly evident than in the position and circumstances of older people in our current industrial society. Every individual, as I suggested earlier, is forced to develop new attitudes and to make new adjustments to longer life and to the release from parental and work responsibilities associated with retirement. And, our entire society is challenged to devise new methods of providing opportunities to make the later years meaningful and for dealing with the problems faced by large numbers of our older people.

Your Special Committee on Aging, and other committees of the Congress, have been studying these aspects intensively, and they are all too familiar to all of you, and to us. We all know that more years of living for more people accentuate the problem of maintaining health, vastly increase the volume of long-term illness and disability, and call for the expansion of a broad range of health services and medical treatment facilities. We are all aware that the relatively sudden increase in our older population and in retirement left millions of older people without income in their declining years and that we have been forced to invent new ways of assuring continued individual purchasing power for the necessities of life.

We have learned that the longer duration of marriage, changes in family structure, independence of younger families, urbanization, and population mobility create new and unprecedented demands for housing older people. More than half of our family and household units today are headed by men and women who are middle aged or older. More than half of our older people (65 plus) have special problems of housing and living arrangements, growing out of reduced income, sickness or infirmities of old age, and isolation resulting from widowhood and other factors.

While the time freed from work is a boon to most of us, it becomes a serious problem to those who have not learned to make use of it or to find new ways of contributing to community life. Finally, cut off from family and work, hundreds of thousands, if not millions, of our older citizens today are finding difficulty in maintaining the human contacts and sense of belonging to society which are essential to satisfaction and dignity in living.

Sociologists and our new breed of scientists—gerontologists—tells us that we have created an older group of 17 to 20 million people, depending on where you start to count, that we are giving them years of time to use as they wish, but that we have made no place for them in our community and social life. We have assigned most of them, say the gerontologists, a roleless role in our society.

These, I suggest, are some of the major challenges and problems to which we must all give our attention.

The basic needs of older people

It is obvious from what I have said and from the studies you have made that the problems and needs of older people cover all of the major aspects of living. Within the Department of Health, Education, and Welfare, we have found it essential to base the development of programs upon an understanding of the nature of people, of their fundamental needs, and of the conditions that enable them to function as healthy, productive individuals.

I should like to suggest that the needs of older people—and of all people for that matter—may be summarized under five major categories:

1. *The need for security.*—First developed in infancy and childhood within the family, the need for security manifests itself throughout life. All of us share the need for security from bodily harm, from hunger and want, from long, disabling illness, and from the fear of being without shelter, friends, and care in our old age. In view of the deep inculcation of this need, your committee readily understands the feelings of the millions of older persons who feel their security threatened on these fronts.

2. *The need for activity and participation.*—Another basic need, common to all of us, is the need for activity, for opportunity to be creative, improve the environment and our way of life. It is this urge that appears to be at the bottom of the phenomenal discoveries and inventions which have brought about the societal changes I noted above, and that stimulates all of us to work and make the contributions we can to the betterment of community and social life.

Normally, the growing child, the worker, the parent finds ample opportunity for activity, for extending the range of his curiosity, and for exercising his creative impulses. All too often the older, retired person finds the opportunity for activity restricted or cut off, leaving him without purpose in life and without the incentive to maintain physical health and mental alertness. We now know positively that many of our 3 million severely handicapped older people—nearly 500,000 of whom are in mental hospitals, nursing homes, and other institutions—have lapsed into dependency and helplessness because, as a society, we have provided no active roles or place for them.

3. *The need for recognition and individuality.*—All societies teach their members to develop their particular capacities to the fullest extent possible, to function as independent, self-sufficient individuals, and to enjoy the recognition extended to them for the contributions they make. In our own society, there

is probably no more highly revered value than that attached to ambition, self-reliance, and individuality. There is considerable evidence that the denial of opportunity to maintain these qualities is one of the major causes of dissatisfaction among older people. One of the particular threats seems to be the inability to retain independence of action, income, and decisionmaking.

4. *The need for response and relatedness.*—The desire for love, affection, intimacy, and warmth of response is also inculcated in the earliest years and is fostered throughout life. During adolescence and young adulthood this need forms the major basis for friendship, family formation, participation in organizations, and of the desire to serve other people. The need for relatedness to other people and for response from others appears to be intensified in the later years when customary sources of satisfaction are broken off through the departure of children from the home, death of husband, wife, and friends, and immobility due to confining illness or infirmity.

5. *The need for values.*—Beyond these four basic needs, it appears that most, if not all, people must feel that there is purpose to their lives and to the society in which they live. A number of students of gerontology have suggested that, as we grow older, we become increasingly aware of the need to find a rational explanation of the values and objectives of the society in which we live and to feel that we have a personal and contributing relationship to them. It is not surprising, in view of the frequency with which older people are separated from family, work, friends, and even from the community itself, to find that many feel disoriented and alienated from their family, community, and society, generally, without a point of reference or meaning to their lives.

These, as I see it, are the fundamental needs which, the social scientists tell us, each individual seeks to satisfy in the society or culture within which he lives. Whether or not he succeeds is determined by his own characteristics and circumstances and by the extent to which the culture or society affords him the necessary opportunities. If he does succeed in satisfying them, he moves from healthy, normal childhood into a contributory family and work life, and on into an enjoyable period of retirement and a calm old age. On the other hand, if he fails significantly in satisfying one or more of these basic needs or drives, he is more than likely to be poorly adjusted and unhappy and may become embittered, delinquent or mentally ill, or socially dependent.

One of the basic principles regarding these needs is that they are developed early and that they persist, often with growing intensity, throughout life. The problems that older people are increasingly revealing to your committee and to all of us arise, in major part, because the traditional ways of meeting them have become disrupted. The challenge to all of us, then—to the individual, the family, the community, and to us in government—is to search for and devise new methods, new guarantees, and new patterns of living that will make the added years of life secure, meaningful, rewarding, healthy, and worthy of the effort of achieving them.

PROGRAMS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The background I have sketched represents a part of the knowledge and experience we have gained over the past 10 to 15 years. We have had something more than a decade of study and experiment with a great deal of trial and error exploration. Much of the initiative and stimulus for this exploratory work came from the first National Conference on Aging held in 1950 at the request of President Truman. The conference was convened, as most of you know, by the Federal Security Agency, predecessor to our Department.

During this period, all program agencies within the Department—the Public Health Service, the Social Security Administration, the Office of Vocational Rehabilitation, the Office of Education, the Food and Drug Administration, and St. Elizabeths Hospital—have become initiated in the field of aging through the development of direct services for older people and financial and program aids to States and communities. States and communities have joined in the effort and some have made gratifying progress in meeting the needs of their older population. The Special Committee on Aging and its predecessor Subcommittee on Problems of the Aged and Aging, both under the imaginative leadership of Senator Pat McNamara, have conducted numerous far-reaching studies. And, more recently, the White House Conference on Aging, established by legislation sponsored by Congressman John E. Fogarty, has developed an impressive list of recommendations out of which we can construct clear guidelines for action.

We have reached a new stage in the evaluation of our approach to this new area of American life. While there is still much to be learned, we are now in possession of many of the guidelines we need. We in the Department of Health, Education, and Welfare are now ready to go forward on many fronts with considerable confidence.

The programs of the Department and of the Federal Government are numerous, as I stated at the outset. Instead of incorporating a lengthy account of them within this statement, I am submitting the report of the White House Conference on Aging section on "Federal Organization and Programs in Aging." The review of Federal programs contained in this report, together with the information your committee and its predecessor have been collecting, provide a rather complete inventory of Federal programs in the field. This will enable me to focus my statement on the new forward steps we have taken during the last few months and on this administration's plans for future action. I am, as I am sure you are, primarily interested in action that will make the added years worthwhile for our older citizens and for the Nation.

Income maintenance

In many areas, our knowledge of how best to deal with the needs of older people is just emerging. Not so in the areas of income maintenance. In 1935, we took clear-cut steps to meet the problem of income support during old age through the dual approach of the Social Security Act: A basic national social insurance program through which workers could contribute toward their own retirement income, supplemented by a Federal-State program of old-age assistance for needy persons not eligible for insurance benefits, or with financial needs beyond those that could be met by their benefits and other income. That the Social Security Act was wisely conceived has been repeatedly affirmed, and over the years we have been able greatly to strengthen the income security of our aged population by further building on this firm foundation.

Today, these two basic income maintenance programs—programs that underpin the total national effort to assure economic security in old age—provide income for three out of every four people aged 65 or older. More than 11 million of them are now receiving social insurance benefits under OASDI: 2.3 million receive old-age assistance, and this number includes about three-quarters of a million who are on the rolls because their insurance benefits do not meet their needs as measured by State standards or because advanced age, large medical bills, or other emergencies have exhausted their resources. In addition to those now drawing OASDI benefits, almost 1½ million aged persons were eligible to receive these benefits at the end of 1960 but had not yet retired (or were the wives of employed workers) and therefore not drawing benefits.

Immediately on taking office, this administration reviewed the program of OASDI to identify the specific areas that urgently needed attention. In the course of this review, recommendations made by the White House Conference were carefully evaluated and a number of them were included among the legislative proposals sponsored by the administration.

On February 20, President Kennedy recommended legislation liberalizing the Social Security Act in ways that will contribute significantly in improving the income position of our older population. On June 30, he approved the legislation. Under these provisions, about $815 million in new or increased benefits will be paid to some 4¾ million people, most of them aged, in the next 12 months. Beneficiaries will also have greater incentive to supplement their retirement incomes with part-time or occasional earnings. These amendments were designed so as to fully cover the costs of the benefit increases, thus preserving the financial soundness of the insurance system.

I will only briefly summarize the 1961 Social Security Amendments, but I have attached to my statement a fuller explanation.

Benefits will be payable to men at age 62, thus making the program more flexible and effective. The widow's benefit has been increased from 75 percent of her husband's retirement benefit to 82½ percent, in recognition of the fact that widows as a group are among the lowest of our low-income aged. The minimum benefit payable has been raised from $33 to $40. The requirement for insured status was relaxed so that a worker will be fully insured if he has one quarter of coverage for every year elapsing after 1950 (or age 21, if later) rather than one quarter for every three elapsed quarters. Another major amendment of concern to older persons is the liberalization in the retirement test by increasing the band in which $1 in benefits is withheld for each $2 in earnings to apply between $1,200 and $1,700, rather than between $1,200 and $1,500.

As you undoubtedly recognize, these improvements deal with many of the areas on which the White House conference made recommendations. While the 1961 amendments further build on our sound structure of OASDI by immediately providing higher insurance benefits for the most disadvantaged of the aged beneficiaries, there are still areas, however, where further study and action may be needed. There is the important question of the general level of benefit adequacy now and in the future. There are also special questions of benefit adequacy. The increases recently enacted in the amount of the minimum monthly insurance benefit, for example, and the benefit for aged widows are not as large as the President proposed. These questions, along with the additional income recommendations from the White House Conference, will be subjected to continuing study and analysis.

Basic to all these questions is the need for continuing attention to the financing of OASDI and the other factors that, in a dynamic economy, affect the appropriateness of the program. This was clearly recognized by the last Advisory Council on Social Security in its 1959 report and by the 1960 amendment providing for the appointment of an advisory council on social security financing in 1963, 1966, and every fifth year thereafter. These advisory councils will be broadly concerned with the overall status of the OASDI program, including coverage, adequacy of benefits, and all other aspects, as well as the status of the trust fund.

We are also very much concerned about our Federal-State public assistance programs that form an essential second line of defense in the provision of income to the aged. This administration is acutely aware of the many knotty problems in public welfare that have developed over the years—problems that need careful study before sound Federal legislative changes can be proposed. Therefore, the Secretary of Health, Education, and Welfare has initiated a comprehensive evaluation of our public welfare programs with a view to making recommendations to the Congress next year. In this connection, we shall continue our efforts to cooperate with the States in implementing the medical assistance to the aged provisions enacted in 1960 and also continue to study the extent to which this legislation places a financial commitment on the Federal Treasury and State governments for its implementation.

Social services.—Our income maintenance programs provide an unparalleled opportunity for focusing on the interrelated objectives of meeting social and economic needs. The original emphasis of the two programs on relieving economic hardship has been broadened in recent years to encompass other services that promote the well-being of the individual.

Medical and social services for assistance recipients have been greatly strengthened through both legislation and administrative action. The Bureau of Public Assistance is encouraging States to develop the social services needed by aged public assistance recipients in order to strengthen family life and to promote self-care, self-support, and independent living. Public welfare, at all government levels, is devoting increased effort toward the development and improvement of a wide variety of social services needed by older people in general and not just public assistance recipients.

The Bureau of Old-Age and Survivors Insurance is placing increased emphasis on the service needs of OASDI beneficiaries. The Bureau is working cooperatively with other public and voluntary agencies and groups in the development of community resources to provide protective services to aged persons no longer able to live independently and make their own decisions, to improve home services and rehabilitation aid for all older persons in the community, and to equip district social security offices for improved referral services to other agencies and for more effective participation in community planning.

You have asked me to talk of the Department's plans in the field of aging as well as its accomplishments to date. I think that, with this committee, I need not dwell on the fact that our No. 1 piece of unfinished business is legislation to provide health insurance for the aged under social security. As Secretary Ribicoff said in urging this legislation before the Committee on Ways and Means:

"You have the opportunity to equal the landmark action taken by the 74th Congress, which passed the Social Security Act in 1935. They sought to promote freedom from fear, the fear of economic insecurity. To a large extent they succeeded.

"Today the later years of millions of Americans are plagued anew by fear. With lifespan lengthened, with medical science breaking into undreamed realms of discovery, the Nation's aged now face another aspect of insecurity—how to meet the mounting costs of medical care."

I can assure you that the Department will continue to place major emphasis on this most essential proposal for using the social security program as a basic method of dealing with the problem of how to help meet the costs of health care for the aged. We believe the bill introduced by Senator Anderson (S. 909) merits the support of those who are concerned about the health costs facing the aged. We look forward to favorable congressional action on this legislation next year.

Health programs

Ill health and the threat of acute or chronic illness in later years—as well as the problems of financing the costs of such illness—constitutes an area of major concern in the consideration of the needs of older people. This, too, is an area in which the Department has a major responsibility, and I am proud to report significant progress on this front in the last few months.

The administration-sponsored proposal for community health services and facilities (H.R. 4998) passed the House on July 25 and is now pending in the Senate Committee on Labor and Public Welfare (S. 1071). We are hopeful that it will be enacted this year. It is an important piece of legislation. It will make a threefold attack on the problem of health care of the chronically ill and aged by providing construction grants for nursing homes; stimulatory grants to the States, and through them to the communities, to improve health services outside the hospital; and hospital research grants, including grants for the construction and equipping of experimental or demonstration hospitals and other medical facilities.

The urgent need for such legislation was expressed by the President in the February 9 special message on health and hospital care when he said:

"The ability to afford adequate health care is to no avail without adequate health facilities. The financial support which will be available under the health insurance program I am recommending will, in itself, stimulate more facilities and services. But our communities need additional help to provide those services where everybody can use them."

I think you will be interested in a few specific examples of the types of community health services for which the proposed Federal grants to the States would be used:

1. Improvement of services and operations in nursing homes, including establishment and enforcement of safety and health care standards; technical assistance and consultation to nursing home operators to improve the scope and quality of services, policies of patient admission, rehabilitation, and discharge, and methods of nursing home administration; and provision of training courses for nursing home operators and staff.
2. Establishment and improvement of home health care services, such as home nursing services, homemaker services, physical and occupational therapy services, to make available high quality health care services for the aged and chronically ill in their homes, thus reducing the need for more expensive institutional type care when it is not indicated.
3. Establishment and operation of community health information and referral centers to aid both patients and professional personnel in securing the most effective health services.
4. Establishment and improvement of outpatient diagnostic services to encourage early diagnosis of illness at a time when treatment can be the most effective in preventing complications and disability.

All of these programs and all of the physical facilities envisioned for the better health care of the aged will require trained personnel for staffing and for the translation of knowledge into services to people. The general shortages of personnel in the health fields are well known to all of us. The reasons are several. Modern medical and dental schools, and teaching hospitals to even greater degree, are expensive to establish, to expand, and to operate. Medical school and dental school tuition is high—only 1 out of 10 medical school students receives a scholarship from any source and these average only $500 a year compared to an average cost of over $2,500 per year. In dentistry, even less scholarship aid is available. We need to encourage more dental students—including needy ones—to enter the health professions and we need to improve the quality of their training. And within the next 10 years we must build at least 20 new medical schools and 20 new dental schools.

To this end the administration had recommended:

First, an immediate program of grants to help in the planning of new medical and dental schools and to find ways of improving the whole educational process;

Second, a 10-year program of matching grants to help in the construction,

expansion, and restoration of medical and dental schools to increase their capacity: $25 million would be made available in the first year, and $75 million annually thereafter;

Third, a program of Federal scholarships for talented medical and dental students, and tying in with this, cost-of-education grants to the participating institutions.

These proposals were embodied in legislation introduced by Senator Hill and others (S. 1072) and by Congressman Harris (H.R. 4999) in February. Hearings on this legislation have been held before the Senate Committee on Labor and Public Welfare. The enactment of this legislation would be of great value in the long run in making more adequate medical services available to the aged.

On the organizational front the Department took an important step a few months ago by creating a Division of Chronic Diseases of the Public Health Service and, within the Division, a long-term illness program. The new program is tangible evidence of the recognition of the need for increased emphasis on developing programs of community health services for the long-term and older patient. These activities were formerly handled in the health of the aged section of the chronic disease program of special health services. For the past few years Public Health Service activity with regard to the development of community health services for chronic illness and health of the aged was directed at assisting communities primarily through consultative services. Because little could be given in the way of financial assistance for demonstration projects, progress in past years has been dishearteningly slow. President Kennedy, therefore, requested an increase of $2.6 million in operating funds for fiscal year 1962 with which to support the development of some 60 to 70 demonstration programs over the country, directed toward providing preventive services, home health services, and restorative services for chronic illness and health care of the aged.

These demonstration projects, if the funds for them are appropriated, will provide States and communities with the experience necessary to implement the much larger program envisaged in the community health services and facilities proposal (H.R. 4998, S. 1071) I mentioned earlier. These funds are needed by State and communities which are eager to set up out-of-the-hospital community health services, designed particularly to enable older, infirm, and chronically ill persons to remain in their own homes or in those of their adult children. The funds will be employed to support demonstrations, studies, surveys, and training programs in nursing care of the sick at home, homemaker service, coordinated home care, information and referral service, periodic health appraisal, and improved service in nursing homes.

Through the new program and the proposed community health services and facilities proposal, the Department will be able to carry out its responsibility in relation to many of the recommendations made at the White House Conference.

Vocational rehabilitation

One of the consequences of longer life is the greater incidence of physical and mental disabilities resulting from longer exposure to insidious disease processes and to environmental hazards. Ever since the middle 1940's the Office of Vocational Rehabilitation has been vigorously urging State rehabilitation agencies to recognize the work potential of disabled persons 45 years of age and over and to accept them as candidates for vocational rehabilitation. In 1945, some 8,300 of the persons rehabilitated and returned to work were in middle years or older. This year, the total will reach 25,000—30 percent of the total.

Rehabilitation of older clients has required new counseling techniques, new procedures, new appliances, new placement techniques, and personnel acquainted with the nature of older people and of the older physical organism. Increasingly, the Office of Vocational Rehabilitation has sought to encourage the development of new knowledge and skills, better trained rehabilitation workers, and favorable attitudes toward the older individual.

Despite the advances that have been made, the number of workers becoming disabled each year exceeds the number restored to health and employability. According to our assessment of the situation, the major obstacles to reversing this trend are: lack of knowledge about the extent of rehabilitation feasible in cases of certain severe disabilities, including senile deterioration; insufficient knowledge of rehabilitation procedures; a nationwide lack of diagnostic and treatment facilities; serious shortages of trained physical and occupational therapists, rehabilitation counselors and nurses, and ancillary personnel; and the

general tendency to reject the older worker and particularly the handicapped older worker. We are, of course, well aware of these deficiencies and are striving to overcome them.

The Office of Vocational Rehabilitation is sponsoring conferences and institutes for personnel of public and voluntary organizations to stimulate their interest in this new area of need and to acquaint them with new approaches and procedures as rapidly as they are developed. Just 2 months ago, the Office of Vocational Rehabilitation appointed a full-time consultant in aging to work intensively with State rehabilitation agencies. White House Conference on Aging recommendations in this field have been widely disseminated among rehabilitation people, community leaders, and State officials. Funds for research and demonstration grants are being increased this year and greater emphasis is being placed on projects addressed to older workers. More than 12 percent of the 500 grants made by the Office of Vocational Rehabilitation have been in the field of aging and encouragement is being given to the submission of new applications in this area. A considerable proportion of the funds go toward the support of training programs for students preparing for careers in rehabilitation and for upgrading professional personnel already employed.

Demonstration projects now receiving support cover many aspects of the field. Three approved within recent weeks will provide a rehabilitation evaluation of recipients of disability insurance beneficiaries, most of whom are over 50 years of age. Experimental projects in training personnel of nursing homes and in the restoration of older people with hitherto baffling impairments are giving promising results. In one State, a highly successful demonstration in the rehabilitation of patients in a county infirmary has resulted, adding physical therapists to the staff of several other county institutions. A similar project was approved in June for a demonstration in one of the State's mental hospitals. We are eager to know whether procedures can be developed for the treatment of senile deterioration, one of the most common afflictions among the very old.

Increased attention is being given to rehabilitation and provision of employment opportunities for the blind, under the Randolph-Sheppard Act. Some 85 percent of the 350,000 blind in the Nation are 45 years of age and over.

Education

The Office of Education has long recognized that learning and relearning are lifelong processes in a changing world and that education has several significant roles to play in the field of aging. For several years, the Office of Education has been encouraging State and local school systems to provide vocational counseling, training, and retraining for middle-aged men and women whose skills have become obsolescent through industrial change and for women returning to the work force after their children have grown.

Education agencies, largely through college and university extension services and community adult education programs, are becoming increasingly active in assisting middle-aged persons to discover new interests and goals for the second half of life and to prepare for their retirement years. Many of these same agencies are encouraging the enrollment of older people in general education courses and in the arts and crafts in order to give them broader knowledge of national and world affairs that make them better citizens and new creative skills for self-expression.

Colleges, universities, and professional and technical schools are heavily involved in training workers in welfare, health, recreation, rehabilitation, and other professions engaged in serving older people, and in training college and university teachers and research workers for specialized work in the several aspects of gerontology.

Participants in the White House Conference on Aging made 75 or more recommendations for increased activity on the part of educational and training agencies and organizations at all levels. Shortly after the Conference adjourned, the Adult Education Branch of the Office of Education convened a group of leaders in adult education to consider methods of implementing the recommendations. The first recommendation of this group was that a series of regional conferences be held to stimulate interest among college and university officials, adult educators, and officers of State and community educational agencies in increasing their teaching in all aspects of the field of aging.

A pilot conference on education for aging was held in the Central States in May. A New England meeting on the same topic will take place next week. Four additional conferences will be held during the next 90 days, and still more

are being planned. These conferences are reaching scores of educators and educational administrators who have not been exposed previously to this new field.

In order to help educational agencies get new programs underway, the Office of Education is publishing a series of pamphlets descriptive of successful community programs in education and aging. The first of these, entitled "Adventures in Learning: Frontiers Past 60 in Hamilton, Ohio," an account of an activity center and educational program, was published last month. The Office of Education is also intensively stepping up its activity in counseling and vocational education for middle-aged men and women in response to the provisions of the Area Redevelopment Act, signed by the President on May 1, to provide training and retraining of workers in areas of substantial and persistent unemployment and for the payment of retraining subsistence. Middle-aged and older workers are the greater portion of the unemployed labor force in these areas.

The Department is also supporting the proposed Manpower Development and Training Act (S. 1991) that would provide vocational training for middle-aged and older workers whose skills have become obsolescent through automation or otherwise.

White House Conference on Aging participants and consultants to the Adult Education Branch have recommended strongly that Federal financing be made available to strengthen State leadership in adult education, and that State funds for adult education and aging services be made available to local school districts. The Office of Education has recently made a good start in this direction by using some of its cooperative research funds for grants to support research in education and retirement preparation for adults.

Other program areas

There are other areas of program responsibility in the Department vitally concerned with older people.

Food and Drug Administration.—Our Food and Drug Administration has for some years cooperated with other interested organizations in conducting an intensive educational campaign to alert aging people to the medical and nutritional quackery to which they may be subjected. Drugs that are marketed for use by the elderly require much more attention. We know that these drugs frequently have a different effect, either quantitatively or qualitatively, or both, on old people than upon normal adults but there is a dearth of information as to exactly what the differences are and exactly what labeling should be employed to insure safe and effective use of the drugs by older people. Additionally, in the new drug field, we need to take a closer look at requests for permission to market new drugs (new drug applications) to determine that where they are intended for the elderly, adequate clinical studies have been undertaken to support the uses intended.

Scientists recognize that the diet plays a significant role in the aging process but again there is a dearth of information as to exactly what the role is. The effects of carbohydrates, proteins, and fats, and particularly of various types of each of these materials, the effects of vitamins and minerals, all need further attention. As with drugs, the Food and Drug Administration may need to supplement its present program in the nutritional field, which traditionally is directed to the normal population, to permit adequate attenion to the geriatric problems in the food field.

Our programs against medical and nutritional quackery also could be supplemented to provide adequate attention to quackery directed to the elderly population. This will require field service to determine what cheats and frauds, both drugs and foods, are being directed to the elderly and will require scientific staff in Washington to evaluate the material developed in field service.

St. Elizabeths Hospital.—St. Elizabeths Hospital, like all mental hospitals, has been faced with the problem of an increasing proportion of older and aged patients. In addition to caring for the medical and psychiatric needs of the older patients, the geriatric service of the hospital serves as a center for the training of professional and nonprofessional personnel. Research activities are carried on in the clinical, social service, psychology, and laboratory branches of the hospital and the hospital cooperates with our National Institute of Mental Health in a neuropharmacological research center.

Recreation.—In addition to economic and health security for older people, there are other needs to be met. Some 25 or 30 million of our middle-aged men and women are retired from paid work and from the responsibilities of rearing children. And the number of such persons may double by the end of the century.

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We have learned that retirement from work and household responsibilities does not mean withdrawal from participation in family and community life. We know that those who remain active probably are the happiest, tend to enjoy their later years, and make useful contributions to their communities and the Nation. And we know equally well, that thousands of those who have not found meaningful activity are wasting away in mental hospitals, nursing homes, back rooms in the homes of their children, and isolated flats or houses they are no longer able to maintain.

One area which requires further consideration is that of exploring ways in which the free time or the later years can be used most advantageously by the individual for his own personal development and satisfaction and for the benefit of his community and society. The White House Conference on Aging; Section on Free-Time Activities, Recreation, Voluntary Services, and Citizenship, made many recommendations urging provision of opportunity for older people to learn and practice arts and crafts skills, to serve their communities in a variety of voluntary capacities, to interest themselves in further education, and to participate more actively and effectively in political activities. The Conference urged strongly that there should be an agency at the National, State, and local level to provide stimulation, coordination, and assistance in this expanding area of action.

Research and training

One of the most important topics I can discuss with you is the need for more research and for professional trained personnel in the entire field of aging and gerontology. The sharp and continuing increase in the number of older people caught us woefully short of knowledge about the processes and consequences of aging and virtually without personnel knowledgeable in the field. We have made some progress toward correcting these situations, yet there exists today a great need for trustworthy information about all aspects of aging, for demonstration programs to try out and evaluate the knowledge we do have, and for professionally and technically trained personnel for research and teaching and to provide services related to the special needs of older people. This is one of the most urgent needs recognized by the Subcommittee on Problems of the Aged and Aging of the Senate Committee on Labor and Public Welfare in its 1961 report, "Action for the Aged and Aging."

Research and demonstration projects.—Over the years, the Congress has continued to provide increasing funds for all of these purposes, and a rising proportion of the funds have been used for the support of research, training, and demonstration programs in aging. Within the Department of Health, Education, and Welfare, our principal grantmaking agency is, as you know, the National Institutes of Health which also has an extensive research and training program of its own. Some grant funds are now available for these purposes through the Office of Vocational Rehabilitation, the Office of Education, the Social Security Administration, and the Bureau of State Services in the Public Health Service.

The Office of Vocational Rehabilitation is, as I have already mentioned, supporting demonstration and research projects designed to improve the basis of its programs and to encourage more widespread use of knowledge already available. Research funds available to the Office of Education are now supporting two projects related to the education of older adults. A few weeks ago the Social Security Administration made four grants for research on retirement, needs for welfare services and institutional care, and costs of nursing home services.

The number of grants from the National Institutes of Health primarily or secondarily related to aging increased from approximately 100 at the middle of the decade to about 600 last year. This year, there are 900 active projects related to aging representing an annual expenditure rate of $19 million. In one-third of these, aging is the primary focus of the research; in the remaining two-thirds it is of secondary concern.

Some of the research applications most recently awarded support by the citizen councils of the National Institutes of Health include: a study of the chemistry of blood vessels, inheritance of aging patterns and longevity, a dental research planning grant, a State fact-finding survey of nursing homes, aging and cellular metabolism of the liver, bone chemistry and composition in aging and disease, social group work in treatment of cardiac disease, age differences in perceptual processes, life styles in aging, memory functions as related to age, work experience of persons with cardiovascular disease, development of standards for rehabilitation centers, guides for organization and operation of

home care programs, and preventive home maintenance and rehabilitation program. It will be seen that this sample of research problems covers the entire range of basic biological research in aging to studies of disease processes in older persons to the investigation of problems of getting medical services to older people.

The Institutes have made large grants in support of four principal centers for research on aging—in the medical schools of Duke University, Western Reserve University, Yeshiva University, and Miami University. This spring the fifth large grant of this kind was made to Brown University which is now getting its program underway, and which intends to focus much of its research on the socioeconomic aspects of aging.

Within the National Institutes of Health, there are two research laboratories in aging: one, the Gerontology Branch in Baltimore with a splendid record of research in the physiological aspects of aging, and the other in Bethesda, investigating age changes in psychological capacities and functions. The large-scale, intensive researches in chronic disease and mental illness, carried on within the National Heart Institute, the National Cancer Institute, the National Institute of Mental Health, and elsewhere within the National Institutes of Health, all have special significance for aging and older persons because these conditions reveal their greatest prevalence during the middle and later years of life. Increasingly, these researches are giving specific attention to the role of age itself as a factor in disease.

In addition, there is a Center for Research on Aging within the Division of General Medical Sciences which stimulates and supports research in the health-related aspects of aging that fall outside the purview of the categorical research institutes.

While all of these actions represent progress, we still have a long way to go. We have been encouraging and shall continue to encourage research workers and research institutions to submit more applications in the field of aging and shall urge the support of these applications when we can.

Before I leave the topic of research, I should like to add that, from my own point of view, we have given too little attention to the economic, political, sociological, and other human and societal aspects of aging. We shall probably add 3 more years to average life expectancy by 1975 and between 4 and 5 million more people to our older population, and I am hopeful that we shall have done much to alleviate the effects of chronic disease and the aging process.

Our progress along these lines makes it all the more compelling that we increase our knowledge of the factors that make for satisfying old age, of the adaptations of our social institutions and the economy to the rising older population, and to the discovery of ways in which the interest and energy of older people can be used to the advantage of the Nation. Specifically, we need to know much more than we do about such matters as:

What workers should continue in employment and which should retire?

How can workers best be prepared for retirement?

What changes in motivation and the learning process need to be taken into account in setting up vocational training and rehabilitation programs for middle-aged workers?

What are the best living arrangements for older persons, particularly for the single and widowed half of the older population and how do they react to the various kinds of special housing being provided at the present time?

What are the effects of concentrating older people in special housing, recreation centers, and adult education programs as opposed to integrating them within housing and programs for everyone?

What do older people themselves prefer?

Will older people organize as pressure groups as current trends seem to indicate?

What influence will they have on taxation and bond issues for schools and other facilities and programs for children?

How can we change public attitudes in order to create a more positive image of aging that will result in a greater willingness to employ them and to utilize their energies in voluntary community service?

What are the best methods of investing pensions; should they be used to finance housing for older people?

What effect are they having on capital investment?

These, Mr. Chairman, constitute only a small sample of the scores of problems and questions on which we need more information.

Last month, President Kennedy transmitted to the Congress a proposal for the establishment of a National Institute of Child Welfare and Human Development, which would include the Center for Aging Research, and to raise the status of the Division of General Medical Sciences of the National Institutes of Health to that of a National Institute of General Medical Sciences. These proposals were made in response to recommendations from groups of expert consultants. The two proposals were incorporated in legislation introduced by Senator Hill (S. 2269) and Congressman Harris (H.R. 8398). The new institutes would afford additional facilities for conducting research on aging and for the support of research and training grants to colleges, universities, professional schools, and other appropriate agencies.

Professional training in aging.—Several times I have referred to the need for professionally trained personnel equipped with the additional knowledge of the nature of the aging process and with the characteristics, needs, and circumstances of older people. We are all familiar, of course, with the general shortages of health, welfare, and rehabilitation personnel. The shortage of professionals to work with older people in these fields and in housing, employment, organization of community services, religion, and recreation is so acute that the National Advisory Committee of the White House Conference on Aging devoted one entire section of the Conference to this problem.

The Section on Role and Training of Professional Personnel produced far-reaching recommendations calling upon colleges, universities, professional, and technical schools to build knowledge of aging into the students preparing to work in all of the occupations I have mentioned.

The Conference also stressed the urgent need for postgraduate and inservice training for employed professional workers who now find themselves engaged with the older population.

It called for training generalists with a broad knowledge of gerontology for administrative and broad planning functions in public and private agencies working with older people.

It recommended that there be new courses and curriculums in aging, scholarships and fellowships, and support of professorships and training facilities, including institutes of gerontology at regionally distributed universities throughout the country. I should like to request that the recommendations on professional and technical training, from this and other sections of the Conference, be made a part of the record.

We have, of course, been making some progress along these lines within the Department. Public Health Service grants to State health departments are used, in part, to provide inservice training in aging and chronic disease for their staff members. The National Institutes of Health supported a major project to train 75 college and university faculty members to teach courses and direct research, and almost every one of these 75 is now devoting more of his time to aging. Fellowships for training in gerontology are now being supported at a number of universities and professional schools. The Public Health Service and the Office of Vocational Rehabilitation are supporting programs to train nursing home operators and rehabilitation personnel.

The Social Security Administration has had authorization to finance professional training for social and welfare workers, but has never had funds for more than token support in this area. The Senate Appropriations Committee has included $2 million for this purpose in the Department's appropriation bill which is now in conference and we are hopeful that this amount will become available within the next few weeks.

We shall continue our efforts to increase the supply of personnel equipped to provide services to our older people. We are entirely convinced that this is one of the most effective methods we have of preventing physical and psychological breakdown in all ages, of restoring the sick and disabled to useful function and self-sufficiency, of providing educational, recreational, and social services to older people, and of assuring that we shall have research workers and college and university faculty members who will uncover the secrets of aging and of good adjustment in the later years.

SPECIAL STAFF ON AGING

The foregoing summary of our program accomplishments and aspirations reveals a breadth and diversity of approach that will greatly strengthen Federal, State, and local action in meeting the needs of our aging and aged citizens. Some of the newer programs need additional implementation and some of the proposals require authorization. Moreover, it is at once apparent that the wide variety of these programs calls for close coordination if they are to be efficient and effective in achieving the objectives we have for them.

This need for coordinated effort and the parallel need for a focal point within the Federal Government for guidance and the collection and dissemination of knowledge and program information on a nationwide basis emerged clearly from the first National Conference on Aging held in 1950. Accordingly, early in 1951, a Committee on Aging and Geriatrics was set up within the Federal Security Agency—predecessor to the Department—as a mechanism for overall study and policy development and to serve as a national clearinghouse for information about emerging knowledge and programs in the field. In 1956, the staff of the committee was reconstituted as the Special Staff on Aging.

Throughout the decade, the staff has been able to initiate and perform some activities with respect to each of the following responsibilities:

1. Maintaining a continuing knowledge of facts and programs in the field of aging;
2. Identifying needs and making program recommendations;
3. Stimulating interest and action and providing consultation to organizations, States, and communities throughout the country;
4. Compiling guides and materials; and
5. Serving as a national clearinghouse of information.

As the broad and diverse nature of the needs of older people has become known and as the dimensions of the challenge have grown, the staff has had to restrict its efforts to matters of only the highest priority. Thus, consideration is being given as to how the staff can be strengthened so that it can function more effectively.

Dr. Donald Kent, newly appointed special assistant on aging to the Secretary and Director of the Special Staff on Aging, will tell you in detail of the plans we are developing for carrying out these responsibilities on a stepped-up basis.

INTERDEPARTMENTAL COORDINATION

Your committee has asked for comments with respect to the proper organizing of Federal activities in the field of aging. This is a subject to which I have given much thought over the last decade.

Experience over the years, together with an assessment of the present situation, has identified a number of functions that dictate the need for an organizational focus within the Federal Government. The following considerations become increasingly compelling when we turn our attention to this problem:

1. More than a dozen Federal departments and agencies are involved in providing programs or services to older people. It seems only good sense that there should be a facility that will promote close liaison and develop cooperative relationships among these agencies, and assist them in continuing evaluation of their programs.
2. Aging is a complex phenomenon of many interrelated factors and processes. It seems essential that there be one specific agency or unit to keep abreast of emerging knowledge of all aspects of the field, to conduct and encourage research over the whole range of problems, and to study and evaluate the effects of current programs and of socioeconomic changes on older people.
3. Population aging and its health, economic, and social manifestations will grow and change as the older population increases, as we come to know more about older people and their needs, and as we observe and study, the effects of current and future programs. It is desirable, therefore, that there be a focal point for the identification of unmet needs and the formation of policy and recommendations for program review, modification, and development at all levels of action.

4. The two national conferences on aging, together with our long experience, have demonstrated the wisdom of obtaining the advice and consultation of informed citizens and nongovernmental professional persons in assessing needs and in the development of policies and programs. There has long been felt a need for a mechanism through which assistance from such persons could be obtained on a continuing and systematic basis with respect to all Federal programs in aging.

Interdepartmental and interagency cooperation is not new to us, of course. The Department of Health, Education, and Welfare has been joined effectively by several other departments and agencies in organizing and conducting both the 1950 and the 1961 national conferences and in several other activities. An interdepartmental committee was set up midway in the decade and was later reconstituted as a Federal Council on Aging. We believe the Council and its functions should be strengthened. In the light of the greatly increased concern with aging and the expansion of Federal responsibilities to a multibillion-dollar level, it is clear there is an important role for the Federal Council to provide strong coordination to assure that better programs and consistent policies are provided for the aged. Your committee hearings are most timely and should provide a wealth of information useful in crystallizing our thinking.

It is clearly not possible to tackle all problems simultaneously and emphasis has been placed in the past 6 months on expansions and improvements of programs that most immediately and directly improve the position of our older population. I assure you that we intend to promote interdepartmental coordination and that we shall give increased attention to this whole matter.

CONCLUSION

Mr. Chairman, I should like to summarize my discussion very briefly. I believe that over the years, since the problem of aging first came to national attention, we have made considerable progress in accumulating some basic information about our older citizens and their needs. In some areas, such as provision of income security, health facilities, and rehabilitation, we have made some solid progress in finding the directions in which we wish to go and in getting effective programs into action. In other areas, we have done a good deal of exploration that we are now translating into guidelines and proposals for action.

The first National Conference on Aging in 1950 led to first nationwide recognition of the need for broad-scale action. The White House Conference on Aging, along with the work and the studies of the Senate Subcommittee on Problems of the Aged and Aging, and of your Special Committee on Aging, are providing the basis for a definite blueprint for action. There are many splendid projects and programs around the country that help to point the way in which we should be moving.

My second thought is, then, that we in the Department of Health, Education, and Welfare are really ready to go, that our States and communities are ready to move—as, indeed many of them are moving—as we extend and strengthen the programs we have and as we begin to implement the actions proposed by the new administration and supported by the Congress.

New starts and new experiments must be extended to every community in the Nation by means of increased support of existing programs, demonstration projects, the addition of facilities, and the training of professional and technical personnel in every field of service essential to the welfare of our aging, older, and aged people.

Finally, we must encourage and support continuing research and program evaluation in order that we may intensify our understanding of the aging process, alleviate the unhappy circumstances that afflict too many of our older people today, and learn to recognize longer life as an asset to the Nation and our older people as one of our greatest national resources.

PREPARED STATEMENT BY DONALD P. KENT, CONSULTANT TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the committee, my name is Donald P. Kent. Until September 1 I will be a member of the faculty of the University of Connecticut. Thereafter I will be the special assistant on aging to the Secretary of Health, Education, and Welfare, and the Director of the Special Staff on Aging in his Office.

As Director of the Institute of Gerontology of the University of Connecticut and as chairman of the Connecticut Commission on Services for Elderly Persons, I have had numerous contacts with the Federal agencies which have programs affecting older persons and with the office which I consider central to the executive branch's role, the Special Staff on Aging. In addition, through my membership on the National Advisory Committee for the White House Conference on Aging and its Planning Committee for the Section on State Organization, I have had the opportunity to work with and gain personal knowledge of the members of the special staff—an experience which has increased my respect and admiration for this group, of competent and devoted civil servants.

In accepting my new position, I've had to adjust my thinking—to approach the whole area of aging from a broad point of view. I have had to ask the questions: What should the national goals and objectives be? What is the role of the Federal Government in the partnership of older persons, private organizations, and governmental agencies at the State and community level?

I will not pretend that I originated these important questions or that they are new questions. But they are important now because we are in transition. The old answers are no longer satisfactory—we are developing new ones. At the same time, we must continue our present efforts; they are too important to abandon while we complete the thinking out and implementation of our new answers.

DEVELOPMENT OF A CLIMATE FOR ACTION PROGRAMS IN AGING

It has become almost trite to say that we have extensively studied and discussed the whole field of aging, and that it is high time we get on with action! I agree that it's time for action, but let's not forget that in a democracy we must go through this long process of study and talk and testing to reach the stage where the people recognize the problem, understand the solutions, and are willing to provide the necessary support. We must have action on behalf of the welfare of our older people now and in the future, but I hope, too, that we will always base our action on adequate study, thought, testing, and evaluation of priorities.

That we are ready now to move forward decisively is due to the efforts of many individuals and groups and, in no small measure, the work of the Special Staff on Aging and its predecessor units.

The predecessor of the Department of Health, Education, and Welfare, the Federal Security Agency, set up a Committee on Aging immediately following the first National Conference on Aging in 1950. To a large extent, this conference was a meeting of professionals and experts—a first stage. The Committee was given internal functions to stimulate, assist, and coordinate the development and expansion of agency programs affecting older persons; and externally to awaken interest in, and understanding of, the situation of the aged, to bring together persons interested in gerontology, to provide a mechanism for exchange of information, and to encourage and assist community groups in the development and establishment of experimental facilities and services for older people. In the performance of these latter functions, the committee conducted a conference of State and Federal officials in aging in 1952, started the publication in 1951 of "Aging," and, in cooperation with an interdepartmental committee, conducted a second conference of Federal and State officials in 1956.

With growing public awareness and concern, with increased research and reports that needed translation into action, and with the spread of programs and projects among private and public agencies, the need was recognized for a continuing departmental staff rather than a committee consisting primarily of representatives of the constituent agencies. Thus, the Special Staff on Aging was created in the Office of the Secretary in 1956 and was given the additional function of serving as secretariat of the new, presidentially established Federal Council on Aging.

As a result the special staff could move into the second stage. It built upon the expanded areas of public awareness, study, and talk, to point to programs and courses of action; to move from public recognition of problems to understanding of solutions. The special staff expanded its work with Federal agencies, the States, and the private organizations; it expanded its publications program, encouraged research and support of research, and provided technical assistance and consultation to the limits of its own and other agency staff resources.

With the passage of the White House Conference on Aging Act in September 1958, aging activities entered the third stage—adding public support to awareness and understanding. The grassroots activities of tens of thousands of persons at the community level fed up to the State level and then culminated in January of this year in the White House Conference which created the body of recommendations that supply the support for action.

Now where do we go?

THE BASIS FOR NEW ACTION IN AGING

Let me summarize in broad terms. At the Federal and State governmental levels, I believe we need to strengthen (and in some States, to create) the agency whose responsibility it is to stimulate, encourage, assist, and coordinate the multitude of scattered programs and activities—to put back together the picture of the older person as a whole individual.

At the Federal level, this Department is redefining the goals, objectives, and functions of the special staff. In this planning, I intend not only to draw upon the good counsel of my colleagues in government, but also to seek the advice of thoughtful, informed persons throughout the country. I hope to establish a panel of consultants to assist in developing sound and imaginative programs.

If after careful study it is concluded that it is necessary to reorganize and expand the staff both in Washington and in the regional offices, I shall not hesitate to recommend this to the Secretary.

As a former State official I know how important it is to exchange information with those operating similar programs in other States. I hope to bring together the officials of the State agencies to develop better programs both within the States and the Federal Government.

At the State level, only 29 of the 53 jurisdictions (the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands) have created permanent State agencies to stimulate and coordinate activities in aging. In 13 of the remaining States, the temporary body established for the White House Conference preparations, with the assistance of the Federal grant, is still in existence.

I believe that such State agencies are essential and that the staff should encourage their formation in each State. They in turn should stimulate organization and activity at the community level. People live in communities. The programs, services, and facilities for older persons must be available in their communities and, to the maximum extent possible, should be established and operated by the community.

Another of the serious problem areas with which we are concerned is in the need for more research and for professionally trained personnel for research, teaching, and providing specialized services to older people. We feel that much can be done to encourage applications for research and training that can be supported from funds now available within the Department.

I have been told that our current international problems make this a bad time to recommend new programs that require Federal expenditures, but it seems to me that there will be a tremendous net gain if we can create a situation which frees and makes available to the Nation the vast potentials of skill, knowledge, and wisdom of our almost 17 million older Americans. If we are to make it possible for our senior citizens to heed the admonition of the President to ask what they can do for our country, we must think boldly and constructively. Why shouldn't older people serve in a peace corps? Why shouldn't we create a senior service corps for projects within our country? Why shouldn't we create special arrangements for part-time work? Why shouldn't we make it possible for older persons to take more active roles in community, civic, and political activities?

This means, then, we must change the concept of programs in the field of aging from one that seems to emphasize doing things for older persons to one that gives more importance to older persons doing things for themselves and for their community and Nation.

RECENT ACTIVITIES OF THE SPECIAL STAFF ON AGING

Before describing the details of our plans for the future work of the Special Staff on Aging, I believe it would be useful to review its recent activities. After passage of the White House Conference on Aging Act in September 1958, the

States, communities, and voluntary organizations turned their attention primarily to the Conference preparation. At the Federal level, the Special Staff bore the major responsibility for planning and organizing the conference assisted by a sizable number of temporary and borrowed personnel.

After the Conference was held (January 9–12, 1961) and as temporary and loaned staff members and volunteers departed, the present staff took on more and more of the responsibilities for closing out the administrative and fiscal arrangements for the Conference and the preparation of the series of reports on the proceedings and recommendations of the Conference.

Immediately following the Conference, a report on the policy statements and recommendations of each of the 20 subject-matter sections was published. The summary report to the President and the Congress, "The Nation and Its Older People," was published in early April. This was followed by publication of a report presenting a detailed analysis of the Conference participants and of the first eight in the "Reports and Guidelines" series which will cover the major Conference presentations and the reports on the individual sections. Delivery by the printer of several of the remaining publications in this series is expected in the near future.

In addition to the continued production of the monthly publication, Aging, which now has some 12,000 paid subscribers, additional case studies of significant projects in aging have been completed. Together with revisions of the previously issued case studies, they are being printed in a more useful and permanent format in a series of 14 case studies under the general title, "Patterns for Progress in Aging."

The Special Staff planned and conducted a followup conference of Governors' representatives in June and has issued a summary report. It has been involved in the preparation of speeches and testimony for officials of the Department and has provided assistance and materials to the staff of your committee, including material that appeared in the final report of your predecessor committee and in several of your committee prints, including a statistical supplement of 21 analytical tables based on the 1960 census in "New Population Facts on Older Americans, 1960." Additional analyses of census data and population projections are in preparation, as is an analysis of the provisions of bills relevant to aging which have been introduced thus far in the 87th Congress.

The staff has actively participated in many national and regional conferences, including those called by the Department's regional offices, regional conferences on education for aging and research, several meetings called by the National Council on the Aging, and the annual conference of the University of Michigan.

Secretary Ribicoff, shortly after taking office, recommended and both the House and the Senate in the pending appropriation bill have approved making permanent the positions of the regional representatives on aging. This has made possible the continued encouragement of establishing and continuing operation of State planning and coordination agencies in aging and of providing technical assistance, consultation, and materials to assist the States, communities, and local organizations. The staff has continued its compilation of directory information on State agencies in aging and on their activities.

A good beginning has been made on a series of joint evaluation, implementation, and followup projects based on the White House Conference recommendations. These must be multiplied.

Finally, there have been a number of other activities: it has helped supply services to the Federal Council on Aging; given consultative services to foreign visitors, Federal and State officials, private organizations and individuals, writers, and researchers; and prepared replies to increasing numbers of technical and general inquiries.

FUTURE ACTIVITIES OF THE STAFF ON AGING

Purpose and structure

I believe that the Department's Staff on Aging must play a significant role in aging in the executive branch of the Federal Government. But it is only as it facilitates the development and implementation of programs that it becomes meaningful. What, then, are the purposes of the staff?

The Staff on Aging should be primarily a "staff" unit. Its main functions should involve stimulation, advice, assistance, and coordination based upon study, analysis, knowledge, and planning. It should not do the job of any operating agency but should, in its relations with each agency, be both teacher and student, critic and defender, beneficiary and supporter.

And finally, in keeping with our philosophy of responsibility shared by the individual, private organizations, and all levels of government, the staff should stimulate the establishment, and support the work, of comparable planning and coordinating units and groups at the State and community level, encourage the greatest involvement of voluntary organizations, and assist in making it possible for older persons to make their maximum contribution to their own welfare and to the welfare of the community—local, State, and national.

Functions and activities

1. General:
   - (*a*) In relation to the Secretary:
     - (1) Serve as adviser, make recommendations on policy and legislation, and
     - (2) Assist in the discharge of his responsibilities.
   - (*b*) In relation to the Federal Council on Aging and the Departmental Committee on Aging:
     - (1) Represent the Office of the Secretary, and
     - (2) Provide the executive secretary, secretariat services, and staff services.
   - (*c*) In relation to other Federal agencies:
     - (1) Maintain liasion and cooperative arrangements;
     - (2) Stimulate development, expansion, or refinement of programs affecting older persons;
     - (3) Provide technical assistance as appropriate;
     - (4) Provide reimbursement for special services;
     - (5) Encourage full use of agency's field organization and provision of assistance and services to counterpart State agencies; and
     - (6) Utilize such agencies' assistance, consultation, materials, etc., in staff activities and programs.
   - (*d*) In relation to the Panel of Consultants:
     - (1) Make and collect nominations to the Secretary; and
     - (2) Provide the executive secretary, secretariat services, and staff services.
   - (*e*) In relation to conferences of State officials in aging:
     - (1) Develop programs, agendas, and materials;
     - (2) Provide special clearinghouse services, and
     - (3) Provide the executive secretary, secretariat services, and staff services.
   - (*f*) In relation to national and international voluntary organizations:
     - (1) Maintain liaison, and
     - (2) Provide technical assistance, consultation, materials.
     - (3) As authorized, and with staff availabilities:
       - (*a*) Provide assistance in program planning and implementation;
       - (*b*) Cosponsor and participate in planning and conduct of conferences.
   - (*g*) In relation to regional representatives on aging (see also 2 below):
     - (1) Provide program direction and supervision;
     - (2) Provide training, technical assistance, consultation, materials, publications, and other supporting services;
     - (3) Provide clearinghouse services;
     - (4) Establish relations with field staff of other Federal agencies.
   - (*h*) In relation to White House Conference recommendations:
     - (1) Establish cooperative projects to evaluate recommendations, determine method and priority of implementation, and measurement of progress;
     - (2) Establish recordkeeping and reporting procedures for periodic analysis and evaluation of progress.

2. State and community (primarily through regional representatives for aging):

(*a*) Through assistance of regional director, encourage establishment of State planning and coordinating agency on aging;

(*b*) Assist States in determining structure of State agency by making available a detailed study of State experience, including organizational patterns, budgets, staff, functions, relationships, and accomplishments;

(*c*) Provide revised guide for State studies of needs and resources and assist in evaluation of survey;

(*d*) Encourage establishment of community planning and coordinating bodies;

(*e*) Provide guides to community organization for programs and services in aging;

(*f*) Provide technical assistance, consultation, materials, publications;

(*g*) Provide special clearinghouse services, including summaries of Federal and State legislation and legislative proposals and analyses showing implications of research findings for administrators and program planners;

(*h*) Encourage the development of community programs and projects which:

(1) Make more generally available services and facilities which have been successfully tested and demonstrated elsewhere;

(2) Provide integrated information and referral services (which both provide services and record gaps between needs and resources);

(3) Provide well-rounded activity centers;

(4) Make maximum use of older persons themselves in their operation.

3. Research and analysis:

(*a*) Conduct inventories of recent and current research and regularly collected data;

(*b*) Determine areas of needed research and data and their relative priorities;

(*c*) Stimulate the filling of such areas of need by:

(1) Encouraging organizations which have capabilities and facilities;

(2) Designing studies and statistical series and providing technical assistance and consultation;

(3) Or by performing or contracting for necessary research and statistical projects.

(*d*) Provide special clearinghouse services and stress application of research findings;

(*e*) Compile and analyze research findings and data and available statistics for:

(1) Interpretation of implications for administrators and program planners;

(2) Publication of abstracts, summaries, and highlight reports;

(3) Publication of factsheets, sourcebooks, factbooks, and chartbooks.

(*f*) Prepare summaries and analyses of Federal and State legislation and current legislative proposals.

4. Training:

(*a*) Compile information on current and future needs for especially trained personnel;

(*b*) Inventory existing training programs and facilities;

(*c*) Determine areas needing expansion and relative priorities;

(*d*) Encourage establishment or expansion of training programs and development of their curriculums:

(1) In some areas, prepare demonstration projects such as outlines for general courses in gerontology for college-level training of professional (e.g., social workers, clergymen, nurses, recreation workers);

(2) Develop training materials and guides.

(e) Conduct short-term and special technical training not otherwise available;

(f) Develop plans, guides, and materials for training of staff of State and local agencies in aging, of staff of institutions and local projects, and of volunteers.

5. Public information:

(a) Conduct public information activities of staff on aging and assist States and community agencies on public relations programs, including news, exhibits, scripts, speeches, articles, and films;

(b) Plan integrated programs for national observance of Senior Citizens Week;

(c) Plan programs for awards for achievement in aging and secure adoption and implementation by national organizations;

(d) Prepare and edit the monthly publication Aging.

(e) Publish a variety of materials for dissemination of information to various audiences, including—

(1) Series of booklets for the aged and for those planning for retirement.

(2) Bibliographies and catalogs of general and special materials, publications, films, and scripts.

(3) Directories of: Federal programs and services, agencies, and field offices; State agencies on aging, community planning and coordinating groups; special types of projects; sources of information on specific subjects, such as housing and living arrangements, special employment opportunities, hobbies, and recreational facilities.

(f) Provide general clearinghouse services and a library of resource materials; establish a detailed classification scheme, library exchange services, internal and external circulation of selected materials; and provide advice and assistance to States, communities, and organizations in such activities;

(g) Establish and maintain a central correspondence and inquiry service utilizing all available staff and library resources of the Federal Government.

In developing and carrying out any plans, I intend to draw upon the good counsel of thoughtful, informed persons in Government and throughout the country. Consequently, the specifics of the plans I have presented may be modified by the suggestions of advisory committees. the advice of experts, and practical experiences of running a national aging program.

For many years I have been a college teacher. I have had many students who did extremely well in my classes. Many demonstrated capacities exceeding my own when I sat in their seats. No matter how excellent their job, I did not say "Enough!" It was my job to urge them closer to their limits. Similarly, our staff and agencies will make excellent progress in the field of aging, but we can never be completely satisfied. We will want more. We will want better. And we will want it faster.

Mr. COHEN. First, Mr. Chairman, in connection with the point you made about life expectancy, which is very significant, I would like to point out also that the estimates for expectancy of life at age 65 now appear to indicate that by 1975, the remaining years of life will be 14 for men and 17 for women. So, the problem that you indi-

cated in terms of what has been accomplished over that entire period of time is, indeed, going to be an even more pressing one in the next decade or two ahead, even as it has been in this last decade.

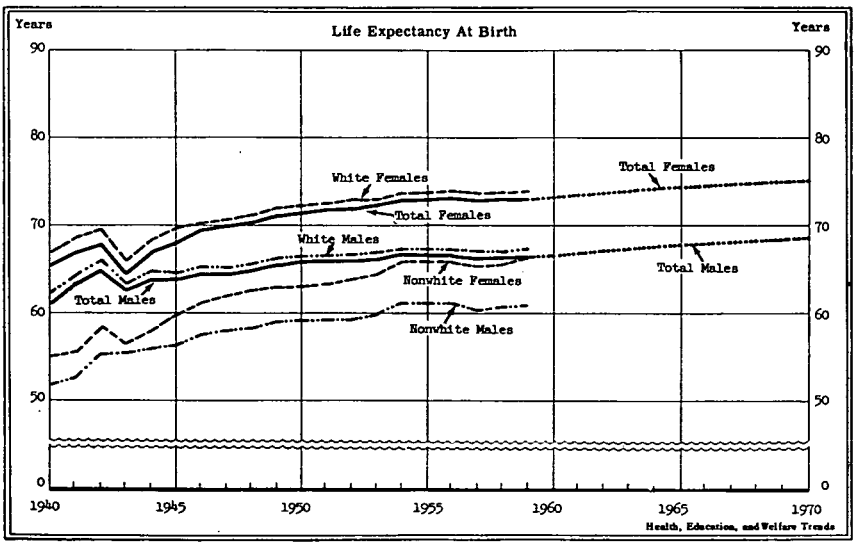
Senator RANDOLPH. Dr. Cohen, does that continue the spread which we have had in the lifespan of a woman as contrasted with a man? Is that 3 years?

Mr. COHEN. Yes, sir. I have a chart and a table here that present these estimates from 1900 to 1975, which you might like to have for the record, because it indicates the difference by sex and also by color. There are significant differences.

(The chart and table are as follows:)

LIFE EXPECTANCY, 1960–75

Life expectancy at birth approaches 67 years for males and is 75 years for females. Since 1900 life expectancy has increased about 20 years for males and about 25 years for females; by 1970 it may increase an additional 2 years for each sex. Between 1900 and 1959 the life expectancy of nonwhite females nearly doubled to 66 years. Males now aged 65 can expect to live about 13 years; females are likely to live an additional 3 years.



Calendar year and ages [1]	Average remaining years of life at selected ages								
	Total population			White population			Nonwhite population		
	Both sexes	Males	Females	Both sexes	Males	Females	Both sexes	Males	Females
At birth:									
1900	47.3	46.3	48.3	47.6	46.6	48.7	33.0	32.5	33.5
1930	59.7	58.1	61.6	61.4	59.7	63.5	48.1	47.3	49.2
1940	62.9	60.8	65.2	64.2	62.1	66.6	53.1	51.5	54.9
1950	68.2	65.6	71.7	69.1	66.5	72.2	60.8	59.1	62.9
1955	69.5	66.6	72.7	70.4	67.3	73.6	63.5	61.2	65.9
1959	69.7	66.5	73.0	70.5	67.3	73.9	63.5	60.9	66.2
1960 [2]	69.7								
Projections:									
1965 [3]		68.0	74.4						
1970 [3]		68.8	75.2						
1975 [3]		69.5	75.8						
At age 45:									
1900–02 [4]	24.8	24.1	25.4	24.8	24.2	25.5	20.7	20.1	21.4
1929–31 [4]	25.8	24.9	26.9	26.2	25.3	27.4	20.9	20.6	21.4
1939–41 [4]	26.9	25.5	28.5	27.3	25.9	28.9	22.8	22.0	24.0
1950	28.8	26.6	30.8		27.1	31.5		23.8	26.6
1955	29.3	27.0	31.7	29.6	27.3	32.1	26.3	24.8	27.9
1959	29.3	26.9	31.9	29.6	27.2	32.3	26.2	24.5	28.1
1960 [2]	29.2								
Projections:									
1965 [3]		27.8	32.8						
1970 [3]		28.3	33.4						
1975 [3]		28.8	33.8						
At age 65:									
1900–02 [4]	11.9	11.5	12.2	11.9	11.5	12.2	10.9	10.4	11.4
1929–31 [4]	12.2	11.7	12.8	12.3	11.8	12.8	11.5	10.9	12.2
1939–41 [4]	12.8	12.1	13.6	12.8	12.1	13.6	13.0	12.2	14.0
1950	14.1	12.8	15.0		13.0	15.3		13.3	15.6
1955	14.2	12.9	15.5	14.2	12.9	15.5	14.3	13.2	15.5
1959	14.1	12.7	15.5	14.1	12.7	15.6	13.8	12.5	15.2
1960 [2]	14.0								
Projections:									
1965 [3]		13.4	16.3						
1970 [3]		13.7	16.6						
1975 [3]		14.0	16.9						

[1] Includes Alaska beginning with 1959 and Hawaii beginning with 1960.
[2] Estimates are based on a 10-percent sample of death certificates.
[3] These projections are consistent with those for the year 2000 appearing in Illustrative United States Population Projections (Actuarial Study No. 46) dated May 1957. For 1959 projected life expectancies were only a fraction of a year higher than actual experience.
[4] For the years 1900–02 data are for 10 States and the District of Columbia. Beginning with 1929–31 data are for the continental United States. Figures for the nonwhite population cover Negroes only, but for each of these periods the Negro population accounted for 95 percent or more of the nonwhite population.

Source: U.S. Department of Health, Education, and Welfare; Public Health Service, National Vital Statistics Division; annual Vital Statistics of the United States containing data through the year listed on the cover, "Abridged Life Tables, United States," in Vital Statistics-Special Reports through 1957; and, beginning with 1958, Monthly Vital Statistics Report: Annual Summary, pt. II, contains provisional data. Social Security Administration, Division of the Actuary; unpublished projections.

Mr. COHEN. And as you have indicated, there will still remain approximately a 3-year spread, that is, women will have a life expectancy of about 17 years and men of about 14.

Now that presents, in itself, a very important problem. The whole matter of widowhood is going to be one of the very main problems that will evolve out of this increased lifespan. I will touch on that in a moment or two.

Finally, I would like to say, Mr. Chairman, in connection with your responsibilities, we have prepared, as you know, a number of reports dealing with the sections of the White House Conference which have already been published.

The one on "Federal Organizations and Programs in Aging" has not yet been published but I have here the page proofs. This covers the area that is within the domain of your responsibilities and I will be glad to submit it to you for either the use of the staff or insertion in the record.

Senator RANDOLPH. We will receive it and it will be made a part of the record.

(The report referred to is on file with the committee.)

Mr. COHEN. I will now touch on a few points in connection with my testimony.

From page 1, I would like to point out that the Department's major role in the field of aging is clearly indicated by the fact that of the $16 billion administered by the Federal Government in providing services and benefits for older people last year, $11 billion, more than two-thirds of the total, was in programs administered by our Department.

The Department's role is a constantly developing one, even without special action, to more fully implement this responsibility. Estimated costs in 1965 of all programs, as they existed in law in 1960, total $22 billion, of which about $14.5 billion represents programs of the Department of Health, Education, and Welfare. Already, as a result of legislative action taken by Congress since the new administration took over, last year's projections of 1965 costs are outdated.

Improvements in the old-age, survivors, and disability insurance program alone have raised the projection for this program from $12.9 to $13.9 billion and similar increases are reflected in other programs of the Department.

Now, immediately upon taking office, this administration recognized that it had a great deal to do in a number of programs, including the programs for the aged. Accordingly, one of the first things that the President did was to review the old-age, survivors and disability insurance program to identify the specific areas that urgently needed attention.

In the course of this review, recommendations made by the White House Conference were carefully evaluated and a number of them were included among the very first legislative proposals sponsored by the administration.

On February 20, President Kennedy recommended legislation liberalizing the Social Security Act in ways that would contribute significantly in improving the income position of our older population.

On June 30, he approved the legislation passed by the Congress. Under these provisions, about $815 million in new or increased benefits will be paid to some 4¾ million people, most of them aged, in the next 12 months.

Beneficiaries will also have greater incentive to supplement their retirement incomes with part-time or occasional earnings.

These amendments also provided tax changes to fully cover the cost of benefit increases thus preserving the financial and actuarial soundness of the insurance system. One of the most important amend-

ments, Mr. Chairman, was, of course, the one in which the Congress reduced the retirement age for men from 65 to 62, allowing these individuals to draw their social security benefits on the basis of an actuarial reduction. In my statement and in the accompanying explanation, I have analyzed these provisions in much more detail.

Senator RANDOLPH. Mr. Cohen, I only interrupt quickly and you can answer more fully for the record.

Have you received any recommendation that the retirement age of 62 should be lowered ultimately or within a few years by the Congress to 60?

Mr. COHEN. We have not made any such recommendation.

Senator RANDOLPH. As you well know, several Members of the Senate have sponsored legislation to reduce this to 60. I thought if you had any information bearing on the subject it would be not inappropriate to place it in the record at this point.

Mr. COHEN. There was a good deal of consideration in the House Ways and Means Committee and Senate Finance Committee of the long-run implications of this change. I may say there were a number of Members who had doubt as to the wisdom of this and were particularly concerned when we said we estimated about 20 or 25 percent of the men between 62 and 65 would probably accept these rdeuced benefits. So, what I think we are going to do is analyze this experience very carefully and try to identify who these people are and what States they are in. Are they coming from areas where there are large labor market surpluses? Are they ill people? Are they people unemployed for a long period of time? On the basis of that experience, I think, we will be able to come back and make a more intelligent response to what ought to be done from now on.

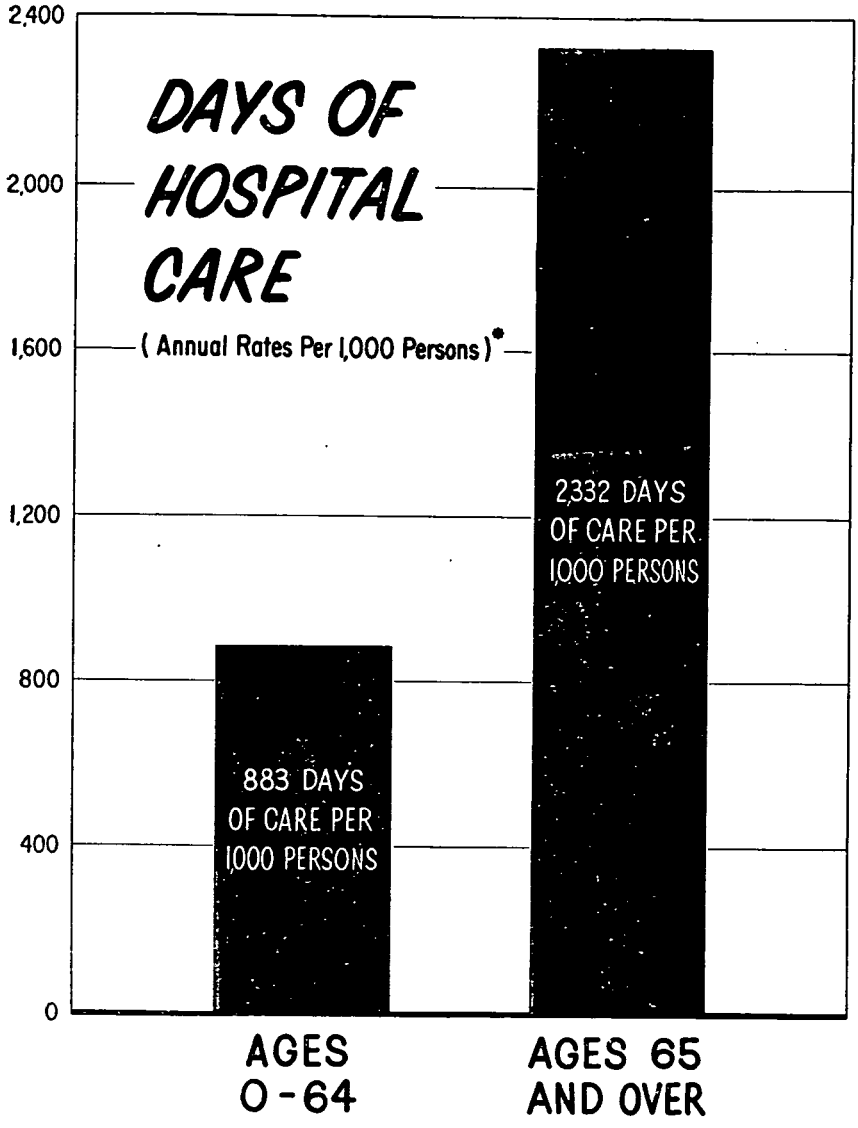
Senator RANDOLPH. I think we are more conscious of this problem in a State like West Virginia where our labor surplus market is excessive and where, even today, we have 12 to 14 percent of employables that cannot find work. We think in terms of that older population and the burdens carried by many levels of government in connection with benefits of one type or the other.

Mr. COHEN. I pointed out in my statement and at this time I would like to indicate this to you, the areas that we believe need further exploration and this includes the one you have mentioned, what happens to these people and so on.

I would like to take up next, Senator, what we consider both now and in the future a most compelling area—the health needs of these aged people. This is a very major part of our present legislative program and of our plans for this year. I just want to call to your attention two or three reasons why this is so important.

This first chart shows one of the very key points why the whole problem of health care for the aged and particularly hospital care will continue to be a very, very key one. As you see here, people under the age of 65, on the average, use about 883 days of hospital care per thousand persons per year.

CHART A

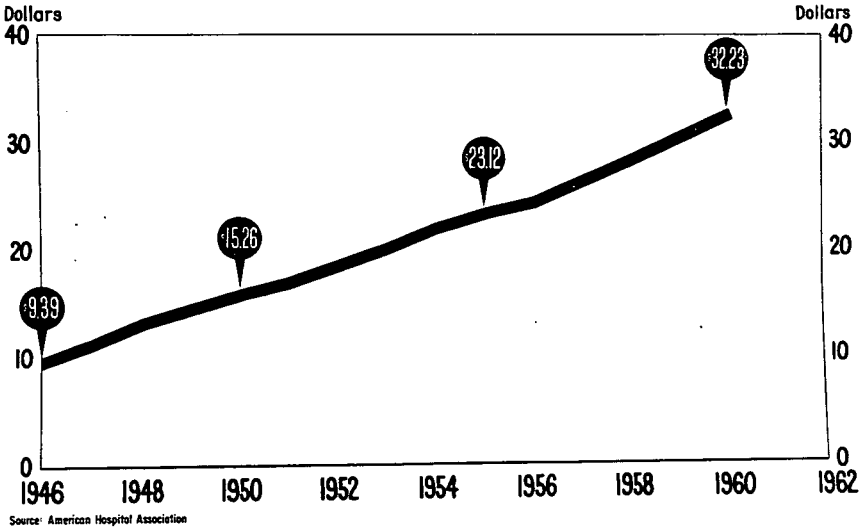


* Data are for the Middle Atlantic States, 1957.
Source: Public Health Service, U.S. National Health Survey.

Now here you see that the people over 65, as a group, use 2,332 days a year on the average which is roughly in the neighborhood of 2.5 or 3 times as many days of hospital care as the population under 65 used.

Now, that by itself would be a big problem but it is complicated by another fact which is shown in this second chart, namely, that the per diem cost of hospital care is rising, has been rising very rapidly, and probably, by every indication that we have, will continue to rise.

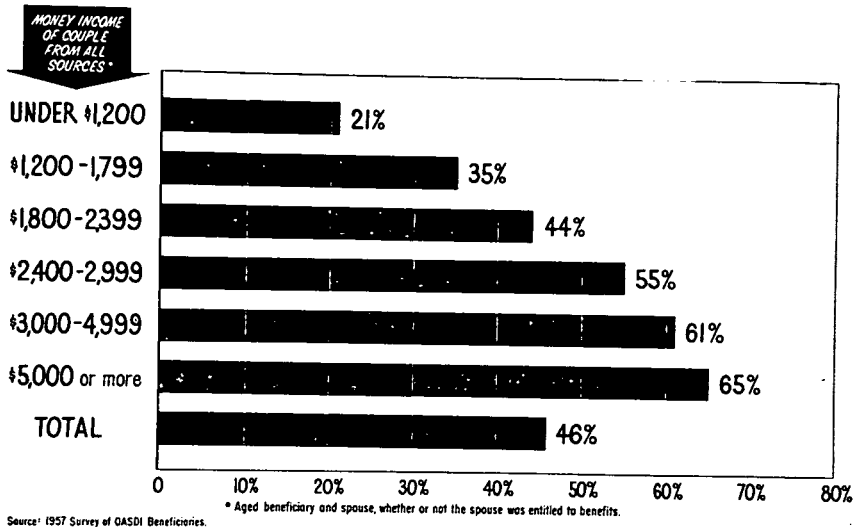
CHART B.—HOSPITAL EXPENSE PER PATIENT DAY



Since 1946 the per diem cost of hospital care has risen from $9.39 a day, up to $15, $23, and in 1960 was $32.23 a day. If this trend continues, Senator, which many people think will very probably happen, it becomes a devastating figure. The combination of the fact that there is such a greater need for hospital care and the fact that there is a rising cost, of course, complicates the problems of the aged.

Now, there is a third factor demonstrated by this chart here which indicates why there is a good deal of concern about this problem; namely, that roughly about a half of the aged do not have any hospital insurance at all.

CHART C.—MARRIED OLD-AGE AND SURVIVORS INSURANCE BENEFICIARIES HAVING HOSPITAL INSURANCE



Source: 1957 Survey of OASDI Beneficiaries.

As shown down here for the total of old-age survivors and insurance beneficiaries, about 46 percent have hospital insurance, according to the 1957 study. So, roughly, let us assume it is in the neighborhood of 50 percent.

The striking fact is that for people with very low incomes, a much lesser proportion have hospital insurance. Among beneficiaries with income under $1,200, only about one out of five have hospital insurance. And, as you can see, the extent of hospital insurance is correlated directly with income.

It is, of course, the people excluded here—the people who have no hospital insurance—who, under the present legislation, will probably have to apply for medical assistance to the aged under the Kerr-Mills bill if they are to have their hospital bills paid. This, of course, raises the whole question of the extent to which the States will take advantage of the Kerr-Mills legislation.

As a result of this analysis, I can assure you that the Department of Health, Education, and Welfare will continue to place major emphasis on the most essential proposal for using the social security program as a basic method of dealing with the problem of how to help meet the cost of health care for the aged.

We believe that the bill introduced by Senator Anderson, S. 909, merits the support of those concerned about the health cost facing the aged. We look forward to favorable congressional action on this legislation next year.

The administration-sponsored proposal for community health services and facilities (H.R. 4998) passed the House on July 25 and is now pending in the Senate Committee on Labor and Public Welfare (S. 1071).

We are hopeful it will be enacted this year. It is an important piece of legislation. It will make a threefold attack on the problem of health care of the chronically ill and aged by: (1) Providing construction grants for nursing homes; (2) authorizing grants to States and, through them, to the communities to improve health services outside of the hospital; and (3) authorizing hospital research grants, including grants for the construction and equipping of experimental demonstration hospitals and other facilities.

I should also like to talk briefly about another bill we have pending which we think is extremely important. These are the proposals embodied in the legislation introduced by Senator Hill and a number of other Senators, S. 1072.

This is the bill that provides for construction grants and scholarships for medical and dental schools and students. Hearings on this legislation have been held before the Senate Committee on Labor and Public Welfare. The enactment of this legislation would be of great value in the long run in making more adequate medical services available to the aged. It encompasses, first, an immediate program of grants to help in the planning of new medical and dental schools and to find ways of improving the whole educational process; second, a 10-year program of matching grants to help in the construction, expansion, and restoration of medical and dental schools to increase their capacity and, third, a program of Federal scholarships for talented medical and dental students and, tying into this, grants to the participating institutions.

The general shortages of personnel in the health field are well known to everyone that studies this area. The reasons are several, a major reason being that modern medical and dental schools and teaching are more expensive to establish and expand and operate.

If we are going to provide health and medical services to the aged in the future, we must do something about providing the physician services to adequately deal with their health needs.

As you know, the Bane report, which was made last year, indicates that unless there is a new, vigorous program to expand the number of physicians and dentists in this country, we may very well have a tremendous shortage if we are to meet not only the problems of the total community but the special problems of the aging with which you are concerned.

Now I would like to touch briefly on some of the work that is being done in the National Institutes of Health because I believe this is an

extremely important area for yielding some of the basic research findings that are necessary. Within the National Institutes of Health, there are two research laboratories in aging. One, the Gerontology Branch in Baltimore with a splendid record of research in the physiological aspects of aging, and the other in Bethesda, investigating age changes in psychological capacities and functions.

The large-scale, intensive researches in chronic disease and mental illness, carried on within the National Heart Institute, the National Cancer Institute, the National Institute of Mental Health, and elsewhere within the National Institutes of Health, or which they support through grants, all have special significance for aging and older persons because these conditions reveal their greatest prevalence during the middle and later years of life. Increasingly, these researches are giving specific attention to the role of age itself as a factor in disease.

In addition, there is a center for aging research within the Division of General Medical Sciences which stimulates and supports research in the health-related aspects of aging that fall outside the purview of the categorical research institutes.

While all of these actions represent progress, we still have a long way to go. We have been encouraging, and shall continue to encourage, research workers and research institutions to submit more applications in the field of aging and shall urge the support of these applications when we can.

Before I leave the topic of research, I should like to add that, from my own point of view, we have given too little attention to the economic, political, sociological, and other human and social aspects of aging.

We shall probably add 3 more years to average life expectancy by 1975 and between 4 million and 5 million more people to our older population, and I am hopeful that we shall have done much to alleviate the effects of chronic disease and the aging process.

Our progress along these lines makes it all the more compelling that we increase our knowledge of the factors that make for a satisfying old age, of the adaptations of our social institutions and the economy to the rising older population, and of ways in which the interest and energy of older people can be used to the advantage of the Nation.

Specifically, we need to know much more than we do about such matters as:

Which workers should continue in employment and which should retire?

How can workers best be prepared for retirement?

What changes in motivation and the learning process need to be taken into account in setting up vocational training and rehabilitation programs for middle-aged workers?

What are the best living arrangements for older presons, particularly for the single and widowed half of the population and how do they react to the various kinds of special housing being provided at the present time?

What are the effects of concentrating older people in special housing, recreation centers, and adult education programs as opposed to integrating them within housing and programs for everyone?

What do older people themselves prefer?

Will older people organize as pressure groups as current trends seem to indicate?

What influence will they have on taxation and bond issues for schools and other facilities and programs for children in the communities?

How can we change public attitudes in order to create a more positive image of aging that will result in a greater willingness to employ them and to utilize their energies in voluntary community service?

These are only a small sample of the scores of problems and questions on which we need more information.

Last month, President Kennedy transmitted to the Congress a proposal for the establishment of a National Institute of Child Welfare and Human Development, which would include the Center for Aging Research, and would raise the status of the Division of General Medical Sciences of the National Institutes of Health to that of a National Institute of General Medical Sciences.

These proposals were made in response to recommendations from groups of expert consultants. The two proposals were incorporated in legislation introduced by Senator Hill (S. 2269) and Congressman Harris (H.R. 8398). The new Institutes would afford additional facilities for conducting research on aging and for the provision of research and training grants to colleges, universities, professional schools, and other appropriate agencies.

In my opinion, it would accelerate very materially the answer to many of these questions. There is total concern about the evaluation of human personality from birth through the whole process of youth, middle-age and aging and I think our knowledge would be materially enhanced through this action.

In conclusion, Mr. Chairman, I would like to summarize my remarks and my testimony as follows:

I believe that over the years, since the problem of aging first came to national attention, we have made considerable progress in accumulating some basic information about our older citizens and their needs.

In some areas, such as provision of income security, health facilities, and rehabilitation, we have made some solid progress in finding the directions in which we wish to go and in getting effective programs into action. In other areas, we have done a good deal of exploration the results of which we are now translating into guidelines and proposals for action.

The first National Conference on Aging in 1950 led to a first nationwide recognition of the need for broad-scale action.

The White House Conference on Aging, along with the work and the studies of the Senate Subcommittee on Problems of the Aged and Aging and of your Special Committee on Aging, are providing the basis for a definite blueprint for action.

There are many splendid projects and programs around the country that help to point the way in which we should be moving.

My second thought is, then, that we, in the Department of Health, Education, and Welfare, are really ready to go, that our States and communities are ready to move—as, indeed, many of them are moving—as we extend and strengthen the programs we have and as we begin to implement the actions proposed by the new administration and supported by the Congress.

New starts and new experiments, in my opinion, must be extended to every community in the Nation by means of increased support of existing programs, demonstration projects, the addition of facilities, and the training of professional and technical personnel in every field of service essential to the welfare of our aging, older, and aged people.

Finally, we must encourage and support continuing research and program evaluation in order that we may intensify our understanding of the aging process, alleviate the unhappy circumstances that afflict too many of our older people today, and learn to recognize longer life as an asset to the Nation and our older people as one of our greatest national resources.

I would like to ask Dr. Kent now to summarize his statement.

Senator RANDOLPH. Yes. Dr. Kent.

Dr. KENT. My previous work in research as a Director of the Institute of Gerontology and my work as Chairman of the Commission on Aging together with my service with the National Advisory Committee of the White House Committee on Aging brought me into close association with many of the Federal persons that operate programs in aging. This association and experience has increased my respect and admiration for a very competent group of devoted civil servants.

At the White House Conference on Aging, one overriding theme was the need for action.

This theme Mr. Cohen has also developed today. I agree that it is high time that we have action. We test ourselves not in debate but test ourselves in action. But let us not forget that in a democracy we must go through the process of study and talk in trying to reach the stage where people recognize the problem, understand the solutions and are willing to provide the necessary support.

We must have action on behalf of welfare of our older people now and in the future but I hope, too, that we will always base our action on adequate study, thought, testing, and evaluation of priorities.

I might say in this regard that if a choice had to be made between this administration's medical care program and the planning and stimulating and coordination of programs of which I shall speak in my testimony, the choice to me would be obvious. The medical care program would take top priority. However, I feel these are not the alternatives we face. Older people need medical care and adequate income, they need suitable housing, they need job opportunities, but they also need a place at the Federal, State, and local governments where all of their needs are viewed at in totality, where they are viewed as a total person.

That we are ready to move forward is due in large measure to many individuals and groups and particularly the Special Staff on Aging and its predecessor units.

As I view the development of aging programs, it seems to me there are three stages. Mr. Cohen pointed out the first which was the National Conference on Aging in 1950. This was primarily a conference of experts and professionals. Following this, a Committee on Aging was set up. From this Committee on Aging came a second stage. The development of research programs, community projects and understanding led in 1956 to the establishment of a Special Staff on Aging in the Department of Health, Education, and Welfare.

The third stage came with the enactment of the White House Conference legislation and the work of the Senate Special Subcommittee on Aging. These activities have resulted in tens of thousands of people at the community level becoming involved in aging programs. It has resulted in tremendous interest and concern on the part of all of our citizens and it has culminated in the White House Conference in a body of recommendations which provide support and plans for future action.

Now, where do we go? Let me summarize in broad terms.

At the Federal and State governmental levels, I believe we need to strengthen and, in some States, to create the agency whose responsibility it is to stimulate, encourage, assist, and coordinate the multitude of scattered programs and activities in aging. We need to put back together the picture of the older person as a whole person.

At the Federal level this Department is redefining the goals, objectives, and functions of the special staff. In this plan I intend not only to draw upon the good counsel of my colleagues in government but also to seek the advice of thoughtful and informed persons throughout the country.

I hope to establish a panel of consultants to assist in developing sound and imaginative programs. If, after careful study it is concluded it is necessary to reorganize and expand the staff both in Washington and in the regional offices, I shall not hesitate to recommend this to the Secretary.

As a former State official, I know how important it is to exchange information with those operating similar programs. I hope to bring together the officials of the State agencies to develop better programs, both within the State and Federal Government. At the State level, only 29 of the 53 jurisdictions have created permanent State agencies to stimulate and coordinate activity in aging. In 13 of the remaining States, a temporary body established for the White House Conference is still in existence.

I believe the State agencies are essential and that the staff should encourage this formation in each State. They, in turn, should stimulate organization and activity at the local level.

People live in communities, and therefore program services and facilities for older persons must be available and to the maximum extent possible should be established and operated by the community.

Another of a series of problems with which we are concerned is the need for more research and professional trained personnel for research and providing specialized service for older persons. We feel much can be done to encourage applications for research and training that can be supported from funds now available within the Department.

I have been told that our current international problems make this a bad time to recommend new programs that require Federal expenditures. But it seems to me that there would be a tremendous net gain if we can create a situation which frees and makes available to the nation the vast potential of skill, knowledge, and wisdom of our almost 17 million older Americans. If we make it possible for our senior citizens to heed the admonition of the President, to ask what they can do for our country, we must think boldly and constructively.

Why shouldn't our older people serve in the Peace Corps? Why shouldn't we create a senior service corps for projects within our country? Why shouldn't we create special arrangements for part-time work? Why shouldn't we make it possible for older citizens to play more active roles in community, civic, and political affairs?

This means that we must change the concept programs in the field of aging from one that emphasizes doing things for older persons to one that gives more importance to older people doing things for themselves, for the community and for the Nation.

Senator RANDOLPH. May I interrupt at that point?

Dr. KENT. Yes, Senator Randolph.

Senator RANDOLPH. I remember during my own Senate campaign for the unexpired term in 1958, following a meeting in Greensboro County, a little lady, very alert and eager, came up quickly and talked with me concerning a particular issue I had raised. With much animation and a real desire to be helpful, she said, "Mr. Randolph, you know we must do something about this." She was 87 years of age and she was saying we must do something about this. It was an attitude that I wish more would possess at an even earlier age.

Dr. KENT. I think, Senator Randolph, instances like that can be multiplied. The aged do want to be of service, they do want to play a part.

In my prepared statement I indicate some of the things that the staff has already accomplished. The list is long and I shall not go into it now.

To my right are a few of the publications that have been published within the past 18 months by the special staff on aging. Most of these are in connection with the White House Conference on the Aged.

There are other steps that have been taken that are very important. Secretary Ribicoff, shortly after taking office, recommended and both the House and Senate in the pending appropriation bill have approved making permanent the positions of the regional representative on aging.

This has made possible the continued encouragement and coordination of State agencies. It has also made possible technical assistance, materials, and consulting assistance to States, communities, and local organizations in developing programs for older citizens.

The staff has continued its compilation of directories of information on State agencies.

In terms of future activities, I believe that the Department's staff on aging must play a significant role in the executive branch of the Federal Government but it is only as it facilitates the development and implementation of programs that it becomes meaningful.

The staff on aging should be primarily a staff unit. Its main function should involve stimulation, advice, assistance, and coordination based upon study and analysis and knowledge and planning. It should not do the job of any operating agency but should in relationship with each agency be both teacher and student, critic and defender, beneficiary and support.

In keeping with our philosophy of responsibility shared by the individual, private organization, and all levels of Government, the staff should stimulate the establishment and support the work of com-

parable planning and coordinating units and groups at the State and community level.

We must encourage the greater involvement of voluntary organizations and we must assist in making it possible for older persons to make their maximum contribution to their own welfare and the welfare of the community.

I have listed some of the specific functions and activities in my prepared statement which indicate from the experience of the special staff on aging of the past decade, the kind of calls we have, the kind of activities we perform. Briefly, these include giving advice to the Secretary; it includes work with Federal counsel, work with other Federal agencies and work with the States and communities.

In essence, our big job is trying to bridge the gap that exists between what we know is desirable and what is practice.

We know a great many services that make for independent living, that make for meaningful life for older persons but they tend to be scattered. One community will have one and another community will have another. We are going to try to arrive at a situation where our communities have a full range of services providing greater opportunities for our older people.

This will involve the special staff giving technical assistance and expansion of our public information activities, not curtailing our present activity in terms of professional publication, but we must also consider the possibility also of a series of publications direct to older persons themselves and to persons working in communities.

Let me, in conclusion, indicate that in developing and carrying out these plans I intend to draw upon the good counsel of thoughtful and informed persons throughout the country. Consequently, the specifics and plans I have presented may be modified by the suggestions and advice of committees, the advice of experts, and practical experiences of running the national aging program.

For many years I have been a university professor. I have had many students that did extremely well. Many demonstrated a capacity far exceeding my own when I sat in their seats but no matter how excellent the job they did, I did not say, "Enough." It was my job to urge them to perform to their limits.

Similarly, I am sure our staff and agencies will make excellent progress in the field of aging, but we can never be completely satisfied. We will want more, we will want better and we will want it faster.

Thank you, Mr. Chairman.

Senator RANDOLPH. Dr. Kent, you have been chairman of a State commission on aging?

Dr. KENT. Yes, sir.

Senator RANDOLPH. We think in terms of an action program that will embrace the State levels and the Federal Government.

Now, do you have any specific comments other than to say there is a need for cooperation?

Dr. KENT. There is a need, very definitely, for cooperation, Senator Randolph, but there are certain specific things I think the Federal Government can do.

Let me draw upon my experience in operating a State agency. Each year I had to make recommendations to the Governor and gen-

eral assembly. Had there been a list of proposals enacted by other State legislatures, this would be helpful. Again, regularly in operating a State agency I received requests from communities which asked "How do we go about organizing a day center for older persons or a referral center? What patterns of organization do they take?" If there were information available either through the regional representatives or through the special staff on aging giving plans for organizing and operating programs, my work would have been more productive. In short, I think we, at the Federal level, can give technical assistance, we can act as a clearinghouse for information. This will be a two-way street in which I think the Federal Government will also profit.

Senator RANDOLPH. Have the State commissions decreased or increased since the White House Conference?

Dr. KENT. They have decreased. Apparently, there are 29 of the 53 jurisdictions that have permanent ones. I can find and put in the record the exact comparison for before the White House Conference and now, sir.

(The information is as follows:)

During the preparations for the 1961 White House Conference on Aging, all 53 participating jurisdictions (the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands) had some form of State commission. Thirty were temporary bodies set up for this specific purpose and 23 were permanent organizations, of which 19 had been established by legislation and 4 by administrative action.

Since the White House Conference, the total number of commissions has decreased by 10, from 53 to 43, but the number of permanent State commissions has increased from 23 to 29, of which 23 were established by legislation (an increase of 4) and 6 by administrative action (an increase of 2). In the remaining 24 States, 14 of the temporary commissions have remained active without any further official action and 10 have become inactive.

The situation as of August 21, 1961, is as follows:

Permanent (total, 29):

By legislation (23):

Alabama	Maryland	Rhode Island
California	Massachusetts	Tennessee
Connecticut	Michigan	Utah
Delaware	Minnesota	Virginia
Illinois	New Hampshire	Wisconsin
Indiana	New Jersey	Puerto Rico
Louisiana	New York	Virgin Islands
Maine	Oregon	

By administrative action (6):

Colorado	Pennsylvania	Washington
North Carolina	Oklahoma	Vermont

Temporary (14):

Alaska	Idaho	South Carolina
Arizona	Kentucky	Texas
Arkansas	Montana	Wyoming
Georgia	Nevada	West Virginia
Hawaii	New Mexico	

Inactive (10):

District of Columbia	Mississippi	Ohio
Florida	Missouri	South Dakota
Iowa	Nebraska	
Kansas	North Dakota	

Senator RANDOLPH. Are there improvements, that you believe could be effected in the commissions systems, that is, the State-by-State commissions?

Dr. KENT. Yes, sir.

Senator RANDOLPH. You might place that in the record rather than discuss it now but there may be specific measures that you would recommend in the area.

Thank you, Dr. Kent.

Dr. KENT. The importance of State commissions on aging cannot be overemphasized. It is the goal of the Special Staff on Aging to encourage and support the establishment of permanent commissions on aging in every State and territory in accordance with the White House Conference on Aging recommendations. Since the policy statement and recommendations adopted by the Section on State Organization at the Conference represent the best guides, they might well be quoted here:

SECTION 18. STATE ORGANIZATION

POLICY STATEMENT AND RECOMMENDATION

NEED

The States are heavily involved in programs affecting older persons. Major services and benefits are provided by various State agencies and private organizations. In this situation problems of coordination, communicaiton, and conflict inevitably arise. There is a real need, therefore, for an overall view and approach.

The older persons with whom the States are concerned are not simply those who are indigent, nor the small proportion who live in State-operated or State-supervised institutions. The problems that come with age sooner or later confront most older people, touch every family, and relate to every aspect of life—income, health, rehabilitation, housing, employment, recreation—all of which are interrelated. Existing State activities affecting the older person, however, are organized primarily on a program rather than a clientele basis. This may result in omissions, lack of focus, and lack of proper emphasis on the needs of older individuals. Those who seek help or information often do not know where to turn.

Recommendation

In each State there should be established a permanent unit (office, commission or agency) on aging, to provide statewide leadership in programs for the aging.

FUNCTIONS

For a State unit on aging to work effectively, its role and functions must be clearly defined and sufficiently broad.

Recommendations

The responsibilities of such a State unit should include at least the following:

(*a*) To provide a mechanism by which governmental and nongovernmental agencies can coordinate their plans, policies, and activities with regard to aging. A minority of 44 percent voted that this recommendation read as follows: To provide a mechanism by which the several governmental and nongovernmental agencies can coordinate their plans, policies, and activities with regard to aging.

(*b*) To create public awareness and understanding of the needs and potentials of older persons.

(*c*) To gather and disseminate information about research and action programs, and provide a clearinghouse for current plans and ongoing activities.

(*d*) To encourage State departments, universities, and other appropriate agencies, and other groups concerned with problems of aging.

(*e*) To stimulate training for workers engaged in services to the aging.

(*f*) To stimulate, guide, and provide technical assistance in the organization of local or regional councils or units on aging, and in the planning and conduct of services, activities, and projects.

(*g*) To cooperate with the Federal Government, local governments, voluntary agencies, and other groups concerned with problems of aging.

(*h*) To recommend legislative and administrative action on behalf of the aging.

STRUCTURE

There has been considerable experimentation with the structure and location of State units on aging in past years. Frequently two or more organizations have been functioning side by side. While it always will be necessary to adopt the pattern to the needs of the individual State, the following may provide a helpful guideline.

Recommendations

1. The State unit on aging should be established by legislative action on a continuing basis as an official part of State government.
2. The unit on aging should be independent of existing State agencies.
3. There should be established an advisory group with wide citizen participation representative of all major interests and agencies in the State, including voluntary and public groups working with the aged.
4. There should be interdepartmental representation from all State agencies concerned, either on the advisory group or as a companion committee.
5. There should be adequate, qualified staff attached to the unit to carry out its function.

FUNDS

Most existing State units on aging have been seriously handicapped by lack of funds for staff, travel expenses, publications, mailing, consultants, and other activities. Reliance upon voluntary help or part-time assistance from other departments is impractical and even unjustifiable on a continuing basis. It would seem that the contributions such a unit can make to improved status and prospects of older persons would warrant the funds necessary for its adequate support.

Recommendations

1. Separate and identifiable funds should be provided for the unit on aging. In order for the State unit to be able to make use of available funds, proper enabling legislation is required.
2. The State unit on aging should be authorized to accept, disburse, and allocate funds which may become available from governmental and private sources, in accordance with applicable State fiscal procedures.

The major direct services for older persons are not rendered by the special organizational unit but by the several State agencies which serve the whole population. This reflects and supports the principle of coordinating social and physical planning to meet the needs of the entire community.

3. Adequate staff and budget should be provided to finance activities for the aging not only in the central unit but also in existing State agencies which have programs related to aging.

FEDERAL-STATE RELATIONS

During the last decade, the Federal Government has been a major source of leadership and a spur to the States in development of programs for the aging. Preparations for the White House Conference, including State grants, have resulted in State planning groups in all States. Programs in aging in the States are related to Federal programs of which they may be administrative counterparts and from which they draw varying degrees of support. Federal research, publications, and staff can meet needs common to most States and thus supplement the limited resources available in the States.

Recommendations

1. Federal technical assistance should be provided to the States.
2. Consideration should be given by the Federal Government to the establishment and increase of grants-in-aid to States to promote and expand services to the aged.

Senator RANDOLPH. Mr. Cohen, returning to your discussion, you mentioned several times the effort at the community level in one phase of this program or another.

I remember when our Senate special subcommittee held hearings in San Francisco, in October 1959, that those of us who were holding the hearing there were impressed by what we learned concerning a homemaking or a homemakers service that was operating on very thin financial base, yet doing a remarkable job by keeping older people happy in their own homes. It was noted in the testimony received that the cost of institutionalizing such persons would have been greater than that of the homemakers service.

Now, the people there, I recall, wanted to have that service a part of the local health effort. At least they felt it could be so placed on a demonstration basis and I recall my agreement with Senator McNamara, who chaired the hearings, that some of the grants programs established by Congress in this field might be applicable to this particular instance.

In fact, we suggested that that service apply to your Department for a grant. Now, I am not sure what they did in this matter, but if application was made by them it might be interesting to know how it was processed, and what has followed in this specific case from its inception until I asked you this question today?

Mr. COHEN. Let me say first, Senator, that I think that the whole area of homemake services, home care programs, and visiting nurse programs are programs which have the highest priority in the whole field of organizing community services for aged people and for the chronically ill.

There are 106 communities in 38 States that have homemaker service programs and the total number of aged usually in such programs is 215.

Of these programs, 70 have been established since 1958. This sizable increase indicates how easily this type of program can be developed. I have here a tabulation, which you might like to insert in the record of the homemaker programs and the home care programs in the various States. I think this indicates that much more can be done and under the community health facilities and services bill that I referred to, a great acceleration of this can take place. I think it would be a program that would have the very high regard.

I would like to put those in the record. I think they are very illuminating, especially if you are going to have hearings out in the communities. They will indicate what States have done already and what States have not been doing enough. I am very sure more can be done in the next 5 years in this whole field.

Let us take visiting nurse service. I think the potentiality of keeping people in their own home, keeping them out of hospitals, by having nurses visit them in their own homes has not yet been fully maximized. We have a record here of 300 communities with population of 25,000 or over which have visiting nursing service but there are still many communities that do not have such service, and I would think that it would be very desirable if those communities could be encouraged both by example and by financial help to do so.

For instance, in my own State of Michigan, there are 16 communities with a population of 25,000 or more which have these visiting nurse services. I am sure many more could be started.

I know from my own participation in the aging groups there that there are community nurses; that there are potentialities in the State

of Michigan for expanding it much more, with leadership and funds and I think Dr. Kent and I intend during this coming year with the passage of this legislation to see that more effective action is taken on this matter throughout the country.

To go back to your specific question on San Francisco, the proposal for a homemaker services project was received by the Public Health Service's heart disease control program on June 26, 1961. It is receiving active consideration, including a site visit in San Francisco by a member of the staff of the Long Term Illness Branch, for joint support by these two programs. However, no final action can be taken until the Congress approves the department's 1962 fiscal year appropriation which will provide operating funds for the Public Health Service Division of Chronic Diseases.

I might add that such projects would undoubtedly fit in with the proposed community health services bill that I have already mentioned.

Dr. SHEPPARD. Do we have any data about the relative cost per unit of one type of health service versus another for instance, home health service versus nursing home versus some other type?

Mr. COHEN. Yes. As a matter of fact, you may like to have this whole statement which deals with nursing homes, home health services, home care programs, homemaker agencies.

It was prepared in connection with pending legislation. It describes the existing agencies and the cost of each of the components with data by State. I would be glad to submit that if you would like it.

Dr. SHEPPARD. Yes, we would.

(The statement referred to above follows:)

HOSPITALS

General hospitals.—The State Hill-Burton planning agencies reported 695,000 general hospital beds of which 620,000 were rated as acceptable on the basis of fire and health hazards (table A). To meet the objectives of the individual State plans, approximately 158,000 additional beds are needed. The acceptable beds plus the additional beds needed would provide a ratio of 4.4 beds per 1,000 population.

Chronic disease hospitals.—For chronic disease hospitals, the Hill-Burton agencies report 56,000 beds of which 49,000 are rated as acceptable. Some 248,000 additional beds are needed for this type of facility which with the acceptable beds would bring the total to 297,000 beds and a ratio of 1.7 per thousand population (table B).

Participation by hospitals

Hospitals accredited by the Joint Commission on Accreditation are as follows:

	Hospitals	Beds
Total number	6,927	672,161
Accredited	2,813	524,651
Percent accredited	40.6	78.1

Hospitals with less than 25 beds, however, are not accredited and some larger hospitals elect not to apply for accreditation. Therefore, the Secretary is authorized to approve other hospitals that meet the standards specified in the act.

Costs of hospital care

The costs will vary from hospital to hospital but will average about $30 per day per patient.

NURSING HOMES

Availability of nursing homes

The Hill-Burton State planning agencies reported 326,000 nursing home beds of which 181,000 are considered acceptable on the basis of fire and health hazards. An additional 266,000 beds are needed which with the presently acceptable beds will bring the ratio of beds to population to a desirable level (table C).

Participation by nursing homes

The number of acceptable beds (181,000) reported by the Hill-Burton agencies is about the same as the number estimated by the Public Health Service to be under the supervision of registered nurses, which is a requirement of the act. Inasmuch as there is no national accreditation program in effect, a determination will have to be made for each of the nursing homes to assure compliance with the specifications.

Costs of nursing home care

As is the case for hospital care, the cost in nursing homes will vary from one home to another. The range will probably be from less than $3 to more than $13 a day with the average at about $10 a day.

HOME HEALTH SERVICES

The types of agencies which arrange for home health services include community nursing services, home care programs, and homemaker service agencies.

Public health nursing

In 1957, there were 8,200 public health agencies that employed some 29,400 public health nurses (table D–1). Of these 3,500 were local agencies—official, combination (i.e., official and visiting nurse agencies), and nonofficial—employing 18,000 public health nurses. Not all of these, however, give bedside care.

A 1959 study of visiting nurse associations and combination agencies which do give bedside care, showed that 301 cities with population of 25,000 and over had such agencies and 193 did not (table D–2). The charge for nursing visits varies—for instance, in New York City it is $5 and in Detroit, $6.

Home-care programs

Only 45 communities now have home-care programs. The total number of programs is 91 (table E). Of these, 93 are comprehensive programs providing a wide range of services. These programs are intended to meet the needs of a homebound patient who requires more than physician care. Such programs may be administered by a hospital, visiting nurse association, health department, or other agency. The program centralizes responsibility for the administration and coordination of a battery of services the patient needs.

Home-care programs, for the most part, have limited their services to needy or very low income families. Their efficacy, however, has been widely demonstrated and in recent years Blue Cross associations have stimulated the development of home care programs in New York City, Detroit, Lyons County in Kansas, Rochester, N.Y., and in Montclair, Newark, and Orange, N.J. Inclusion of home-care programs in the benefit package will, like the Blue Cross experience, encourage other communities to develop programs.

The cost of home care varies from $4 to $7 per day depending upon the comprehensiveness of the services included.

Homemaker agencies

One hundred and sixty-three communities in 38 States have homemaker service programs (table F). The total number of agencies with such programs is 215, of which some 85 do not provide service to adult families. Of the 215 programs, 70 have been established since 1958. This sizable increase indicates how much more easily this type of program can be developed than one which must employ large numbers of professionally trained personnel.

Homemaker services are a substitute for the personal care and homekeeping duties that adult family members would ordinarily perform if they were available and able to do them. Homemaker services in the health insurance program will have two major functions: (1) providing personal care to ill and disabled persons; and (2) helping "keep" the home during a period of illness. The personal care services which the homemakers can be trained to perform include: helping a patient practice exercises which the patient and homemaker have been taught by the physician, visiting nurse, physical or speech therapist; helping a

patient learn to walk with crutches; helping a patient with bath, care of mouth, skin, and hair; and preparing a regular or special diet.

The charges for homemaker service will vary from agency to agency as wage scales differ in various parts of the country. In 2 programs which serve only chronically ill and older persons the average number of hours per closed case are 100 and 92, respectively. Charges are $1.50 and $1.75 per hour, making an average cost per case (spell of illness) of $150 and $161. In a third agency, the average number of hours is 150 and the charge $1.50 per hour or an average cost per case of $225.

HOSPITAL AND MEDICAL FACILITIES IN THE UNITED STATES, AS OF JAN. 1, 1961, ACCORDING TO STATE HOSPITAL PLANS APPROVED UNDER THE HOSPITAL AND MEDICAL FACILITIES SURVEY AND CONSTRUCTION PROGRAM

TABLE A.—*General hospital beds—Showing existing beds, additional need, and total need, by States and regions*

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	
		Number	Rate per 1,000 population				
United States and possessions	694,696	619,666	3.50	75,030	158,415	0.89	778,081
United States	687,227	613,781	3.51	73,446	153,610	.88	767,391
New England	41,112	34,335	3.42	6,777	10,779	1.07	45,114
Connecticut	8,600	8,392	3.49	208	633	.26	9,025
Maine	4,006	2,801	3.00	1,205	1,049	1.12	3,850
Massachusetts	21,128	16,681	3.40	4,447	7,612	1.55	24,293
New Hampshire	2,363	1,880	3.26	483	378	.66	2,258
Rhode Island	3,271	3,259	3.88	12	779	.93	4,038
Vermont	1,744	1,322	3.57	422	328	.89	1,650
Middle East	166,921	147,141	3.69	19,780	28,489	.72	175,630
Delaware	1,687	1,595	3.58	92	412	.92	2,007
District of Columbia	4,298	4,298	5.25				4,298
Maryland	9,131	7,578	2.55	1,553	3,102	1.04	10,680
New Jersey	19,490	18,593	3.16	897	7,428	1.26	26,021
New York	72,574	64,307	3.91	8,267	8,583	.52	72,890
Pennsylvania	51,520	43,514	3.85	8,006	7,350	.65	50,864
West Virginia	8,221	7,256	3.69	965	1,614	.82	8,870
Southeast	129,573	114,514	3.19	15,059	43,797	1.22	158,311
Alabama	10,985	10,138	3.20	847	1,843	.58	11,981
Arkansas	6,591	5,869	3.39	722	1,652	.95	7,521
Florida	16,591	14,426	3.09	2,165	6,611	1.41	21,037
Georgia	13,997	11,360	3.02	2,637	5,592	1.48	16,952
Kentucky	10,405	9,826	3.19	579	2,181	.71	12,007
Louisiana	12,622	11,906	3.79	716	2,238	.71	14,144
Mississippi	8,117	6,411	2.96	1,706	2,949	1.36	9,360
North Carolina	16,484	13,522	3.04	2,962	7,898	1.77	21,420
South Carolina	7,639	6,636	2.81	1,003	4,152	1.76	10,788
Tennessee	13,368	11,968	3.44	1,400	3,784	1.09	15,752
Virginia	12,774	12,452	3.22	322	4,897	1.27	17,349
Southwest	52,701	48,197	3.53	4,504	13,898	1.02	62,095
Arizona	4,866	4,356	3.59	510	1,622	1.34	5,978
New Mexico	2,957	2,579	3.02	378	1,183	1.39	3,762
Oklahoma	9,799	9,417	4.20	382	905	.40	10,322
Texas	35,079	31,845	3.41	3,234	10,188	1.09	42,033
Central	183,780	166,036	3.57	17,744	38,053	.82	204,089
Illinois	40,170	33,919	3.34	6,251	9,348	.92	43,267
Indiana	14,448	12,062	2.61	2,386	6,806	1.47	18,868
Iowa	12,316	11,014	3.91	1,302	2,678	.95	13,692
Michigan	29,794	25,661	3.23	4,133	8,350	1.05	34,011
Minnesota	16,001	15,453	4.55	548	1,100	.32	16,553
Missouri	19,405	18,340	4.32	1,065	877	.21	19,217
Ohio	34,712	33,335	3.58	1,377	6,783	.72	40,118
Wisconsin	16,934	16,252	4.06	682	2,111	.52	18,363

See footnotes at end of table.

TABLE A.—*General hospital beds—Showing existing beds, additional need, and total need, by States and regions*—Continued

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	
		Number	Rate per 1,000 population				
Northwest	39,850	33,726	3.72	6,124	8,025	0.89	41,751
Colorado	6,991	5,285	3.15	1,706	2,266	1.35	7,551
Idaho	2,485	1,745	2.65	740	850	1.29	2,595
Kansas	9,381	7,697	3.66	1,684	1,331	.63	9,028
Montana	3,507	3,299	4.84	208	387	.57	3,686
Nebraska	6,382	5,945	4.12	437	709	.49	6,654
North Dakota	3,346	3,093	4.84	253	349	.55	3,442
South Dakota	3,204	2,799	4.04	405	447	.65	3,246
Utah	3,004	2,501	2.90	503	1,416	1.64	3,917
Wyoming	1,550	1,362	4.41	188	270	.87	1,632
Far West	73,290	69,832	3.51	3,458	10,569	.53	80,401
Alaska	887	613	3.90	274	143	.91	756
California	52,775	52,775	3.69	----------	4,905	.34	57,680
Hawaii	2,351	1,891	3.16	460	683	1.14	2,574
Nevada	1,167	980	3.60	187	416	1.53	1,396
Oregon	6,846	5,257	2.99	1,589	1,823	1.04	7,080
Washington	9,264	8,316	3.01	948	2,599	.94	10,915
Possessions	7,469	5,885	2.45	1,584	4,805	2.00	10,690
Guam	161	161	4.13	----------	13	.33	174
Puerto Rico	7,174	5,590	2.39	1,584	4,792	2.05	10,382
Virgin Islands	134	134	5.58	----------	----------	----------	134

[1] As classified by the State agencies on the basis of fire and health hazards.
[2] According to ratios prescribed in the Public Health Service Act, as follows: General, 4.5 beds per 1,000 population (except 5 and 5.5 where State population density is from 6 to 12 per square mile or below 6 per square mile), except where reduced by unassigned reserve beds.

TABLE B.—*Chronic disease hospital beds—Showing existing beds, additional need, and total need, by States and regions*

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]	
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	Number	Rate per 1,000 population
		Number	Rate per 1,000 population					
United States and possessions	55,671	49,609	0.28	6,062	247,543	1.40	297,152	----------
United States	55,249	49,223	.28	6,026	243,128	1.39	292,351	----------
New England	8,066	4,973	.50	3,093	14,512	1.45	19,485	----------
Connecticut	1,099	1,099	.46	----------	3,709	1.54	4,808	2.00
Maine	180	65	.07	115	1,805	1.93	1,870	2.00
Massachusetts	5,882	2,904	.59	2,978	6,904	1.41	9,808	2.00
New Hampshire	----------	----------	----------	----------	577	1.00	577	1.00
Rhode Island	905	905	1.08	----------	777	.92	1,682	2.00
Vermont	----------	----------	----------	----------	740	2.00	740	2.00
Middle East	15,851	15,327	.38	524	44,181	1.11	59,508	----------
Delaware	750	750	1.68	----------	142	.32	892	2.00
District of Columbia	125	125	.15	----------	1,513	1.85	1,638	2.00
Maryland	2,670	2,670	.90	----------	301	.10	2,971	1.00
New Jersey	515	515	.09	----------	5,367	.91	5,882	1.00
New York	6,538	6,481	.39	57	26,413	1.61	32,894	2.00
Pennsylvania	4,347	3,880	.34	467	7,423	.66	11,303	1.00
West Virginia	906	906	.46	----------	3,022	1.54	3,928	2.00

See footnotes at end of table.

TABLE B.—*Chronic disease hospital beds—Showing existing beds, additional need, and total need, by States and regions*—Continued

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]	
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	Number	Rate per 1,000 population
		Number	Rate per 1,000 population					
Southeast	6,443	5,794	0.16	649	60,768	1.69	66,562	
Alabama	180	180	.06		6,156	1.94	6,336	2.00
Arkansas	179	179	.10		1,554	.90	1,733	1.00
Florida	935	716	.15	219	8,632	1.85	9,348	2.00
Georgia	381	381	.10		7,153	1.90	7,534	2.00
Kentucky	499	449	.15	50	5,711	1.85	6,160	2.00
Louisiana	523	523	.17		5,763	1.83	6,286	2.00
Mississippi	166	140	.06	26	4,186	1.94	4,326	2.00
North Carolina	704	545	.12	159	8,359	1.88	8,904	2.00
South Carolina	189	189	.08		4,537	1.92	4,726	2.00
Tennessee	2,002	1,807	.52	195	1,676	.48	3,483	1.00
Virginia	685	685	.18		7,041	1.82	7,726	2.00
Southwest	2,457	2,169	.16	288	23,325	1.71	25,494	
Arizona	213	213	.18		2,211	1.82	2,424	2.00
New Mexico	519	519	.61		1,616	1.89	2,135	2.50
Oklahoma	650	575	.26	75	1,666	.74	2,241	1.00
Texas	1,075	862	.09	213	17,832	1.91	18,694	2.00
Central	12,137	11,310	.24	827	77,111	1.66	88,421	
Illinois	3,900	3,702	.36	198	16,612	1.64	20,314	2.00
Indiana	435	435	.09		8,825	1.91	9,260	2.00
Iowa	1,160	1,110	.39	50	3,315	1.18	4,425	1.57
Michigan	1,656	1,626	.20	30	14,266	1.80	15,892	2.00
Minnesota	597	597	.18		2,797	.82	3,394	1.00
Missouri	1,447	1,447	.34		7,035	1.66	8,482	2.00
Ohio	1,699	1,159	.12	540	17,487	1.88	18,646	2.00
Wisconsin	1,243	1,234	.31	9	6,774	1.69	8,008	2.00
Northwest	1,725	1,699	.19	26	14,506	1.60	16,205	
Colorado	125	125	.07		3,229	1.93	3,354	2.00
Idaho	37	37	.06		1,281	1.94	1,318	2.00
Kansas	196	196	.09		4,012	1.91	4,208	2.00
Montana	237	237	.35		1,127	1.65	1,364	2.00
Nebraska	587	561	.39	26	1,521	1.05	2,082	1.44
North Dakota	100	100	.16		1,178	1.84	1,278	2.00
South Dakota	42	42	.06		650	.94	692	1.00
Utah	386	386	.45		905	1.05	1,291	1.50
Wyoming	15	15	.05		603	1.95	618	2.00
Far West	8,570	7,951	.40	619	8,725	.44	16,676	
Alaska								
California	6,839	6,839	.48		4,600	.32	11,439	.80
Hawaii	708	169	.28	539			169	.28
Nevada					544	2.00	544	2.00
Oregon	743	663	.38	80	1,097	.62	1,760	1.00
Washington	280	280	.10		2,484	.90	2,764	1.00
Possessions	422	386	.16	36	4,415	1.84	4,801	
Guam					77	1.97	77	2.00
Puerto Rico	422	386	.17	36	4,290	1.83	4,676	2.00
Virgin Islands					48	2.00	48	2.00

[1] As classified by the State agencies, on the basis of fire and health hazards.

[2] According to ratios prescribed in the Public Health Service Act, as follows: Chronic disease, 2 beds per 1,000 population; except that, by regulations this standard may be reduced to not less than 1 bed per 1,000 population where nursing home beds are planned in lieu thereof. For summary of planning levels adopted, and combined planning levels for all long-term facilities, see footnote, table VI.

TABLE C.—*Nursing homes—Showing existing beds, additional need, and total need, by States and regions*

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]	
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	Number	Rate per 1,000 population
		Number	Rate per 1,000 population					
United States and possessions	325,790	181,065	1.02	144,725	265,883	1.50	446,948	
United States	325,376	180,712	1.03	144,664	263,823	1.51	444,535	
New England	34,741	10,034	1.00	24,707	19,622	1.96	29,656	
Connecticut	7,886	6,364	2.65	1,522			6,364	2.65
Maine	2,502	26	.03	2,476	2,779	2.97	2,805	3.00
Massachusetts	19,165	1,052	.21	18,113	13,660	2.79	14,712	3.00
New Hampshire	2,242	479	.83	1,763	1,663	2.88	2,142	3.71
Rhode Island	1,881	1,881	2.24		642	.76	2,523	3.00
Vermont	1,065	232	.63	833	878	2.37	1,110	3.00
Middle East	76,378	36,880	.93	39,498	58,111	1.46	94,991	
Delaware	186	186	.42		260	.58	446	1.00
District of Columbia	1,307	1,287	1.57	20	1,170	1.43	2,457	3.00
Maryland	4,595	1,730	.58	2,865	2,798	.94	4,528	1.52
New Jersey	10,040	6,603	1.12	3,437	16,133	2.74	22,736	3.87
New York	40,279	18,390	1.12	21,889	20,994	1.28	39,384	2.39
Pennsylvania	18,236	6,949	.61	11,287	15,657	1.39	22,606	2.00
West Virginia	1,735	1,735	.88		1,099	.56	2,834	1.44
Southeast	31,727	25,813	.72	5,914	64,784	1.81	90,597	
Alabama	905	762	.24	143	4,339	1.37	5,101	1.61
Arkansas	3,197	2,086	1.20	1,111	4,846	2.80	6,932	4.00
Florida	6,979	5,905	1.26	1,074	7,559	1.62	13,464	2.88
Georgia	2,738	1,424	.38	1,314	8,987	2.39	10,411	2.76
Kentucky	1,699	1,167	.38	532	3,343	1.09	4,510	1.46
Louisiana	4,208	4,208	1.34		5,221	1.66	9,429	3.00
Mississippi	1,929	1,600	.74	329	2,726	1.26	4,326	2.00
North Carolina	1,017	1,017	.23		12,339	2.77	13,356	3.00
South Carolina	1,589	860	.36	729	5,247	2.22	6,107	2.58
Tennessee	2,810	2,128	.61	682	8,321	2.39	10,449	3.00
Virginia	4,656	4,656	1.21		1,856	.48	6,512	1.69
Southwest	20,221	17,147	1.26	3,074	23,107	1.69	40,254	
Arizona	569	569	.47		643	.53	1,212	1.00
New Mexico	602	516	.60	86	1,521	1.78	2,037	2.39
Oklahoma	8,553	7,928	3.54	625	1,036	.46	8,964	4.00
Texas	10,497	8,134	.87	2,363	19,907	2.13	28,041	3.00
Central	101,811	44,192	.95	57,619	68,332	1.47	112,524	
Illinois	24,486	4,386	.43	20,100	23,778	2.34	28,164	2.77
Indiana	9,178	1,304	.28	7,874	3,881	.84	5,185	1.12
Iowa	8,634	2,086	.74	6,548	6,522	2.31	8,608	3.05
Michigan	9,315	4,733	.60	4,582	11,291	1.42	16,024	2.02
Minnesota	10,974	8,774	2.59	2,200	4,802	1.41	13,576	4.00
Missouri	15,136	8,618	2.03	6,518	3,025	.71	11,643	2.75
Ohio	15,591	9,077	.97	6,514	8,235	.88	17,312	1.85
Wisconsin	8,497	5,214	1.30	3,283	6,798	1.70	12,012	3.00

See footnotes at end of table.

TABLE C.—*Nursing homes—Showing existing beds, additional need, and total need, by States and regions*—Continued

State and socioeconomic region	Existing beds				Additional beds needed		Total beds needed [2]	
	Total	Acceptable		Non-acceptable [1]	Number	Rate per 1,000 population	Number	Rate per 1,000 population
		Number	Rate per 1,000 population					
Northwest	14,133	7,829	0.86	6,304	13,888	1.53	21,717	
Colorado	4,717	1,803	1.08	2,909	3,223	1.92	5,031	3.00
Idaho	1,574	519	.79	1,055	918	1.39	1,437	2.18
Kansas	765	380	.18	385	3,828	1.82	4,208	2.00
Montana	1,011	699	1.02	312	1,026	1.50	1,725	2.53
Nebraska	1,668	867	.60	801	2,152	1.49	3,020	2.09
North Dakota	836	631	.99	205	310	.49	941	1.47
South Dakota	1,046	700	1.01	345	1,020	1.47	1,720	2.49
Utah	2,096	2,096	2.43		612	.71	2,708	3.14
Wyoming	420	129	.42	291	798	2.58	927	3.00
Far West	46,365	38,817	1.95	7,548	15,979	.80	54,796	
Alaska	366	351	2.24	15	264	1.68	615	3.92
California	24,634	24,634	1.72		9,682	.68	34,316	2.40
Hawaii	598	255	.43	343	1,373	2.29	1,628	2.72
Nevada	475	321	1.18	154	495	1.82	816	3.00
Oregon	6,127	3,085	1.75	3,042	3,955	2.25	7,040	4.00
Washington	14,165	10,171	3.68	3,994	210	.08	10,381	3.76
Possessions	414	353	.15	61	2,060	.86	2,413	
Guam					39	1.00	39	1.00
Puerto Rico	414	353	.15	61	1,985	.85	2,338	1.00
Virgin Islands					36	1.50	36	1.50

[1] As classified by the State agencies, on the basis of fire and health hazards.

[2] According to standards prescribed by regulations, under the Public Health Service Act, as follows: Not less than 1 bed per 1,000 population, and not more than 3 beds per 1,000 population, at the option of the State; or not to exceed 4 beds per 1,000 population, provided the total of nursing home beds and chronic diseases bed planned does not exceed 5 beds per 1,000 population, except where reduced by unassigned pool beds.

Present planning levels vary as follows:

Beds per 1,000 population	Number of States		
	Nursing homes	Chronic disease	All long-term care
0.50 to 0.99		3	
1.00 to 1.49	8	12	
1.50 to 1.99	5	2	
2.00 to 2.49	10	36	
2.50 to 2.99	8	1	1
3.00 to 3.49	15		12
3.50 to 3.99	4		6
4.00 to 4.49	4		6
4.50 to 4.99			13
5.00 to 5.50			16

TABLE D–1.—*Number of employing agencies and nurses employed for public health work as of Jan. 1 of years 1953, 1955, and 1957* [1]

Type of agency	Agencies			Nurses employed		
	1953	1955	1957	1953	1955	1957
Total	8,171	8,370	8,181	25,990	[2] 27,112	[2] 29,396
State agencies	92	101	104	1,355	1,466	1,615
Local official agencies	2,813	2,729	2,644	12,476	12,119	12,605
Local combination services	([3])	95	97	([3])	978	967
Local boards of education	4,021	4,440	4,462	6,860	7,807	9,378
Local nonofficial agencies	946	965	807	4,512	4,219	4,122
Schools of nursing [4]	172	([5])	([5])	217	([5])	([5])
Colleges and universities (nonnursing)	72	([5])	([5])	87	([5])	([5])
Federal agencies, national organizations, and universities [6]	55	40	67	483	523	709

[1] Includes agencies and public health nurses employed in the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands; excludes nurses employed by industry.
[2] Includes those employed as clinic nurses in public health agencies.
[3] Included in local official agencies.
[4] Includes full-time public health nurses employed by schools of nursing for integration of social and health concepts in basic curricula.
[5] Data not collected.
[6] Includes universities offering programs in public health nursing approved by the National League for Nursing and Schools of Public Health. Also includes American Nurses' Association for 1955 and 1957, American Red Cross, Army Nurse Corps, Bureau of Indian Affairs for 1953 and 1955, Children's Bureau, Institute of Inter-American Affairs for 1953, National League for Nursing, Public Health Service, and Veterans' Administration.

Source: U.S. Department of Health, Education, and Welfare, Public Health Service, Bureau of State Services, Division of General Health Services, Public Health Nursing Branch, 1957.
American Nurses' Association, "Facts About Nursing," New York, 1960, p. 27.

TABLE D–2.—*Cities with population of 25,000 and over having visiting nurse or combination agencies*

State:	*Number of communities*
Total	301
Alabama	2
Alaska	-----
Arizona	2
Arkansas	2
California	25
Colorado	3
Connecticut	21
Delaware	1
District of Columbia	1
Florida	11
Georgia	1
Hawaii	-----
Idaho	1
Illinois	14
Indiana	13
Iowa	11
Kansas	3
Kentucky	2
Louisiana	1
Maine	2
Maryland	1
Massachusetts	30
Michigan	16
Minnesota	3
Mississippi	-----

State—Continued	*Number of communities*
Missouri	4
Montana	-----
Nebraska	1
Nevada	-----
New Hampshire	3
New Jersey	23
New Mexico	1
New York	17
North Carolina	2
North Dakota	-----
Ohio	17
Oklahoma	2
Oregon	1
Pennsylvania	21
Rhode Island	6
South Carolina	3
South Dakota	-----
Tennessee	2
Texas	4
Utah	1
Vermont	1
Virginia	4
Washington	6
West Virginia	2
Wisconsin	14
Wyoming	-----

TABLE E.—*Home care programs, July 1961*

State	Number		Administration			
	Communities	Programs	Hospitals	Visiting Nurse Association	Health Department	Other
Total	45	91	70	5	8	8
Alabama						
Alaska						
Arizona						
Arkansas						
California	5	5	4			1
Colorado						
Connecticut	2	2	1		1	
Delaware	1	1	1			
District of Columbia	1	3	1	1		
Florida						
Georgia	1	1			1	
Hawaii						
Idaho						
Illinois	1	3	3			
Indiana	1	1	1			
Iowa						
Kansas	1	1	1			
Kentucky						
Louisiana						
Maine						
Maryland	1	3	2			1
Massachusetts	1	5	3			2
Michigan	4	4	1	1	2	
Minnesota	1	1	1			
Mississippi						
Missouri	1	1	1			
Montana						
Nebraska						
Nevada						
New Hampshire						
New Jersey	3	3	3			
New Mexico						
New York	6	41	38			3
North Carolina	2	2	1			1
North Dakota						
Ohio	3	3	1	1	1	
Oklahoma						
Oregon						
Pennsylvania	3	4	2	2		
Rhode Island						
South Carolina						
South Dakota						
Tennessee						
Texas	1	1	1			
Utah	1	1	1			
Vermont	1	1	1			
Virginia	1	1			1	
Washington	1	1	1			
West Virginia	1	1			1	
Wisconsin	1	1	1			
Wyoming						

TABLE F.—*Homemaker agencies, July 1961*

State	Communities	Agencies	Homemakers	State	Communities	Agencies	Homemakers
Total	163	215	2,282	Mississippi	11	11	12
				Missouri	5	10	64
Alabama				Montana	3	3	3
Alaska				Nebraska	2	2	15
Arizona	1	1	3	Nevada			
Arkansas	1	1	3	New Hampshire	4	4	[1] 20
California	10	13	115	New Jersey	18	18	[1] 460
Colorado	9	12	22	New Mexico			
Connecticut	9	11	[1] 70	New York	11	22	469
Delaware	1	1	2	North Carolina	15	17	41
District of Columbia	1	2	24	North Dakota			
Florida	4	5	10	Ohio	7	11	227
Georgia	2	3	18	Oklahoma	1	1	3
Hawaii	1	1	3	Oregon	1	1	4
Idaho				Pennsylvania	8	13	91
Illinois	2	6	126	Rhode Island	2	2	14
Indiana	3	5	25	South Carolina			
Iowa				South Dakota			
Kansas	2	2	5	Tennessee	2	2	10
Kentucky	2	2	11	Texas	4	6	58
Louisiana	1	1	5	Utah			
Maine	1	1	8	Vermont			
Maryland	1	1	21	Virginia	2	2	10
Massachusetts	5	7	[1] 143	Washington			
Michigan	4	5	57	West Virginia			
Minnesota	4	4	60	Wisconsin	1	4	45
				Wyoming	2	2	5

[1] Estimated.

Senator RANDOLPH. Mr. Cohen, many of us have supported the President's program for financing health care to the aged through social security and as an alternative to that program at the present time, we have the legislation which was enacted into law under the popular name of the Kerr-Mills Act.

There were those who felt it was at least partially the answer, but we also noted that the program failed to enlist the participation of the persons who were becoming aged. Finally, the criticism was made that the State governments would be called upon to appropriate sums of money, sometimes higher sums, sometimes lower sums, that would limit the ability of State governments to participate in the program. I think, with reference to West Virginia, I can truthfully state that this program has placed an enormous burden upon our financial structure.

Now, we have had about a year of experience, I believe, in administering the Kerr-Mills Act, and I wonder if you would care to comment on the experience which you have had related to the fiscal responsibilities. You might mention what the impact is on the Federal Treasury under the present program in comparison to what might be anticipated if the social security method of financing were substituted.

Would you comment in your own way on it?

Mr. COHEN. First, Senator, because the program has changed continually, I brought along a summary of what the situation is in the States as of August 21. I also have an up-to-date analysis of the various provisions of the State programs in this area which I would be glad to put in the record.

(The information is as follows:)

SUMMARY INFORMATION ON NEW PROGRAM OF MEDICAL ASSISTANCE FOR THE AGED

The program of medical assistance for the aged was added to the old-age assistance title of the Social Security Act, effective October 1, 1960. The purpose of the legislation is to encourage States to establish programs of medical assistance to aged people who, generally, have sufficient income to meet their needs except for medical care. The program operates within the broad framework of the old-age assistance program, but it is intended to serve a group of persons who are less needy than those eligible for OAA. However, it must be administered by the same agency that administers old-age assistance.

The States have considerable latitude in deciding the scope of the program, with regard to both the definition of persons eligible and the kind and extent of services to be provided. However, if a State decides to have such a program, it may not set an age limit of more than 65 years, a citizenship requirement which excludes any citizen of the United States, or a durational residence requirement. Nor may it impose a lien against the property of any individual prior to his death on account of medical assistance properly paid in his behalf nor require recovery from his estate until after the death of the surviving spouse, if any.

In addition, there must be a provision that no enrollment fee, premium, or similar charge will be imposed as a condition of eligibility by the agency which administers MAA. This does not mean insurance premiums. There is specific provision in the statute for Federal financial participation in expenditures "for insurance premiums for medical or any other type of remedial care or the cost thereof" paid as medical assistance in behalf of eligible individuals.

In defining the content of medical care to be provided by a State for MAA, the Federal act requires that there be come institutional and some noninstitutional care. The Federal Government participates, according to a specified formula, in amounts paid in behalf of eligible recipients, that is, payments to suppliers of medical or remedial care. The program does not include amounts paid directly to recipients.

In time, full characteristics of the States' programs of medical assistance for the aged will be developed and published. At present, the information most in demand is that relating to (1) the States' definition of financial eligibility in terms of permissible limits on income and assets, and (2) the scope and content of medical care encompassed in the plan. To meet this immediate need, the following characteristics have been developed. The information is taken from the State plans as approved for Federal financial participation, but the entries have not been discussed with the States. The data are subject to change, as State plans are amended from time to time.

MEDICAL ASSISTANCE FOR THE AGED—SELECTED CHARACTERISTICS

KENTUCKY (AMENDED)

Effective January 1, 1961—Department of Economic Security

I. FINANCIAL ELIGIBILITY

A. Income *

Maximum annual gross income for single person, $1,200; for applicant and spouse, $1,800. (Special procedure for determining income from self-employment or farming operations.)

B. Assets

1. *Real property.*—Homestead is exempt. Non-income-producing real property other than the home is limited to $5,000. Real property which is producing income is taken into consideration from the standpoint of income derived.

2. *Personal property* * (defined as "cash on hand, money in the bank, stocks, bonds, and other resources that can be converted into liquid assets," excluding cash surrender value of life insurance).—Limited to $750 for single person, $1,000 for applicant and spouse. Cash surrender value of life insurance is limited to $3,000. Excluded from consideration as personal property is tangible personal property not listed above.

Availability of health insurance is to be determined.

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*Revisions effective June 1, 1961.

C. Financial eligibility

Exists for a 12-month period, subject to reinvestigation. Person is issued an identification card, which is to be reissued periodically.

II. MEDICAL CARE PROVIDED

A. Institutional care

Hospital care *.—For "acute, emergency, and life-endangering illness * * * requiring admission to the hospital"; available in the hospitals licensed under the laws of the State which elect to participate in the plan, signifying such election by a written agreement. Limited to 6 days per admission.

B. Noninstitutional care

*Physicians' services.**—Home and office calls limited to two visits per month per patient. ($3 office; $5 home.)

*Dental services.**—For relief of pain and treatment of acute infections—up to a maximum of $16 per recipient per calendar month and limited to $48 per recipient per annum.

*Drugs.**—According to established list and fee schedules.

MARYLAND

Effective June 1, 1961—State department of public welfare

I. FINANCIAL ELIGIBILITY

A. Income

Regular income not to exceed (1) in 6 larger counties—single person, $1,140; applicant with 1 dependent, $1,560; (2) in 18 other counties—single person, $1,080; applicant with 1 dependent, $1,500. Income scale rises with number of persons dependent upon applicant. Income includes that of spouse living with applicant and of any other person claimed as a dependent. Scale for value of income in kind is provided.

B. Assets

Real property.—Home is exempt; real property other than the home is included with the other resources convertible to cash.

Personal property.—Resources convertible to cash (savings, insurance, real property other than the home, etc.) may not exceed (1) $300 if it is in addition to the regular monthly income or (2) $2,500 cash value if it "represents the only resource for regular living expenses."

A person is ineligible who has any insurance or other benefit, the terms of which provide for payment for the medical care items included in the plan.

C. Determination of financial eligibility

On the basis of the certificate of the department of public welfare, the health department issues a medical care card valid for 1 year. Reinvestigation and recertification are then made.

II. MEDICAL CARE PROVIDED

A. Institutional care

1. General hospital care.

B. Noninstitutional care

1. Physicians' services in home, office, or clinic.
2. Special medical care clinics.
3. Laboratory services.
4. X-rays.
5. Minor surgery in private office facility or accident room.
6. Drugs and limited medical supplies when prescribed by a physician.
7. Restorative dental care.
8. Prescribed eyeglasses for patients who have had a cataract operation.

*Revision effective June 1, 1961.

MASSACHUSETTS

Effective October 1960—Department of Public Welfare

I. FINANCIAL ELIGIBILITY

Group 1.—"For persons in licensed nursing homes, licensed chronic hospitals, and public medical institutions * * * or persons needing such care," with defined exceptions.

A. Income

1. For persons having need of a place of residence apart from a licensed chronic hospital, nursing home, etc., there shall be excluded from consideration—

(*a*) $150 a month if unmarried, or if married and the applicant is the husband;

(*b*) $225 a month combined income of husband and wife, if married and the applicant is the wife.

All other income is taken into consideration in determining need for medical assistance for the aged.

2. For person having no need of a place of residence apart from a licensed chronic hospital, nursing home, etc., the amount of income and resources * * * shall be determined by rule and regulation of the department. The first $15 of any monthly income shall be retained by the recipient for personal needs.

B. Assets

1. *Real property.*—Real estate used as a home does not disqualify; ownership of any interest in other real estate disqualifies.

2. *Personal property* (includes bank deposits, securities, cash on hand, and similar assets; excludes cash surrender value of insurance).—Maximums are:

(*a*) $2,000 if person is unmarried, or if married and applicant is the husband;

(*b*) $3,000 if married and the applicant is the wife, includes the combined ownership of husband and wife.

Group 2.—The eligibility of other persons "whose income and resources are insufficient to meet the costs, of necessary medical services" shall be determined by the rules and regulations of the department of public welfare.

II. MEDICAL CARE PROVIDED

A. Institutional care

1. Inpatient hospital services.
2. Skilled nursing-home services.

B. Noninstitutional care

1. Physicians' services.
2. Outpatient hospital or clinic services.
3. Home health care services.
4. Private duty nursing services.
5. Physical therapy and related services.
6. Dental services.
7. Laboratory and X-ray services.
8. Prescribed drugs.
9. Eyeglasses, dentures, and prosthetic devices as prescribed.
10. Diagnostic screening and preventive services.
11. Any other medical or remedial care recognized under the law of the Commonwealth and in accordance with the department medical plan.

MICHIGAN (LAW AMENDED EFFECTIVE JULY 1, 1961)

Effective October 1, 1960—State Department of Social Welfare

I. FINANCIAL ELIGIBILITY

A. Income

Maximum annual income for single person (unmarried or not living with spouse) is $1,500; if married and living with spouse, not more than $2,500, including the annual income of the spouse. "Income" must include contributions which son, daughter, or estranged spouse should be making to applicant, according to agency standards or court determination, except that such con-

tributions are not included in computing income during first 30 days of each separate period recipient is hospitalized.

B. Assets

1. *Real property.*—Value of property used as a home is excluded. Value of other real property must be included in limits on marketable assets specified below.

2. *Personal property, i.e., "liquid or marketable assets."*—May be held with value of not more than $1,500 for single person, $2,000 for married applicant and spouse. Excluded in making this determination are clothing and household effects, cash surrender value (not value of matured policies) of life insurance, and not to exceed $1,000 of fair market value of personal property used in earning income. All other property, real and personal, must be evaluated in determining eligibility under the $1,500 or $2,000 limitation specified.

II. MEDICAL CARE PROVIDED

A. Institutional care

1. *Hospital inpatient care.*—Not to exceed services furnished under Blue Cross (M–75) as of September 1, 1960.

2. *Nursing home care.*—For a maximum of 90 days within any 12-month period for persons entering a nursing home within 30 days following hospitalization for acute illness.

B. Noninstitutional care

3. *Physicians' services.*—Not to exceed those services furnished by Michigan Medical Service under Blue Shield plan as of September 1, 1960; may be in office, medical care facility, or in outpatient clinic of approved hospital (no home calls); limited to emergency treatment and specified tests.

4. *Home nursing*

NEW YORK

Effective April 1, 1961—Department of Social Welfare

I. FINANCIAL ELIGIBILITY

All income and resources shall be deemed available to meet costs of medical care except as indicated below:

A. Income

1. In medical or nursing institutions for chronic care: Up to $10 a month for personal care items; annual premiums for health insurance policy up to $150 for single recipient or $250 for married recipient if policy covers spouse; if married, up to $1,800 a year for support of spouse, including any income of spouse.

2. Not in facility for chronic care: $1,800 for single applicant; $2,600 for married applicant living with spouse; health insurance policy premiums up to $150 per year for single recipient or $250 if married and policy includes spouse. (See Reserves, below.)

B. Assets

Real property.—Home is exempt; other real property not used as home must be utilized to apply to costs of care.

Personal property.—Clothing and household effects are exempt; may have life insurance with cash surrender value of not more than $500 (single person or couple). Insurance in excess of this amount and nonessential personal property must be utilized.

Cash reserve permitted for person not living in a medical facility: $900 for single person or $1,300 for married couple. If value of nonhome real estate, nonessential personal property, and excess insurance together with cash or liquid assets does not exceed this reserve limit, such resources need not be utilized and applied to costs of care.

II. MEDICAL CARE PROVIDED

A. Institutional care

1. Hospital inpatient services.
2. Nursing home services.

B. Noninstitutional care

(Not as extensive as provided for OAA.)

1. Physicians' services (M.D. and doctors of osteopathy only; services of dentists, podiatrists, and optometrists are not included in the MAA program).
2. Nursing services.
3. Outpatient hospital or clinical services.
4. Drugs.
5. Home health care.
6. Prosthetic appliances.
7. Physical therapy.

OKLAHOMA

Effective October 1960—Department of Public Welfare

I. FINANCIAL ELIGIBILITY

A. Income (as amended April 18, 1961)

Maximum for single person, $1,500 annual income; for man and wife, $2,000 annual income.

B. Assets (as amended June 1961)

Real property.—May have equity of $8,000 in home owned and occupied as home (urban includes necessary lots; rural includes up to 40 acres of land). Equity above this amount is considered among "Other resources". Home to which recipient or spouse has no feasible plans to return is no longer "considered an exemption."

Personal property.—

(*a*) Insurance: Single person, cash value of first $1,000 face value; married, cash value of first $2,000 face value; married, living together, and have separate policies, cash value of first $1,000 face value for each.

(*b*) Equity in tools with which he earns a living, up to $1,500.

(*c*) Equity in small business which he operates, up to $2,500, including building, ground, equipment, and invoice of stock.

(*d*) "Other resources' (cash, stocks, bonds, notes, mortgages, automobiles, excess of value of items listed in (*a*) and (*b*) above, excess equity of home, or property of any kind which can be made available for the use of recipient or spouse) limited to $700 for single person, $1,000 for married couple.

II. MEDICAL CARE PROVIDED

A. Institutional care

1. *General hospital care.*—For life-endangering or sight-endangering conditions; not to exceed 21 days per single admission; provision for readmission for defined conditions within 10 days after discharge, up to total of 6 months in any 12-month period.
2. *Nursing care in nursing home.*—Up to 6 months in a 12-month period.

B. Noninstitutional care

1. Physicians' services in home of patient approved for nursing care in own home; 2 visits per month.
2. Nursing care in own home for "bedfast or chairfast patients * * *";
3. Diagnostic services to determine need of nursing care tnd physician's services in patient's home;
4. Out-patient therapeutic radiology, prescribed while patient was in the hospital;
5. Ambulance, under defined conditions;
6. Blood banks, use of under specified limitations;
7. Services of dentists or oral surgeons "for services performed in a licensed general hospital when a patient is admitted for life-endangering conditions involving fractures, infections, or tumors of the mouth."

PUERTO RICO

Effective October 1960—Division of Public Welfare, Department of Health

I. FINANCIAL ELIGIBILITY

A. Income

Individual annual income and available resources may not exceed maximum of $1,500.

B. Assets (as amended April 5, 1961)

Real property.—Home where applicant resides is excluded from consideration. Value of other real property is taken into account.

Personal property.—Loan value of life insurance and any other available resources will be taken into account.

An applicant's "membership in such organizations as Blue Cross, Blue Shield, * * * State retirement or compensation systems, purchase of health insurance of any appropriate type, his right to veterans' benefits, etc., shall make him ineligible for participation in this plan."

C. Financial eligibility

Is certified to by the division of public welfare upon evaluation of the applicant's statement concerning his "annual income and available resources and his status with regard to health insurance or membership in organizations which provide medical care or the payment thereof." Certification is for period of 1 year, subject to renewal on the basis of a new statement from the applicant. Identification card good for 1 year is issued.

II. MEDICAL CARE PROVIDED

Care and services are provided through the Commonwealth and municipal government systems of medical care and hospital facilities, several private nonprofit medical institutions under contract. The content of medical care is the same as for old-age assistance.

A. Institutional care

1. Total hospital care, including physician's services and drugs and appliances as prescribed.
2. Nursing home services where available.

B. Noninstitutional care

1. Outpatient hospital and dispensary systems, including physician's and ancillary services, prescribed drugs and appliances.
2. Physical therapy and related services, dental care, laboratory and X-ray services, and preventive medical care services.
3. Diagnosis and treatment of tuberculosis and psychosis in medical institutions, with Federal matching claimed for 42 days after such diagnosis.

VIRGIN ISLANDS

Effective January 1961—Insular Department of Social Welfare

I. FINANCIAL ELIGIBILITY

A. Income

Current continuing gross income of $1,200 a year or less for individual; twice this amount for married couple living together.

B. Assets

Real property.—Property owned and occupied as a home not considered.

Personal property.—Liquid assets which can be easily convertible are limited to not more than $1,200; including savings, Government bonds, health insurance, Government entitlement such as veterans' medical services, etc.

C. Financial eligibility

Is determined by the department of social welfare which certifies to the department of health that applicant is eligible for medical care. Applicant receives identification card which remains in effect as long as he is eligible, subject to annual or earlier reinvestigation.

II. MEDICAL CARE PROVIDED

Medical care must be prescribed by a physician or dentist of the department of health. All care except home visits of physician will be given at facilities of the department of health.

A. Institutional care

Inpatient hospital care, surgical and laboratory services, private duty nursing when prescribed as "critically necessary."

B. Noninstitutional care

1. Home care, including home visits by private physicians;
2. Drugs; and
3. Prosthetic appliances except glasses.

WASHINGTON

Effective October 1, 1960—State Department of Public Assistance

I. FINANCIAL ELIGIBILITY

A. Income

Limited to "net income regularly and predictably received by the applicant and his spouse, the combined dollar value of which is * * * insufficient to meet his medical expenses (whole or in part) plus his basic and special requirements, contractual obligations essential to his maintenance, and basic and special requirements of his legal dependents as measured by the department standards of assistance."

B. Assets

Real property.—Home used by the applicant or his legal dependents, together with a reasonable amount of property surrounding and contiguous thereto is exempt from consideration as an available asset.

Personal property.—All other resources and liquid assets (with exceptions listed below), including any combination, are considered to determine the extent to which they may be utilized for planning for payment of required medical care. Medical insurance in force and effect at the time of application and any potential compensation for injury must be utilized to the fullest extent.

Exempt from consideration as personal property are: household furnishings and personal clothing, cash surrender value of life insurance not to exceed $500, one automobile owned by applicant or spouse "which is used and useful", and personal property "which is used and useful or * * * has great sentimental value."

II. MEDICAL CARE PROVIDED

All medical care is limited to conditions currently endangering life or a medical condition which, if not immediately treated, would necessitate extended hospitalization and/or surgery. In specified emergencies exceptions to these limitations are permitted. The following services may be given, when authorized, by vendors participating in the program:

A. Institutional care

1. Hospitalization and related medical services, all needed while so hospitalized. Outpatient clinic care available at county hospitals or at others if "emergency presently endangering life."
2. Nursing home care.

B. Noninstitutional care

1. Physicians' services, in home or office, for conditions such as heart, diabetes, and others which are subject to the general limitation given above;
2. Dental care for relief of pain only;
3. Drugs and pharmaceutical supplies, subject to general limitation given above;
4. Ambulance if other transportation cannot be used without hardship to the patient.

WEST VIRGINIA

Effective October 1960—Department of Public Assistance

I. FINANCIAL ELIGIBILITY

A. Income

For single individual, $1,500 or less per year; person married and living with spouse, combined income of both is $3,000 or less. Income includes contributions received from relatives.

B. Assets (as amended January 30, 1961)

Real property.—Homestead or property on which applicant resides and other real property is excluded from liquid or marketable assets.

Personal property.—Or other liquid or marketable assets limited to value of $5,000 for single person or $7,500 for combined assets of husband and wife. Excluded are clothing, jewelry, and household effects; livestock, farm machinery, and other vehicles; and cash surrender value of life insurance (limit to be set).

Membership in insurance plan and eligibility for payment of medical services from other agencies and organizations such as Veterans' Administration, Workman's Compensation, United Mine Workers of America must be taken into account in determining whether MAA will assume all or part of the cost of medical services needed or received.

C. Financial eligibility

May be determined at a point before applicant needs medical services; continues in effect for maximum period of 1 year, subject to reinvestigation.

II. MEDICAL CARE PROVIDED

Includes all the medical services available to recipients of old-age assistance as of October 5, 1960, including payment for drugs for specified chronic illnesses (such as diabetes, heart conditions, terminal cancer).

A. Institutional care

Hospitalization, for acute illnesses, immediate surgery, and diagnostic services; may be more extensive if medical service for other conditions will increase person's capacity for self-care or self-support. Limited to 30 days annually.

Nursing home care, after hospitalization or if such care would prevent need for hospital care; limited to acute conditions and must be prescribed by physician as part of the treatment for that condition.

B. Noninstitutional care

1. Physicians' services, for acute illnesses.
2. Drugs, for acute illnesses and specified chronic illnesses.
3. Ambulance services.
4. Dental services, for emergency extractions and treatment.

SPECIAL MONTHLY REPORT, JULY–AUGUST 1961

STATES' USE OF ADDITIONAL FUNDS FOR OLD-AGE ASSISTANCE MEDICAL CARE

A. States making vendor payment before September 1960 for medical care costs of old-age assistance recipients—43 States

1. Extent of coverage or content of services for OAA has been improved from level of September 1960—21 States:

Arkansas	Maine	Tennessee
California	Maryland	Utah
District of Columbia	Michigan	Vermont
Florida	Missouri	Virginia
Idaho	Nevada	Virgin Islands
Iowa	New Mexico	Washington
Louisiana	Oklahoma	West Virginia

2. Have expanded or will expand coverage to medically, indigent aged not in need of money payment in OAA—three States: Indiana (effective January 1962), North Carolina (effective May 1961), Ohio (effective November 1960).[1]

[1] Also expanded coverage and content of services for OAA.

3. No substantive change in scope of State's plan provisions from level of September 1960—18 States:

Colorado	Minnesota	Oregon
Connecticut	Montana	Pennsylvania
Hawaii	Nebraska	Rhode Island
Illinois	New Hampshire	South Carolina
Kansas	New York	Wisconsin
Massachusetts [2]	North Dakota	Wyoming

4. Legislation needed to enable State to take full advantage of funds available—one State: New Jersey, bill introduced; summer recess began June 2.

B. States not making vendor payments for costs of medical care in OAA before September 1960—11 States

1. New provisions for vendor payment in operation—five States:
   Alabama: effective November 1960.
   Kentucky: legislation in 1960, effective January 1961.
   Mississippi: effective April 1, 1961.
   Puerto Rico: effective October 1960.
   South Dakota: Appropriation made, effective July 1961 (in operation August 1, 1961).
2. Have authority for vendor payments, but program not yet in operation—two States:
   Georgia: Enacted 1961; no funds available; expect to begin January 1962.
   Texas: Enacted 1961; appropriation made; effective probably September 1961.
3. Need legislation for making vendor payments—four States:
   In session: Delaware.
   Adjourned: Alaska, Arizona, Guam.

Mr. COHEN. The Kerr-Mills bill, of course, is the law of the land as enacted by the Congress last year and the Department is making every effort to cooperate with the States and the professional groups that are involved in implementing this law.

Of course, as you indicated, it is up to the States to take advantage of this option. It is not a requirement that the States do this. It is entirely optional and each State has to decide how much money it wants to allocate for this particular purpose among the total fiscal needs that it has for roads and other services of government.

A number of States have adopted programs but, on the whole, these programs are rather limited. I think the States, themselves, have been concerned about two factors, one, what the financial burden is that they have to bear under this program and, secondly, the administrative responsibilities that they would have in carrying it out.

On the whole, only two of the States have anything in the neighborhood of a comprehensive program and even then they have some limitations because they feel that they want to get a little more experience, I believe, as to what the costs are.

As I pointed out here, with hospital costs continuing to rise on the average of about 7 percent per year, it is reasonable to understand why States are reluctant to undertake a heavy financial burden out of general revenues when they are so heavily pressed for education, roads, and other community services.

However, I would expect that a number of other States would adopt this program. The American Medical Association has been supporting the development of these programs in the States, and we have an advisory council at the national level of professional people

[2] Nursing home care withdrawn from scope of OAA and assigned to MAA.

Source: Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, Division of Program Operations.

who are helping to implement it, and I would think that we would see a number of the State legislatures that would adopt it, let us say, in the next year.

I would think that—in fact, I would say categorically—that even though a bill like the health insurance for the aged is passed, you will need some kind of an assistance program to take care of two problems in this country—(1) the people who are not covered under any insurance program and (2) the scope of medical benefits not covered under any such program. So it is imperative to an insurance program for health benefits to have as a second line of defense—a program of medical assistance.

However, I would say this, that as a matter of general overall policy, the policy that Congress adopted in 1935, which is to look at the insurance program as the first line of defense and the assistance program through welfare or needs test as a second line of defense, is the preferable national policy to be adopted with respect to health care as it was with respect to income maintenance.

I would say this first year of experience, not quite a year yet, is not sufficient to give the States knowledge as to what the financial burden will be under the new program. But we, in the Department, will continually resurvey it and I think that there probably will need to be changes in both the Federal and State programs as a result of this experience.

Senator RANDOLPH. What is the report you have from West Virginia? I do not want to be provincial in this matter but——

Mr. COHEN. I have here the analysis of the scope of the plan in West Virginia, which is a part of the matter I suggested be put in the record. As far as the eligibility provision is concerned in West Virginia, a single individual to be eligible for benefits must have $1,500 or less income per year, a married person living with a spouse must have income of $3,000 or less, and this income includes contributions received from relatives.

In addition, the individual must not have liquid or marketable assets limited value of $5,000 for a single person or $7,500 for the combined assets of husband and wife.

That is the financial eligibility to see whether they are entitled to benefits. With respect to the types of benefits that are available: For hospitalization, it is limited to 30 days a year, and there is nursing home care, physician services for acute illnesses, drugs for acute illnesses and specified chronic illnesses, ambulance services and dental service for emergency extractions and treatments.

In May 1961, West Virginia had 5,371 recipients who drew medical assistance. The total amount that was paid on behalf of these recipients was $341,000 and the average payment per case was $63.65.

Now, since the average payment for the United States was $200, going as high as $253.95 in Michigan, I would assume that the scope of the benefits being provided under the West Virginia program must be somewhat more limited than those being provided in several other States for which we have reports.

Senator RANDOLPH. Mr. Cohen, I think for, perhaps, 10 years your Department has been urging the States to set up commissions or counsels on aging to report progress and plans, to the chief executives of those States.

It is my understanding that that has been done. Now, I wonder what the picture is in the Federal Government. Do we have today a hodgepodge of reporting with several agencies involved? Do we need a better plan so that we might draw on the experiences of different departments and formulate from those departments specific recommendations to the President rather than just let them shoot out in all directions?

What do you have to say on this?

Mr. COHEN. First, let me say, Senator Randolph, I think that the Federal Government has not been energetic or constructive enough or vigorous enough in the past few years in developing a program that relates to all aspects of the aged. As I indicated in my statement, when Secretary Ribicoff came into office, one of the first things he directed us to do was to give some pep and enthusiasm and leadership to this whole area.

As I outlined, we decided first to press most vigorously on the legislative programs that would expand these services and grants. The next area was to find a person of professional skill and knowledge and leadership who could undertake to implement these programs. After some searching we were able to obtain the services of Dr. Kent.

Now, it will be Dr. Kent's responsibilities largely to develop a program and to give it the leadership and vigor and the enthusiasm at the Federal, State, and local level that will make this a really effective program.

I believe Dr. Kent can do that and he will be here in September to take over the implementation of that program. Dr. Kent will report directly to the Secretary. He will have free access to the Secretary and the Secretary has given us assurance of his full support.

We are now in the process of reviewing our entire budget and staff, as Dr. Kent indicated, and in that we would attempt not only to see if we could not make for more vigorous staff participation in the Department for the Government but also to activiate more vigorously the Federal Council on Aging and to activate our intradepartmental work. In that connection, as I say, we are reviewing the budget, the staff, and the personnel and programs throughout the Department.

As a result of this, we hope to be able to come to Congress with a much more vigorous program and, in this way, to encourage the States and the localities to take a full measure of their own leadership with our help.

Senator RANDOLPH. Thank you. I note in your testimony you stated that research in biology and medicine has increased the lifespan of our people by many years.

Off the record.

(Discussion off the record.)

Senator MUSKIE. Mr. Cohen, I apologize for not having been here for your testimony, but I was tied up with another committee. We have difficulty in being two places at once.

Senator Randolph has asked that I ask you a few questions. There is no question but that as you stated in your testimony research in biology and medicine has increased the lifespan of our people by many years, so during the course of this you have created many problems both for our older people and our society.

I wonder if we know as much as we should about these problems. For instance, what are the older people doing with their time? Are the Nation or local communities taking advantage of the contributions older people are capable of making?

What effect are older people having on younger families and on the housing supply? I wonder if you could respond to some of these questions?

Mr. COHEN. Senator, there are 17 million people in the age group 65 and over and if we take the group coming into the aged group, there are an additional 30 million of these people who are directly concerned with the problems of aging right now.

And there will be many more in the future. I think the problems we are presented with in our free, democratic, dynamic economy are so great and there are so many aspects of this we do not know much about, that we need much more research, much more attention to it.

Senator Randolph just mentioned a moment ago the manpower training program. Here is an area we have been giving a good deal of study. I am sure Senator Randoph has cause for concern in West Virginia, and I think you, Senator Muskie, from Maine, will recognize this kind of a problem.

A man becomes unemployed at age 50 or 52 or 55. What shall we do? What kind of community services shall we organize to help that man be a constructive member of his community, an employable member of his community for the remaining 15 or 20 years for which he still has good work capacity?

Now, the whole question becomes this: If his plant goes out of business, or if the industry is no longer in business, or if his skill has been outdated and he lives in a community and there is a labor surplus, what kind of training programs, what kind of an employment service, what kind of vocational education, what kind of a rehabilitation program is it necessary to have in order to prevent him from becoming a person dependent on his family and on his community and becoming an old-age assistance recipient at age 65?

We have to begin dealing with the problem at an earlier point of time, and I think this is one of the most compelling, one of the most important problems that we have to do more work on.

Senator MUSKIE. Aren't there two facets to this problem? First of all, the fact that for one reason or another the people are becoming unemployable much in advance of age 65, that is they are not being employed and, secondly, the very real question as to whether or not they ought to be unemployed and unproductive after 65.

The lifespan increases and there so many national chores to be done; shouldn't we also be exploring the uses to which we can put all of this experience and all of these talents after the age of 65? Did you consider this?

Mr. COHEN. Yes, of course. The point I was making though, is that it is also incumbent upon us to deal with the problem of utilizing these potentialities before 65. If you merely waited while the man has been unemployed 5 or 7 years and has already begun to draw some kind of a pension or retirement benefit and then at age 68 you try to find him a job or retrain him or relocate him, you have a much bigger problem on your hands than if you had worked with him in his community at an earlier point.

I think the problem that Dr. Kent and I face in the development of our programs and policies is to stop the acceptance of the age of 65 as an arbitrary starting point in developing our programs. We must work with all of the Federal departments and the State and local agencies in developing the community services that are needed at as early a stage as people can find useful to them. But to do this, in answer to your question, I do think we have to find out a great deal more about what is happening to these people, as you point out, as industry changes and as skills become outdated, as industries move out of the communities, and as new products that were unknown 5 or 10 years ago come into being.

Senator MUSKIE. In addition to those reasons which I think are very, very valid, are there additional reasons that employers are reluctant because of the impact on their pension and retirement costs to take on additional people even in the forties?

Is this a widespread reason for the higher incidence of unemployment in these age groups?

Mr. COHEN. It is a reason that will be given by some employers; the financial impact is not as great as many employers think. A few years ago I was a member of the Secretary of Labor's committee to investigate this whole question of the impact of pension costs on the employment of older people. We found that the cost factor, in fact was not as big a bar as the personnel directors or the employers thought.

So, you have two problems, one is to get the facts over to them and the second is to convince them of the inaccuracy of their belief that their pension and workmen's compensation costs will be higher in employing older people because they will have more accidents and, therefore, costs will go up.

The evidence before our special group did not indicate this was so but the problem is still how to convince the employers and people in the community that this is not so because they are the ones, perhaps, who are not hiring older workers because of that factor.

Senator MUSKIE. This seems to call for an educational effort.

Mr. COHEN. That is correct.

Senator MUSKIE. Even so, even with an educational effort, if an employer in a labor market where they are plenty of young people and he has the choice between the worker in his fifties and a worker in his twenties, he is going to select the latter, isn't he?

Mr. COHEN. That is why I think the essence of this whole problem that we are talking about is, of course, to reduce the extent of unemployment to where it is just at the minimum frictional level for a free enterprise economy.

If you have 5 or 6 or 6½ percent unemployment, then when older people become unemployed they are not going to get back readily into reemployment. I recall a figure—Dr. Sheppard and I both happened to have done independent studies on unemployment in connection with the 1958 recession—I recall very distinctly the fact that the duration of unemployment for people 55 and over was about 50 percent greater than for people under age 55. So, they are unemployed longer and they have greater difficulty getting back into any continuing kind of employment.

They have to take jobs as taxicab drivers or night watchmen as in-between jobs, then they are the first to be let out of the job so they have no real continuing income or security.

When they become ill or have other catastrophes, they become dependent upon someone. Therefore I think the essence of dealing with this problem must be a very firm program of keeping unemployment down to a minimum level.

Senator MUSKIE. In other words, in areas where the labor supply is relatively scarce or relative to the demands, then even the older workers are likely to be employed?

Mr. COHEN. Senator, it was evidenced during the war. If you study the war period, you find that many older people were found to make very constructive and helpful contributions in very key areas.

That was because the demands for labor was so great. I think that even today there is the possibility of several hundred thousands more of these older people able to carry full employment but as long as the labor market in general, as you pointed out, is such that they must compete with younger persons, the probability is that the older person will have difficulty even though he may have more skills, more maturity, more wisdom, more ability to do the job.

Senator MUSKIE. Also, it is a little difficult for a Government agency to go into such an area and try to persuade employers to hire unemployed older people rather than employ younger people.

You are going to have a lot of people unhappy with you in either instance.

Mr. COHEN. Right. May I point out this, too? You may have noted in your area, just as our studies have shown, that you have considerably less mobility on the part of the older people. A younger person is more willing to move around. Because the older person has his house and his long relationships with his church, his children, and his family, it makes for a certain rigidity when it comes to moving about. Now, how to solve that problem, I must say I do not know.

People have suggested as in other countries, transportation allowances, helping a person adjust to a new community, certain other services, and so on.

I think this is a matter well worth your subcommittee looking into. Both Sweden, and, I believe, England, have experimented with some rather creative devices along this line which might be worthy of attention.

Senator MUSKIE. It would seem to be an inescapable conclusion from what you said that the effect of automation would be felt more heavily in the higher age groups than in the younger age groups.

Is this so?

Mr. COHEN. I would not say it is so. I do not know that we know it is so. I think it is so, in this sense, that as industries change over, as products change over, it is very likely that an older person, that is over 45 or 50 or 55, if he does suffer any unemployment, is not likely to then again have full employment during those remaining 10 years. That brings us back to the need for a much more vigorous manpower program in this country, one that is coupled with vocational education and with a much more effective employment service than we have today.

Senator MUSKIE. Mr. Cohen, Dr. Kent talked about the work of the regional representatives for aged that are attached to your department regional office. I understand that these people did a good job in helping the States prepare for the White House Conference.

Would you tell us what they are doing now?

Mr. COHEN. Dr. Kent probably can answer that better than I could.

Dr. KENT. The regional representatives are working with the representatives of the Office of Education in supporting a series of regional meetings in education for aging. This is a very significant move in getting recommendations of the White House Conference put into action. The meeting in your region, Senator Muskie, takes place next week at Kingston, R.I. In general terms, all regional representatives try to assist State agencies and community groups in any way possible—with technical assistance on program matters, with speeches and articles requested, with distribution of publications and resource materials. Additionally, special activities are carried on according to individual regional situations and the particular professional skills of the representative. The establishment of the Mid-West Council for Social Science Research in Aging, a very promising organization of cooperating universities, might not have taken place without the efforts of our regional representative in region VI. Several representatives are playing important roles in effort to get permanent State agencies in aging established. Assistance on local surveys, such as housing needs is being provided. Work with local senior citizens' organizations to encourage and expand their activities is an important part of the representatives' work. And there is always a workload of help for individuals, both by correspondence and in interviews.

We would like them to do much more. We would like to be able to provide them with many more materials. We would like to be able to give them in-service training so that they would be able to do a much better job.

Senator MUSKIE. Dr. Kent, it is my understanding that the regional representatives on aging are attached to your Office of Field Services which is not particularly conversant with, nor particularly interested in the problems of aged.

Why shouldn't these regional offices work with or be representative of the special staff on aged?

Dr. KENT. Senator Muskie, being new to the position, I am not sure of all of the reasons why they are organized as they are presently. I do know there is a functional relationship between the special office and the Office of Field Services in which we give direction and are able to use the regional representatives very effectively.

One of the things I do intend to study is this whole setup with regional representatives to explore ways of increasing their effectiveness and explore ways in which we can do more for them. This will be studied.

Senator MUSKIE. Thank you very much, Mr. Cohen and Dr. Kent. I am sorry I was not here earlier.

(The summary referred to previously follows:)

SUMMARY OF THE SOCIAL SECURITY AMENDMENTS OF 1961

(By Wilur J. Cohen, Assistant Secretary of Health, Education, and Welfare)

The Social Security Amendments of 1961 (H.R. 6027), approved by President Kennedy on June 30, 1961, make very significant improvements that will add to the flexibility and effectiveness of the social security program. They are a further step toward providing American workers and their families with basic protection against the hardships that can result from loss of earnings when the breadwinner retires, becomes disabled, or dies.

SUMMARY OF CHANGES

The principal changes made by the new legislation are:

1. *Retirement age.*—The age at which men are first eligible for old-age and survivors insurance benefits is lowered from 65 to 62, with benefits for those who claim them before age 65 reduced to take account of the longer period over which they will get their benefits.

2. *The minimum benefit.*—The minimum insurance benefit payable to a retired or disabled insured worker, and to the sole survivor of a deceased insured worker. is increased from $33 to $40 per month, with corresponding increases for people getting other types of insurance benefits—for example, wives and children—based on primary insurance amounts of less than $40.

3. *Insured status requirement.*—The insured status requirement—the proportion of time that a person must work under social security to be eligible for old-age and survivors insurance benefits—is changed from 1 quarter of covered work for each 3 calendar quarters elapsing after 1950 to 1 for each calendar year (equivalent to 1 for each 4 calendar quarters), thus making the insured status requirements for people who are now old comparable to those that will apply in the long run for people who will attain retirement age in the future.

4. *Aged widow's benefit.*—The insurance benefit payable to an aged widow of a deceased insured worker is increased by 10 percent, from 75 percent of the worker's primary insurance amount (the basic amount on which all old-age, survivors, and disability insurance benefit amounts are based) to 82½ percent. (A similar increase is made in the insurance benefit payable to a widower and to a surviving dependent parent where only one parent is entitled to benefits.)

5. *Retirement test.*—The provision for withholding benefits from beneficiaries whose earnings exceed $1,200 a year (generally referred to as the retirement test) is changed so that $1 in benefits will be withheld for each $2 of earnings between $1,200 and $1,700, rather than between $1,200 and $1,500 as under previous law.

6. *Contributions.*—The social security contribution rates payable by employers and employees are increased by one-eighth of 1 percent each, and the contribution rate for self-employed people is increased by three-sixteenths of 1 percent and rounded to the nearest one-tenth of 1 percent, beginning with 1962. In addition, the tax increase scheduled for 1969 will be moved up to 1968.

7. *Public assistance.*—The amounts the Federal Government will pay under the old-age assistance, aid to the blind, and aid to the permanently disabled programs are increased. For these categories, the first $30 per recipient in which Federal participation is 80 percent is raised to $31 per month. The overall maximum average payment in which the Federal Government participates is raised from $65 to $66. For old-age assistance, the amount of vendor medical payments in which there is additional Federal participation beyond the formula applicable to all three adult categories was raised earlier in 1961 from $12 to $15.

8. *Assistance to U.S. citizens returning from abroad.*—The Secretary of Health, Education, and Welfare is authorized to provide temporary assistance to U.S. citizens without available resources who return to this country from foreign countries because of war or other emergency.

9. *Other changes.*—Other changes in old-age, survivors, and disability insurance made by the legislation would give workers with longstanding disabilities additional time to file applications to preserve their benefit rights, facilitate coverage of additional employees of State and local governments, and provide for survivors of certain deceased ministers an opportunity to obtain social security protection.

In the main, the amendments make changes in the social security program along the lines recommended by the President in his economic message to the Congress on February 2, 1961. Although the increases in the amount of the minimum insurance benefit and in the insurance benefit for the aged widow are not as large as the President had proposed, and although his proposal for paying disability insurance benefits to a worker with an extended but not necessarily permanent disablement is not included, the amendments will largely meet the problems that prompted the President to make his recommendations.

Many of the people who will benefit from the changes in the old-age, survivors, and disability insurance program are getting public assistance because they are not now eligible for insurance benefits or because their insurance benefits are inadequate to meet their needs. The new or increased insurance benefits they will get under the amendments will enable some of them to get along without public assistance, while others will need to get smaller amounts of assistance. It is estimated that the savings in assistance expenditures (Federal and State) resulting from the old-age, survivors, and disability insurance amendments, in the first 12 months in which the amendments are in effect, will be $50 million, of which $20 million is the estimated saving in Federal expenditures.

CHANGES IN OLD-AGE, SURVIVOR'S, AND DISABILITY INSURANCE

Reduced benefits for men at age 62

In 1960, in connection with the social security amendments then under consideration, an amendment to permit men to receive reduced insurance benefits at age 62, as was provided for women in 1956, was proposed to the Senate Committee on Finance by Senator Byrd (West Virginia) and cosponsored by 21 other Senators. The provision was included in the Finance Committee's bill and passed by the Senate. It was later deleted in the House-Senate conference because of its cost (then estimated at 0.05 percent of payroll).

President Kennedy's task force on area redevelopment, in its report dated December 27, 1960, recommended the payment, of insurance benefits to men beginning at age 62. The President's task force on health and social security also suggested it for consideration in its report of January 10, 1961. The President recommended the change in his economic message to the Congress. While there is general agreement that this change does not represent the only or the best solution to the economic problems of older unemployed workers, it does provide some protection for these people. The fact is that the problem of the older worker who cannot get a job does exist, in good times as well as bad, and the social security program should be flexible enough to take account of the problem. People who have made social security contributions over the years in the expectation of receiving insurance benefits when they are too old to work should have a degree of protection if they find themselves unable to get work because of conditions beyond their control when they are getting along in years, even though they have not reached the age of 65. Under the provision making reduced benefits available at age 62, a man can weigh the amount of the benefit he can get against his physical condition, the availability of work, and his general financial situation and make the choice that seems best for him under all the circumstances.

It is estimated that benefits amounting to $440 million will be paid during the next 12 months to about 560,000 people who would not have been eligible for insurance benefits if it were not for this change.

Under the new provision, the insurance benefits for a man worker are reduced at the same rate as now applies for a woman worker (five-ninths of 1 percent for each month before age 65 for which a benefit is payable); husband's insurance benefits are reduced at the same rate as now applies to wife's insurance benefits (twenty-five thirty-sixths of 1 percent for each month before age 65 for which a benefit is payable); and widower's and surviving father's insurance benefits are payable in full as widow's and surviving mother's insurance benefits now are. A man who begins getting old-age insurance benefits in the month in which he reaches age 62 will get a benefit amounting to 80 percent of the amount he would get if he stopped working then but waited until his 65th birthday; a man getting husband's insurance benefits at age 62 will get 75 percent of what he would have gotten at age 65.

As is now true for women, the percentage reduction in the insurance benefit payable before age 65 will continue to apply after 65, except that if the person works and earns enough before he reaches 65 to cause any of his benefits to be

withheld the reduction in his benefit will be refigured at 65 to reflect the fact that benefits were not paid for as many months before 65 as was contemplated when the original computation was made.

As originally proposed, the provision to lower the minimum eligibility age for insurance benefits for men involved some additional cost (estimated at 0.05 percent of payroll on a level-premium basis in 1960 and 0.10 percent this year). This additional cost arose because the computation of both fully insured status and the average monthly wage (from which benefit amounts are figured) would have been liberalized for men as they were for women when insurance benefits were made available to them at age 62. The measuring period for determining the number of quarters of coverage required to be fully insured for benefits and for determining the number of years to be included in the computation of the average monthly wage would have been based on the period ending with the beginning of the year of attainment of age 62 instead of age 65—a 3-year-shorter period than under present law. Using a smaller number of years in the computation permits the dropping of more years of low earnings and thus may give a higher average monthly wage and a higher benefit amount even where the person works right up to age 65. In the amendments as adopted an increase in the cost of the program is avoided by continuing to use age 65 for determining insured status and computing the average monthly wage for a man.

Because the period for computing the average monthly wage for men extends to age 65 even though men may claim benefits before that age, in some cases where coverage was very recent as many as 3 years without earnings may have to be included in the computation. Where the man works after entitlement to reduced benefits, therefore, the new law provides for a special automatic recomputation without an application at age 65, or death before age 65, to pick up such earnings and, in death cases, to shorten the period used.

Increase in the minimum insurance benefit

The provision for increasing the minimum insurance benefit from $33 to $40 makes an improvement in the old-age, survivors, and disability insurance program that is much needed at the present time. People coming on the benefit rolls in the future will generally get benefits above the minimum level because they will have had a chance to work in covered employment during their best working years. Right now, though, many of the people on the rolls are getting benefits at or near the minimum level not because they had a low level of lifetime earnings but because they were already old when their jobs were covered and their earnings under the program were lower than their average earnings over their lifetime. The increase in the minimum makes the protection of the program much more effective for these people.

The provision to increase the minimum insurance benefit to $40 will put an additional $170 million in the hands of 2,175,000 people in the first 12 months of its operation.

Change in the insured status requirements

The provision under which a person is fully insured for benefits if he has one quarter of coverage for every year (equivalent to one for each four calendar quarters) elapsing after 1950 and up to the year in which he reaches age 65 (age 62 for a woman), dies or becomes disabled was recommended by the Department of Health, Education, and Welfare last year and was included in the bill passed by the House of Representatives, but it was deleted in the Senate. Previous law had required one quarter of coverage for every two quarters elapsing after 1950; a provision requiring one quarter of coverage for each three calendar quarters elapsing came out of the 1960 House-Senate conference as a compromise.

The change to one for four will help many people who are uninsured because the work they did during their best working years was not covered and by the time their jobs were covered they were already so old that they could not work regularly enough to meet the insured status requirements then in the law. Here again, while the long-run cost is small (taking the increase in the minimum insurance benefit into account, only 0.02 percent of payroll), the immediate effect is pronounced. About $65 million will be paid during the first 12 months to 160,000 people who would not otherwise have qualified for insurance benefits.

Table I compares the new insured status requirements with the previous law.

Increase in the widow's insurance benefit

The amendments increase the widow's insurance benefit by 10 percent (from 75 percent to 82½ percent of the worker's primary insurance amount). (People getting widower's benefits, and surviving dependent parents where only one parent is entitled to benefits, also have had their insurance benefits increased.)

Under the law in effect up to this time, when a man died his widow had to get along with one-half of the benefit income that the family had while the man was living. If the retirement benefit for a man bears a reasonable and adequate relationship to his previous earnings, as it is intended to, then three-fourths of that benefit is not adequate for his widow in terms of the man's earnings. The increase provided in the legislation will produce a more reasonable relationship between the widow's benefit and her deceased husband's earnings.

This change will result in $105 million in additional benefits being paid to 1,525,000 older people during the first 12 months of operation.

The following table compares benefits for widows under the new law at various levels of average monthly wage with those previously payable:

Average monthly wage	Amount of widow's benefit under previous law	Amount of widow's benefit under the 1961 amendments	Average monthly wage	Amount of widow's benefit under previous law	Amount of widow's benefit under the 1961 amendments
$50	$33.00	[1] $40.00	$250	$71.30	$78.40
$100	44.30	48.70	$300	78.80	86.70
$150	54.80	60.30	$350	87.00	95.70
$200	63.00	69.30	$400	95.30	104.80

[1] The minimum benefit provided for in the 1961 amendments.

Change in the retirement test

The Social Security Amendments of 1960 changed the provision for withholding benefits from beneficiaries whose earnings exceed $1,200 a year (generally referred to as the retirement test). The new test eliminated the requirement for withholding a month's benefits for each $80 of earnings above $1,200 and provided instead for withholding $1 in benefits for each $2 of earnings between $1,200 and $1,500, and for each $1 of earnings above $1,500. (Regardless of the amount of annual earnings no benefits are withheld for any month in which the beneficiary neither earns wages of more than $100 nor renders substantial services in self-employment.)

The changes made in the retirement test by the 1960 amendments reduced the deterrent to work and eliminated certain anomalies that had existed under prior law. Adjusting benefits in direct ratio to the amount of earnings above $1,200 assures that a beneficiary who earns more than $1,200 in a year will always have more in total income from benefits and earnings than if he had held his earnings to $1,200.

The Social Security Amendments of 1961 as passed by the House and as reported by the Senate Committee on Finance contained no provision for changing the retirement test. An amendment adopted on the floor of the Senate, and later approved by the conference committee increases the range of earnings over which the $1-for-$2 reduction applies from $1,200 to $1,500 to $1,200 to $1,700. The change increases the level-premium cost of the program by 0.02 percent of payroll on an intermediate cost basis. Under the new test, about 350,000 people will start to get insurance benefits or will get more benefits for 1961 than they would get if the law had not been changed.

Establishing a period of disability

While the legislation does not include the provision the President recommended for paying disability insurance benefits after the worker has been totally disabled for 6 months whether or not the disability is permanent, it does contain a provision related to disability that was much needed. Under the amendments the June 30, 1961, deadline for filing applications for establishing a period of disability beginning with the actual onset of the disability (as far back as October 1941) is postponed for 1 year. (As in previous law, where an application is filed after the deadline a period of disability can be established no earlier than 18 months before the date of filing application even if the applicant stopped working because of his disability much earlier than that 18th month.)

This is a much more important provision than it may appear to be. Failure to qualify for a period of disability means that a person may lose his insured status for all types of insurance benefits—retirement and survivors as well as disability—or may have the benefits payable on his earnings record greatly reduced. Yet about one-sixth of the disability claims now being filed are based on disabilities that began more than 18 months earlier. Many of these late filers are disabled workers under age 50, who only recently were made eligible for disability insurance benefits and have just learned that they are eligible.

Facilitating coverage for employees of State and local governments

Under an amendment added by the Committee on Finance, State and local public employees are given additional time to elect coverage under the "divided retirement system" provision, which permits 16 specified States to cover those retirement system members who desire coverage, with all future members being covered compulsorily. Under a provision added to the law by the 1958 amendments, people who do not choose coverage at the first opportunity may, at their request, be brought under the program by the State at any time within a year after the date on which coverage for the group was approved (or before January 1, 1960, if that was later). Under the amendment, the option of bringing additional persons under coverage would be open for 2 years after coverage for the group was approved, or through December 31, 1962, if that date is later. This extension of time takes account of the fact that State legislatures meet only once every 2 years, and of other factors that might result in people not coming under the program within the time limits of present law.

Under another amendment added by the Finance Committee, the State of New Mexico has been added to the list of 16 States to which the "divided retirement system" provision applies.

Affording survivors of certain ministers opportunity to elect coverage of the minister's services

The Senate Committee on Finance added a minor amendment to the provisions for covering ministers. Under this change, the survivors of ministers (or Christian Science practitioners) who die on or after the date of enactment of the 1960 amendments (September 13, 1960) and before April 16, 1962, are eligible to take advantage of the extension of time that was provided in the 1960 amendments for electing coverage. Such a survivor, as would be true of the minister himself had he lived, has through April 15, 1962, to file a certificate electing coverage of services performed by the minister before his death. A certificate filed by a survivor will be effective, generally, to cover the minister's services retroactively for 1 year just as if the certificate had been filed by the minister himself on the date of his death.

This change will help a few families who have been adversely affected by the fact that, under previous law, waiver certificates could not be filed on behalf of a minister after his death. If a minister died without electing coverage, there was no way for his family to secure old-age, survivors, and disability insurance protection on the basis of his ministerial employment.

Financing the old-age, survivors, and disability insurance amendments

The changes made by the 1961 amendments will increase the level-premium cost of the program by 0.27 percent of payroll and the income to the trust funds will be increased in the long run by an equal amount. This additional income will result from an increase in the contribution rates and from advancing by 1 year, to 1968, the time at which the ultimate scheduled contribution rate becomes effective. Since the change in the retirement test adopted during the Senate debate on the bill increased the cost of the amendments by 0.02 percent of payroll above the cost of the House-passed bill, the Senate made provision for financing this amendment by accelerating the last scheduled contribution increase so that the ultimate rate will be effective beginning in 1968 instead of in 1969.

Under the House-passed bill the contribution rates for the self-employed would have been increased by three-sixteenths of 1 percent. The fractions resulting from an increase of three-sixteenths of 1 percent would have made it difficult for people to compute their contributions. Therefore, the Committee on Finance changed the self-employment rates, after increasing them by three-sixteenths of 1 percent, so as to express them in decimals rounded to the nearest tenth of 1 percent.

The changes in the contribution schedule are shown below.

Calendar years	Employers and employees, each		Self-employed	
	Old	New	Old	New
	Percent	*Percent*	*Percent*	*Percent*
1962	3	3⅛	4½	4.7
1963–65	3½	3⅝	5¼	5.4
1966–67	4	4⅛	6	6.2
1968	4	4⅝	6	6.9
1969 and after	4½	4⅝	6¾	6.9

In making the changes in old-age, survivors, and disability insurance Congress has shown its customary concern for the financial soundness of the insurance program. Since the amendments would increase the level-premium cost of the program by 0.27 percent of payroll, and since the bill provides for additional income to the trust funds which is also estimated at 0.27 percent of payroll, the legislation will not change the actuarial balance of the insurance program and the insurance system will remain on a sound financial basis.

CHANGES IN PUBLIC ASSISTANCE

The new legislation amends the Social Security Act to provide additional Federal participation in public assistance payments to recipients of old-age assistance, aid to the blind, and aid to the permanently and totally disabled. It also provides temporary assistance to help U.S. citizens and their dependents who, having returned to this country from abroad, lack funds and other resources necessary to their health, welfare, and resettlement as responsible citizens.

Additional Federal participation in public assistance payments

In recognition of the need for more realistic assistance payments to needy people, Congress has raised the amounts, in which the Federal Government shares, of payments for the adult categories—old-age assistance, aid to the blind, and aid to the permanently and totally disabled. The Federal share has been 80 percent of the first $30 per recipient per month paid by the participating State. The Federal share in the next $35 of the average assistance payment (up to a maximum of $65 exclusive of the special medical provision in old-age assistance) has ranged from 50 to 65 percent in accordance with relative State per capita income. The new legislation, effective from October 1, 1961, through June 30, 1962, provides a Federal share of 80 percent of the first $31 of the average monthly payment, with the Federal share in the next $35 ranging from 50 to 65 percent as heretofore. The maximum is raised from $65 on an average basis to $66. The provisions already in the law for special Federal financial participation in medical care vendor payments in old-age assistance beyond the $65 (now changed to $66) monthly maximum are not affected by this legislation. The amount of the additional vendor-medical payments in old-age assistance in which there is Federal sharing is $15.

The new legislation makes appropriate changes in the special provision for Federal financial participation in these programs for Puerto Rico, Guam, and the Virgin Islands.

These formula changes are expected to increase the Federal investment in the Federal-State assistance programs by $15,225,400 for the 9-month period covered by the legislation.

Legislation enacted previously (Public Law 87–31) provided for an increase in Federal financial participation in the aid to dependent children program by broadening the coverage to include the children of unemployed parents.

Assistance for U.S. citizens returned from foreign countries

From time to time U.S. citizens in foreign countries because of their personal misfortune or illness or destitution or because of international crisis are without available resources and need to be returned to this country. After they reach a port of entry in the United States they may be in need of temporary assistance.

Under an amendment to title XI of the Social Security Act the Secretary of Health, Education, and Welfare is authorized to provide temporary assistance to citizens of the United States and their dependents who have been identified by the Department of State as having returned or been brought back from a foreign country because of destitution or illness, or the illness of any dependent, or because of war, threat of war, invasion or other crisis when they are without resources.

Reimbursement to the Federal Government.—Except in cases or classes of cases set forth in regulations of the Secretary recipients of temporary assistance are to reimburse the Federal Government for the cost of assistance.

Provision of assistance.—Assistance may be provided to the recipient directly by the Department of Health, Education, and Welfare or through utilization of the services and facilities of appropriate public or private agencies and organizations.

Plans and arrangements.—The Secretary is also authorized to develop plans and make arrangements for providing such assistance in the United States to U.S. citizens and their dependents who are without available resources after being returned or brought back from a foreign country.

Definition of "temporary assistance".—"Temporary assistance" may include money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health and welfare of individuals. It could also include guidance, counseling, and other welfare services. Temporary assistance to individuals is available on arrival in the United States and for a period after arrival as may be provided in regulations. This provision for temporary assistance will be effective through June 30, 1962.

In this critical period of history, the residence and travel of Americans in foreign countries can be a real force for building international friendship, economic progress, scientific and educational exchanges, and cultural ties. At the same time, however, American citizens abroad cannot always protect themselves against illness or even greater disasters in a foreign land. Yet, some of them on returning to this country are ineligible for the Federal-State public assistance available to other needy Americans.

Up to this time, however, the responsibility for giving essential help to returning citizens has been largely carried—of necessity—by private agencies and organizations. The welfare agencies in the Nation's major ports have made heroic contributions of time, skill, and money drawn from State, local, and private sources.

The Department of Health, Education, and Welfare has worked with State and local public welfare agencies on an individual case basis in an effort to develop arrangements under which care and attention could be given to needy citizens from abroad. The Department for several years has been making preliminary plans with various Federal agencies for the care of returning American nationals. The new legislation authorizes it to enter into agreement with them or with State welfare agencies. Under the new legislation, the Department will be able to reimburse the States for the costs of care given at the reception point, and for a limited period after the needy recipients reach their point of destination.

CONCLUSION

Although these amendments go a long way in making the social security program more flexible and effective, much still remains to be done. No program intended to meet the needs of the people in a changing society can remain static. Congress and the executive branch recognized the need for periodic reevaluation and improvement in the program and, on the basis of the record, there is every reason to believe that the entire social security program will continue to be modified and strengthened to meet changing needs of a growing economy.

TABLE I.—*Quarters of coverage required for fully insured status for old-age insurance benefits under previous law and under the 1961 amendments*

Year of attainment of age 62	Quarters of coverage needed				Year of attainment of age 62	Quarters of coverage needed			
	Men		Women			Men		Women	
	Previous law	1961 amendments	Previous law	1961 amendments		Previous law	1961 amendments	Previous law	1961 amendments
1953 or before	6	6	6	6	1973	33	25	29	22
1954	8	6	6	6	1974	34	26	30	23
1955	9	7	6	6	1975	36	27	32	24
1956	10	8	6	6	1976	37	28	33	25
1957	12	9	8	6	1977	38	29	34	26
1958	13	10	9	7	1978	40	30	36	27
1959	14	11	10	8	1979	40	31	37	28
1960	16	12	12	9	1980	40	32	38	29
1961	17	13	13	10	1981	40	33	40	30
1962	18	14	14	11	1982	40	34	40	31
1963	20	15	16	12	1983	40	35	40	32
1964	21	16	17	13	1984	40	36	40	33
1965	22	17	18	14	1985	40	37	40	34
1966	24	18	20	15	1986	40	38	40	35
1967	25	19	21	16	1987	40	39	40	36
1968	26	20	22	17	1988	40	40	40	37
1969	28	21	24	18	1989	40	40	40	38
1970	29	22	25	19	1990	40	40	40	39
1971	30	23	26	20	1991	40	40	40	40
1972	32	24	28	21					

Senator RANDOLPH. Next on the list is the Veterans' Administration and the next witness is Dr. Edward Mandell, Chairman of the Policy and Evaluation Staff and Veterans' Administration representative of the Federal Council on Aging; and Dr. I. J. Cohen, Assistant Chief, Medical Director, for Professional Services of Department of Medicine and Surgery.

Welcome, gentlemen. We are happy to have you with us this morning.

Dr. Mandell, I understand that you have a prepared statement.

STATEMENTS OF DR. EDWARD MANDELL, CHAIRMAN, POLICY AND EVALUATION STAFF AND VETERANS' ADMINISTRATION REPRESENTATIVE TO THE FEDERAL COUNCIL ON AGING; AND DR. I. J. COHEN, ASSISTANT CHIEF MEDICAL DIRECTOR FOR PROFESSIONAL SERVICES AND DEPARTMENT OF MEDICINE AND SURGERY, VETERANS' ADMINISTRATION

Dr. MANDELL. The prepared statement has been submitted and rather than read the total prepared statement, if I may, Senator, I would like to make some comments on that prepared statement.

Let me introduce myself again and give you some background as to my authority to speak on the subject of aging. Besides being a Chairman of the Administrative Policy and Evaluation Staff, I was the Executive Secretary of the VA Committee on Aging.

Dr. Cohen is the Chairman of the VA Committee on Aging and I am the Administrator's representative on the Federal Council of the Aging.

In our prepared statement there was one error——

Senator MUSKIE. Before I forget it, your prepared statement will be inserted in the record in full.

(Statement referred to follows:)

PREPARED STATEMENT OF DR. EDWARD MANDELL

The Veterans' Administration is deeply concerned with the problems of aging because of the composition of the veterans of the United States at this time and in the foreseeable future. At the present time all veterans of World War I and earlier conflicts may be considered as aging or aged people. By 1980, two-thirds of all males in the United States 65 years and older will be veterans. It is obvious, therefore, that we have every reason to have a deep concern for the problems affecting older people.

The Veterans' Administration operates 170 hospitals scattered across the country divided primarily into three groups; general medical and surgical, neuropsychiatric, and tuberculosis. To an ever increasing degree, our patient load is being weighted by older patients. The medical needs and the degree of hospital care required by these patients is of increasing intensity and proportion, putting ever greater strain on our facilities which are limited by presidential direction to a ceiling of 125,000 beds.

Because of this, continuing studies are going on to find methods of caring for the older citizen effectively and efficiently within the limitations of our facilities. Our staff is constantly being trained and advised of the special needs and care of the older citizen.

Because of the increasing age of our veteran population, our hospital program can be considered as being especially geared to the health needs of the elderly.

The Veterans' Administration also operates 17 domiciliaries with a bed capacity of 17,000. In the main, the residents of our homes are elderly veterans. It is apparent, therefore, that the housing, social, spiritual, and educational needs of older people are important factors in our Administration. We are at present contemplating a reevaluation of our domiciliary program and our present concept indicates the need for more and smaller facilities scattered throughout the country geared primarily to restoration and rehabilitation of individuals so that they can occupy a place in their communities with respect and self-sufficiency. We are engaged in a large training program to educate our personnel to meet these needs.

We have a special division in our medical research program entirely devoted to research in aging. In this area special emphasis is paid to the biological problems of aging and in the various research centers in our hospitals throughout the country many individual projects are under study which have particular reference to the health needs of the aging.

The Veterans' Administration has a full-time group of chaplains and here in central office special attention is given to the training and indoctrination of our field chaplains in the spiritual needs of the older veterans.

There are special committees in central office devoted to studying the housing needs, the educational needs, and health needs of older veterans. This is an ongoing program and as definitive action is needed the results of these studies are constantly being implemented in our field operations.

The Veterans' Administration administers a large pension program for veterans. While the law requires that veterans to be eligible for benefits must be disabled from earning a living, it is recognized that age, per se, to a large extent causes this disability. Thus indigent older veterans are eligible for pensions. We have recognized and the Congress has approved in the pension field that the principle of need should be operative. This principle implies that those with the lowest income should receive the greatest amount of pension and those with higher incomes (up to a ceiling of $1,800 for single veterans and $3,000 for veterans married and/or with dependents) less pension. It is obvious, therefore, that we are deeply concerned with the economic sufficiency of older veterans.

Because the Administrator of Veterans' Affairs is a member of the President's Federal Council on Aging, the Veterans' Administration is interested in all of the problems affecting the aging of our Nation. Many of the members of the central office staff are on working committees of the Federal Government and the American Hospital Association to study these problems.

Dr. MANDELL. In our prepared statement there was one error which I think stated originally as 1975 in which two-thirds of all males 65 years and older would be veterans. The actual figure should be in the year 1995, 67 percent of all males 65 years and older will be veterans.

Senator MUSKIE. What will be the figure in 1980?

Dr. MANDELL. In 1980, it will be approximately 60 percent.

I would like to submit for the record—excuse me, in 1980, it will be approximately 30 percent. I would like to submit for the record a publication prepared by the Policy Evaluation Staff called "The Aging American Veteran and the National Economy."

These figures have been taken from that particular record or statement, rather.

Senator MUSKIE. Doctor, would you object if we selected portions of this for insertion in the record? It is rather long.

Dr. MANDELL. No, please use whatever you think suitable.

Senator MUSKIE. Fine. That will be done.

(Document referred to follows:)

Chapter I

THE AGING VETERAN POPULATION

A DYNAMIC GROUPING

The veteran population of the United States 65 years of age and over is a constantly changing group with new members continually added, older members dropping out at various ages and those remaining within the group aging and their economic status changing.

Although much of the data, particularly statistical, relating to this portion of the population as of a given census or other survey or estimate time tend to give the impression of a rather fixed group in a static situation, the aging process and concurrent adjustments are, of course, continuous, and the changes that accompany it and the rate at which they occur differ widely with individuals and over a period of time.

It has been determined, however, that the rate of change in physical condition and in social and economic adjustments which accompany it greatly accelerates toward and during the age 60 to 69 decade of life. This latter also is a period when economic responsibilities, particularly for family and upbringing of children, decline or have terminated, while economic self-support capacities and opportunities enter a new phase. The conjuncture of these developments points to this period as a logical one in which to end old and start new basic economic contractual arrangements.

Within this period of roughly a decade, the specific age 65 for men has been generally adopted to keep large scale programs and commitments with respect to this citizen group within manageable proportions from the standpoint of both financing and administration, particularly in the development of insurance, social security, retirement and similar programs of economic importance.

However necessary or desirable from the administrative standpoint, it has been increasingly observed that a sharp shift by the individual on reaching the age 65 to a new economic status and level of income, and the way of life supportable by it, has serious drawbacks from other points of view. Among other difficulties, it involves radical adjustments in a short period of time, creating what has recently been characterized from the social and economic standpoint as "retirement shock." The male retiree is not only separated from his daily working contacts but finds that many of his friends and neighbors are away during the long daytime and not anxious to repeat on-the-job and other conversations for his sole benefit, particularly now that he has nothing much of his own to contribute. He misses such daily contacts and frequently thinks he may find strangers in a retirement community elsewhere more neighborly. Suddenly forced socially inward, introspection too often leads to brooding on his own condition. The retirement ease to which he was looking forward becomes a bore and a cause of further physical and mental disturbance, with economic consequences of importance to himself, his family, his neighbors and his government.

Increasingly widespread recognition of the difficulties created for the individual by the rigid determination of his retirement status by the date of the 65th birthday have been under review and some attempts made to introduce more flexibility into the retirement process. As against the administrative advantages of having a specific verifiable factor like the date of birth determine eligibility, alternate or supplementary criteria may provide more economically justifiable bases for qualification. In this connection the most important consequences on the economic situation of the aging veteran arising from the legislative and administrative adoption of the qualifying age compromise are considered later in this study along with the major programs to which they relate.

SIZE AND GROWTH OF THE AGING VETERAN POPULATION

There are currently 1,800,000 American veterans aged 65 and over, and it is estimated that within another five years this total will reach 2,250,000. Nearly all (over 99 percent) are male veterans of World War I, less than 50,000 of these having served in World War II. Immediate concern of the Veterans Administration within this aging citizen area of its responsibility is, therefore, currently centered primarily in World War I veterans and their surviving dependents.

Of the 600,000 male citizens annually reaching the age of 65 and thus introduced in the group of primary interest to agencies concerned with the aging population, currently about half are veterans.

The inflow of World War I servicemen into this group in recent years has given rise to a veteran age composition in it currently very different from that of the aging male population 65 and over as a whole. As of 1959 there were about 1,500,000 veterans, who accounted for 22 percent of the approximately 7,000,000 total male population in this age group.

TABLE 1

AGE CLASSIFICATION OF TOTAL AND VETERAN AGING MALE POPULATION, 1959

Age Classification	Male Population in Age Class		Veteran Portion
	Total	Veteran	
	(Thousands)		(Percent)
65-69	2,698	1,091	40
70-74	1,969	331	17
75-79	1,295	38	3
80-84	645	33	5
85 and over	359	9	3
Total Aging	6,966	1,502	22

Source: Bureau of the Census and Veterans Administration.

The veteran component of this aging group was high in the entering ages, with 40 percent veterans in the age class 65-69 and only 3-5 percent in the over 75 age total.

The proportion in each 5 year age class within the aging male population group for veterans as compared with non-veterans in 1959 is presented in Table 2 and Chart I.

TABLE 2

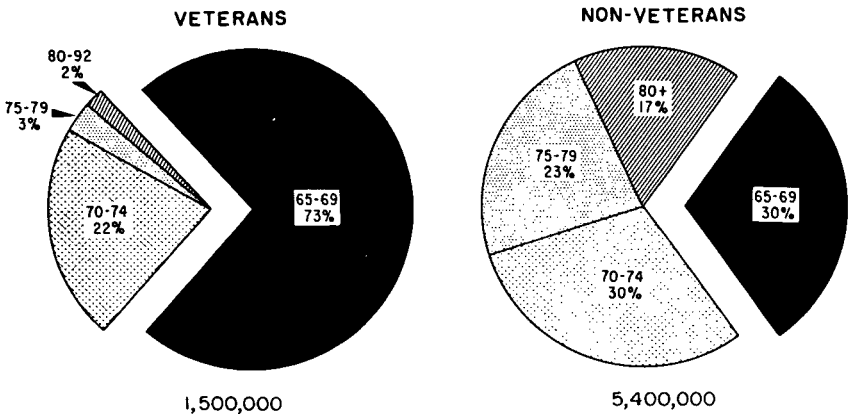
AGE CLASSIFICATION OF VETERAN AND NON-VETERAN AGING MALE POPULATION, 1959

Age Classification	Percent of Total by Age Class	
	Veteran	Non-Veteran
65-69	73	30
70-74	22	30
75-79	3	23
80-84	2	11
85 and over	0	6
Total Aging	100	100

Source: Bureau of the Census and Veterans Administration.

CHART I

AGE CLASS OF AGING MALE POPULATION ,1959



It is clear from this that the age composition of the present veteran group 65 and over is distinctly different from that of the non-veteran male population in this age classification. Nearly three-quarters of the former had in 1959 entered the 65 and over group during the preceding five years as compared with less than a third of the non-veterans. About 40 percent of the latter were 75 years of age and over as compared with only 5 percent of the veterans.

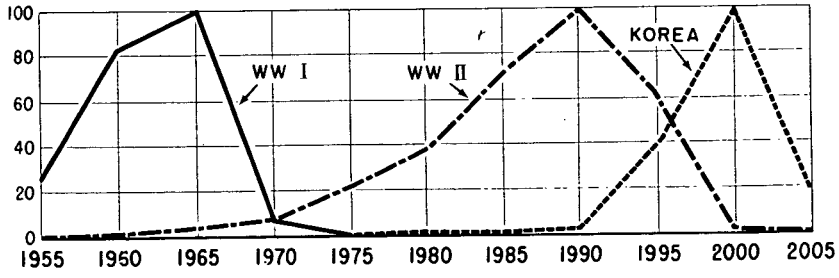
This present difference in the age compositions is an outgrowth of the periodicity of the wars which have given rise to veteran status. This has resulted in the flow of veterans into the 65 and over age group in surges or waves as compared with the more steady accessions to this age group by the male population as a whole.

CHART II

INDEXES OF THE NUMBER OF VETERANS OF EACH WAR ATTAINING AGE 65

In Each 5-Year Period 1955-2005

Peak Number from Each War Entering Aging Group=100



Looking to the future, as a result of general United States population increases, longevity gains and more widespread military service, planning must take into account the prospect of an important expansion in the number of aging men and the rising proportion of those with veteran status.

While the male population 65 and over is expected to increase from its current level of 7,000,000 to 13,000,000 over the next four decades, the proportion of veterans in these totals will increase still further. It is also expected that men aged 65 and over will account for not only an increasing proportion of the total population, but that within this aging group those with veteran status will expand from the present one-fifth to account for nearly two-thirds of the total.

TABLE 3

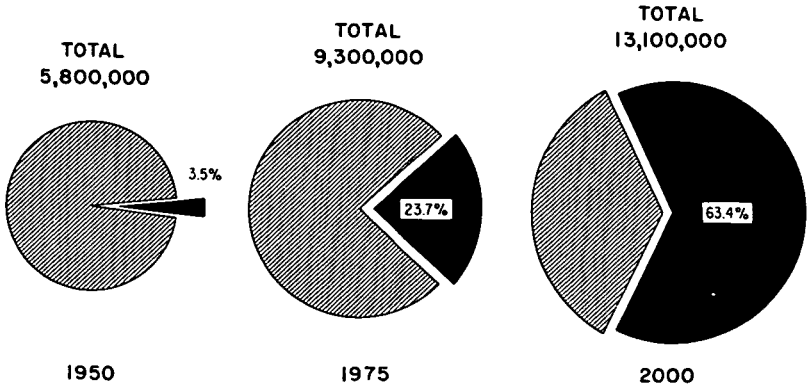
AGING MALE POPULATION ESTIMATE PROJECTIONS, TOTAL AND VETERAN, 1960-2000

	Total (Million)	Veteran (Million)	% Veteran
1950	5.8	.2	3.5
1955	6.5	.7	10.8
1960	7.1	1.8	25.4
1965	7.7	2.3	29.9
1970	8.4	2.0	23.8
1975	9.3	2.2	23.7
1980	10.3	3.0	29.1
1985	11.2	5.1	45.5
1990	12.3	7.5	61.0
1995	12.9	8.6	66.7
2000	13.1	8.3	63.4

Source: Bureau of the Census and Veterans Administration

CHART III

ESTIMATED VETERAN PROPORTION OF THE INCREASING AGING MALE POPULATION
1950-1975-2000



While it is expected that the growth in the male population 65 and over will be maintained at an increasing rate that changes only moderately from year to year, the veteran portion as previously noted comes into this aging group in wave-like progression. This will cause the age class composition of the veteran group to change in a very different pattern from that of the group as a whole.

The continuation of this development in the movement from one age class to another within the 65 and over veteran group is clearly apparent in the estimates for the next four decades presented in Table 4 and the proportions of the number of veterans in each five-year age class over this period shown in Chart IV.

TABLE 4

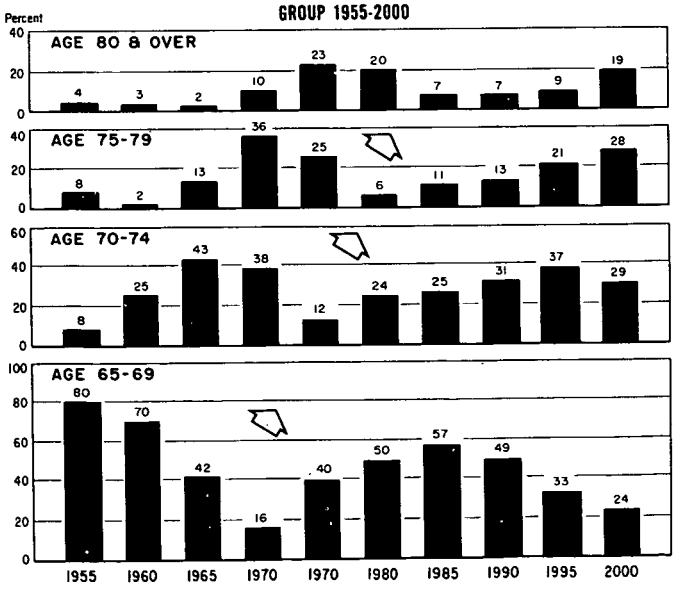
AGING VETERANS ESTIMATE PROJECTIONS BY WARTIME SERVICE 1950 - 2000

	Spanish American	WWI	WWII	Korean*	Total
1950	118	79	7	-	204
1955	72	607	14	-	693
1960	40	1,688	36	-	1,764
1965	18	2,106	178	-	2,302
1970	6	1,550	453	-	2,009
1975	1	1,005	1,239	4	2,249
1980	-	546	2,464	30	3,040
1985	-	228	4,765	87	5,080
1990	-	66	7,260	187	7,513
1995	-	12	7,109	1,464	8,585
2000	-	1	5,078	3,172	8,251

*With no service in World War II
Source: Veterans Administration

CHART IV

AGE CLASS COMPOSITION OF THE AGING VETERAN GROUP 1955-2000



One effect of the previously mentioned wave-like progression in the annual number of male veterans entering the 65 and over age group of special importance in the future will be the resulting change in its age class composition from time to time. As can be seen in the estimates presented in Table 5 and Chart V, the proportion in the 65 - 69 age classification may vary in the future from, for example, the low of 16 percent in 1970 to 50 percent a decade later.

Viewing the group as a whole, it is clear that in addition to the changes in the number of individuals that can be expected to be in it in the next few decades, the ages of the majority will at different times be higher and lower than at present. This will be reflected in the proportions of the group with employment and in other economic ways as well as in the living requirements to be supplied by the national economy.

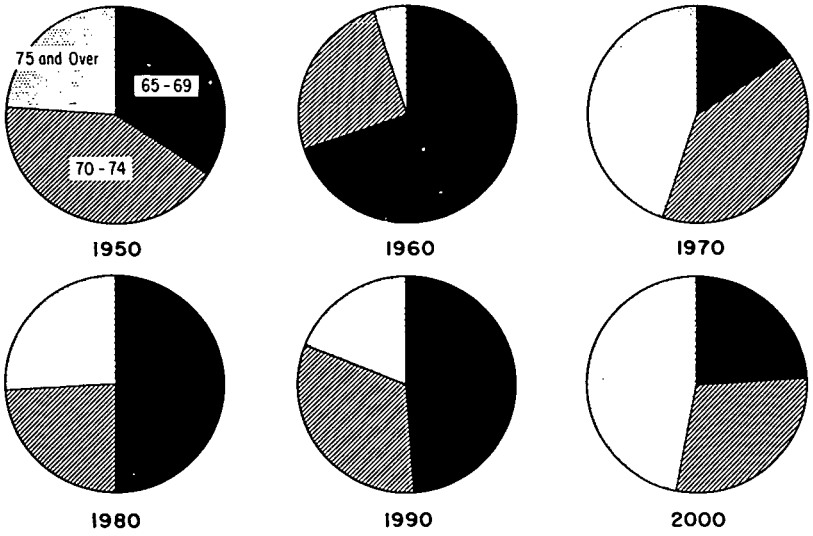
TABLE 5
CHANGING AGE CLASS PROPORTIONS OF THE MALE VETERAN POPULATION 65 AND OVER BY DECADES, 1950 - 2000

Year	65-69 (percent)	70-74 (percent)	Age Classes 75 and over (percent)	Total 65 and over (percent)
1950	34	42	24	100
1960	70	25	5	100
1970	16	39	45	100
1980	50	24	26	100
1990	49	32	19	100
2000	24	29	47	100

Source: Veterans Administration

CHART V

CHANGING AGE CLASS PROPORTIONS OF THE MALE VETERAN POPULATION 65 AND OVER
By Decades, 1950-2000



FAMILY STATUS OF THE AGING VETERAN

The significance of the incomes of veterans aged 65 and over in terms of the levels of living provided is inter-related with their family status. About three-fourths are married and maintain households with their wives, as is indicated in Table 6. One-third of the remaining quarter of the group has continued single and the rest have been widowed or in some cases divorced. Thus, the 65 and over veteran group is made up preponderantly of married couples.

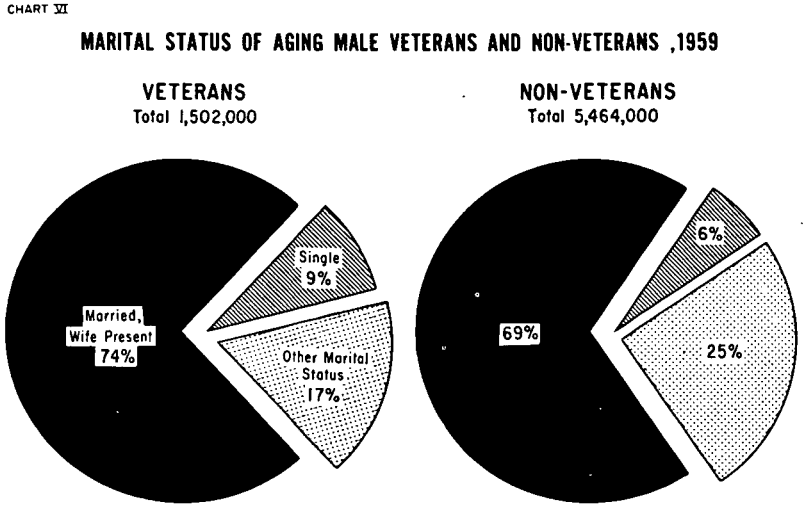
TABLE 6

MARITAL STATUS OF MALE VETERANS AND NON-VETERANS AGED 65 AND OVER, 1959

Marital Status	Veterans		Non-Veterans	
	Thousands	Percent	Thousands	Percent
Single	135	9	328	6
Married, wife present	1,112	74	3,770	69
Other marital status	255	17	1,366	25
TOTAL	1,502	100	5,464	100

Source: Bureau of the Census and Veterans Administration

CHART VI



Again, the situation is dynamic. Family status changes with the advancing age of those within the 65 and over veteran group, primarily as a result of increasing widowhood. The proportion of surviving male veterans who are widowed or separated from their wives because hospitalized or for other reasons increases from one-eighth of the total in the age class 65 - 69 to one-third among those 75 and over, as shown in Table 7. Some variations in this pattern appear geographically by regions, between rural and urban areas, and within such areas.

Judging from the available data, it appears that the non-veteran male population 65 and over falls in about the same family status pattern, except for a somewhat higher ratio of those widowed. This latter situation is no doubt accounted for by the larger proportion of non-veteran men currently in the more advanced ages in the 65 and over population where a higher rate of widowhood prevails than is indicated in the case of veterans.

TABLE 7

MARITAL STATUS OF AGING MALE VETERANS
BY AGE CLASSIFICATION, MARCH 1959

Marital Status	Age Classification		
	65-69	70-74	75 and over
Total	100	100	100
Single	8	13	3
Married, wife present	79	63	63
Other Marital status	13	24	34

Source: Bureau of the Census and Veterans Administration

Attempts have been made in legislative and administrative provisions of aging veterans' income maintenance programs to take account of the most readily determinable current and changing family status differences. This is indicated later in this study in connection with housing, including institutional, as well as with compensation and pensions.

Family status is changing in nature and in importance to an increasing portion of the aging population 65 and over and is of growing concern to planning for the future by the individuals involved and by business enterprise and government agencies.

GEOGRAPHIC FACTORS AFFECTING AGING VETERANS

The different patterns of living typical of the various regional areas of the United States, and as between urban, suburban and rural locations in the same area, involve wide variations in living costs. An amount of income that is adequate to maintain a generally acceptable social and economic status in one location may be sufficient to support an above-average standard in one place, and fall short of the requirement in another.

This diversity has had a major influence on the determination of economic need under all of the concepts already noted and lies back of the failure thus far to establish any universally satisfactory uniform standard for the United States. It accounts for a certain degree of pressure on the population 65 and over, including veterans, concerned with maximizing the level of living obtainable with their reduced levels of income, to move to other locations either within their established community or elsewhere. It has a direct bearing on the distribution basis for Federal Government funds in programs of concern to the veteran aged 65 and over.

Regional and State aging veteran population distribution

The regional and State distribution of aging veterans in 1959 is presented in Table 8 and Chart VII. Their geographic location is roughly similar to that of the population as a whole. Over half are in the Middle Atlantic and East North Central regions plus the individually large States of California and Texas.

TABLE 8

ESTIMATED NUMBER OF AGING VETERANS BY STATES, 1959

State	Number (Thousands)	State	Number (Thousands)
New England	98	E. S. Central	78
Connecticut	23	Alabama	19
Maine	9	Kentucky	22
Massachusetts	49	Mississippi	13
New Hampshire	6	Tennessee	24
Rhode Island	8		
Vermont	3	W. S. Central	128
		Arkansas	9
Middle Atlantic	280	Louisiana	20
New Jersey	59	Oklahoma	20
New York	135	Texas	79
Pennsylvania	86		
		Mountain	52
E. N. Central	335	Arizona	9
Illinois	104	Colorado	15
Indiana	41	Idaho	5
Michigan	74	Montana	6
Ohio	78	Nevada	3
Wisconsin	38	New Mexico	4
		Wyoming	4
W. N. Central	147	Utah	6
Iowa	26		
Kansas	19	Pacific	210
Minnesota	34	California	157
Missouri	44	Oregon	21
Nebraska	12	Washington	32
North Dakota	5		
South Dakota	7	U. S. TOTAL	1,502
South Atlantic	174		
Delaware	3		
D. C.	8		
Florida	39		
Georgia	22		
Maryland	23		
North Carolina	26		
South Carolina	13		
Virginia	25		
West Virginia	15		

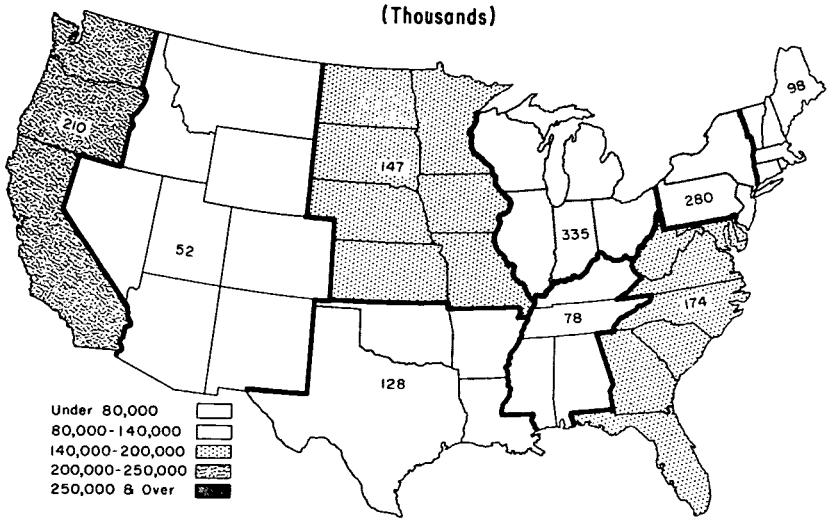
Source: Veterans Administration

Of particular interest from the standpoint of the economic aspects is the fact that half of the aging veteran population is located in the eight States: California, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio and Pennsylvania where per capita income levels are well above the average for the country as a whole. Only one-tenth are in the eight Southeastern States which have the lowest per capita money incomes in the United States, as will be seen in Chapter IV.

CHART VII

NUMBER OF AGING VETERANS BY REGION ,1959

(Thousands)



Another aspect of this comparative geographic concentration of the aging male veteran population is of prime importance to planning and providing for the economic maintenance of the aging veteran by himself and by the public and private agencies concerned. In attempting to arrive at equitable geographically uniform rates, it is apparent that if they are based on averages for the country as a whole they will not provide the average level of living of each geographic region of residence for the bulk of the aging veteran population, which, as noted above, lives in States where living costs and standards are higher than average.

Other aspects, such as the effect on inducements to the aging veteran to relocate, are considered subsequently herein.

Geographic Migration

There can be no doubt that the economic factors of cash income limitation in retirement and some variation geographically in the cost of living, and hence the quality of living that a given fixed monetary income will buy from place to place, have provided some incentive to the aging group 65 and over, including

aging veterans, to move to new locations on retirement. This has resulted in some "migration," both permanent and seasonal, but much of this shifting appears to have been simply moving into the less expensive local areas, still in reach of old friends and relatives.

The influence of a differential in payments to the aging population 65 and over as between States is illustrated on a small scale by a few local instances of action to deter migration which has been caused by the desire to take advantage of the higher rate. In the case of old age assistance payments, an average per recipient in June 1957 of $35.69 in Tennessee and $28.67 in Mississippi induced some migration to Arkansas where the average payment was $55.53. This caused Arkansas to change its rules in 1959 for public assistance eligibility to require a residence in the State for at least three years of the preceding five years for one type of assistance, and for the immediately preceding year of the last three years for another.

Under somewhat different circumstances, the State of Washington in 1959 included in its appropriation bill for the Department of Public Assistance a requirement that applicants for general assistance must have resided in the State for three out of the four years immediately preceding the date of application.

However, census data for a decade ago covering the civilian population 65 years of age and over indicate that 90 percent resided in the same house as in the preceding year, 7 percent moved to a different house but in the same county, about 2 percent shifted to a different house in the same State, and only 1 percent moved between States. While the census data for 1960, when available, may show some increase in the population 65 and over and veteran mobility, the proportion involved in inter-State movement on other than a seasonal basis, although important to the immediate areas concerned, will apparently not have a major impact on the economy as a whole.

The promotion of special geographic "retirement areas" particularly in the southeast and on the southern West Coast is still undergoing development. The appeal has been thus far primarily to the middle-income group. Experience with such planned communities to date has not yet encountered on a large scale the effects of further aging of residents and change in family status, such as widowhood, and shifting interests within the aging groups as time goes on.

Two generalizations of importance to the aging veteran group appear warranted in this connection: (1) geographic mobility is usually a last resort of those still employed, as most older workers tend to change their employers or even their occupations before they change their places of residence, and (2) geographic mobility declines in most areas with advancing age.

HEALTH STATUS OF AGING VETERANS

Health status, which has a double economic impact on the individual through its influence on his employment and earning power and upon the cost of maintaining his established living

standard, becomes a factor of primary importance to the aging. Expenses of health maintenance through medical care accelerate greatly with advancing age, and this comes for the man 65 and over at a time when his income and purchasing power declines. Coupled with the rapid rise of the population 65 and over in recent years and looking to the future, this has become a matter of increasing national concern.

Moreover, the same degree of overall health impairment can be of widely different economic significance depending upon its nature and the parts of the mind or body affected and its relation to current employment or to occupational background. Of concern also is the juncture at which its development forces consideration of income-producing alternatives, with or without retraining, and in a reasonable distance of the individual's sometimes predetermined residence.

Within the group aged 65 and over as a whole there is a great diversity, with degrees of impairment varying widely. The common factors appear to be the inclusion with advancing age of more and more individuals with subsequent accumulation of additional impairments and an increasing intensity with reference to the effects on economic activity.

These developments as respecting individuals have been of common knowledge and experience within families and local neighborhoods, and caused no great continuing national concern as long as family and community ties were strong and the members "looked out for each other." The march of progress, however, has led to increasing and more widespread specialization in the whole social and economic spectrum of industrially advanced and advancing countries like the United States. This, in turn, has increasingly broken up the self-sufficient units and groups, leaving the relatively up-rooted individual more and more to find a specialized place occupationally, geographically, socially, where he and his immediate family can obtain maximum living satisfactions. From this has arisen the currently intensifying problems of the aging veteran of concern here. Past the period of family raising, with the youngsters married and setting up or established in homes of their own elsewhere, he is confronted with such new problems as advancing disabilities, compulsory or other retirement pressures, reduced income and social isolation.

The situation changes in pattern and intensity over a period of years rather than appearing suddenly at age 65 or thereabouts when he becomes entitled to participate in most programs for the economic maintenance of the aging individual.

This is clearly evident in the data covering the chronic physical conditions and limitations affecting income-producing activities of the male population 45 and over by age classes for veterans and non-veterans in table 9. The rise with advancing age in the proportion which have such physical hindrances is at a remarkably constant rate. The number of such hindrances and the degree of severity of limitations from the standpoint of employment, and self-employment in an activity like farming, continue to build up within the aging group.

TABLE 9

VETERAN AND NON-VETERAN MALE POPULATION WITH CHRONIC PHYSICAL CONDITIONS AFFECTING INCOME-PRODUCING ACTIVITIES BY AGE CLASSES, 1957 - 58

Age Class	With Chronic Conditions (percent)	With Activity Limitation (percent)	With Work Limitation (percent)	Unable to Work (percent)
		Veterans		
45-54	54	11	8	2
55-64	65	27	21	9
65-74	80	50	44	20
		Non-Veterans		
45-54	54	13	10	3
55-64	62	20	17	6
65-74	72	37	31	13

Source: Public Health Service

Typical chronic health impairments

It is also clear from the data for some of the ailments typical of the aging presented in table 10 that their incidence increases rather steadily with advancing age as new afflictions involve more and more individuals and multiply in the same individual. It is noteworthy that the rate for these conditions per thousand rises from half again to nearly doubling in each of the two ten-year age periods from the 45 to 54 age group to the 65 - 74 group, with the rather steady rate of involvement of new individuals.

TABLE 10

PREVALENCE OF SELECTED CHRONIC PHYSICAL CONDITIONS AFFECTING INCOME-PRODUCING EMPLOYMENT IN THE MALE POPULATION AGE 45 AND OVER RATE PER 1,000, 1957 - 59

Chronic condition	Rate per 1,000 in Age Class			
	45-54	55-64	65-74	75 and over
Arthritis and rheumatism	84	139	198	206
Deafness and hearing impairments	46	86	155	250
Heart conditions	43	87	141	168
Hernia	28	52	87	123
Visual impairments*	21	33	69	149
Extremities or trunk paralysis	6	14	21	37

*Not fully corrected by glasses
Source: Public Health Service

Health impairments are significantly higher in the male aging veterans as compared with non-veterans. In the age class 65 to 74 in the year ending June 30, 1958, the rate of impairments per 1,000 veterans was found in a National Health Survey to be 518 as compared with 421 for non-veterans in this age class. Similarly, the proportion of aging male veterans was higher than for non-veterans for those with chronic conditions, those under care with restricted activity and the number of days of bed disability. Currently available data are inadequate, however, to provide more precise information on this score.

Special economic effects on aging veterans

The effects of this changing health factor on employment have a great many facets of direct specific bearing on the economics of the individual veteran aged 65 and over in addition to those mentioned in general above, as well as on prospective employers and on income maintenance programs of Government agencies.

The 65 and over veteran group differs on this score from the general non-veteran male population in this age group in several ways of special importance to government and private planning agencies concerned. The development of some major disability impairments in the case of veterans resulted from wartime military service which brought large numbers into the wholly and partially disabled classification suddenly with each major military episode, rather than at the more normal non-veteran accretion rate.

This has had widespread special economic effects through the necessity of providing expanded treatment facilities and services in large volume inaugurated in short periods of time, the economic maintenance of those with impaired or destroyed self-support ability, and restoration where possible to full or partial self-support condition, occupation and employment. The effect of these developments on the veteran population aged 65 and over are apparent in the periodic expansion heretofore mentioned in their number and the influence on employment income.

(In the latter case, it is well to note that it is possible to have somewhat misleading statistical indications of improving average health condition and of increased employment for the aging veteran group as a whole in these periods of extraordinary expansion in the numbers of those reaching age 65, since those who are just entering the 65 and older age group are typically in better physical condition than the average for the existing group, and have a relatively higher rate of employment than does the group as a whole.)

Physical condition and employability

Physical condition of the aging is a factor in the decision by the prospective employer and the aging man himself as to whether to offer or take employment in specific cases and at particular times. It affects employability and the type of work that can be performed and as might be expected is of a somewhat lower level in a greater proportion of aging veterans than is the case with non-veterans. In the 65 to 74 age group, about 45 percent of the

veterans have some type of activity restriction involving work limitation as compared with about a third in the case of non-veterans.

Information currently available is inadequate to get a clear measure of the developments within the 65 and over age period as a basis for determining precisely what, if any, Government measures would be helpful to maintaining the aging veteran for a longer period in suitable physical condition to take advantage of available employment opportunities. Consideration is being given currently to this situation.

The outcome of this background in the actual employment situation of the aging veteran is presented in Chapter III.

Research in Maintaining the Health of Aging Veterans

The Veterans Administration has currently in progress about 90 studies in the following fields directly concerned with the health problems of the aging and having a bearing on the maintenance of the aging veteran currently and in the future in a viable economic condition. They cover the following areas of study:

(a) Biological aspects of aging in the cell, the organ and the organism

(b) Changes which age produces in the individual

(c) Special deterioration usually attributed to age or specially noted in elderly patients

These are a continuation of the general program of the Veterans Administration in this field and are concerned particularly with the ultimate prevention or early cure of conditions which impair the health and ability of the aging veteran to maintain himself.

EDUCATION BACKGROUND

The current aging population, including veterans, has not had as many years of formal education as is now customary. The median school years completed for those now 65 years of age and over is slightly over 8 as compared with 12 for those now under 45.

The education status of the aging population of the future will increasingly reflect the general continuing rise in the average number of years of formal schooling of the younger generations. With particular reference to veterans, this has resulted in part from the fact that those veterans now in the 65 and over age group did not have the advantage of the educational assistance, including retraining and readaptation to new employment provided after World War II and the Korean Conflict. This has had some bearing both on employment of the veterans who are now in the population group aged 65 and over and on their resources for satisfying activity after retirement.

The economic significance of the education limitations of the veterans now 65 and over and of the increasing formal education background of the veterans who will be coming into this age group in the future cannot be adequately appraised pending the availability of further data.

Summary (Chapter I)

The foregoing review has covered the major aspects of the veteran 65 and over age group from the standpoint of their economic maintenance by themselves or as assisted where necessary by Government agencies to meet situations, standards, and criteria considered in Chapter III following hereon. It is apparent that the group is growing rapidly and under dynamic personal conditions that call for continuing review and the maintenance of alert and progressive adjustment by the legislative and the executive agencies directly concerned, such as the Veterans Administration.

Dr. MANDELL. I would like to call your attention to the fact that as you probably know that the Veterans' Administration has no particular requirement under the law to take care for the aging, per se, but we are admonished under the law to take care of veterans and because of the nature of our veterans population being limited to those who have had war service, our segment that we take care of is a limited segment and a constantly aging one.

If what I hope is the wish of all of us that we will have no further wars, we, therefore, can expect that we will have no further veterans added to our rolls.

Those that we are taking care of will continually age and by the year 2000 practically all veterans will be in the aging group. Because of the fact that this veteran population, a limited segment of the population is a constantly aging one, we are aware that we are facing day to day the problems of the aging American male.

We operate 170 hospitals across the country and in our hospitals we are recognizing that more and more of our patient load is being filled with 65-year-old veterans and older.

Senator MUSKIE. What percentage of your population now is in that age bracket?

Dr. MANDELL. May I ask Dr. Cohen?

Dr. COHEN. In our hospitals at the present time, almost one-third of all patients hospitalized on any given day are 65 years or older, an increase in the past decade from approximately 5 percent at the beginning of the fifties.

Senator MUSKIE. From 5 to 33 percent?

Dr. MANDELL. And this will continue to increase.

Senator MUSKIE. So, very shortly, one out of every two beds——

Dr. MANDELL. Will be occupied by a veteran 65 years or older.

Senator MUSKIE. Will he be hospitalized because of the chronic diseases associated with old age?

Dr. MANDELL. While it is true he may be hospitalized for any condition that may arise, such as broken limbs or anything else, he is eligible for treatment. It is recognized he is coming into more of the disabilities that are connected with the old-age group and those disabilities make his stay longer.

Senator MUSKIE. Of the patients over 65 now in the hospital, what percentage are in the hospitals for old-age diseases or old-age disabilities?

Dr. MANDELL. I do not know that we have it broken down by age group for each disability so it is not possible to give an exact figure. Am I correct we do not break the diseases down by ages?

Dr. COHEN. A study in 1958 was done jointly with other Federal agencies, specifically with the U.S. Public Health Service, the National Institute of Mental Health, and with the American Hospital Association, of those veterans who were receiving care on one given day. Those figures are available by age, by the broad categories of care which they were receiving, specifically, those receiving care for mental illnesses, those with tuberculosis and those with medical, surgical, and neurological disorders.

These figures prepared in 1958 have been updated for the groups with tuberculosis and mental illnesses. All three groups will again be updated in the spring of next year and will be related to the veteran distribution by age, based on data obtained from the 1960 census. This will provide us with a basis for a second series of forecasts similar to the one completed in 1958. There is available a copy of this study which may be utilized in any way the committee sees fit, including forecasts to 1986.

Senator MUSKIE. We appreciate having that for our files and would like to insert in the record at this point anything pertinent to the questions I ask.

(Material referred to follows:)

CURRENT AND PROJECTED VETERAN PATIENT LOAD

THROUGH 1986

Veterans Administration
Controller, Department of Medicine & Surgery

Bureau of the Budget
Hospital Programs, Labor and Welfare Division

June 4, 1958

CURRENT AND PROJECTED VETERAN PATIENT LOAD

Introduction:

In the execution of any program, long-range planning is necessary for administrative decision.

This is true of the federal program for providing hospital care to eligible veterans. As a consequence, the following study is a joint effort of the Veterans Administration and the Bureau of the Budget to determine the present extent to which the Federal government is providing care to veterans. A series of estimates of the future hospital requirements of the veteran population have been made using different assumptions. The current situation and the projections provide a basis for formulating a policy on the extent to which the Federal government should assume responsibility for the care of veterans. It also provides data for assessing the long-range ramifications of any policy.

During the past year, three separate surveys were conducted for the Veterans Administration and the Bureau of the Budget by the U. S. Public Health Service and the American Hospital Association. The purpose of these studies was to determine the number of male veterans hospitalized in public and private hospitals in the United States and Puerto Rico. For the first time, information was obtained on the age and geographical distribution of veterans in non-VA hospitals. Survey findings were then combined with similar data on the composition of the Veterans Administration patient load to provide a complete picture of the current veteran patient load. These data have been the basis for estimates of future patient loads for each of the three major types of patients, i.e., tuberculous, psychiatric, and general medical, surgical or neurological. Current and potential patient load data refer to the number of veterans in hospital, but do not represent expected changes in the total number of veterans admitted to VA and non-VA hospitals. Detailed information on current patient loads and projections for each of the three patient categories is presented in appendices A, B and C.

Current Patient Load

The following table shows the total number of veterans in hospital as of June 1957 according to their eligibility status and the percent who are given care in Veterans Administration facilities:

	Total	In Hospital Under VA Auspices	In Hospital Not Under VA Auspices	Percent In Hospital Under VA Auspices
	All Veteran Patients (Service & Non-Service-Connected)			
All Patients	187,800	110,200	77,600	58.7
Tuberculous	18,200	12,200	6,000	67.0
Psychiatric	84,900	57,300	27,600	67.5
General Medical, Surgical and Neurological	84,700	40,700	44,000	48.1
	Veterans In Hospital For Non-Service-Connected Disabilities			
All Patients	148,800	71,200	77,600	47.8
Tuberculous	15,100	9,100	6,000	60.3
Psychiatric	53,600	26,000	27,600	48.5
General Medical, Surgical and Neurological	80,100	36,100	44,000	45.1

It is assumed that all veterans hospitalized for treatment of service-connected disabilities are given care under VA auspices.

This summary points up the extent to which the Federal government has assumed responsibility for the care of veterans whose disabilities are not related to their military service. Such care is provided under legislation permitting hospitalization on a facilities available basis when veterans certify their medical indigency.

Almost half of all veterans currently in hospital for non-service-connected disabilities are cared for at Federal expense. An analysis of this distribution by type of patient is most significant.

Three out of five veteran patients with tuberculosis not attributable to service are in the agency's hospitals. One of every two veteran patients with non-service-connected psychiatric conditions is being cared for by the Veterans Administration. Almost the same proportion prevails among veterans with general medical, and neurological conditions unrelated to service.

Marked differences, according to state of residence, were found in the proportion of veterans receiving care for non-service-connected conditions in Veterans Administration hospitals. These comparisons are shown in each of the appendices.

The extent to which veterans obtain their care from the Veterans Administration for conditions unrelated to service increases markedly with advancing age as demonstrated by attached Table 1. Of even more significance in preparing future estimates of total bed requirements of the veteran population as it advances in age, are the data on hospital prevalence rates shown in the following table. They show that the age "prevalence" rates of non-service-connected patients per 100,000 living veterans increases from 340 for veterans under age 25 to 4,759 for those aged 70 and older.

		Type of Patient		
Age Group	All Types	Tuberculous	Psychiatric	General Medical, Surgical and Neurological
All Ages	655.6	66.6	235.1	353.9
Under 25	340.4	29.2	106.5	204.7
25 - 29	224.2	18.7	71.4	134.1
30 - 34	346.4	34.7	151.0	160.7
35 - 39	369.0	39.3	141.5	188.2
40 - 44	481.7	64.7	153.1	263.9
45 - 49	708.6	92.5	239.7	376.4
50 - 54	1,035.6	153.8	295.7	586.1
55 - 59	1,515.7	171.6	574.1	770.0
60 - 64	1,785.5	189.4	632.4	963.7
65 - 69	2,464.7	207.1	903.2	1,354.4
70 & over	4,759.1	235.9	1,575.9	2,947.3

Summary of Future Projections

Assuming that peacetime conditions will prevail in the future and that there will be no change in existing eligibility criteria, estimates of future veteran patient loads were derived from present experience. These projections do not take into account the future effects of such major factors as possible dramatic advances in medicine and possible changes in the economic status of the veterans.

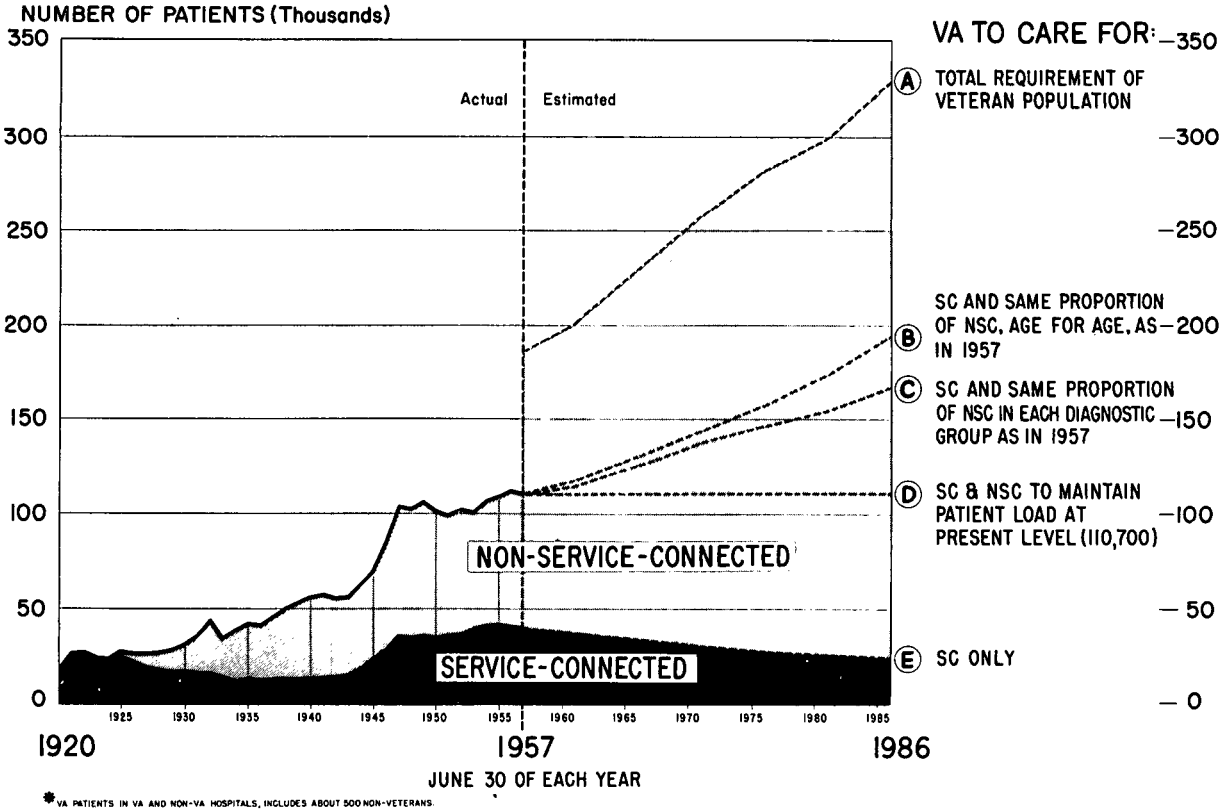
The veteran population is expected to decline gradually for a number of years. By 1986 there are expected to be 7.5 million fewer war veterans than there are now. However, at that time the number of living veterans over 55 years of age will be about 13 million in comparison to 3.4 million today. Attached Table 2 shows this projected decline through 1986 with the estimated age distribution of living veterans.

It may be expected that the service-connected patient load will decrease continuously as time elapses after a war. However, the effects of the aging of the veteran population will result in a continual increase in the patient load of veterans with non-service-connected conditions. The patient loads representing the total number of veterans in VA or non-VA hospitals at fifteen-year intervals through 1986 have been computed as follows:

Eligibility Status	Type of Patient	Thousands of Patients In Hospital as of June 30 1957	1971	1986
Service-connected	All Patients	39.0	29.7	23.6
	Tuberculous	3.1	0.8	0.3
	Psychiatric	31.3	26.6	22.0
	GMS&N	4.6	2.3	1.3
Non-service-connected	All Patients	148.8	228.3	304.5
	Tuberculous	15.1	13.1	14.4
	Psychiatric	53.6	78.5	100.5
	GMS&N	80.1	136.7	189.6

It is possible to envision a variety of policies under which the Federal government could assume responsibility for providing hospital care in future years. The following graphs delineate five alternate approaches ranging from caring for only service-connected conditions to caring for all conditions regardless of ability to pay. Attached Table 3 provides the detailed projections for all types of patients. Similar detail for each type of patient is shown in the appendices.

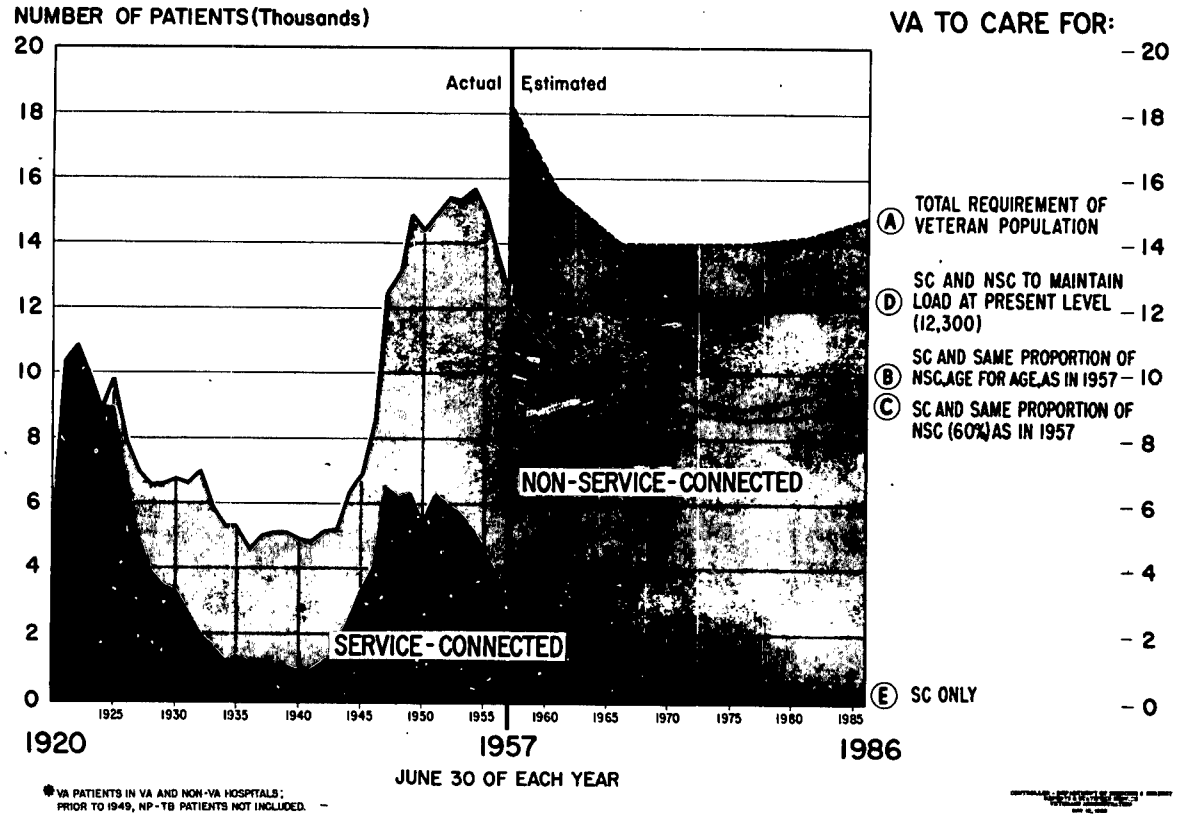
VA TOTAL PATIENT LOAD*-PAST, PRESENT AND FUTURE



*VA PATIENTS IN VA AND NON-VA HOSPITALS, INCLUDES ABOUT 500 NON-VETERANS.

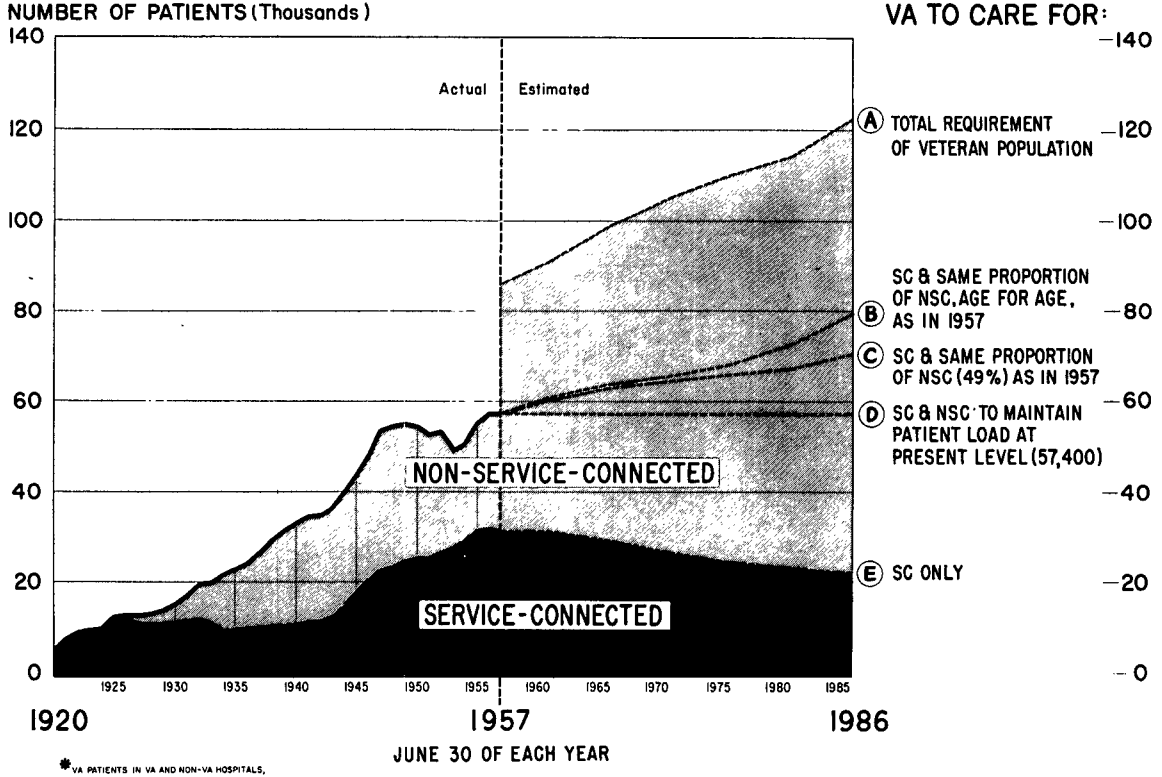
CONTROLLER - DEPARTMENT OF MEDICINE & SURGERY
REPORTS & STATISTICS SERVICE
VETERANS ADMINISTRATION
MAY 15, 1958

VA TUBERCULOSIS PATIENT LOAD*-PAST, PRESENT AND FUTURE



*VA PATIENTS IN VA AND NON-VA HOSPITALS; PRIOR TO 1949, NP-TB PATIENTS NOT INCLUDED.

VA PSYCHIATRIC PATIENT LOAD* - PAST, PRESENT AND FUTURE



*VA PATIENTS IN VA AND NON-VA HOSPITALS,
INCLUDES NP-TB PATIENTS PRIOR TO 1949
INCLUDES NEUROLOGICAL PATIENTS PRIOR TO 1953

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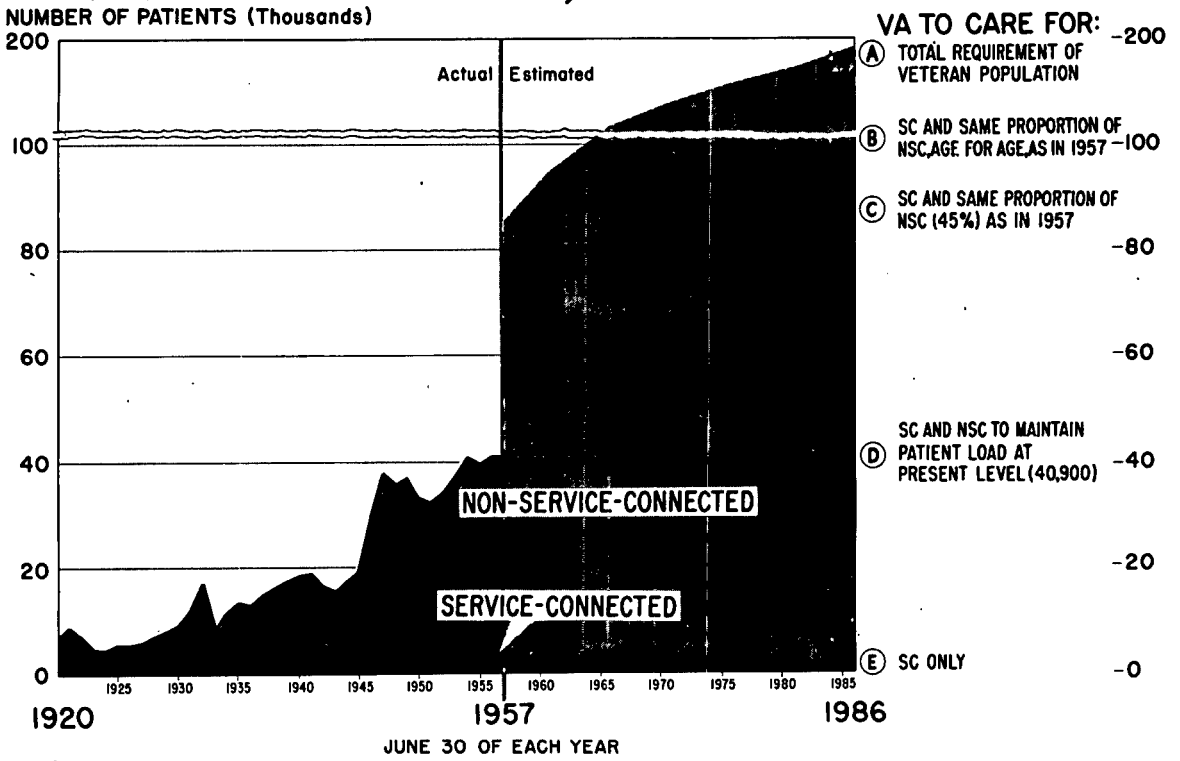
MAY 15, 1958

VA MEDICAL, NEUROLOGICAL AND SURGICAL PATIENT LOAD* - PAST, PRESENT AND FUTURE



*VA PATIENTS IN VA AND NON-VA HOSPITALS; PRIOR TO 1953 NEUROLOGICAL PATIENTS NOT INCLUDED

Qualifications of Projections

Except for tuberculosis patients, for which a further decline in "prevalence" rates is anticipated, these projections are based upon an assumption that existing veteran hospitalization "prevalence" rates will continue in the future. No assumptions have been made of the effect on future veteran patient loads of further changes in medical practices and economic conditions.

For example, the dramatic drop in the tuberculosis load being experienced now could not have been anticipated a few years ago. Many medical developments affecting other infirmities of man might have potential for breakthrough in the future. On the other hand, therapeutic advances are not necessarily associated with decreased bed requirements.

Another assumption which has been made is that the age prevalence rates of World War I veterans today may be used to project the number of World War II and Korean veterans who would be in hospital when they attain comparable ages. It is difficult to assess whether this assumption results in an overestimate or underestimate of the future veteran patient load since it is not possible to determine the effect of the differences in environment or the adequacy of medical care received by the veterans of these two generations.

Uncertainties exist also in the economic and social context within which medical care is provided. Estimates of the extent to which the older veteran in the future will seek care at Federal expense are based upon present experience with older veterans. Because of the GI bill, expanded social security and other retirement programs and extension of medical and hospital insurance, there is every reason to believe that the World War II and Korean veterans in their old age will be better able to afford medical care in non-public facilities than are the World War I veterans today.

Due to the inability to forecast the effects of these medical and economic factors on the future veteran hospital patient loads, they should be recognized as qualifications of projections based on present experience.

TABLE 1

Non-Service-Connected Veteran Patients with War Service
By Age and Hospital Jurisdiction
As of June 1957

Age Group	Number of Patients			Percent of Total Patients	
	Total	In VA Hospitals 1/	In Non-VA Hospitals Not Under VA Auspices 2/	In VA Hospitals 1/	In Non-VA Hospitals Not Under VA Auspices 2/
Under 25	3,353	1,110	2,243	33.1	66.9
25 - 34	24,528	9,006	15,522	36.7	63.3
35 - 44	31,346	12,806	18,540	40.9	59.1
45 - 54	18,074	7,465	10,609	41.3	58.7
55 - 64	40,074	22,122	17,952	55.2	44.8
65 - 74	25,305	15,061	10,244	59.5	40.5
75 & over	5,228	2,846	2,382	54.4	45.6

1/ Includes veterans with war service hospitalized under VA auspices in non-VA hospitals.
2/ Includes only male veterans with war service.

TABLE 2

Estimated Age Distribution of Veteran Population
Excluding Peacetime Veterans
1957 - 1986

Age Group	Thousands of Veterans as of June 30						
	1957	1961	1966	1971	1976	1981	1986
All Ages	22,560	22,234	21,523	20,257	18,758	17,085	15,107
Under 25	985	63	-	-	-	-	-
25 - 34	8,322	5,579	2,104	69	-	-	-
35 - 44	7,641	9,556	8,879	5,768	2,151	71	-
45 - 54	2,221	3,678	6,644	9,083	8,283	5,647	2,095
55 - 64	2,357	1,273	1,655	3,335	6,017	8,058	7,413
65 - 74	955	1,991	1,808	923	1,297	2,537	4,643
75 & over	79	94	433	1,079	1,010	772	956

TABLE 3

Current and Projected Veterans Administration Patient Loads
Under Certain Alternative Assumptions of the Extent to Which Care
Would Be Provided by Veterans Administration
1957 - 1986

Eligibility Status	1957 (Actual)	1961	1966	1971	1976	1981	1986
ASSUMPTION A - VA To Care For The Total Veteran Patient Load							
Total	110,200	201,000	229,300	258,000	281,100	299,600	328,100
Service-connected	39,000	36,600	33,000	29,700	26,800	25,000	23,600
Non-service-connected	71,200	164,400	196,300	228,300	254,300	274,600	304,500
% of Total NSC Patient Load	47.8	100.0	100.0	100.0	100.0	100.0	100.0
ASSUMPTION B - VA To Care For All SC And Same Proportion Of NSC, Age For Age, As In 1957							
Total	110,200	117,200	130,200	143,500	157,100	172,300	193,800
Service-connected	39,000	36,600	33,000	29,700	26,800	25,000	23,600
Non-service-connected	71,200	80,600	97,200	113,800	130,300	147,300	170,200
% of Total NSC Patient Load	47.8	49.0	49.5	49.8	51.2	53.6	55.9
ASSUMPTION C - VA To Care For All SC Patients And Same Overall Proportion Of NSC Patients In Each Diagnostic Category As In 1957							
Total	110,200	114,800	125,900	137,400	146,400	154,000	166,500
Service-connected	39,000	36,600	33,000	29,700	26,800	25,000	23,600
Non-service-connected	71,200	78,200	92,900	107,700	119,600	129,000	142,900
% of Total NSC Patient Load	47.8	47.6	47.3	47.2	47.0	47.0	46.9

TABLE 3 (Continued)

Current and Projected Veterans Administration Patient Loads
Under Certain Alternative Assumptions of the Extent to which Care
Would Be Provided By Veterans Administration
1957 - 1986

Eligibility Status	1957 (Actual)	1961	1966	1971	1976	1981	1986
ASSUMPTION D - VA To Care For All SC Patients And Sufficient NSC Patients To Maintain Load At Present Level							
Total	110,200	110,200	110,200	110,200	110,200	110,200	110,200
Service-connected	39,000	36,600	33,000	29,700	26,800	25,000	23,600
Non-service-connected	71,200	73,600	77,200	80,500	83,400	85,200	86,600
% of Total NSC Patient Load	47.8	44.8	39.3	35.3	32.8	31.0	28.4
ASSUMPTION E - VA To Care For All SC Patients Only							
Total	110,200	36,600	33,000	29,700	26,800	25,000	23,600
Service-connected	39,000	36,600	33,000	29,700	26,800	25,000	23,600
Non-service-connected	71,200	------	------	------	------	------	------

Dr. MANDELL. Therefore, in our hospitals we are deeply concerned with the health problems of the aged. We also operate a series of domiciliary residences or homes and significantly while these are not limited to the older veteran by definition, from the very fact that it is limited to veterans with disabilities which incapacitate them from earning a living, a greater and greater number of residents in our domiciliaries are the older veterans.

This gives us a wide experience in the housing needs and the general nursing care needs of older citizens and also in the spiritual and social and psychological needs of older citizens, so that our experience in the field of carrying for aging veterans is probably as broad as any in this country.

We also have a program of pensions and in the pension program this is limited to those veterans who have disabilities and a limitation of income but because of our pension program, which is a growing program, we also have experience in the economic needs of the aging male populations.

I should say that I am constantly referring to males and as many of you know, particularly World War II and Korean conflict, females were not necessarily excluded but by the very nature of total numbers, the number of females that we care for is relatively few and the number of males relatively large so that we cannot claim too great an experience in the care of the older females as yet.

Senator MUSKIE. Are your facilities adapted to, as well as they might be, to caring for the aging patient, the patient over 65 whose primary cause of disability is connected with his age?

In other words, do you have geriatric facilities in the best sense of the word?

Dr. MANDELL. This I can say we have in our hospitals. Our hospitals are geared to take care of the geriatric problems of the ailing veteran.

Senator MUSKIE. What do you do with those patients that do not need or no longer need intensive hospital care but do need skilled nursing care?

Dr. MANDELL. At the last hearing of the full committee, Senator McNamara asked the then Deputy Administrator whether we operated nursing homes.

We do not operate nursing homes as such because we have no authority to operate nursing homes.

I think in his testimony he stated that we were prohibited from operating nursing homes and this is true if you take the word "prohibition" to mean that that which the law does not specifically grant, it prohibits.

The law relating to facilities as incorporated in title 38, which is the codification of all veterans' laws, in talking of the facilities which will be operated by the Veterans' Administration, specifically mentions that the Administrator may operate hospitals and then defines hospitals and the kinds and domiciliaries and defines domiciliaries but it makes no mention of nursing homes.

Senator MUSKIE. What language change do you think you ought to have? Do you think "nursing homes" ought to be specifically mentioned in the law?

Dr. MANDELL. Let me answer that by giving you what I got from our general counsel. In anticipation that that question might be asked, I ask our general counsel what the answer to that might be, and I would like to read in the record their answer to me.

STATUTORY AMENDMENT TO AUTHORIZE ESTABLISHMENT BY VA OF NURSING HOMES

1. You have requested our advice as to what amendment to the present laws would be needed to give it a very specific authority to establish and operate nursing homes. This request stems from your conversation with a representative of the staff of the Senate Special Committee on Aged.

2. Section 5001 of title 36, United States Code, authorizes the Administrator, subject to the approval of the President, to "provide hospitals, domiciliaries, and outpatient dispensary facilities for veterans entitled under this title to hospital or domiciliary care or medical services." There is no specific mention in this authorization concerning the erection or acquisition of nursing home facilities.

3. An example of how the Code could be amended to provide in clear and unmistakable terms the authority to establish nursing home facilities is contained in the pending House bill, H.R. 7840, a copy of which is attached, you will note that this bill would amend section 5001 of title 38 to add a new subsection, reading as follows:

"(g) Subject to the approval of the President, the Administrator shall provide additional facilities at hospitals under his administrative control for furnishing of convalescent care, nursing care and institutional care for long-term chronic diseases."

4. You will also note that the bill spells out that nursing home care may be provided by the VA and make it perfectly clear that admission to the nursing homes facilities is available on the same basis as admission to hospitals as opposed to the requirement for admission to domiciliaries. Thus, the bill would amend paragraph 5, section 601, title 38, United States Code to add to the definition of "care" a sentence stating that, "The term 'hospital care' also includes convalescent care, nursing home care, institutional care for long-term chronic disease."

5. The Administrator has been requested by the Committee on Veterans Affairs to report on H.R. 7840 and the bill is now being studied with a view to determining the agency's position on the merit of this type of legislation. After a report has been approved by the Administrator, it will be necessary before submitting such a report to the House committee to obtain from the Bureau of the Budget advice concerning relationship of the measure to the program of the President.

Senator MUSKIE. Would the nursing home provide a less expensive type of care for aging patients who now have to be cared for and are cared for in existing facilities of the Veterans' Administration?

Dr. MANDELL. In general, I would say "Yes."

Senator MUSKIE. Inasmuch as by 1985, there will be 45 percent of the aging male population who are veterans and by 1995, as you have indicated, 66.7 percent, we are talking about a potential problem here which affects a large segment of our total population.

Should we be thinking not necessarily in terms of integrating programs but at least in terms of related programs of nursing home care for veterans and other segments of our aging population?

Dr. MANDELL. The Committee on Aging of the Veterans' Administration has given this considerable thought. One of the philosophies derived in the contemplations of that committee was that certain factors of nursing home care seem realistic and important.

First, that the operation of a nursing home does not necessarily become more efficient or effective by increase in size. A size of a nursing home anywhere from 75 to 200 beds is just as effective if not more effectively operated than a nursing home of 2,000 or 3,000 beds.

Those people with chronic diseases needing long-term care should not be deprived of a fairly intimate relationship with their home community. Therefore, they would be best cared for in those areas where they would have the ability to continue that relationship. So that nursing homes, therefore, we feel, would ideally be best located as close to the patient's community as possible.

For the Veterans' Administration to carry this out, if we should say we were going to attempt to do this by even saying only in major cities—I think Dr. Cohen has the number of major cities there are—this would mean probably some 500 or 600 more or less homes and if we said major communities, it may run to maybe 5,000 to 6,000.

The administrative difficulty of a Federal agency trying to administer 5,000 to 6,000 separate stations scattered over the country is practically an impossible task.

Therefore, we feel that this should be given consideration in any legislation, whether it should be done by a Federal agency or in some way whether the Federal agency should give support to such a program operated locally by the local community or the States.

Senator MUSKIE. That would appear to be the persuasive alternative at this point.

Dr. MANDELL. Yes.

Senator MUSKIE. I am curious about one other point. I became involved with the nursing home problem as Governor of my State. I must say that we have considerable distance to go before we have a program of acceptable minimum standards. I think up to this point that the progress made has been commendable.

I think we are now reaching the point of the evolution of this program where we ought to be setting our sights a little higher.

Do you think in a veterans program, a nursing home program, we should visualize as support for a State a general program of nursing homes, do you think that the Federal program ought to in some way impose standards?

Dr. MANDELL. I would be inclined to say they should impose guidelines to standards for the States, with this admonition, that in the imposition of standards on the States it must be recognized that there are at present a tremendous number of facilities caring for the chronically ill which every one will admit are substandard.

To impose standards on the country too rapidly would simply mean that you close facilities which while not good are better than nothing. Therefore, I would recommend that whether the Federal Government direct the standards or guide the standards or whether the States direct the standards, that they be time-phased so that you do not throw the entire care of the chronically ill into a tailspin.

Senator MUSKIE. You face this difficulty don't you, Dr. Mandell? It is difficult to predict what percentage of a given number of nursing home patients would be veterans.

If it were very small, the nursing home might be reluctant to raise their standards to a certain level and fail to raise them those veterans would be denied the services of that institution.

So I am inclined to agree any such policy would have to be realistic and properly phased to meet the practical possibilities.

Dr. MANDELL. This is right.

Senator MUSKIE. This is a possibility, is it not, Dr. Mandell, that we would have a schedule of progressive payments depending upon the standards provided by the nursing homes? The institutions of higher standing would have higher payments?

Dr. MANDELL. Yes, I think one of the things we should clarify on our own thinking is that there is in this country no clear-cut decision on exactly what we mean by nursing homes, and it ranges from operating hospitals and to operating old-age homes and places of residence and everything in between. There are some operators of nursing homes that would like to limit their operations only to those that can rehabilitate and feel primarily a nursing home should be a convalescent home and rehabilitation center; and I think, on the other hand, it should be recognized that there are patients that still need care that cannot be gotten in their own home community and own home environment, so there are all degrees from limited nursing care, to intensive nursing care to rehabilitation and simply convalescent care and all fall into the spectrum of nursing homes.

I think some clarification of what we mean by nursing homes is essential. I think we have recognized in our own program that while we have limitations for admission to our domiciliaries, requiring that those veterans that enter the domiciliary shall be able to maintain themselves and take care of their daily needs, it is recognized as they age they soon lose these abilities and we find ourselves caring for the aged and infirm.

One of the problems, I think, always confronts a group studying the problem we are studying is that we place in the group that we call the aging and aged, everybody between the age usually 65 and older, and I think we must recognize that usually that group between 65 and 75, in general, are pretty self-sufficient, that when you take the group from 75 years and above we get more and more the disabled and the infirm and when you get up into the 80's, you definitely have the infirm.

It is not realistic to group all of these people into one group.

Senator MUSKIE. Now, since this problem is accelerated, we must shortly make a decision as to the kind of program we are going to provide for nursing homes in the veterans field and also for our general aging population. Is this not so?

Dr. MANDELL. Yes, in this respect I would like Dr. Cohen to talk to you about some of the studies being done in the Department of Medicine and Surgery as to their new approach in the domiciliary program and what the agency should do as an agency and what it should expect from the local communities.

Dr. COHEN. Senator Muskie, the approach has been rather one of what are the needs of our patients rather than what type of facilities do they need and in exploring this we have come to realize as Dr. Mandell has just related to you, that there are patients in our hospitals that need hospital care and patients that need long-term care, and geriatric types of units.

There are members in or domiciliaries who can and should be motivated to live again in the community as at least more independent citizens than they are now. The domiciliaries as they now exist are holdovers of the post-Civil War period and are still being carried on in part with the rather broad programs which came out of the post-

Civil War period. In the past they did provide everything from a residence up to a hospital, including the equivalent of nursing home care, whatever that might be.

The approach that we have been using is one of substituting for our domiciliaries a unit which we tentatively referred to as a restoration center. We believe it important to emphasize restorative services and to provide major emphasis on outplacement of as many of these individuals as possible into community facilities as rapidly as the community resources can be built up. This will permit us to take care of these individuals closer to their homes than 18 large centers now permit.

There has been developed a very careful staff study by members of the professional services giving consideration to all of the needs of these older veterans, their health needs, their spiritual needs, their psychological needs, and their socioeconomic problems which have in no small measure contributed to their application for care in the domiciliaries.

A large percent of these individuals are lone individuals, a fair percentage have been categorized as social isolates so they do need considerable work in terms of planning for their outplacement.

Accordingly, the staff having developed a program that we believe is a feasible one, there is underway conversion of some unused facilities at our VA hospital in Hines, which is outside of Chicago, to establish a pilot restoration unit. We hope to open this in November, by admitting patients from the Hines Hospital. This is a 2,000-bed installation which has an ample number of individuals of various groups, various diagnostic categories, to provide patients for the 120-bed unit which we are establishing there.

The actual details, the philosophical concept, the program application, the facility which we envision will probably be needed is included in a draft document entitled "Restoration Center" which I think that the committee and the staff may be interested in reviewing.

Senator RANDOLPH. We will make it a part of the record at this point.

(Material referred to follows:)

PROPOSED PLAN FOR THE RESTORATION CENTER

Background

Study of length of stay in hospital has shown that socioeconomic factors are an impediment to early discharge and placement of an increasing number of patients. The milieu of a hospital is attuned to the care of the sick. Solution of socioeconomic problems is not the primary mission of a hospital. The Department of Medicine and Surgery has attempted to deal with these situations of necessity in the hospital setting. The increase in age of the veteran segment of the population and the increase in chronicity of disease that accompanies senescence necessitate a fresh look at this growing problem and its impact on the VA hospital system.

The present domiciliary system of the VA is primarily oriented to institutionalized living and not to outplacement. Thus the domiciliary tends to provide an escape or refuge from responsibility for the veteran, the family, and the community. Although many of the members now in domiciliaries or applying for admission could be placed in the community, the veteran's stay in a domiciliary has not been generally productive in terms of motivation and planning for constructive outside living.

It is well known that long exposure to an institution or hospital environment results in a pattern of living which is inimical to adaptation to community living. The better adjusted the patient to this environment, the more difficult his readjustment to the community.

Objective

The restoration center will permit the mobilization of medical, social, and vocational services for those veterans who have reached maximum hospital benefits and who have a potential for return to community living within 1 year. This program will focus on those individuals whose optimal adjustment to their disability will require relatively less medical supervision and nursing care than that given in a hospital. Their goal may be return to their own home with medical care, nursing care, home help and/or other community services, or perhaps to an appropriate kind of protected living arrangement, such as foster care or boarding home, nursing home, or State or other home. The emphasis of the program will be on movement, not maintenance.

Establishment of restoration centers will—

1. Better meet the needs of disabled veterans.
2. Widen the scope of professional supervision of the rehabilitation process.
3. Increase the use of hospital facilities by making more beds available for those in need of hospitalization.
4. Provide more effective use of public funds.
5. Stimulate communities to develop resources for care of disabled citizens.

Thus the objective of the restoration center is to provide a dynamic program aimed at restoring disabled veterans to more purposeful and independent living. The program in the center will emphasize restoration and outplacement of disabled veterans, focusing special attention on the social and economic aspects of illness and disabilities.

The restoration center is not a panacea for the "frozen" bed problems of the hospital. A patient whose prognosis is for continuous bed care will not be transferred to a restoration center. The needs of such patients will continue to be met by the hospital. Patients for whom maximum hospital benefits have been reached but who still require extensive nursing care beyond 1 year, will not be transferred to the restoration center, but will be retained in the hospital until they meet the criteria for admission to the center, or if extensive nursing care is a continuing requirement, placement in a nursing home will be arranged, when possible, directly from the hospital.

Method

Having attained maximum hospital benefits, all techniques of physical medicine and rehabilitation, social work, nursing and psychology, and all available modalities should be employed to maximize attainment of physical function, motivation for less dependent living, and the individual's utilization of personal and community resources for outplacement. Acceptance and help of the family and community to provide for their chronically ill members will be solicited.

Staff members will use individual and group methods as appropriate to the individual. Team approach, milieu therapy, and therapeutic community will be an essential part of the program. Periodic review to reevaluate potentials and goals will assure a focus on mobility. Flexibility and imagination will be used in the development and application of methods and resources. To effectively carry out its mission, the program of the restoration center must be conducted on a 7-day-a-week basis.

In this therapeutic millieu the focus will be on the achievement of independence and motivation toward personal adjustment by each veteran. Consonant with this philosophy and beginning as early as feasible the veteran will be trained in self-medication, personal care, and responsibility toward the group needs and the living unit. Those who are in final stages of preparation for outplacement will assume increased self-direction including visits to their homes to facilitate the transition and adjustment to community life.

Interpretation of the veteran's abilities, limitations, and needs will be given to the family. Assistance in providing suitable facilities and equipment and training of the family to meet the medical, nursing, or other personal needs of the veteran on his return to the home will be provided also.

Admission

The staff of the center will have control of the admitting procedures and will determine those eligible for admission. These will include:

1. Achievement of maximum hospital benefits.
2. Reasonable expectation of improvement of patient's capacity for outside living and development of a placement resource within 1 year.

3. Agreement by the referring service or hospital to accept return of restoree at any time that the center staff determines that he has regressed or that the potential for placement no longer exists.

Patients with psychiatric conditions who meet the other admission criteria will be accepted as restorees if—

(*a*) Free of delusions or hallucinations which would interfere with adjustment to the restoration center.

(*b*) Do not require active psychiatric treatment and can voluntarily and successfully cooperate in a planned activity program.

Initial admissions will be by transfer from a hospital. Former restorees will not be readmitted directly to the center because of acute illness or regression in their chronic condition but to the hospital. In unusual circumstances, the director of the center will have authority to readmit former restorees who have been discharged to the community when it appears that improvement in their level of adjustment could be anticipated and hospitalization is not indicated.

Generally, restorees will be admitted to the center from the parent hospital. Patients from other hospitals will be considered for transfer to the center if, in addition to meeting other criteria, they are residents of the local community, and the transferring hospital will accept these individuals back if their condition regresses or placement cannot be made.

Each application for admission to the center must be accomplished by a complete medical, social, and psychological assessment. These assessments must show clear evidence of potential resources in the individual, family, and community for phyical, psychological, and social restoration.

Personal discussion with hospital staff preparing the assessment evaluation may be requested in arriving at a final decision for transfer to the restoration center. Final acceptance will be the decision of the director of the center.

Course of restoration

The course of restoration and rehabilitation will be flexible and adapted to the needs of the individual veteran. All modalities, methods, and techniques appropriate to the needs of the individual will be used. Imagination and resourcefulness will be essential in adapting old and developing new approaches. Motivitation of the restoree, the family, and the staff will be important. The development and maintenance of an atmosphere of optimism, high morale, and an espirit de corps throughout the restoration center is an essential element in the success of the center. Such characteristics should be pervasive and evident to all who have contact with the center members and staff.

There should be periodic review of each restoree at least at 30, 90, and 180 days. Programs, treatment, and goals will be reevaluated and may be revised to meet changes in his physical and/or psychological condition or his social situation. Special review may be held at any time it is indicated. Although optimism and patience should mark all decisions of the staff, the restoree should be returned (to the hospital) promptly when it becomes evident that the admission potential cannot be developed.

The veteran, his family, or others who may be directly involved, should be informed of and participate in decisions regarding goals and treatment and changes therein as far as practical.

Interpretation of the veteran's needs, for assistance in achieving optimal independence, will be given. Instructions of relatives in use of equipment, giving of medication, simple nursing, and rehabilitation procedures, and other personal services which will enable the veteran to live in the home will be part of the ongoing program. Assistance will be given in selecting and exploring resources for obtaining equipment and/or for making needed alterations in the home preparatory to the veteran's return.

Passes, for day, overnight, or weekends, as well as trial visit, will be used to give the veteran, his family, or others concerned, opportunities to test out and build confidence in his ability to live at home and to handle himself in the community.

Much of the gain in independence and self-care can be nullified if dependent habits are reestablished during evenings and weekends by staff who are not oriented to the program and the need for development and maintenance of self-sufficiency.

Resources of the referring hospital and/or the community may be called on for the use of the patient while in treatment at the center.

Discharge

Restorees should have conclusive planning by the center within a 1-year period after admission. Decision to discharge will be made by the director of the restoration center on the advice of the professional staff at the center. Consultation with the staff of the hospital service from which the patient entered the center may be desirable.

In those cases where the potential for community placement has not developed as anticipated, the veteran will be returned to the referral source from which he entered the center.

Restorees will generally go to those community resources most appropriate to the individual patient's need. These may include own home or that of relatives; foster home; nursing home; hostels or halfway houses; sheltered workshop; full-time employment and boarding homes; working home; independent living; State; or, other homes.

Followup of the veteran following discharge from the center to insure preservation of the gains made will be carried out by social workers who may request home visits by medical, nursing, and P.M. & R. staff when this is indicated. This will be particularly important in the period immediately following discharge. In this respect, the need for a modified day care clinic at a restoration center should be considered.

For the assurance and guidance of the veteran and his family during the period of residence at the center as well as during this readjustment to the home, consultations at the center may be planned. This can also provide a review of his progress by the entire staff to supplement the reports of home visits.

Essential support

One of the strongest supports which the hospital can give is to emphasize in its total program a strong focus on early return to the community. The restoration center is a principal resource for facilitating this return. In the hospital, staff, patients, families, and veterans organizations and communities must be helped to realize that this is accepted medical practice and in the best interests of the patient, the hospital, and the community. Planning for discharge and community care should begin in the hospital at the earliest possible date and be kept in mind throughout the total course of treatment in hospital.

The hospital to which the center is attached must provide essential supporting services, both administrative and professional. These include, but are not limited to specialty consultations, laboratory service, pharmacy, X-ray, dental, prosthetics, and sensory aids, fiscal and administrative, supply, transportation, and engineering.

The restoration center will offer valuable teaching experience in the field of geriatrics and chronic illness to all professions. It should be an integral part of the teaching program of the hospital with residents and other trainees.

The center program will require optimal use of all VA services and benefits. Liberal and flexible interpretation of regulations and procedures will be essential in both the hospital and outpatient clinic. Interpretation of the program and its objectives to all VA staff in hospital and nearby stations will be important. VA resources must be used to every possible extent, both for effective operation and to demonstrate good faith in the community and agencies from which we will be asking cooperation.

The success of this program will be largely dependent on the availability of community resources for accepting the patients when they have reached optimum adjustment. In planning the staffing, it must be recognized that time to the staff, particularly the social workers and vocational counselors, must be devoted to finding and to developing community services which will support the patient and his family. Both of these services will rely heavily on VA volunteers. Among the services which will be needed are: Outpatient medical care (including home visiting); public welfare; visiting nurses; homemaking services; meals on wheels; day care centers; sheltered workshops; community employment committees; nursing homes; State and charity houses; foster homes; friendly visiting service, etc.

These services in many communities are limited, and some nonexistent. It will be part of the responsibility of the staff of the center and the hospital to encourage and assist their communities to develop these resources by—

1. Official membership of the hospital in councils of social agencies, health councils, planning councils, etc.
2. Active participation of individual staff members in such councils.
3. Active participation in professional organizations.
4. Support by hospital and staff members of Community Chest cooperation with State and local health and welfare agencies.
5. Providing to above organizations, and to the general public, through newspaper and other mass media, information, and statistics on the need for community services to protect the health gains made by hospital treatment of all citizens, including veterans.
6. Sharing experience and educational opportunities with other agencies and professional people in the community.

ADMISSION OF DOMICILIARY MEMBERS TO RESTORATION CENTERS

In 1956 new admission criteria were established for domiciliaries. A number of members presently in the domiciliaries do not meet one or more of the admission criteria. Also, a number of members who met the new criteria on admission have retrogressed to the point that they no longer meet the criteria. These have been transferred to the hospital or have been retained in the domiciliary.

On April 30, 1960, there were 2,113, or approximately 12 percent of the average daily member load who did not meet one or more of the current admission criteria.

Members should be given a complete medical, social, and psychological workup to determine their suitability for admission to a restoration center. The medical evaluation should determine whether benefit could be derived from hospitalization.

If the evaluation indicates that no benefit could be derived from hospitalization and he meets the other criteria for admission to a restoration center, request for transfer should be made to the appropriate center.

PROFESSIONAL SERVICES IN A RESTORATION CENTER

The restoration center will be headed by a physician, designated as director of the center who is responsible to the Director of Professional Services. The director of the center may be assisted by another physician, preferably a physiatrist and/or a staff assistant or assistant director. Other full-time staff assigned to the center will consist of social service, P.M. & R., psychology, nursing and voluntary service personnel. The personnel assigned to the center will be under general direction and supervision of the director of the center and will receive technical and/or professional guidance from the chief of the respective hospital services.

The goals and objectives of the restoration center emphasizes the movement and restoration of members to the community. In order to accomplish this central mission most effectively for the individual veteran, special attention must be given to the selection of professional staff. Both the special qualities and the optimal number of such staff must receive careful attention.

The disciplines concerned will not be bounded by the strict lines of delineation but will form a team to evolve creative approaches to these problems not previously encountered. They will be working more closely with those of other disciplines toward more definite and clearly defined common goals than has previously been true. The majority of veterans with whom they will be serving will have been admitted to the center from the hospital where they will have been oriented to bed-care nursing and clinical medical services. In the center in order to decrease dependence the member will require less of such services. The demands on related service personnel will be relatively greater. In short, the members of the professional staff will have to be persons who thoroughly understand and share the significance of the goals of the restoration center and whose training and experience has specially prepared them for service in the restoration center.

Professional support from the hospital: The services of specialists needed by restorees will be provided by the hospital on a consulting basis. Part-time consultants and/or attendants from the hospital may be utilized, particularly in those specialties not represented on the full-time hospital staff. Arrangement should be made for the hospital chief of services or their representatives to make rounds with the staff of the center.

It is not proposed to duplicate in the center the clinic services available in the hospital.

Drugs will be supplied from the hospital pharmacy; laboratory and X-ray examinations will be accomplished by the hospital clinics.

There will be no duplication of dental facilities in the center.

As part of the restoration process, restorees will be given increased responsibility. Consistent with their physical ability, they will be encouraged to take care of their needs for daily living and motivated to assume responsibility for maintenance of their living quarters. This must be given consideration in developing professional and administrative staffing requirements for the center.

PHYSICAL MEDICINE AND REHABILITATION SERVICE

The physical medicine and rehabilitation service should provide a program which will carry to completion specific objectives of the prescribed modalities, but also to provide a broad appilcation of all appropriate modalities aimed at restoring the patient's capacity for self-regulation necessary for outside living.

The objectives of physical medicine and rehabilitation in the restoration center should be integrated closely with the general goal and differs from the hospital where specific treatment is prescribed for specific conditions. In the center there must be a team effort with maximum flexibility between the various therapy units to provide a more generalistic approach. As early as possible in the restoree's progress he should be permitted guided selection of P.M. & R. activities.

P.M. & R. will provide service in the clinics and other appropriate areas to veterans as their medical condition requires:

1. Treatment of the residuals of disease and injury, and the resultant disabilities by use of the therapeutic modalities.
2. Conditioning exercises and muscle reeducation to develop strength and neuromuscular coordination.
3. Teaching self-care, including personal hygiene, to the veterans, and the families.
4. Teaching functional ambulation and use of prosthetic appliances.
5. Stimulate socialization, interest, and motivation.
6. Provide constructive activities to help prevent atrophy, deterioration and lethargy, and to enlarge areas of self-help and usefulness.
7. Help to educate staff and family to recognize and make use of the capabilities of the restoree.
8. Meeting the needs of patients having language, speech, and hearing impairment.

DIETETIC SERVICE PROGRAM

Continuing nutrition education activities begun in the hospital will be continued in the restoration center and adapted to the changing abilities and requirements of the individual veteran. All phases of the dietetic program will be accelerated, closely coordinated with the efforts of other professional disciplines, and directed toward outplacement of the veteran to his own home or other community home.

Formulation and operation of the dietetic program will include:

I. Food and service:
   - A. Food:
     1. To meet nutrient requirements as an important part of therapy.
     2. To provide meals which respect regional and individual preferences, and with eye appeal to stimulate food intake.
     3. To meet the needs for necessary modifications in consistency and type.
   - B. Service (one serving unit equipped to provide short order cooking and supplemental feedings, and one dining room with cafeteria service).
     1. Tray.
     2. Dining room—attractive and cheerful:
        - (*a*) Handicapped group—complete or partial cafeteria service, assistance such as carrying trays to table, cutting meat, buttering bread, opening milk cartons, etc.
        - (*b*) Self-care group.

II. Nutrition education and other dietetic phases of therapy:
   A. Continued nutrition education geared to self-reliance of the veteran:
      1. Review and evaluation by dietitian of nutritional history, prescribed dietary treatment, nutrition education and nutritional status of veteran based on hospital medical treatment prior to admission to restoration center.
      2. Continuous observation by dietitian to determine need for further motivation and guidance of veteran to assume responsibility for his own nutritional well-being, and to reveal any necessary changes to be made in dietary care.
      3. Use of meals served as a means of teaching good nutrition.
      4. Provide any necessary specific dietary instructions for the veteran and family member, or person from foster home, nursing home, or other community facility in which veteran is placed. Adapt all guidance to veteran's "home situation."
   B. Other dietetic phases of therapy:
      1. Orientation of professional and nonprofessional dietitic staff to the philosophy of directing all efforts toward developing progressive independence of the veteran.
      2. Cooperation with P.M. & R. service in the development and conduct of assignment of veterans in the dietetic service which use abilities of the veterans and contribute to the independence of the individual veteran.

PSYCHOLOGY PROGRAM FOR RESTORATION CENTER

In the consideration of this problem, one must begin with the premise that patients to be selected for this program will be characterized by knottier problems than exist for the average run of patients who are able to respond sufficiently to the already existing medical programs with direct discharge from the hospital.

The major problems of veterans in the restoration center program will be largely psychosocial. They will deal with such factors as motivation, unlearning and relearning. The problem of individual differences will be more extant in this group than one would find in any other sample of discharged patients. The psychology of individual differences will need to be one wrapped around the concept of capacitation insofar as possible, in serving these individuals through all needed areas of physical, educational, social, and industrial action. This will have to be done against a framework of a high-powered, well-integrated rehabilitation team since a segmental approach to these problems will fail.

Behavior problems will have to be solved by the behaver—the habilitant—with the help of team members in effecting change in perceptual patterns, value systems, and/or other types of relearning. Wherever behavior is involved, there are complexities of motivation, attitudes, aspiration, tolerance levels, etc. In addition to adequate assessment and evaluation by the psychologist before the patient is transferred to his new status from the hospital, there will also be a highly intricate job of tailormaking a restoration program which is designed for each individual toward the purpose of moving him out of the restoration center. This should be done within a framework of a built-in evaluation activity to accomplish ongoing investigations of the psychophysical and social correlates influencing such factors as motivation, stress tolerance, aspiration, etc.

Another area of psychological importance pertains to the behavioral and attitudinal biases of the team members themselves toward each other as well as the person being served since this has a highly important bearing on the success of this type of program. On these matters, the psychologist will play a key role in providing valuable assistance as a resource member of the team. One of the strengths of this new program which should be exploited to its fullest is that these persons move from "patent status" to that of habilitant which makes for a much better psychological preparation or state of readiness to accomplish new self-percepts. There are problems of "body image" these persons will have acquired for themselves involving the various organic systems and their interrelatedness which will have become a rather fixed and essential part of their personalities. Unlearning and relearning techniques in these areas will have to be devised.

VOLUNTEERS IN RESTORATION CENTERS

Volunteers can make one of their greatest contributions to disabled veterans in the restoration centers by helping to restore them to purposeful living in the community. Volunteers, serving in the hospital setting, will find even greater opportunities to use their training and experience in the challenging assignments of the restoration center. Here they can work with individual veterans, under professional staff guidance and supervision, in stimulating activity designed to help the veterans achieve their potential for placement in the community.

The assistance of volunteers can be effectively utilized in the restoration center program to meet the personal needs of the veteran and as a means to help motivate him to less dependent living and return to the community. Some of the areas in which the volunteers can assist the center staff are (1) personal services which provide personal association and companionship for the veteran; (2) locating suitable facilities and essential equipment in the community that the veteran will need for constructive living; (3) developing family acceptance and understanding of the veteran's abilities, limitations, and needs in the home and community; and (4) followup visits to the veteran who has been placed in the community to insure preservation of gains and satisfactory adjustment.

Volunteers assisting in the restoration center program must be thoroughly indoctrinated in the philosophy that it is far more important to do things with the veteran than for the veteran. Volunteer activity, that involves active doing by the veteran, can be especially effective in maintaining his motivation and promoting his independence which are so essential to the veteran's restoration to the community.

I. SOCIAL WORK SERVICE IN THE RESTORATION CENTER

With the goals outlined in the full statement on the restoration center, the mission and function of the program emphasizes the social aspects of the veteran's situation. It is necessary for the veteran to understand his medical condition and disability, the problems they created, and how to deal with them. His ability to do this effectively depends largely on social factors which become the responsibility of social work service. Most prominent among these are his own wishes and his drive to accomplish them (personal resources); his ability to meet his financial needs (financial resources); the existence of family and friends and his relationship with them (family resources); community services to meet his needs (community resources).

The function of the social worker is to know what these resources are and to assist the veteran to make constructive use of them. This includes motivation of the veteran and his family to make optimum use of their own as well as community resources and practical guidance in how to do this effectively. There is also a responsibility to motivate the community to provide those resources which the individual himself cannot provide.

Many needed services may be inadequate or lacking in the community. The social worker will work with the family and with local agencies, organizations, or individuals to obtain the services for the individual veteran and at the same time work toward provision of this service to all citizens by direct participation in the appropriate community organizations and planning groups.

The social work service will also bring to the attention of the director of the center, manager of hospital, and other staff, the needs of patients for such action as may be indicated. This might be official participation of the station in community action, request to VACO for change in regulations or legislation, conferences presenting the problem to appropriate Federal, State, or local agency, or suggesting a plan for meeting the need to a local organization for their support. In all these steps, enlisting the support of appropriate groups, cooperation with them toward common community goals, and informing the public of the problems and needs, is essential. These responsibilities are not exclusively those of the social worker but of the entire staff.

The social worker, from his close contacts with the veteran and his family, is uniquely in a position to observe and become aware of a problem area, and through continuing work with the community to know of the appropriate agency or group to provide the needed resource. The social worker has the added responsibility of bringing this information to the attention of all staff.

II. SOCIAL WORK FUNCTION IN THE RESTORATION CENTER WITH THE INDIVIDUAL VETERAN

I. Preadmission
- A. Review and evaluation of social service and medical summary in relation to:
  1. Potential for social adjustment of veteran outside the hospital.
  2. Type of adjustment to be anticipated (own home, foster home, institution).
  3. Acceptance and cooperation of family.
  4. Community resources for meeting the needs.

II.
- A. Help to veteran's family in understanding the meeting change from hospital to center.
- B. Begin discussion and planning for return to the community.

III. During course of rehabilitation
- A. Continuing casework, individual and group, with veteran and family to maintain and develop motivation and work toward plans for community living.
- B. Contributing current knowledge of social factors to the course of rehabilitation for other staff members and to periodic reevaluations.
- C. Exploration and development of specific resources for this veteran.
- D. Assistance to veteran in selecting a resource and testing his ability to use it.
- E. Visit to home or institution to evaluate its ability to meet the needs of this veteran.

IV. At discharge
- A. Specific planning in phases toward return to community.
- B. Interpretation of needs to family and community agencies.
- C. Execution of these plans with veteran's family and others.
- D. Casework with veteran and family to help them deal with fears and misgiving or overoptimism about discharge and the future.

V. After release from the center
- A. Individual and group followup by home or clinic visits to support, encourage, and give consultation to veteran and his family.
- B. Consultation to community agencies in their work with veteran.
- C. Report to center staff on outcome of placement.

VI. Continuing services of center to veterans as a group
- A. Continuous exploration and evaluation of existing community resources.
- B. Active participation in community planning for provision of needed services.
- C. Study and evaluation of social needs of veterans served by the center.
  1. While in the center.
  2. While in the community.
- D. Developing from results of A, B, or C criteria for admission and admission summaries.
- E. Foster home finding and evaluating.
- F. Evaluation of institutions, agencies, and services to meet the needs of veterans leaving the center, in collaboration with other staff when indicated.
- G. Contributing to policymaking and planning of procedures through staff meetings and conferences, and to public relations, by speaking to or participating in meetings of community groups.
- H. Contributing social work elements to the teaching and research programs of the center.

Any change can be threatening or upsetting and these elements will often be in the minds and feelings of veteran or his family when he enters the new experience, the restoration center. The social worker's contribution of casework skill during the period of adjustment to the center will be most important in assisting veteran and his family to establish the good motivation for community placement.

Because of the importance of family participation, it will be essential for the social worker to be available in the center when the relatives are visiting for joint interviews with patient and relatives. This may necessitate weekend and evening hours and these should be anticipated in the scheduling of the center.

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During period of pass or trial visit the social worker will not only help the veteran and family plan for the use of these periods but will be available on a 24-hour basis if needed.

Foster home finding and supervision, home visiting, and community activities will require time away from the center and travel funds and station vehicles. This also must be considered in staffing and budgeting.

Home finding, placement and supervision of veteran in a number of different settings, and cooperation with a variety of community agencies and organization will be included in the duties of all center social workers, although major responsibility for a special type of activity may be carried by one person. The nature of this program required that the social workers assigned must be experienced and skilled persons, capable of making decisions on the spot and functioning with a high degree of independence and minimum supervision.

It is important therapeutically, as well as administratively, that no veteran remtain at the center after he has reached his optimum social and physical rehabilitation. The placement planning must be timed with the rest of the restoration process so that the veteran can leave as soon as ready. The veteran or his family will be encouraged to make their own decision whenever soundly possible.

Return to the community and increased independence can be frightening while at the same time it is the veteran's desire. The need for social work support and understanding by the veteran and his family may increase during the period of immediate discharge planning. It will always be important during the period just following leaving the center. The director and other staff will be largely dependent on the social worker for information on need for home visits or readjustment in some phase of the rehabilitation plans. Frequent home visits may be required by some veterans during the transition period. Flexibility and imagination must be used to meet the particular needs of each veteran after the period of readjustment. Social work followup should be continued as long as needed by the veteran or for the research or teaching needs of the center. However, emphasis will be on the veteran becoming independent of the center as soon as practical.

RESTORATION CENTER FACILITIES

The plan involves phasing out the present domiciliary system and a number of its facilities over a period of years.

Generally, restoration centers will be established with new construction at teaching hospitals located in urban areas. Dependent on the veteran needs in the respective area and the condition of the facilities, certain existing domiciliary facilities may be considered for conversion to restoration center. New construction should be one- or two-story modified type building.

It is recommended that those facilities to be used in common by restorees be grouped within a center core, to include the dining-room, physical medicine and rehabilitation space, and required number of offices. If two-story construction is necessary in certain locations, certain facilities could be appropriately divided between the two floors.

For the past 6 years, statistical studies have been made, based on special reports submitted by VA hospitals to determine the numbers and the trend of long-term patients whose primary problems affecting their disposition were of an economic and social nature. These figures have shown a progressive increase. On April 30, 1960, there were 9,800 patients in this category in our hospitals. These patients were classified as to their physical ability to get about. This relates directly to the physical needs of the patients and the amount of nursing care required. The classification has been fairly consistent throughout the several reports in that 20 percent were considered primarily as bed patients, 40 percent were semiambulant, and 40 percent ambulant.

This study is believed to be sound for planning requirements for the restoration center. As mobility increases the span of dependence should be decreased. The grouping of patients and the housing facilities in the units should reflect this progressive restoration to home and community living. The type of housing facilities for restorees should provide a home living environment.

Consideration should be given to a modified motel type arrangement with an interior corridor. Common facilities could be grouped in a center court. Therefore it is recommended that 40 percent of the center capacity be housed in double bedrooms (40 double bedrooms having 80 restorees), and 60 percent of the beds be single bedrooms (120 single bedrooms). It is estimated that 50 percent of admissions to the center would be classified as semiambulant and 50 percent ambulant.

Specially adapted facilities should be included for semiambulants consistent with the needs of the veterans. Space should be provided for a laboratory collecting station. Other space requirements are shown under individual services.

PHYSICAL MEDICINE AND REHABILITATION CLINIC SPACE REQUIREMENTS

Physical therapy, 400 square feet

It is estimated that 10 percent of restorees may need some form of physical therapy in the clinic. The 400 square feet will accommodate 4 patients per hour for 6 hours, or a total of 24 patients treated per day in the clinic. Maximum use will be made of the hospital physical therapy facilities for restorees requiring treatment involving more specialized equipment.

Corrective therapy, 640 square feet

Based on the estimate that 70 restorees will receive treatment on a daily basis in the clinic, groups of 10 for 1 hour average periods in clinics; 7 periods per day; at 64 square feet per patient. Those not in need of clinic service could be cared for in other areas of the center.

Occupational therapy, 960 square feet

Based on 60 percent of the veterans receiving treatment on a daily basis; groups of 15 for 1 hour average periods; 6 periods per day in clinic, and 64 square feet per individual treatment. Balance of therapist's time would be devoted to individual treatment, record maintenance, conferences, and patient work preparation.

Of the 120 veterans receiving occupational therapy treatment, 50 would be accommodated in the clinic and approximately 30 elsewhere.

If after experience it seems advisable to include other rehabilitative activities in the program, the above space will be used for these therapies through necessary readjustment of the method of operation.

Recreation room, 1000 square feet

This is based on approximately 50 percent of the semiambulant and ambulant veterans and represents space for a maximum attendance of only 80 at social activities. A folding partition would permit a portion of this room to be used for small group activities.

Summary	*Square feet*
Physical therapy [1]	400
Corrective therapy [1]	640

[1] With a more generalistic approach to the needs of the restorees, space for physical therapy and corrective therapy could be combined in one area, with some saving in space requirements.

Occupational therapy	960
Recreation room (includes storage space, etc.)	1,000
Office for director of restoration center and staff physician; with examination room between the two offices (120×2+100)	340

Dietetic service space requirements

Tentative estimates are submitted using a projected distribution of workload as follows:

Bed capacity	200
Occupancy rate (percent)	95
Distribution based on a 95-percent occupancy:	
50 percent semiambulant (dining room)	95
50 percent ambulant (dining room)	95
Total	190
	Square feet
Dining room space, 2 seatings	1,520
48×25 square feet (semiambulant) 950	
48×15 square feet (ambulant) 570	
	675
Total	2,195

Bulk food preparation for this group is planned in the main hospital kitchen. Short order type cooking, tray service, dining room service, and dishwashing is planned from a single unit in the restoration center where there is centralized bulk food preparation, and decentralized service is available at the parent hospital. Where preparation and service are centralized, space for serving kitchen and dishwashing not needed in the restoration center.

If a two-story building is planned, space for a dumbwaiter elevator-type service should be provided unless all veterans on the second floor are ambulant to the dining room.

Where hospital facilities permit, reductions in space requirements permissible.

Mr. COHEN. Furthermore, there is one aspect of the program which we have been conducting which may not be as well-known to many people: approximately half of the population in our veterans' hospitals are patients with mental illnesses. Progress has been made in this area in recent years because of more active programs and because of additional staffing support which has been provided by the Congress in recent years. This has stepped up the rate of discharge from hospitals throughout the entire system but very hearteningly so from our psychiatric hospitals, including a large number of patients who have been in hospitals for a long period of time, many of whom are in the aging and aged group which we are concerned with here today.

It would be of interest to the committee to know, for example, that in the decade of the fifties in which we have had such a growth of aged patients in our hospitals, that the foster home placement program in which individuals without suitable homes have been placed out with sponsoring families, has increased from a mere 185 in 1951 to the level of almost 2,500 in 1960.

Similarly, the number of patients who have been placed out of psychiatric hospitals on trial visits in their own homes or in other types of homes such as boarding homes and rest homes and so forth has increased from approximately 7,000 per year to over 11,000 in fiscal year 1961. Furthermore, there has been established, first on a trial basis in 1958, a series of day care centers operated in conjunction with mental hygiene clinics. These are in support of patients who need a transitional environment from the sheltered setting of a hospital to a more independent role, in family life, if not in actual community life. These day care centers, have increased from 2 in 1958,

to the 11 in operation. Four more will be operating in 1962, and hopefully five additional in 1963.

These clinics are at the present time caring for over 600 patients who are making regular visits to the day care center and it is our full hope that this type of program will lend itself also to the use of the nonpsychotic chronically ill patient and will provide a much needed transition period to community life for them.

The entire programs within our hospitals have been geared to place increasing emphasis on the problems of the aging, the psychological needs, the hearing needs and the speech problems of older patients.

All of these, we believe, will help us cope with the growing problems of the increasing number of older veterans.

Senator MUSKIE. Dr. Cohen, are there any cost experience data showing the savings, if any, as a result of the various outplacement hospitals?

Mr. COHEN. No specific studies have been made. Foster home placements are paid for by the individual from his own income, or more often than not, from a pension paid to him through the Veterans' Administration, under existing acts of Congress.

The care in nursing homes, wherever it has been arranged for, has been through the veteran's pension as it is augmented by the aid and attendance allowance to which he is entitled under existing laws. In a number of instances, local communities and States have contributed also to his needs for additional economic support to permit him to live in the community, but we have no studies as to actual costs.

Although there are studies going on at the present time, to evaluate first the effectiveness and contribution of the day care centers, there are no studies of, the economic contribution that is made not only to the savings in the tax dollars but also the possible contribution of the individual to the tax funds of the Nation, should he become an employable individual again.

Senator MUSKIE. Let me ask you this: If these outplacement programs were not available for the number of people or veterans who are being served by them, would a sizable number of them require institutional care as a substitute?

Mr. COHEN. Would they require it?

Senator MUSKIE. Yes.

Mr. COHEN. Yes, sir. As a matter of fact, our success in moving them out of the institution has depended almost entirely on the growth and development of these extramural programs. Last year, for example, there was discharged from our entire system 4,000 more veterans with psychiatric disorders than the preceding fiscal year.

This, in itself, represents men with a tremendously large number of days of hospital care.

Senator MUSKIE. What is the total number of veterans served by all of these outplacement programs?

Mr. COHEN. All of the outpatient programs.

Senator MUSKIE. You gave me figures on individual programs.

Mr. COHEN. Well, I could tally those up and make them available for the record.

Senator MUSKIE. I think it is something on the order of 20,000. Well, if it were——

Mr. COHEN. I can tell you the number discharged from our hospitals through all methods of care. These figures have increased from approximately 480,000 discharges in 1957, to approximately 540,000 in fiscal year 1961 and of that group a sizable number have gone into either the trial visit program, of which there are 11,400, to the day care center program, some 600; so, there were approximately 17,000 discharges in fiscal year 1961 to these extramural programs of care in the individual home community.

Senator MUSKIE. If these extramural programs were not available, virtually all of these 17,000 would have to have been retained in the institution?

Mr. COHEN. Yes.

Senator MUSKIE. What is the cost per patient day for institutional care? Do you have any figure that would be applicable to the 17,000?

Mr. COHEN. I do not have the exact figure. I can make it available. The range of per diem cost differs on whether the individual is a psychiatric patient receiving care in a psychiatric hospital or a patient receiving general medical and surgical care in the general hospital.

Dr. MANDELL. I can give you an order of magnitude. It runs about $17 a day in our psychiatric hospital and between $22 and $23 in our general medical and surgical hospital, and about $11 a day in our conciliaries.

Senator MUSKIE. These figures suggest a substantial savings, because I understand that these outpatient programs do not cost the taxpayer anything.

Thank you very much, gentlemen. It has been a pleasure to have you and your testimony has been most valuable and we will recess until tomorrow morning at 10 o'clock.

(Whereupon, at 12:15 p.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, August 24, 1961.)

PROBLEMS OF THE AGING

THURSDAY, AUGUST 24, 1961

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
SUBCOMMITTEE ON FEDERAL AND STATE ACTIVITIES,
Washington, D.C.

The subcommittee met, pursuant to call, at 10 a.m., in room 4232, New Senate Office Building, Senator Jennings Randolph (chairman of the subcommittee), presiding.

Present: Senators Randolph and Smith.

Committee staff members present: Dr. Frank Atelsek, research director; Dr. Harold Sheppard, staff director; William Reidy, professional staff member; John Guy Miller, minority staff member; Alice Robinson, research associate.

Senator RANDOLPH. The Subcommittee on Federal and State Activities of the Senate Special Committee on Aging opened hearings on yesterday.

The witnesses in their statements were most productive and we are very delighted to continue the discussion of the general subject matter reaching, as we have been, to some specifics in this particular field and on this second day of the hearings we are honored by the presence of the Secretary of Labor, and at this time we shall ask Secretary Arthur J. Goldberg to proceed in his own desire as to the presentation of the statement, calling on others who accompany him to supplement what he shall present. Mr. Goldberg.

(The prepared statement of Secretary Goldberg follows:)

STATEMENT OF ARTHUR J. GOLDBERG, SECRETARY OF LABOR

I am happy to have this opportunity to appear before your committee and to tell you of our present and prospective program activities concerned with employment assistance to older workers. This committee, through its exhaustive investigations of the subject, is aware of the variety of problems faced by older people, including those related to employment, and the forces which have brought them about. So it is hardly necessary to go into an extensive discussion of the background of these problems.

It may be said at the start—and this point was brought out repeatedly in the sessions of the 1961 White House Conference on Aging—that the older person with an adequate income is in a much better position to solve the related problems of housing, health, recreation, retirement, and personal adjustment to aging. For most Americans—old and young—employment provides the major source of income as well as independence, dignity, and status in our society.

In discussing the Department of Labor's role in assisting older workers to become employed, I want to make it clear that we use the term "older workers" to mean both those in their middle years and those in the late years, generally in the age category 45 and over. It is important to make this distinction when speaking of employment programs because many other programs for the aging are concerned only with persons in the upper age brackets—age 60, 65, and older.

To understand the older worker's employment situation in proper perspective,

it is necessary to look at developments on the overall manpower front. As you know, the Nation is experiencing very high levels of employment and, at the same time, high levels of unemployment. Other workers as a group do not experience abnormally high rates of unemployment, being protected to a degree by seniority. But this does not protect them from extensive layoffs due to technological changes, company mergers, and plant movements. Once unemployed the combination of lack of local employment opportunities, age restrictions in hiring, reduced mobility, and in many instances lack of substantive skills or skills in demand, present formidable barriers to their reemployment. These become the victims of long-term unemployment.

This result is underscored in the labor force reports which the Department issues monthly. For example, the figures for July 1961 show that while men aged 45 and over constituted 25 percent of the civilian labor force, they represented more than 30 percent of those unemployed 27 weeks or more.

The importance of occupational skills as a factor in long-term unemployment is likewise highlighted in the same report. Nearly 30 percent of those in semiskilled occupations were unemployed for 27 weeks or more, while comprising 18 percent of the civilian labor force; nearly 17 percent of unskilled laborers were in that category, while comprising just over 60 percent of the labor force. No such disparities were observed in the case of skilled workers, and white-collar workers experienced substantially less long-term unemployment in relation to their proportion in the labor force. Perhaps the lot of workers in the age bracket 45 to 64 was most severe—too old to work, at least by current employment practices, and too young to retire.

The administration, therefore, has been concentrating its efforts on measures which will reduce unemployment, particularly hard-core unemployment which falls heavily upon those in the middle-aged and older worker groups. In this respect we have moved ahead on several fronts. On May 1, 1961, President Kennedy signed into law the Area Redevelopment Act, which provides various kinds of assistance to areas of substantial and persistent unemployment. Residing in these areas are disproportionate numbers of older persons who generally are more firmly rooted to their communities, less able to go where the jobs are, and often in need of refresher training or training to acquire a marketable skill. One of the most important provisions of the act, therefore, is that which provides for occupational training of the unemployed and underemployed as well as subsistence benefits while in training so that the workers in the area may acquire needed skills to become employed.

On April 20, 1961, in recognition of broader needs for training and retraining as an essential corollary to employment, I transmitted a draft bill to the President under the title "Manpower Development and Training Act of 1961." This bill has been introduced and reported out favorably by committees of both branches of the Congress and was passed by the Senate overwhelmingly yesterday. This bill, if enacted into law, would, in my opinion, provide important benefits to middle-aged and older workers by giving them an opportunity to acquire and update the skills needed in a labor market characterized by rapidly changing job requirements.

In this direction, I have also recommended legislative changes which would strengthen and broaden the Federal-State unemployment compensation program and which would encourage workers who are eligible for unemployment compensation to take training. This would be accomplished by making it a requirement that individuals entering approved training programs would maintain eligibility for benefits while in training. At the present time State laws make this possible in a relatively few States and even in those States little use is being made of such provisions. This would have considerable impact on the workers aged 45 and over since in May 1961, for example, such workers constituted about 42 percent of the beneficiaries under the Temporary Extended Unemployment Compensation Act of 1961. The beneficiaries of this act in general are those who have exhausted their regular benefits and hence, represent the long-term unemployed.

In addition to these legislative measures, I have also taken certain administrative actions within the Department of Labor which have a bearing on our services to older workers. In April of this year, I established within the Department an Office of Automation and Manpower and an outside advisory committee of experts from management, labor, and the public. This office is not only engaged in studying the impact of automation on the labor force, it is also attempting to anticipate where and when technological change will occur, so that steps can be

taken in advance to minimize unemployment. Plans are underway to make services available to management and labor which would result in employee transfers from jobs being eliminated to newly created jobs. In this way some unemployment may be avoided, with many in the upper age brackets being likely to benefit from these preventive measures.

Another important executive action was the request of the President in his economic message for the strengthening of the public employment service. The Congress has provided the additional funds for the expansion and improvement program beginning late in fiscal 1961 and for fiscal year 1962. Since this is the Federal-State program which provides direct counseling and placement assistance to workers generally, the improvements in this service will have a profound effect on middle-aged and older people who seek assistance from these offices throughout the country. It will not only mean a supplementation of the specialized services to older workers which have been in effect a number of years; it will also mean an increased capacity in the public employment offices to take on the added responsibilities of the area redevelopment program and the training bills to which I referred, if they are enacted into law. For the employment service has a key role in identifying the occupations in which training programs should be established; in the counseling, selection and referral to training facilities; and in job placement of the trainees upon completion of training.

I have discussed some of the broader legislative and administrative actions that have a bearing on the employment opportunities for older workers as well as other workers in the labor force. I would now like to discuss some of the more recent activities in the Department of Labor's older worker program which is an integral part of our overall responsibilities for manpower development. We believe that definite progress has been made in achieving the basic goal of equal job opportunity for middle-aged and older workers. This could only come about through the concerted efforts of many public and private agencies and individuals, not the least of which has been your contribution in alerting the Nation to this problem.

DEPARTMENT OF LABOR'S OLDER WORKER PROGRAM

The Department's established program consists of three major phases: (1) Direct services to older workers, including counseling, testing, job development and placement, provided through the State employment services, (2) research to uncover the facts about older worker capabilities and adjustment in the labor market, (3) educational and informational activities to engender favorable attitudes and to eliminate restrictive hiring practices. The basic outlines of this program continue to be followed. Recent program emphasis has been on the direct services—notably counseling, placement, and referral to training opportunities—upon educational and promotional activities and upon staffing and improving staff competency. Here are some of the highlights of our recent efforts:

Older worker specialists

Local employment offices in the major cities have on their staffs a full or part-time older worker specialist to provide functional leadership and supervision in connection with the above services and to carry on promotional and community service activities in behalf of older job seekers. In addition, personnel have been designated in the remaining offices to perform these functions. Also, each State administrative office of the State employment service has an older worker specialist to provide leadership and direction to the program of specialized services for older workers on a statewide basis.

A recently conducted survey showed that a minimum of 414 individuals were spending at least 25 percent of their time providing the functional supervision noted above—101 on a full-time basis, 79 performing this function 50 percent of the time, and an additional 254 spending between 25 to 50 percent of the time in this capacity. It must be emphasized that the direct services program at the local and State level is fully integrated into the regular employment service operations with the regular staff rather than the specialists providing most of the services.

Special training has been given to both older worker specialists and other employment service staff. More than 6,000 staff members have now received formal training in improved techniques and methods in counseling and placement of older workers.

Job placement results

During fiscal year 1961, there were 1.1 million nonagricultural job placements of workers 45 years of age and over made by the State employment services. This represents 19.9 percent of all such placements made during that year. While this is a drop from the 1.2 million placements recorded in 1960, the percentage achieved is the highest since the reporting system was inaugurated in fiscal year 1958 (1958, 19.5 percent; 1959, 19.3 percent; 1960, 19.8 percent). This indicates that while job placements dropped generally because of economic conditions during 1960 and 1961, placements for older workers held their own on a proportionate basis. We attribute this to the continuing emphasis on serving the employment needs of older workers in pupblic employment offices.

Exemplary State activities

The placement figures just cited are for the Nation as a whole. Some States, such as Pennsylvania where the older worker program has been in full swing for a number of years, have shown even better progress. Pennsylvania's statistics are particularly heartening in view of the difficult economic considerations that continue to prevail in many parts of the State. From fiscal year 1958 to fiscal 1961, the percentage of older worker placements to total placements rose steadily from 21.1 percent to a high of 23.7 percent (with a corresponding 15-percent increase in actual placements in the older age group during this period). In April 1961, a new monthly high of 26.1 percent was reached. If this trend holds for the balance of 1961, Pennsylvania reports that this will be another record-breaking year as far as placement of older workers is concerned.

In California, another State that has emphasized the older worker program, a remarkable 40-percent increase in placements of older workers was recorded between fiscal year 1958 and fiscal 1961. During the same period, there was a steady increase of older worker placements to total placements (18.7 percent in fiscal year 1958 to a high of 19.8 percent in fiscal year 1961). Recognizing the work done for the older segment of the population, the California State Senate Journal of June 7, 1961, reported by resolution "that it commends the department of employment for its excellent program for the assistance of older workers to secure employment, and earnestly urges its continued cooperation with other departments, agencies and institutions, both public and private, in providing job counseling and placement services and developing employment programs for older workers." In California, 15 professional staff are on full-time duty in local offices in the older worker program, in addition to those working on the program part time.

Many States are experimenting successfully with new techniques and methods for assisting older applicants.

Mississippi has found the staff clinic approach particularly effective. These clinics are held by employment service members representing those functions of the office which are concerned with providing service to selected applicants who present complex or particularly difficult employment problems. They are conducted primarily for the purpose of determining actions which are needed either on the part of the local office or on the part of the applicants in order to achieve suitable job placement.

Ohio has set up man-marketing clinics to assist groups of older workers in developing good work attitudes and job-seeking methods.

Florida was one of the first States to experiment with the group counseling approach. In a number of Florida offices, homogeneous groups of older workers having difficulties in job search are brought together for 2-hour discussion periods. The agency has found through experience that such sessions provide a stimulating situation in which individuals can be helped to examine their capacities for work and to improve their approach in applying for jobs.

In several States, the State employment services have encouraged development of community training programs for older workers to refresh existing skills or to develop new ones. Short-term courses have been established in accordance with occupational needs through cooperation with vocational education authorities, civic groups, employers, and labor unions. Arkansas, California, Pennsylvania, and New York have been particularly active in this area. Arkansas has developed a number of training courses for older workers, including sales, florist assistant, commercial maid, practical nurse, tourist information, and refresher typing. Most of these courses were developed through a cooperative arrangement between the Arkansas State Employment Service, the State Department of Education, and the Arkansas Business and Professional Women's Club. To date,

more than 60 courses have been held involving over 1,500 older workers. More remarkable, is the fact that 90 percent of those completing the courses were placed on jobs.

Information about the more successful methods and techniques are brought to the attention of the Department and disseminated to all States through reports, meetings, and other vehicles. In this way, the Department serves as a clearinghouse of information about all aspects of employment of the older worker. The best of the material received will be published in a new "idea exchange" publication which we hope to have available for the States by the end of this year.

National job drive

As a step in the strengthening of the public employment service, to which I have previously referred, the Department and its affiliated State employment service agencies inaugurated in mid-May an intensive nationwide job drive built around the slogan "When They Work, You Profit—Hire Now!" This job drive was designed as a practical appeal to employers to stepup their hiring in keeping with rising levels of economic activity now underway. It was felt that by hiring promptly as vacancies developed and new workers are needed, employers could help quicken the pace of economic recovery, put more punch in our purchasing power, restore confidence in our business community, and give every citizen a greater faith in a growing America. Although it is still too early to draw conclusions, we do know that in June, the first full month after the drive's inception, employment service placements increased to the point where they exceeded those of June 1960. This was the first month in 15 that an increase in placements was recorded over the corresponding period the previous year. Encouraging also, was the fact that the first returns showed that the older worker benefited from this job drive.

BES task force on services to older workers

In order to insure that the special needs of our older workers are not lost sight of in the general employment service expansion now taking place, the Bureau of Employment Security recently called together a task force of leading professionals from business, labor, universities, private groups, and the affiliated State agencies. This task force met for 3 days in July solely to consider what needs to be done to improve services to older jobseekers at the local, State, and national levels. The deliberations proved most fruitful. A number of excellent ideas emerged from the meeting, some of which are being implemented immediately.

Research activities

Fiscal 1955 marked the beginning of a series of departmental research studies relating to the employment of middle-aged and older workers and on which its current action programs are based. In addition, many of its continuing reports, such as the "Monthly Report of the Labor Force" and special analyses throw light on the employment and related problems of these workers. These reports deal with such matters as the comparative job performance of older and younger workers, the effect of automation on older workers, the characteristics of pension and health benefit plans under collective bargaining, budget for an elderly couple, and various studies and guidebooks relating to the employment of older women. The information obtained from these studies is widely circulated to help correct misconceptions that often lead to age discrimination in hiring, in continuing employment, or in retraining. Attached to this statement is a list of factfinding and promotional publications relating to the employment of middle-aged and older workers released since July 1959.

Of special interest is a followup of a study of age restrictions in job orders, originally conducted in seven cities in 1956. Early in 1961, the Department requested the State agencies to repeat the survey in five of the original seven cities to determine if progress has or has not been made in the voluntary relaxation of restrictive upper age requirements in listed job orders in the 5 years since the previous study. The cooperating offices that conducted the followup survey during April 1961 (exactly 5 years after the original survey) were Detroit, Miami, Los Angeles, Minneapolis-St. Paul, and Seattle. Philadelphia and Worcester, Mass., the two other cities involved in the original survey, were not included because existing State laws prohibit age discrimination in hiring.

Although the data are still being analyzed, some preliminary findings and comments can be shared with this committee:

In 1956, 58 percent of all openings in the five cities had restrictive age requirements. In 1961, the composite total for the five cities was 39 percent. Equally significant were the reductions noted in each of the age categories. Restrictions "under 65" were reduced from 56 percent to 39 percent; of "under 55" from 53 percent to 36 percent; of "under 45" from 42 percent to 26 percent; of "under 35" from 21 percent to 14 percent.

A further analysis revealed that three cities (Miami, Los Angeles, and Seattle) showed marked improvement, one city (Minneapolis-St. Paul) showed modest improvement, and one city (Detroit) actually showed an increase in age restrictions.

Los Angeles' total openings with restrictive age requirements were reduced from 35 percent in 1956 to 17 percent in 1961; Miami dropped from 73 percent to 31 percent; Seattle, from 51 percent to 22 percent. In Minneapolis-St. Paul, total openings with age restrictions were reduced from 75 percent to 70 percent.

Detroit's increase in restrictive job orders may be accounted for in part by the extremely unfavorable economic conditions that have existed in that city for the past several years. Detroit is now classified as an F area (the highest classification for areas of substantial unemployment). No other city in the survey has been hit as hard economically. From past experience, we know that in areas of heavy unemployment, it is much more difficult to obtain a relaxation of age requirements.

Both Miami and Los Angeles reported that the strong emphasis given to the older worker program and the purposeful efforts made in carrying out this program during the past 5 years, could account for much of the success in relaxing age restrictions.

A full report of this followup survey will be made available to the public in the near future.

In addition to this study, at least 10 State employment security agencies gathered data on age restrictions in connection with their preparations for the White House Conference on Aging. These studies showed a variable picture from State to State, ranging from a low of 26 percent of job openings with age restrictions to a high of 64 percent. This suggests the need for continuing attention to this problem.

Another project that merits special note is the Lansing, Mich., demonstration project. In February 1959, the Department initiated in an olders worker demonstration project in the Lansing, Mich., local employment office. The project's purpose was to demonstrate how the services of the public employment office, when combined with full use of all available community resources, can more effectively aid middle-aged and older workers to become suitably employed. The project, scheduled to run for 2 years, has been continued for an indefinite period at the request of the Michigan agency and the Lansing Community Services Council, a coordinating committee that has been actively involved in the project.

During the past 2 years there were definite indications of progress in developing a community atmosphere more favorable to the acceptance of older workers on the basis of their abilities regardless of age. Improvements were also noted in older worker placements, initial counseling interviews, and upper age restrictions in job orders. With regard to the last, in March 1959, 50 percent of all incoming orders had upper age restrictions. In May 1960, it dropped to 20 percent and continued a downward trend to 17.9 percent in May 1961.

Educational and informational activities

The Department has recognized the necessity for helping to create an atmosphere of acceptance of older persons as workers. To this end, it has participated in a number of activities of an informational and educational nature and has developed numerous general informational materials which have been widely disseminated through the 1,800 local offices of the State employment services. A few examples are cited below.

The Department is continuously in touch with a wide range of National, State, and local employer, labor, veteran, civic, and fraternal organizations to reach persons in business and industry who formulate hiring policy. It provides information relating to the employment of older workers and encourages management decisions conducive to full utilization of the manpower resources of these age groups.

The Women's Bureau of the Department, in cooperation with the employment service, has promoted and helped to plan a series of earning opportunities forums

in cities across the country which focuses communitywide attention on jobs that can be filled by qualified older persons. At first planned for women only, the program has been expanded in several recent forums to include both men and women. Plans are usually worked out on a cooperative basis with a local initiating group of organizations, which in turn enlist the cooperation of other local organizations, employer and labor groups, educators, and the employment service. The 1-day sessions cover job and training opportunities and advice on jobseeking, with followup conducted after the forum on a continuing basis by local organizations and the public employment service.

Thus far, such forums have been conducted in 28 cities and 1 rural county, and 29 cities have indicated interest in conducting a forum.

In fulfilling our responsibilities for keeping the public informed, we produce and issue periodically various informational aids, the more recent of which are listed in the attachment to this statement. I want to call particular attention to two of the recent publications because of their general educational value in combating age discrimination in employment. "Meet the Over-40 Worker" contains a compendium of facts, derived from many authoritative sources, about the extent of age restrictions, the job performance qualities of older workers, and the economics of hiring them. "Ability Is Ageless—A Guide to Action" is a pamphlet directed to community and civic leaders providing suggestions for local educational campaigns to overcome age barriers in hiring. ("Ability Is Ageless" is the slogan that has been adopted to identify the Department's older worker program.) These two new pamphlets were released with considerable publicity in January 1961. They were sent to all Governors, mayors of major cities and towns, State committees on aging, State and local manufacturers associations, and to editors of the 600 leading newspapers.

In addition to publications, wide use is made of television and radio spot announcements, films, exhibits and other publicity devices and channels to convey a more accurate public image of the older worker than now seems to exist and to promote equal opportunities for his employment.

WHITE HOUSE CONFERENCE ON AGING

The Department worked closely with the staff of the White House Conference on Aging in developing plans and activities for the national conference held in January 1961. Since problems of employment and retirement represented one of the major areas considered by the conference, a staff member was assigned full time to assist in planning this aspect of the conference and to prepare background information for use of the conferees. The State employment security agencies in most States took a prominent role in developing local facts on labor force, employment and unemployment by age, on counseling and placement services, and on the extent of upper-age restrictions on job orders. Staff of these agencies were active on State committees on the aging in planning and conducting State and local conferences in preparation for the White House Conference. In addition, staff members of the Department served as speakers and resource persons at the numerous State and local conferences on the aging held prior to the national conference.

With regard to the recommendations of the Conference in the field of employment and retirement, actions have been taken on several and others are under consideration.

One of the major concerns expressed in the recommendations was for the middle-aged and older workers already displaced or about to be displaced by the various industrial changes occurring in the economy. Recommendations concerned with minimizing the effects of worker displacement by advance personnel planning providing job opportunities, and establishing needed training and retraining programs, are being dealt with, as I pointed out earlier, by our work on the problems of automation, through the Area Redevelopment Act, and through our pursuit of legislation that will expand existing facilities and services for occupational training and retraining.

Prominent among the recommendations were several which dealt with strengthening of counseling and job placement services in the public employment offices. This is a vital point. In the past we have thought of vocational and employment counseling as only the need of young people to help them decide upon a career. Today we find that many adults, who thought they were "occuppationally set", will have to consider entering new kinds of jobs if they are to become and remain employed. It is here that effective counseling services are crucial, for the key question is: What occupation should the worker train for in terms of his aptitudes, interests, and the possibilities for employment

after training? It will be the responsibility of employment service counselors to help thousands of workers to answer this question under the training provisions of the Area Redevelopment Act and the pending training bills. This is why, in the efforts to improve and expand the public employment service, we are attaching great importance not only to the volume of counseling service but also to its quality. I might point out that we have been moving ahead to improve the skills and competencies of our counselors by supplementing in-service training with additional professional training at colleges and universities. During the past 3 years, 1,500 counselors from 47 States received instruction through outservice training courses at more than 100 institutions of higher learning. At the same time, we have made significant gains in encouraging the State Employment Service agencies to adopt minimum standards for the hiring of new counselors.

The conference recommendations support the educational program we have undertaken to bring the facts about older worker productivity and their other favorable attributes to the attention of management, labor, and the general public. The Conference viewed this approach as basic no matter what other methods might be employed. I assure you that we will continue to pursue this educational work vigorously.

PLANS FOR PROGRAM IMPROVEMENTS

I would like to comment at this point on some of the program areas which need strengthening and which will command our attention.

Great emphasis will be put upon improved and more highly individualized counseling, job development, and job placement services to greater numbers of middle-aged and older workers through public employment offices. These efforts will, of course, include the selection and referral of older persons to training programs, especially in economically distressed areas where the additional facilities and services can be made available under the Area Redevelopment Act; and hopefully, under the training bill should it become law. It is my hope and expectation that the general improvements in the public employment service, supported by the additional appropriations made possible by the Congress this year, will make this possible.

In providing these services to older workers, generally in the broad group age 45 and up, I would like to make an observation particularly pertinent to the employment problems of those of more advanced age, say 65 and over. I know that this committee is vitally concerned with their problems of health and housing, just to name a few. Many have the need for work to supplement income from social security or private pension plans. Many are completely out of the labor market because they have found that they cannot effectively compete for the jobs available. Others are jobseekers for part-time work that will not affect their benefits from social security. Still others must necessarily, because of health or other reasons, stipulate limitations of travel and conditions of work, thus restricting their job opportunities. Relatively few of these workers seek the help of the public employment service. In fiscal year 1961, for example, less than 2 percent of all jobseekers at such offices were age 65 or over. The employment service experiences more than usual difficulty in finding jobs for them because their age is often beyond the normal fixed retirement age of the majority of companies or because of their limited availability for work. Moreover, the employment service is under pressure to find full-time jobs for unemployed persons whose occupational assets seem greater in the eyes of most employers.

To assist this older age group, we are planning to conduct demonstration projects in several employment offices to develop methods for distinguishing between those older jobseekers requiring remunerative jobs and those seeking work for other reasons. Concentrated effort to develop job openings could be made for the former; the latter would be referred for service by other community agencies. In this regard, we hope to encourage a greater use of the facilities of voluntary organizations. A most promising experimental project along these lines was conducted during the past 2 years by a women's service organization in cooperation with the USES for the District of Columbia. A qualified individual, paid by the voluntary group, was housed in and trained by the employment office to develop suitable full- and part-time job openings essentially for such older persons as I have described. The Department of Recreation, Arlington, Va., has established independently, a similar job-finding service. Senator McNamara's bill providing for the establishment of a senior citizen's training program is another expression of this need.

Another important course of action to which we expect to devote ourselves is the continuation of our educational program to reduce age discrimination in employment. The focus of efforts will be upon employers, employer organizations, and labor organizations where hiring and retention policies and practices are formulated or negotiated. Increased attention will be given to governmental units at all levels, since their practices should represent desirable public policy. We plan to stimulate the holding of employer-labor institutes, involving the extension programs of colleges and universities, if possible, to disseminate knowledge of the problem and encourage curative actions. For this purpose, we have developed a discussion leader's guide and related materials and will offer technical assistance in organizing and conducting such institutes.

In addition to the direct service and educational programs, we will continue to carry on factfinding and research activities and to point out to universities, foundations, and other private resources the areas which need further study and investigation. We frequently assist such groups in designing research projects and in making available technicians for consultation. Some of the areas commanding our interest at this time are the impact of automation on the older worker; further studies of the effect on pension and employee benefit costs when hiring such workers; trainability and training techniques; and an analysis of jobs held and suitable for the 65-plus worker in order to obtain more insight into potential part-time job opportunities for this age group.

DEPARTMENTAL HIRING PRACTICES AND SERVICES FOR OLDER EMPLOYEES

Finally, I should like to comment briefly on our own practices within the Department of Labor with respect to older persons.

An act of Congress and Federal policy prohibit the establishment of maximum age requirements for entrance into positions in the competitive civil service up to the age of 70. Recognizing that there are sometimes gaps between such requirements and actual practices, I have alerted hiring officials and supervisory staff in the Department that the spirit as well as the requirement of the statute be observed, through the issuance of a general order. This administrative action has been conveyed to the Federal Council on Aging for possible adoption by other agencies.

For years the Department has provided counseling to individual employees in Washington, D.C. This has included advice and information on such matters as retirement benefits, retirement laws and regulations, and procedures for applying. Employees outside of Washington frequently write in for similar information when it is not available in their field offices.

Last year we started a preretirement planning program for employees in Washington. It consists of a series of open meetings to which all employees are invited on a voluntary basis. Some of the subjects covered are planning for retirement, retirement rights and privileges under the Civil Service Act, social security and income taxes, financial planning, and health.

Additional meetings are now being scheduled and we hope to undertake this fall a more extensive program of preretirement counseling for field employees.

The employment problems of our older workers have been too long with us and will be further aggravated by the growing number of older people and the structural changes in our economy. It will require the combined effort of management, labor, government, and private citizens to solve these problems. It is essential that program improvements be made and employment services be extended to insure for our older citizens lives of usefulness, dignity, independence, and an equal chance to secure employment. It is also essential that their skills be utilized to the greatest advantage and that they not be relegated to premature retirement or unsuitable occupations.

The continuing programs of the Department of Labor and the efforts of the State employment services have achieved a measure of success toward this end. But much still remains to be done. We are fully aware of your desire to see that this is done and you may be assured of our dedication to this task.

FACTFINDING AND PROMOTIONAL PUBLICATIONS RELATING TO THE EMPLOYMENT OF MIDDLE-AGED AND OLDER WORKERS RELEASED SINCE JULY 1959

Manpower—Challenge of the 1960's:—A widely publicized chart book projecting the manpower developments for the 1960–70 decade, underlining, among other facts, the manpower necessities of hiring middle-aged and older workers if the economic goals of the Nation are to be met.

Ability is ageless—A guide to action: A pamphlet directed to community and civic leaders providing suggestions for local educational campaigns to overcome age barriers in hiring.

Meet the over 40 worker: A factbook on employment of middle-aged and older workers.

Bureau of Labor Statistics

Comparative job performance by age: Office workers (Bulletin No. 1273): A report covering the productivity of younger and older office workers.

Adjustments to the introduction of office automation (Bulletin No. 1276): A study of employee adjustments to office automation (studies in different industries on the adjustment of older workers to technological change, with special emphasis on transfer and retraining problems, are in process).

Studies of employee benefit plans under collective bargaining.

Health and insurance plans under collective bargaining: Accident and sickness benefits, fall 1958 (Bulletin No. 1250).

Pension plans under collective bargaining: Part I—Vesting provisions and requirements for early retirement; Part II—Involuntary retirements provisions, late 1958 (Bulletin No. 1259).

Health and insurance plans under collective bargaining: Surgical and medical benefits, late summer 1959 (Bulletin No. 1280).

Pension plans under collective bargaining: Normal retirement, early and disability retirement, fall 1959 (Bulletin No. 1284).

Health and insurance plans under collective bargaining: Major medical benefits, fall 1960 (Bulletin No. 1293).

Health and insurance plans under collective bargaining: Life insurance and accidental death and dismemberment benefits, early summer 1960 (Bulletin No. 1296).

(Several other publications in this general series are in process.)

"The BLS Interim Budget for a Retired Couple," Monthly Labor Review, November 1960: An article covering cost estimates and budgets priced in 20 cities in the fall of 1959. This budget represents an interim revision of a similar budget list priced in October 1950.

Bureau of Employment Security

Meeting the manpower challenge of the sixties with 40-plus workers: A discussion leaders guide for use in conducting local employer and labor-management institutes on the employment of older workers.

Mr. Businessman: A revised version of a popular informational flyer of the same name widely distributed to employers.

Women's Bureau

Memo on jobfinding for the mature woman: Tells older women jobseekers how to find and prepare for employment (Leaflet No. 13).

Part-time employment for women: Presents and interprets facts about the impact of part-time work on the economy as a whole, and gives information on job opportunities for women seeking part-time work (Bulletin No. 273).

Training opportunities for women and girls: Gives information about preemployment courses and initial training programs available in major occupational fields not requiring a college degree (Bulletin No. 274).

Suggestions to employers * * * in regard to hiring older women: Tells why employers should hire older women (Leaflet No. 12).

STATEMENT OF ARTHUR J. GOLDBERG, SECRETARY OF LABOR

Secretary GOLDBERG. I appreciate very much your kind invitation to appear before this most important subcommittee of the Senate to discuss a problem of grave concern to the administration and to the Nation.

I do not have to say to you, Mr. Chairman, who has devoted so much time and attention to this important problem, that the administration and I, as Secretary of Labor, are gravely concerned about the problems of the older workers.

I want to commend the committee for its attention to this most serious of problems. There is no question in my mind and I am sure there is no question in your mind that this country can do far better than it has been doing in this area.

Our concern for the older workers, as your hearings are demonstrating, has many facets. Among the problems facing the older workers are housing—I notice the distinguished Housing Administrator, Mr. Weaver, testified yesterday; health, which, of course, is of great concern to the older worker—the productive use of leisure time—and, of course, and perhaps basic, employment.

It is in the latter area that I wish to address my remarks this morning. But I want to say this, that in employment as in all of the other areas, a solution to the problem requires the cooperative efforts of all groups, Federal, State, local government, private groups, and individuals; and, of course, when I say private groups, I mean that labor and management have a grave responsibility in the area of the employment of older workers.

These are responsibilities which, unfortunately, labor and management are not fully discharging at the present time.

Now, in connection with employment, where the Department of Labor has primary concern, there are many things that we in the Department under the new administration have been attempting to do and many things that we are preparing to do in the days ahead.

It has always seemed to me when we address ourselves to problems in this and other areas that the first thing we must do is to put our own house in order. Certainly the Government, the Federal Government for which we have primary responsibility, must not discriminate against the older worker.

When I took office, Mr. Chairman, this was a very important factor in my own mind and after reviewing the operations in my Department, I felt that this is where I ought to begin. I issued a general order relating to the employment of the older worker in the Department of Labor and this is General Order No. 111 of the Department. I would like to read that order as illustrative of what the Federal Government can do in its own area to help with this most important problem.

This order reads as follows and I quote:

> The older worker should not be denied employment opportunity simply because of his age. Such discrimination deprives older persons of the opportunity of earning a livelihood and of the dignity that the performance of useful functions properly gives to them. Moreover, efficient use of our human resources requires that the services of all persons capable of performance in the labor force be utilized.
>
> The Congress has recognized and acted upon these principles. Title 5, section 638b of the United States Code provides:
>
> "No part of any appropriation in any act on or after June 27, 1956, shall be used to pay the compensation of any officers or employees who establish a requirement of maximum age for entrance into positions in the competitive civil service: *Provided*, That no person who has reached his 70th birthday shall be appointed in the competitive civil service on other than a temporary basis."
>
> It is my intent that employment practices in the Department of Labor shall be in keeping with the spirit of this statute. Subject to applicable law, persons shall not be denied employment opportunity on the basis of age alone. The Department of Labor can ill afford discrimination of this type.

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Now, this seems to me to be the starting point on the part of the Federal Government for its own method of handling this problem. In addition to setting an example through our own employment policies, which should be a model for State governments and for private groups, the Department of Labor, since I have taken office, has mounted an offensive to assure that job opportunities are open to older workers.

Now, as you very well know, Mr. Chairman and members of your committee, by older workers today we mean not only our senior citizens age 65 and over, we also mean men and women in the prime of life, 45 years or older.

One of the primary tools which we can have in providing opportunity to these people is the manpower development and training proposal put forth by the administration.

I am very happy, Mr. Chairman, to acknowledge that the Senate yesterday passed this bill by an overwhelming bipartisan vote, 60 to 30, and I am very hopeful that the House will act favorably on it soon.

This legislation which provides for the retraining of men and women will enable us to retrain people in the older age groups as well as in some younger age groups in order that they can keep pace with automation and other technological advances. By the way, Mr. Chairman, many people have raised the question of whether what they call older workers can be retrained.

I would like to answer that question. Older workers can be retrained. There are many evidences of that. The man or woman age 45 or older who has basic experience in industry or in service occupations, capitalizing on that experience can be retrained sometimes even more quickly and more effectively than younger people who have had no experience and it is an absolute error to believe that these men and women, a valuable part of our national labor resources cannot be retrained.

The fact of the matter is that every evidence we have at hand shows that our mature worker, with a reservoir of experience in life and a background of work experience, can be retrained to many worthwhile occupations.

And we hope, when the manpower development and training bill is passed and when we put into operation the retraining provisions of the Area Redevelopment Act, that it will demonstrate once and for all the great potential of development which exists in our older population as well as in our younger population.

Now, in addition to what we hope to do and expect to do under the manpower development and training program and under the Area Redevelopment Act, there are many other areas in which the Department of Labor has stepped up its activity in the course of this administration's work. I would like to briefly outline these and I am going to ask my distinguished colleague, Dr. Wolfbein, the head of the Office of Automation and Manpower to go into the details of these programs.

If the training bill is adopted by the Congress, as I hope and expect that it will be, we will give important priority to the retraining of the older worker. We will start with the heads of families and most of the older workers are heads of families. We will see to it that the funds made available to us by the Congress are used to develop

and expand upon the skills of the older worker. In addition to this, we will see to it under the Area Redevelopment Act that the training provisions are used to capitalize on the skills that many of our older workers have.

When we approach the typical area for redevelopment, the textile communities of Massachusetts, the coal mining communities of West Virginia—there are men and women living there who have demonstrated by long experience their capacity to do productive work. We are quite confident that these men and women, with appropriate retraining, can be equipped to do anything that is required for new industries which may be introduced into these worthwhile communities.

Mr. Chairman, I know of no better group of Americans in America than the men and women who work in the New England States, in Massachusetts, I know of no more substantial citizens in our community than the men and women who work in West Virginia.

They are great national resources, they are looking for productive work, they are anxious to continue to make their contribution to a more productive economy. And we owe them the opportunity to do so.

I think that there are no more significant statutes passed by the Congress at this session than the Area Redevelopment Act and the Manpower Development and Training Act which the Senate passed yesterday.

This will enable us to demonstrate to our own country and to the world that there is no such thing as surplus labor in America. This term has been completely obnoxious to me and I have abolished it in the Department of Labor. We no longer talk about surplus labor in our publications. This was the term that was used before I took office.

On the contrary, we talk about areas of substantial unemployment which is a term that demonstrates that we are not utilizing the great skilled resources of manpower available to our country.

And I am very hopeful as to the results of the action which Congress has taken in the Area Redevelopment Act and the action which the Senate took yesterday in the Manpower Development and Training Act.

Now, in addition to using these tools which the Congress has fashioned to help us in the area of employment of older workers and younger workers, too, we have done other things which I would like to point out.

We have been fortunate in getting the support of Congress this time, since January, in stepping up the facilities that are provided by our Federal-State employment service so that this service can do a better job to provide employment opportunities for all Americans, young and old. We have emphasized in our program with the Federal State employment service that we must provide better service than we have heretofore to our older workers. Dr. Wolfbein will give you in detail some of the programs which have been adopted since January of this year in the employment service area to see to it that special attention is paid to the older worker who is seeking new employment, who has been displaced because of automation, technology, and plant layoff, so that the older worker can find a place in our economy.

In addition to this, we are paying new attention to our senior citizen. I was very much impressed by the work that this committee did in surveying the problems of our senior citizens, people 65 years and older.

We have tremendous resources of capacity in this area and we have to utilize these resources for two reasons: One, for the Nation's benefit, so that we can capitalize on the experience and the capacity of our senior citizens, and the other for the mental and physical health of the senior citizens themselves.

Mr. Chairman, Senator Smith, in my own professional field—law—it has been a source of great help to the profession that a law school in San Francisco, Hastings Law School, has given productive employment to many law professors who have been retired at the age of 65 and who are in full vigor. This law school has invited these senior law professors to come out to Hastings, and everybody has benefited from this. The men themselves have felt that they are making a contribution. The students have had the benefit of some of the great legal minds of the country in their full maturity and in their full wisdom.

The other evening I had the pleasure of having dinner at the house of a distinguished judge of the court of appeals in the District of Columbia, Judge Edgerton. One of the great judges, Senator Smith, in your own area, is Calvert Magruder. You know him well. Judge Magruder, who retired at the age of 65 from the court of appeals, has demonstrated what can be done by a senior citizen.

He has done two things. He taught in San Francisco at the Hastings Law School, and I wish I were a student again to get the benefit of the instruction that Judge Magruder, out of the maturity of his years and his great wisdom, can provide. And then he has sat as a Federal judge, a retired Federal judge under the fine statute the Congress passed, which enables a retired judge on invitation to sit to help out in the Federal courts. He has sat in San Francisco, in the District of Columbia, in other areas, as a senior judge and has made a continuing contribution to the law.

This is a good illustration of how we can use senior citizens in our own national life.

The other day a great American died at a very ripe age, in his eighties, Mr. Justice Learned Hand. He retired from the Federal bench under a statute which was also the same statute which permitted him to be called upon to make a contribution compatible with his own desires and the needs of the country. And only a few weeks before he died he participated and wrote decisions which have been landmarks in the area of law. This illustrates again what a great reservoir of talent that we have and can utilize.

Now our employment services, State and Federal, as a result of the additional funds made available by this administration, as a result of the good work which has been done by this committee, are stepping up our services for older workers.

There is special counseling provided, there is special placement provided. They are giving renewed attention to the fact that we must utilize the capacities of the older workers in American life.

I am very happy to tell you, and Dr. Wolfbein will give you the details, that as a result of this attention to the problem of the older worker, there have been substantial and practical results.

For example, over 20 percent of all of our nonfarm job placement through the Employment Service represent workers 45 years of age and over. This demonstrates that we can do a job in this area. This demonstrates that if we carry the message tc employers, that if we bring to their attention that these men and women have important capacities, then their talents will be utilized. It demonstrates the value, Mr. Chairman, of the work that this committee is doing.

Now, in addition to that, as a result of a broad educational program being conducted by the Department of Labor in cooperation with the State employment services, we have been able to relax age restrictions in a number of important cities so that more and more jobs can be filled by older workers.

In addition, we have initiated a broad program of research aimed at finding out the facts concerning older workers' abilities and productivity. It is very important that we know these facts and that we are able to bring these facts to life because too often the assumption is made that at 45 or older a man is no longer productive.

That is a false assumption and the facts we are developing demonstrate that this is a false assumption. I know from my own experience of a quarter of a century in representing labor organizations and in talking to management that very often the most steady, the most productive, the most efficient worker is an older worker.

He, through experience, has acquired the art of doing work quickly, sensibly, productively, in a mature way, that sometimes is lacking in the younger worker.

It takes a younger worker time to acquire this experience. I want to say a good word for labor unions in this connection. There has been a lot of talk about the seniority system introduced by labor contracts and there has been some criticism of seniority systems on the grounds that it freezes workers into their jobs and impinges upon management prerogatives.

Let me say this, that there are many benefits from the seniority system and one of the benefits is that it assures an employer that the most experienced man, that the man who is attached to the job, the man who understands problems, the man who understands responsibilities, is a man who has priority in terms of continuity of employment and this, it seems to me, is not a bad concept.

It is a concept based upon practicality and equity and I think that instead of undermining seniority systems, seniority systems should be lauded for the recognition they give to the equities which long-time attachment to the job entitles people to enjoy.

Now, I do not mean that, in some circumstances, seniority systems can't develop too much rigidity. They may, but I mean basically the seniority system is a good system. It is a recognition of what we all recognize in life, that respect and wisdom attach to our seniors, whether they be in employment or whether they be in other aspects of life.

Now, we in the Department are stepping up—and Dr. Wolfbein will show you some illustrations of the work we are doing—we are stepping up substantially a significant program of education of employers to the large potential available to them from our reservoirs of older workers.

This is very important to do because by necessity an employer is often engrossed in the production and manpower problems in his own establishment and sometimes he is unaware of the potential available to him in his own community by very skilled people who can be utilized in his work force.

Now, let us take an ordinary case. It is the counsel of wisdom very often for an employer to reach out and take a skilled man 45, 46, or 47 and put him immediately to work as against a younger man who may need anywhere from 2 to 4 years training to qualify for a job.

Also, our studies demonstrate that if a man has a skill in one area, it is easily transferable to another area. There is something about doing skilled work which provides for greater transferability. Employers sometimes do not know this, so we are trying, in our educational program, to point out how transferable skills are and how, if you are skilled in one area, you can acquire competence in another.

This does not mean that we are indeed downgrading the necessity for improving the skills of our younger people. It demonstrates, like in so many other areas, that you need a rounded out program which takes into consideration the equities of all.

Now, I have asked my distinguished colleague, the Deputy Assistant Secretary, Dr. Seymour Wolfbein, who is the head in our Department of the Office of Automation and Manpower, to discuss the programs and activities of our Department with you in detail. But I wanted to come over here this morning, Mr. Chairman and Senator Smith, to say to you that the work of this committee is very important work.

It has been a tradition in American life to pay great respect and to give great attention to our older citizens. I did not want the assumption to arise, because outside of myself and Governor Hodges this is a young administration, that this administration is not conscious of the great contribution that the older worker and older citizens of America can make to our economy and to our life or that this administration is not conscious of our responsibilities in this area.

It is not a responsibility that can be assumed alone by the Federal Government. It is a responsibility which the title of this subcommittee indicates requires Federal activities, State activities, the activities of local communities, and the activities of private groups and even individuals.

And you are performing, Mr. Chairman, a notable service by focusing national attention on one of the grave problems of American life.

I thank you.

Senator RANDOLPH. Mr. Secretary, your statement is a significant one and we are especially appreciative that you came personally today as the head of the Department, an important Department in the Government, to express your thoughts and also to expand upon the policies of the Department of Labor.

You mentioned Judge Hand and I mentioned him also late yesterday afternoon in speaking in the Senate. Because you have indicated that his wisdom had the element of vision in it, even in the advanced years of his life, I take this opportunity to read in part what I spoke yesterday in quoting the late Judge Hand.

He said:

> Our dangers come from those of us, the mass of us, who take their virtues and their tastes like their shirts and their furniture from the limited pattern which the market offers.

In other words, Judge Hand was saying that there are new problems and that we need to seek new answers to the old problems as well, which continue from one period to another and are aggravated—as in the area we are now considering—by technology or automation in particular industries in this country.

At least, it was his proper concern that there be an awakening, a continued realization on the part of our people that changes do occur. Sometimes the most difficult fact that we have to understand is the very fact of change itself.

So, I do feel that your leadership in the Department exhibits a wholesome creativeness, as you make what I believe to be an all-out attack on some of these basic causes of unemployment. You realize, I know, that we must move forward in new programs as we attempted to move forward in the Senate yesterday with the retraining bill.

The fact that the Senate by an approximately 2 to 1 majority passed that measure is very definite evidence of the realization among legislators that this is a highly urgent problem. You have also acknowledged this urgency as you have addressed yourself personally, to the problem today before this subcommittee, and as you have expressed it before in appearances before subcommittees and the full Committee on Labor and Public Welfare.

Mr. Secretary, you mentioned the attitude of the Government toward the utilization of the skills and capacities of older workers.

I well remember in the years I served in the House of Representatives the prevailing practice in Government of hiring only those persons who were under 45 years of age.

We conducted studies to ferret out the practices within certain agencies and we found that there was a very decided favoritism toward the younger workers even when the older workers had the relevant attitudes and aptitudes, the latter being very important, which are developed in on-the-job-training and I am very happy to emphasize, as you have emphasized, the change in Government policy in reference to this matter of employment of older workers.

The actual year of a person's age is not necessarily the most critical factor in that person's ability to do a certain act. There are many other factors that we could discuss, which enter into a person's total capacity to perform on a given job.

Now, are the policies which you have enunciated from the Department of Labor based upon the law? Would you say that these policies are in accord with the views and the desires of the President of the United States?

Secretary GOLDBERG. Senator Randolph, Mr. Chairman, I want to state most emphatically that they are. In issuing an order such as I issued, fully conscious of the fact that while I am the head of the Department of Labor, I am part of an administration of which the President is the leader, and the highest executive; I, of course, consulted with the President before I issued this order and I want to say to you and to Senator Smith and the members of your committee that the General Order No. 111, which I issued, to implement congressional attention, had the full approval of the President of the United States.

Senator RANDOLPH. Mr. Secretary, your order 111 regarding this subject of aging discrimination in the hiring policies of the Department of Labor is, of course, on its face an indication of how you feel. I follow through with this question:

How does the Department plan to follow up—in other words, to implement this very splendid statement?

Secretary GOLDBERG. Well, I can tell you what we did administratively about this.

Upon issuing this order I called the personnel officer of the Department in—he is a career servant at the Department of Labor—Mr. McVeigh. I discussed it with him.

This order, of course, has his complete support as a loyal and sensible civil servant. In all employment interviews we have one test, not the age of the man or his color or race or origin or sex, we have one test and that is the capability of the person to perform the task for which we are recruiting him. We are perfectly ready and willing to hire a man or woman 50 years old, 55 years old for any task that we have to perform and this is the way this order is being implemented in the Department.

Senator RANDOLPH. I recall you mentioned some professor, who, in advanced years, was still alert and able to help students.

Sometimes we are inclined to personalize and, here I want to say that I remember in my college work, a Miss Elsie Baum. She was in her early eighties and was a very active and dedicated member of our faculty, and no one would have suggested—certainly the board of trustees would have been reluctant to have suggested—that Miss Elsie Baum leave the faculty.

She was an able teacher and not only had high competence in the subjects she taught but also acted as registrar of the college, and thus counseled a group of young people in many of their affairs. This was an age of opportunity for her, although, now we may say she is in another dress, as Longfellow has expressed it in beautiful lines.

It is a story, of course, of what automation, technology, and mechanization have done in coal mining areas of West Virginia. This story portrays the tragedy in part. It is a very sensitive story, illustrative of folk crafts, of what has happened in Thomas and Tucker Counties in our State.

I find these words in discussing such workers now unable to find employment—

> People who have lived all their years in one valley can't just pack up and leave. They hang on, waiting for something to come along, a new job nearby, or a buyer for their home, or a change of heart by the factory managers. Of the older men, reluctant to leave their homes, some drive 50 or more miles each way daily to jobs in Phillipi or Clarksburg.

Mr. Secretary, I do not want to indulge in unpleasantries. There can be much of sentiment and emotion about this sort of thing, but I admire you and I admire your Department and I admire this administration for trying to find as I have indicated earlier, some of the answers to a problem which has many novel aspects but is also an old one. I think this is in part the function of Government in part, coupled with private industry, to attempt, as Congress wrote in the full Employment Act of 1946, to tackle this problem of structural unemployment, and unemployment which sometimes runs a year or 2 years for the individual worker.

So, we who are West Virginians are not particularly happy when we are constantly faced with this type of story, but if here we can have the illustration and there can retell it, we may bring this problem into focus to such a degree that we will partially, at least, employ not only the older worker where he can do the job but also find a retraining program which will be effective as an answer to unemployment.

Now, would the Department which you head be able to prepare a statement commenting on a recommendation which in 1960 was advanced by our subcommittee on the problems of the aged, that there be established a senior citizens' service training program?

Would you feel that you could help us in directing our thinking on that matter?

Secretary GOLDBERG. Senator Randolph, Dr. Wolfbein will talk about that in more detailed testimony, of course. We think this is an excellent idea and some work already has been done in this direction.

Senator RANDOLPH. Mr. Secretary, I know that Senator Smith and I have been helped by your testimony this morning.

I realize that you have another commitment. I would wish to quote from the Washington Post magazine Potomac of August 20, 1961, in which very graphically we see an older worker as he sat on his cot still thinking in terms of the job that he hoped to hold which now has passed him by.

I know you face this, Senator Smith, in New England as we face it in West Virginia. So, Mr. Secretary, your coming here and sharing with us your concern and more importantly your desire to find ways to bring us out of this so-called wilderness of unemployment, the utilization of our older workers, it is very encouraging.

Secretary GOLDBERG. Thank you, sir.

Senator RANDOLPH. Senator Smith?

Senator SMITH. I would like to associate myself with the remarks of the chairman, Mr. Secretary, in regards to a fine job you are doing and especially in this age and this category of the aged and I feel very strongly that this retraining, manpower retraining bill that passed the Senate yesterday will help give you the tools to go ahead with this program and I must say, I look with great alarm on this fact that now people 45 are finding it difficult to find other employment and I feel as you do that the real key is educating our employers to hire people on their capabilities and I think that regardless of other factors, that different people tend to take into consideration, I think the main thing is to see what the people can do in this regard.

I was wondering—you mentioned that older workers who become unemployed leave their home—I was wondering, are they forced to take a lesser job for less money or what is your finding in that regard?

Secretary GOLDBERG. Senator Smith, that is one of the great problems.

Some firms follow an employment policy where they look on a 40 year old as an older worker. Now, it is disastrous, it seems to me, that a man 40 or 45 is called upon, when he finds a new job, to reduce his standard of living because it is precisely at that age when the maximum demands are made upon a man or woman.

His children are generally of college age. He must provide for their education. Very often he must provide for the care of his mother or a father or his wife's mother or father. He is at the peak

of his financial responsibility; so, we have to concentrate on seeing to it that these years, which I say we used to characterize as the most fruitful years, are the years when his employment opportunities should be the greatest, not lesser and his earnings should be the greatest, not lesser.

That is why I paid the compliment to the trade union movement for safeguarding seniority because the operation of the seniority system assures this. It is the point in a man's life when he should enjoy maximum earnings, greatest job security, and greatest protection because the needs on him are greatest in that period.

Senator RANDOLPH. Does the Department plan to do a study of the use of older workers, similar to the six-city study made about 5 years ago by the Department?

Secretary GOLDBERG. One phase of the study conducted in 1956 was devoted to obtaining case histories which showed how various employers were effectively hiring and utilizing the skills and abilities of middle-aged and older workers. Selected case histories were incorporated in the publication, "Employing Older Workers," May 1959, a copy of which is enclosed.

At the present time, we have no plans for repeating this particular type of study. However, we are carrying on several program activities which will give further insight into the utilization of older workers, and others are being planned. Some of these are:

(1) Studies of the impact of automation: These studies are concerned with the characteristics and job-finding problems of workers already displaced by technological change and with measures that may be taken to forestall or minimize unemployment attributable to this cause. Among the characteristics considered in both types of studies is the age factor. In a study already completed, "Adjustments to the Introduction of Office Automation" (BLS Bull. No. 1276), special attention was given to the older worker in terms of his selection for the newly created jobs involving the use of electronic data processing equipment, his trainability, and his performance after training. In process is another study which, among other avenues of investigation, examines the older worker's adjustment to changes in and transfers to production occupations. A number of demonstration projects, directed toward the long-term unemployed with obsolete skills, are now being planned by the employment service. A considerable proportion of this worker group will be in the upper age brackets. These projects will center on intensive counseling and placement efforts, including referral for retraining, as a means toward helping these workers to become employed. An anecdotal approach in these studies and projects will produce case histories which will be useful examples to employers and staff of public agencies providing employment and related services.

(2) Information on successful counseling and placement practices with older workers and employer utilization of such workers is being collected from the State employment services. The best of these will be incorporated in an idea-exchange publication which will be given wide distribution internally within the public employment service and with employers.

(3) The regular reporting system, covering employment applications, counseling interviews, and job placements by age groups, will

continue to give a quantitative measure of services rendered and placement success with jobseekers in the upper age brackets. Some measure of placements by broad occupational groups is also available through this reporting system.

Senator RANDOLPH. What types of professional backgrounds do the specialists in older worker problems have?

Secretary GOLDBERG. The specialists in older worker problems come from a variety of educational and experience backgrounds. All entered the public employment service in accordance with the requirements of merit systems in the 50 States and the territories.

In addition to this basic qualification, the majority have had many years of interviewing, counseling, placement, and supervisory experience from which they derived firsthand knowledge and appreciation of the job-seeking problems of older workers as well as skills in serving them. Thus, these specialists have been drawn from among the most seasoned and mature employment service personnel. Other factors in their selection have been a demonstrated interest in the older worker problem and the ability to stimulate and participate in effective community and educational programs. Upon their assignment, older worker specialists are given a specially prepared intensive training course in services to older workers; they are given supplementary and refresher in-service training as needed.

An important fact to note is that the older worker specialist, as we have defined his duties, is essentially a stimulator, a reviewer of services rendered by other local office personnel, and an active participant in community relations activities which will create a favorable atmosphere for employment of workers irrespective of age. Except for the most difficult cases, he usually does not serve job applicants directly. The majority of older applicants are served by interviewers, counselors, and placement officers regularly assigned to, and skilled in, these functions. All of them have had special training in serving older workers.

Since occupational changes are frequently a consideration in improving the employability of older workers, the steps taken to improve the competency of employment counselors, who normally advise on such changes, assume especial importance. An out-service training program for counselors at colleges and universities was inaugurated 3 years ago. Since then about 1,500 counselors from 47 States have received training at more than 100 schools. The purpose is to provide additional academic background in guidance principles and techniques, tests and measurements, human behavior, and other related subjects. The ultimate goal for full-time counselors is a minimum of a bachelor's degree, plus 15 semester hours of course work specifically related to counseling, as just noted. Just prior to the beginning of the out-service training program in 1958, a survey showed that about half of all full-time counselors had a bachelor's degree. We believe that the proportion has significantly increased as a result of the training program and the raising of hiring standards for new counselors which many States have adopted with our encouragement. Another survey of counselor qualifications will be made this year in order to update our information.

The benefits of the out-service training program have recently been extended to interviewers and other local office personnel in addition

to counselors. In several instances, older worker specialists have taken the additional training.

Senator RANDOLPH. Does the Department have available for the committee examples of any printed materials used in its preretirement planning programs for its own employees?

Secretary GOLDBERG. Examples of printed materials used in the preretirement planning program of the Department are available from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., as follows:

Reports on the Department of Labor's Older Worker Program—Employing Older Workers

[Copies may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Remittance is required in advance]

Publication title:	*Cost per copy*
Job Performance and Age: A Study in Measurement, bull. No. 1203	$0.45
Comparative Job Performance by Age: Large Plants in the Men's Footwear and Household Furniture Industries, bull. No. 1223	.45
Older Workers Under Collective Bargaining: Pt. I—Hiring, Retention, Job Termination, bull. No. 1199–1	.25
Older Workers Under Collective Bargaining: Pt. II—Health, Insurance, and Pension Plans, bull. No. 1199–2	.25
Older Worker Adjustment to Labor Market Practices: An Analysis of Experience in Seven Major Labor Markets, BES No. R–151	1.25
Counseling and Placement Services for Older Workers, BES No. E–152	.50
Pension Costs in Relation to the Hiring of Older Workers, BES No. E–150	.25
How To Conduct an Earning-Opportunities Forum in Your Community, leaflet 25	.15
Mr. Employer, Here's How You Can Get Better Results With Older Workers	.10
You Can Get That Job! Maturity Is an Asset	.10
Mr. Businessman! Are You Cutting Yourself Off From One-third of Your Labor Supply?	.10
What Your Employment Service Is Doing About Older Workers	.05
Services to Older Workers: Chart Book (can be obtained free-of-charge by writing to your local public employment office or to the Bureau of Employment Security, U.S. Department of Labor, Washington 25, D.C.)	Free
Employing Older Workers—A Record of Employers' Experience—May be obtained from the Bureau of Employment Security, Department of Security	

Senator SMITH. Again, thank you very much for coming here this morning.

Senator RANDOLPH. Mr. Secretary, there are many questions which we could direct to you but we will direct them to your Deputy Assistant Secretary, and we thank you again for being of genuine assistance to the committee as it studies this problem and other related problems.

Thank you.

Secretary GOLDBERG. Thank you very much.

Senator RANDOLPH. You will identify yourself, please, for the record.

STATEMENT OF SEYMOUR L. WOLFBEIN, DEPUTY ASSISTANT SECRETARY OF LABOR

Mr. WOLFBEIN. My name is Seymour Wolfbein and I am a Deputy Assistant Secretary of Labor and also Director of the Office of Automation and Manpower in the Labor Department.

Senator RANDOLPH. You will proceed with your statement, sir.

Mr. WOLFBEIN. Let me just say a few words, Senator, and then see if you have any questions.

I would like to say first, that the subject that the committee is discussing at these hearings takes on, it seems to us, even added importance when you look at what is coming up in the immediate years ahead.

We are cognizant in the manpower story of the 1960's of the tremendous growth that is going to occur among the new young job workers. I think that it is time that we also highlighted very, very clearly the enormous number of older workers coming upon the job market in the 1960's.

When we think, for example, there is going to be a net increase of 5½ million among workers 45 years of age and over, you get an idea of the increase that we are going to face again in the very problem we have been talking about this morning.

Now, the chairman mentioned the great population change and we also would like to underscore this because it is becoming clearer and clearer that what we need in the immediate years ahead is a more maneuverable, more adaptable, a more flexible labor force which can meet the changes that are coming about because of automation and technological developments. As we mentioned to this committee once before, even when you pick up the want ads these days and you see the job titles being asked for, they just were not around a half-dozen years ago and we ask ourselves how can we position ourselves to meet the demand for workers in these occupations.

It becomes very clear, indeed, that you have to take advantage of the older workers in the labor force—workers whose backgrounds of experience and training already represent a substantial amount of career development and who can take over some of the newer jobs with a minimum of training. These two things we feel enhance the importance of what we are discussing this morning.

There is one other item that has to be investigated, we think, and then I would like to mention a few program items the Secretary alluded to.

In the most recent figures that were announced on the employment and unemployment situation, we found that there were still more than 1 million people unemployed continuously for 6 months or more.

And when we asked ourselves, Who are these very long-term unemployed? there was the older worker standing out very clearly indeed. It is important to realize that, as we are setting record levels of employment, 30 percent of all of these very long-term unemployed people who were continuously jobless for 6 months or more, were workers 45 years of age or over. There you see the real picture of the problem that is facing us.

These are folks whose skills are outdated in many cases under the impact of automation and, of course, this is another reason why we feel that we want to use the pathway of training and retraining so that these folks can get back to work.

Now, against that background, just a few more points. In a sense, as the Secretary has pointed out, the Department of Labor is on the firing line because affiliated with it are the State and local employment offices of the United States. Jobseekers come to us every single day knocking on the door and saying, "Here are my talents, here are my aptitudes, what will you find me in terms of a job?"

This is where you really see it live and face to face. And so, during the past 6 months, we have been putting more people and more resources right there in the frontlines to see what we can do about increasing the placement of the older workers.

Now, the details are given in our prepared statement, so I won't go over them. We find that it is almost like giving a man with a fever a large dose of antibiotics. You put enough resources in and the results show.

The Secretary indicated that just about one out of every five job placements we are making in the nonfarm sector of the economy are exactly these people we are so concerned about, the 40 and 45 years of age and over group. I think this would be an interesting fact to put in the record.

We have had more than 6,000 people on our staffs out in the field at the State and local levels specifically trained now in the techniques and the problems of dealing with older workers. So you see, we are gradually building up what I would call a substantial staff of people who are dedicated and trained to deal with this particular problem.

Now, as the testimony indicates and as, of course, you know, one of the big problems is the age limitations on job orders from employers. Many come to us and say, "We would like somebody under 55 or under 45," and we will not be having many orders which say, "We want older workers above 35."

You begin to wonder when this thing is going to start ending.

In this respect, we have made a study in five cities. I would call this committee's attention to that part of the prepared testimony on this point because, again, it shows that something can be done if you put the resources into it. We have achieved a substantial decrease in the number of job orders coming to us which put an age limit on the man or the woman they want—a very substantial decrease. This is why, we feel that we can be optimistic on many of these fronts, if we get these programs going.

Now, among other items, the Secretary touched upon the research program we have.

Both you Senator Randolph, and Senator Smith have alluded to it. It shows again when you go out and find the facts, it simply is not true to say that the older worker has less productivity or he is absent from the job more often. We have actually worked in the plants, made observations on the spot, and took the records of day-by-day production and we find this is not true.

So, we come to the last point. This last point you mentioned, Senator Smith, of getting the facts across to the employers, we believe is extraordinarily important because when the chips are down, many of

these folks have the general impression that the older worker performs poorly. But when you put the record in front of them, as you might expect, they take a look at it and they take off from that point.

So, to summarize, these are the three pathways that we are trying to adopt. One, which I believe is especially important, is the actual operations we undertake in placing the older worker.

The second is to research this problem in every possible way to get the facts and, thirdly, to get it across to where it counts; namely, to the persons who do the employing.

So, that is our story.

Senator RANDOLPH. I thank you very much.

Senator SMITH. One of the points that I wanted to bring up was you touch on it a little bit and Secretary Goldberg mentioned it, and that is people forced to retire at 65 and these people have lived a life and had great experience, and I feel that they can do a tremendous lot in the teaching field or with groups, and I know back in Massachusetts, in my hometown, several of these people are used in the high schools from time to time, and I think they can offer a tremendous amount of teaching and experience that will help our youth as they come along, too.

I had one other point that I wanted to bring up and that is on our skilled older workers, when they have trouble finding a job, isn't it true that a great part of the older workers unemployment problems are with the unskilled people.

Isn't that the situation? You mentioned that the skilled people can move from, if they put out, because of automatiton, industry moving away, the skilled people can find something but isn't that one of our big problems, the unskilled?

Mr. WOLFBEIN. Yes, I would say that is right, Senator Smith.

Senator SMITH. What do they do about that part of the problem?

Mr. WOLFBEIN. Again, the few facts we have again points that out very clearly.

I previously mentioned the fact that there were, in July 1961, over a million people unemployed 6 months or more. You take the unskilled worker. He represents only about 5 percent of all of the workers in the United States but he represents about 16 or 17 percent——

Senator SMITH. Sixty or seventy percent?

Mr. WOLFBEIN. Sixteen to seventeen percent of all of the long-term unemployed.

In other words, he contributes about three to four times his proportionate share to the very long-term unemployed and this is really a serious problem.

Senator SMITH. Don't we get back there in that particular instance to the problem of education really?

Mr. WOLFBEIN. Exactly. In other words, the more you look at this thing and think about it, it becomes clearer that this pathway we have been talking about—education, training, and retraining—is really one of the major tools to use, because one thing is clear under the impact of automation and technological change, Senator, and that is that the number of unskilled jobs has been declining and, there is no question, will continue to do so.

So, people who can only compete for unskilled jobs are finding themselves in a smaller and smaller field. If we are to do anything about

getting them back into gainful activity, it has to be by retraining them for the new jobs that are coming up.

That is the only way we can go.

Senator SMITH. Thank you, Mr. Chairman.

Senator RANDOLPH. Dr. Wolfbein, I am not sure that the questions I ask you have been touched on in the testimony of the Secretary and in the material you have presented but they are questions that I think you would want to address yourself to at this time.

What has the Department done or what is the Department thinking of doing with reference to legislation which may be pending or which would be proposed in reference to prohibition against discrimination on the basis of age in the hiring and promotion procedures of employers?

Mr. WOLFBEIN. Senator, are you talking of employers generally now?

Senator RANDOLPH. Yes.

Mr. WOLFBEIN. Very briefly, as I am sure this committee knows, there are 14 States now which have laws on the books with regard to age discrimination on the part of employers in the employment process and we have been trying to keep very close track of what is occurring in these 14 States as this legislation begins to operate.

So far, it would be my personal and professional opinion that I would like to take a little longer look on how this particular legislation fares in some of the cities and States.

I think we have a number of pathways down which we can go, Senator Randolph.

One of them, for example, applies to something which is very close to Government, namely, people who are working on Government contracts.

Therefore, on the question you raised with respect to a law against age discrimination generally, what we are doing now as I said, is keeping very careful track of how these laws work and on the State level among these 14 States. At this time at least, I would personally recommend that we wait and take a look at the developments. At the same time, though, I believe this committee has already indicated in some of its recommendations, that the States use this particular approach.

Now, on the question of Government contractors—again giving my own personal and professional opinion—we do have orders and rules concerning employment discrimination with respect to race, color, creed, and national origin. And my own opinion is that such a proviso is something that would be desirable to have.

These would be our own Government contractors. Now, we would like to think through, Senator Randolph, exactly what the Department's position is on this and this is why I think we have indicated, in response to your question, we are going to prepare a paper on this. With further study we will be prepared to recommend soon on this.

Senator RANDOLPH. Dr. Wolfbein, are you familiar with the pilot program of Armour & Co., in the retraining and in some instances the reemployment of those older workers who have been displaced.

Do you have knowledge of that?

Mr. WOLFBEIN. Yes, sir.

Senator RANDOLPH. Would you comment on that, sir?

Mr. WOLFBEIN. Incidentally, the executive director of the program played a very big part and is still playing a big part in it. He is Dr. Robert Fleming, who is one of our consultants and has spent several weeks with us in the Department so we can learn from the experience that took place there.

Would you like me to comment on some of the experiences they had, Senator?

Senator RANDOLPH. In brief, I would, sir.

Mr. WOLFBEIN. Very briefly, and I am using my opinions now based on the published facts and discussions with some of the people who were engaged in that experiment.

To me, at least, Senator Randolph, you cannot—and I emphasize "cannot"—go into a training and retraining program, especially for older workers, on a crash basis and this, in just a few words, Senator, is a good description of what occurred.

In fact, many of the folks associated with the experiment used those very terms themselves. It leads people like myself to say that the pathway again that we are recommending in the Manpower Development and Training Act, which was passed by the Senate yesterday, is a much more responsible and fruitful way of approaching it because it lays out the plan and gives resources to the training and retraining of workers and, as the bill emphasizes, where employment opportunities are expected to exist. I think that the Armour program so far it is a very commendable one in what it tried to do, and I understand that they have learned a number of lessons which they are going to put into effect as soon as they can.

To us the lesson is very important, Senator Randolph, that you cannot really do this on a crash, ad hoc basis. You have to think this thing through and give it resources as we are planning to do if the act passes.

Senator RANDOLPH. I have just been told by Dr. Sheppard that we have had the example of this company in its partial failure used as an argument against the retraining of workers and you indicate that it was attempted on too large a scale too quickly, is that correct?

Mr. WOLFBEIN. That is right, and especially, Senator Randolph, without something very important which the act calls for; and that is very clearly to find out what you train these people for in terms of the employment opportunities existing. If the act passes, this, of course, is exactly what we intend to do.

Senator RANDOLPH. With reference to another aspect of the problem of hiring older workers, we have had some testimony that those companies having retirement plans indicate that they cannot hire older workers because of the high pension costs that are involved.

Now, that may be a real barrier. It may be a fancied barrier in some instances, but I know by the testimony that there are those who believe it a real barrier.

What might be done in this connection? Do you have any recommendation, or any comment?

Mr. WOLFBEIN. Yes; I think that again, if I may, I would like to refer to the bill passed yesterday by the Senate because in one of the passages it calls attention to the very point you made, Senator Randolph. It indicates how important it would be not only in terms of hiring older workers in relation to higher pension costs but also in

general to increase the mobility of the older person so he can take jobs, not necessarily moving geographically in a big way—but moving even within the same city or the same State in order to become employed.

This act directs the Labor Department to see what can be done to stimulate, encourage, and promote vesting of pensions so that a person does not have to lose pension benefits if he moves from one job to another.

It is like in the Government and in many other types of employment. If I work for the Department of Labor in Washington, and if I move, let us say, to the Department of Health, Education, and Welfare in San Francisco, my pension coverage remains intact. This will represent no additional cost to the employer; it will represent no diminution in my rights or benefits; and that is because the whole system is covered in a single organized plan.

The same with social security. A person can move from place to place and it does not generate an imbalance on the part of the employer or employee. We intend when this act passes, Senator Randolph, to move very quickly and expediously along that particular line, which, I think, would be a very big help on exactly the point you raise.

Senator RANDOLPH. You indicate the Department of Labor's determination to act affirmatively. Now, is it possible that the Office of Education of the U.S. Government has a part to play which it has not yet played in this training program?

What would you suggest could be done, if you feel it is proper for you to suggest, by the U.S. Office of Education?

Mr. WOLFBEIN. Well, Senator, I think I would go this way, again, very briefly:

As we have indicated to you and as you have commented on many times, we are seeing right now the beginnings of 26 million new young workers hitting the job market in the 1960's, an absolutely unprecedented and unparalleled rise.

Now, we have to face up to the question: Where are 26 million new young job workers going to find jobs, especially under the impact of automation and technological change? And again, you see this is why we feel we come back to the big dimension called education and we have to see to it that these young people get the most and the best kind of education which will fit them for the jobs coming up.

I know that you have commented Senator Randolph, a number of times, upon the serious problem which is going to be posed by the fact that out of these 26 million new young workers, 7½ million will be dropouts, will not have finished high school and they will in the main be equipped to compete for only the unskilled jobs. We have already commented on the narrowing opportunities in that arena.

Now, here is an enormous challenge, and I am very happy to say that in my recent contacts with the Office of Education at HEW they are alert to this problem and they are going to try to stimulate and encourage all kinds of programs, Senator, which will increase the holding power of the schools at the State and local level. This of itself would be an enormous contribution.

Now also, of course, in the Department of Health, Education, and Welfare, they will be cooperating with us in our Department under the

Manpower Development and Training Act in this very, very important arena of vocational education and in developing skilled manpower. As we testified once before, Senator Randolph, and pointed out, and we will need 5 million more skilled craftsmen to be trained in this country in the sixties.

I think that is another place where we can do a real good job.

Senator RANDOLPH. I do recall, Dr. Wolfbein—I referred to it as I prepared for this hearing—your testimony of June 1960, before our Subcommittee on Employment and Manpower, when you gave us very meaningful charts broken down into age brackets with reference to our work force in this country.

Mr. WOLFBEIN. That is right.

Senator RANDOLPH. I recall that you said that more than 20 percent of our work force is now 45 years of age or older.

Is that increasing or is it likely to increase?

Mr. WOLFBEIN. Both in number and proportion, it surely has increased and, as I said at the very beginning, this is what really enhances the importance and significance of your committee's work.

We are dealing with a bigger and bigger sector of the population of the United States.

Senator RANDOLPH. Identify the gentleman with you.

STATEMENT OF EARL KLEIN, ASSISTANT TO THE ASSISTANT SECRETARY OF LABOR

Mr. WOLFBEIN. Mr. Earl Klein, assistant to the Deputy Assistant Secretary of Labor and the staff member in charge of the Department's older worker program.

Senator RANDOLPH. Do you have any comments at this time?

Mr. KLEIN. None other than to stress the overriding importance of the public employment service system in this endeavor to improve the employability and to help in the job placement of the many older workers that need assistance.

As Dr. Wolfbein and Secretary Goldberg both stated, the important question in connection with training and retraining is: Training for what? The public employment service system, through its employment counseling services, the use of aptitudes tests and its contacts with employers can make a real contribution in guiding adults toward occupational training that best fits their capabilities and interests and, at the same time, offers good prospects for employment. I am very happy to see that the Congress has supported the expansion and improvement program of the employment service so that more of this important work can be carried on.

Thank you.

Senator RANDOLPH. Thank you. Thank you, Dr. Wolfbein, for your testimony, too.

Mr. WOLFBEIN. Thank you for giving us this opportunity to testify.

Senator RANDOLPH. The Housing and Home Finance Agency is prepared to offer testimony. Mr. Spector, will you come with your associate and identify yourself?

STATEMENT OF SIDNEY SPECTOR, ASSISTANT ADMINISTRATOR, HOUSING FOR THE ELDERLY, HOUSING AND HOME FINANCE AGENCY; ACCOMPANIED BY E. EVERETT ASHLEY, DIRECTOR OF STATISTICAL REPORTS AND DEVELOPMENT BRANCH, OFFICE OF PROGRAM POLICY

Mr. SPECTOR. Senator Randolph, Mr. Chairman, I have with me Mr. E. Everett Ashley, who is Director of the Statistical Reports Staff in our Office of Program Policy. The two of us will be available to answer any questions that you may have.

Let me say first that after having listened to the very interesting testimony from Secretary Goldberg and from Dr. Wolfbein, the problems of employment and the problems of housing are very closely related.

What we are witnessing, of course, is a very large number of people over the age of 65 who are retiring and are out of the labor force and their housing then becomes their whole world. We have to think of housing not only in terms of providing shelter but of providing environment in which to contribute to useful living.

Now I just want to say, Mr. Chairman, that it is a great pleasure to appear before this subcommittee of the Senate and to assist once more in this extremely important endeavor.

The subcommittee has a great challenge and opportunity to evaluate the work being done in the Federal Government and to make recommendations for meeting effectively the problems of America's senior citizens.

Mr. Chairman, as you know, the Administrator of the Housing and Home Finance Agency, Dr. Weaver, appeared yesterday before Senator Clark's Subcommittee on Housing.

Dr. Weaver prepared a very extensive review of the problems of housing and of the organization and the activities that are going on in the Housing and Home Finance Agency.

I would like this morning to submit his statement for the record and will primarily take a few minutes to just discuss informally how the Housing and Home Finance Agency is organized to work in the area of housing for older persons.

Senator RANDOLPH. Without objection, it will be made part of the record.

(Statement referred to appears in "Housing Problems of the Elderly," August 23, 1961, hearings before the Subcommittee on Housing of the Special Committee on Aging.)

MEMORANDUM ON HOUSING FOR SENIOR CITIZENS, BY ROBERT C. WEAVER, ADMINISTRATOR, HHFA, THURSDAY, AUGUST 24, 1961

INTRODUCTION

It is a pleasure to appear before this subcommittee of the Senate which has done so much to delineate the problems facing our senior citizens. Most of what I say this morning is based upon your significant findings.

HOUSING FOR SENIOR CITIZENS: A SPECIAL PROBLEM

It is sometimes asserted that the aged of this Nation do not constitute a special category, but rather have the same kind of problems as the rest of the population. This stereotyped concept implies that by solving the housing needs of the Nation as a whole we will automatically take care of our older popula-

tion. In theory this may be true. Fortunately, however, the American approach has been one of practical wisdom. We have attacked problems when and where they were the most critical and have made immediate ameliorations to the extent necessary and possible. We have not permitted suffering today while we formulated tomorrow's long-range objectives. With the aged, this is even more pressing and valid. For them, the adage which Keynes made famous—namely, "In the long run we shall all be dead"—is no empty epigram but a forseeable reality, which presses for immediate response.

But it is not only the time factor which induces special accelerated action to meet the housing needs of older persons. It is the fact that a whole series of problems converge with age. The incidence of these problems is so extensive and their frequency so high that they combine to focus national attention upon their solution.

The problem of retirement

To me, the most important aspect emphasizing the special nature of aging is not income and health, although their priority is obvious, but rather the problem of retirement and the years of potential inactivity. Eighty percent of the persons 65 and over are fully retired, completely out of the labor force, but anxious to avoid passive parasitism for the remaining years of their lives. Of the 3 million persons 65 and over who are employed, less than 1 million work full time. The trend toward earlier retirement seems irreversible. In 1900, two-thirds of the men in this age bracket were employed; today about one-third, and the percentage shows a sharp drop from 45 percent in 1950 to 33.6 percent in 1960.

The major objective of housing for older persons, therefore, is the encouragement of an environment and an opportunity to join with others in productive activity—important enough for a man to replace his job and for a woman to replace gainful employment or the raising of a family. This means that an essential element of housing for senior citizens is a multipurpose senior center which can become a means of reentry into community activity. Senior centers too often are conceived of as places for bingo, card games, or entertainment. Recreation is essential to men and women at any age, but the budding science of gerontology gives evidence that he who pursues recreation exclusively feels unimportant—and frustrated.

Senior centers as part of any housing development for older persons should be a thoroughfare to the community for a retired person, helping him or her to work as a volunteer in a hospital, to be trained for practical nursing, to undertake homemaker services, to play a role in civic programs, to expand education. to undertake part-time work, even to participate in a Peace Corps—foreign or domestic.

The creative use of retirement years is a unique, special problem of age. It is a condition which no other group incurs in the same proportions. Retirement should be a period of real contribution to society, and housing can and should facilitate this result.

The problem of income

The second special aspect—and related closely to the first—is the low income of most senior citizens. This committee has done extensive work in analyzing the incomes of older persons and I shall only repeat some of the data which relate so closely to the need for suitable housing.

In 1959, by Census Bureau estimates, the median income of all families in the Nation was $5,417; but it was only $2,831 for families headed by persons 65 and over. The median for 3.6 million unrelated individuals—living alone or with nonrelatives—was $1,006 and four-fifths had less than $2,000. These median income figures are somewhat overstated since they do not include the 2.3 million older persons living with adult children or other relatives and whose incomes are among the very lowest.

Measured on an individual basis, 50 to 60 percent of persons 65 and older have less than $1,000 cash income per year.

Cash incomes are, of course, only part of the picture. Twenty-nine percent of the "spending units" headed by a person 65 or older (as defined by the Federal Reserve Board) had no liquid assets at all; an additional 17 percent had less than $500. But 33 percent had more than $2,000 and the median was higher than that for younger families.

Without attempting any refinement of the income picture, it seems clear that the 17 million people over 65 have incomes and liquid assets for several types of markets:

A very large number of families—from one-fourth to somewhere less than one-half—have such low incomes as to be eligible for public housing.

Most families have sufficient income to secure housing in the private market, but the majority of them require assistance through long-term low-interest rates or mortgage insurance to achieve it. A small proportion could secure good housing without any assistance.

Half of the aged persons living alone or with nonrelatives have such low incomes as to come within the public housing range. The other half might come within the private market, but Government-assisted programs would be needed.

Most of the aged living with relatives fall into the very lowest income categories and would need public or Government-assisted housing to meet their income levels.

The major point here is not to indicate the precise extent of the need for housing, but to emphasize income status as a special condition of the aged population.

The problem of health

The third major element of the aging process related to housing is health. While most older persons are independently mobile, a very sizable number have chronic illnesses that are potentially and unpredictably disabling. The summary prepared by the staff of this committee points out the situation clearly. I will quote only three points:

Seventy-seven percent of all aged persons have one or more chronic illnesses as compared with 38 percent of age groups under 65.

The aged are about 9 percent of total population, but make up 55 percent of all persons with limitations due to chronic illness.

Older persons spend twice as much time in hospitals as age groups under 65 (14.7 to 7.8 days) and also are admitted more often.

These data demonstrate the need for health services either within the senior citizen housing area itself or within the community.

The problem of widowhood

The fourth of the basic elements is death of a spouse and widowhood. The apparent biological superiority of women seems to be increasing over the years; since 1900, life expectancy of women at age 65 has risen by 3 years, while that for men has risen only a bit over 1 year. In large measure, the problems of aging over the Nation have become problems of widows.

Of the 16.6 million persons over 65 in 1960, 9.1 million were women and 65 percent of them (5.7 million) were widowed or single. Only one-third of the women over 65 were married, while almost three-fourths of the men over 65 are married. At the same time, there are 2.1 million single men over the age of 65. In total, 47 percent of all aged are in this single status—approximately 8 million people.

One of the startling items developed in the staff report of this committee is that in the past 10 years the number of widowed, single, divorced women increased by 40 percent, but the number of men in a similar status has remained virtually the same.

Widowhood for both women and men brings with it not only traumatic breaks in a way of life, but desperately lowered incomes, which intensify the difficulties of personal and social adjustment. Suitable and economic housing for those without a spouse is a categorial imperative.

Basic considerations

These are the basic large considerations which relate to the condition of senior citizens and to their living arrangements. For the formulation of national policy, the elements of retirement, income, health, and marital status, constitute the crucial four horsemen of the later period of life.

TYPES OF FEDERAL PROGRAMS

Despite the relatively higher frequency of the above trends in older age, I cannot stress adequately enough the need to be constantly aware of the fact that aging is an individual matter of infinite variety. There is the widest conceivable difference in needs, capacities, desires, and characteristics. I am there-

fore conscious that we must avoid rigidities and dogmatisms in our housing programs. Rather, they must meet a wide range of desires and needs and must do so flexibly, imaginatively, and with periodic evaluation of the results being achieved.

The diversity of these needs, fortunately, is now matched by the availability of a group of Federal housing programs. I should like now to review each of these and provide data on current activity. Many are new and now being tested by action.

The FHA programs

1. *Aids to single-family home purchases—Section 203.*—The FHA is authorized to insure mortgages on single-family homes being purchased by persons 62 and over even though the downpayment is made by friends, relatives, or a corporation (if approved by FHA). In addition, if an older person is unable to qualify as an acceptable mortgage risk, the FHA can insure the loan, if an acceptable third party becomes a cosigner of the mortgage.

The Housing Act of 1961 liberalized the program to permit insurance of a loan up to $25,000 for the purchase of a single-family home. Loans may be repaid over a period as long as 35 years for a new home—30 years for an existing house. The maximum rate of interest currently is 5¼ percent plus one-half percent mortgage insurance premium.

The Housing Act of 1961 also reduced downpayments to 3 percent of the first $15,000 of appraised value, 10 percent of appraised value between $15,000 and $20,000 and 25 percent above $20,000.

2. *Aides for private rental housing—Section 231.*—Construction or rehabilitation of rental accommodations for senior citizens may be financed with mortgages insured by FHA. These may be on a profit or nonprofit basis.

When a nonprofit organization sponsors a rental project of eight or more units, at least 50 percent of which are designed specifically for occupancy by persons 62 and older, it may become eligible to have its mortgage insured by the FHA for up to 100 percent. A profitmaking sponsor is limited to 90 percent. Under this program, the sponsoring group must secure its financing from a private lending institution, which in turn may seek the mortgage insurance.

The amount of an insured mortgage (as liberalized by the Housing Act of 1961) may not exceed—

(*a*) A total of $12.5 million, or $50 million, if the mortgagor is a public instrumentality or a nonprofit corporation subject to Federal or State regulations.

(*b*) For one-story buildings, a maximum of $2,250 per room ($2,750 for elevator building), or $9,000 per dwelling unit ($9,400 for elevator structure) if the number of rooms in the project is less than four per dwelling unit.

(*c*) Per room limits may be raised by $1,250 per room in high-cost areas as designated by the FHA.

The mortgage loan may be repaid over the number of years approved by the FHA. The current maximum rate of interest is 5¼ percent plus one-half percent mortgage insurance premium.

Projects may include row houses, elevator-type structures, separate dwelling units (if grouped in a contiguous project) and may be for both families and single persons. Conversion of hotels and other residences into permanent housing for older persons may also be included. In distinction to the direct loan program, projects may include not only those of economical construction, but the more comfortable type with conveniences, which the higher income aged may afford. The cost of commercial facilities, health services, and recreational facilities may be included in the insured mortgage when related to the needs of the project.

As of July 31, 1961, the FHA had 135 active projects, under this section, totaling 16,550 units and amounting to $175.9 million. The data are as follows:

	Number of projects	Number of units	Amount
Final endorsement	42	4,262	$38,156,721
Initial endorsement	37	4,737	48,904,300
Commitments outstanding	26	3,558	39,212,700
Applications in process	30	3,993	49,623,027
Total	135	16,550	175,896,748

3. *The FNMA programs.*—To assist further in providing housing for older persons, the FNMA is authorized to use special assistance funds to buy FHA insured mortgages under sections 203 and 321. Mortgages covering multifamily units for older persons are purchased by FNMA under advance commitments and thus sponsors find it easier to arrange for interim construction financing. As of July 31, 1961, FNMA had set aside $151.1 million for this purpose.

4. *Direct Federal loans—Section 202.*—To assist in providing rental housing for senior citizens whose incomes are too high for public housing, but too low for private housing, the Housing Act of 1959 authorized a program of direct Federal loans at lower rates of interest for 50-year terms.

The Administrator is authorized to make loans to certain types of sponsors for the construction of housing and related facilities for older persons and families. Formerly only private, nonprofit corporations were eligible, but the Housing Act of 1961 broadened eligibility to include consumer cooperatives and public agencies, provided the later are not receiving Federal financial assistance exclusively for public housing. The sponsors, however, must show that they cannot obtain the necessary funds from other sources upon equally favorable terms.

The Housing Act of 1961 increased the authorization for the program from $50 to $125 million. In 1960 the Congress appropriated $20 million, of which $17 million (1,699 units) have been committed and reserved, as of July 31, 1961. In addition, there are now $100 million in applications in the pipeline, totaling 9,400 units. This year the Congress appropriated an additional $25 million and the President has asked for a supplemental appropriation for the current fiscal year of $50 million more. This would provide a total revolving fund of $95 million.

The Housing Act of 1961 also increased the Federal loan amount from 98 to 100 percent of development cost, including cost of construction, cost of land and necessary site improvements. These 50-year loans currently bear an interest rate of 3⅜ percent.

Recently there has been a substantial spurt in applications under this program. As of February 1, 1961, only $5 million of the $20 million was committed, while an additional $12 million was committed and reserved since that date. Full applications in June and July of this year were at the rate of $30 million per month.

This is a program which we are using as a model in providing housing for senior citizens to meet the goals of independence, dignity, and continuing contribution to society.

5. *Public housing.*—For a very large number of low income older persons, low-rent public housing is the primary means of providing a decent living environment. Under the Housing Act of 1937, Federal contributions may be made to local public housing authorities for low-rent housing of older families. Formerly, single individuals were not eligible for such housing, but since 1956 single men and women 62 years of age and over are eligible either in units designed especially for older persons or in units available to any low-income family. The Housing Act of 1961 also made such housing available to low-income, seriously disabled persons of any age.

The 1961 Housing Act provided that the annual Federal contribution to local housing authorities may be increased by as much as $120 per year for each unit occupied by older families, if the solvency of the low-rent project is otherwise threatened.

As of today, 116,000 persons 62 years of age and over live in public housing units of all kinds—they use approximately 15 percent of the total number of units in public housing.

More than half of the elderly admitted to public housing during 1960 were one-person families. Another 40 percent were headed by an elderly person with at least one other adult.

The present public housing program of units especially designed to shelter older persons now totals almost 35,000 units. Of this total, more than 2,200 are completed, and are occupied. An additional 5,200 units are under construction, while nearly 20,000 more are in various stages of preconstruction. Moreover, there are nearly 8,000 units which have received program reservations. The units designed especially for the elderly are incorporated into larger projects which are designed for young and elderly families.

More than 12,000 units programed especially for the elderly have been built or are planned to be built in projects exclusively for use by the elderly. Almost

1,200 of these have been completed and are occupied. An additional 2,500 units are under construction.

6. *Nursing homes—Section 232.*—Section 232 of the National Housing Act authorizes the insurance of mortgages to finance the provision of new or rehabilitated nursing homes. The occupancy of nursing homes is not restricted to older persons, but a very large proportion of the patients are senior citizens.

The amount of an insured mortgage cannot exceed $12.5 million or 90 percent of the estimated vaalue of the property—as liberalized by the Housing Act of 1961. The mortgage can be amortized over such period as is approved by the Federal Housing Commissioner, with a 20-year maximum. The present interest rate by regulation is 5¼ percent plus one-half percent mortgage insurance premium.

In accepting applications for mortgage insurance, the FHA requires State certification that there is a need for a nursing home in the area and that it will be subject to reasonable State or local licensing standards.

As of July 31, there were 31 nursing home projects for which mortgage insurance commitments were issued amounting to $12.3 million for 2,463 beds. In addition, we had 32 "application in process" totaling $15.6 million in mortgage insurance for 2,995 beds.

New tools in the Housing Act of 1961 available to senior citizens

The Housing Act of 1961 provided for middle-income housing and rehabilitation loans and thus opened up new and important techniques for financing moderate-cost housing for older persons as well as the general population.

1. *Middle income housing.*—Section 221 FHA mortgage insurance, formerly avaliable only for displaced families, is now available on even more liberal terms for moderate-income families generally. Two types of programs are involved:

(*a*) Sales housing: For the small number of older families who wish to own and maintain a moderately-priced home and who evidence suitable qualifications for mortgage insurance, liberalized terms may be available. These may be either existing, newly constructed, or rehabilitated single-family dwellings in amount up to $11,000. (Up to $15,000 in high cost areas.) The downpayment, including closing costs, may be as little is 3 percent of acquisition cost. The term of the mortgage for new or rehabilitated home may be as much as 35 years, and can be extended to 40 years if the FHA Commissioner determines that the purchased can pay the monthly charges on a 40-year term loan, but could not do so under a 35-year plan. The term is limited to 30 years for existing housing.

For families displaced by Government action the downpayment, including closing costs, need be no more than $200, and the mortgage maturity can be 40 years.

(*b*) Rental housing: Most older families, however, will not be able to afford nor will they desire homeownership. The Housing Act of 1961 provides, for the first time, for a below market interest rate program open to any moderate-income family. FHA has established income limits varying with size of family, location of housing and other factors for admission to the housing.

Institutions lending funds for this program to nonprofit organizations, cooperatives, and public agencies are eligible for 100 percent mortgage insurance. Limited dividend corporations are also eligible under the program but mortgage insurance for them is limited to 90 percent and their returns on equity investment limited to 6 percent per year.

The Commissioner of the FHA has established a below-market interest rate of 3⅛ percent and has waived, as the law permitted, the mortgage insurance premium. The maximum mortgage term is 40 years or three-fourths of the property's remaining economic life.

To assure a sufficient capital stimulus for this middle-income housing program, the Federal National Mortgage Association is authorized to purchase the mortgages FHA insures under this program.

Every project under this program must be located in a community having a "workable program" approved by the Administrator of HHFA.

The maximum mortgage limitation is $12.5 million. Statutory mortgage limits are $8,500 ($9,000 for elevator projects) per unit if the number of rooms averages less than four. For structures with room averages above four per unit, the maximum mortgage is $2,250 ($3,250 in high cost areas) per room in nonelevator buildings and $2,750 and $3,750 per elevator structures.

MORE EFFECTIVE ORGANIZATION

Early in the new administration, I undertook an intensive review of programs for housing older persons. I found that each had different standards and rules which often confused the public and complicated the work of builders and architects. There was no central office to give information and counseling services to nonprofit groups. Although the programs are still relatively experimental, they have reached the stage where regular overall evaluation of objectives and standards is urgently needed.

I have therefore established a central office to give full-time, coordinated attention to all of the programs for housing older persons. The new Office of Housing for the Elderly is headed by an Assistant Administrator. The functions of the Office are to—

1. Work out with constituent agencies a set of standards, policies, principles, and guides in providing housing for older persons.
2. Be a prime source of information on important experiences occurring in the field.
3. Assist the Administrator in evaluating the different programs and in finding ways to move faster.
4. Undertake research and assist in training personnel.

The Office itself does not administer any of the programs. Actual operation continues to be carried out by the constituent agencies. It is, however, authorized to examine and review all operations.

With the establishment of this Office, the operating responsibilities of the direct lending program were transferred to the Community Facilities Administration, which administers a similar direct lending program for college housing.

Thus, with the new Office of Housing for the Elderly, the CFA with its direct lending program, the FHA and PHA with their programs, the regional offices of these agencies will become focal points of community service in speeding up housing for older persons. Regional offices will be able to assign consultants to spur activity, particularly by church and service groups anxious to build but lacking experience.

I have been greatly impressed with the record of personal examination and study which was given to the living arrangements of older persons by the Subcommittee on Problems of the Aged and Aging. At firsthand, you saw and spoke with aged men and women living in rooming houses, in cold water flats, in blighted city areas, in homes for the aged, in public and private housing, and in nursing homes.

Too often, you witnessed the fact that people who had spent lifetimes in contributing to the amazing growth of the American economy were forced to live in degrading conditions, dependent, isolated, and in houses unsuitable to their age or physical status. The senior citizens of this Nation have not asked for charity, they ask only for the opportunity to spend their retirement years in dignity, in self-respecting surroundings, in continuing contributions to their neighbors and their community.

America's older citizens want to be accepted as people—like the rest of us. Their problems are special; but they differ in degree, not in kind. Opportunity for suitable housing, the pursuit of meaningful activity, the use of community services, the application of research knowledge, and the exercise of individual initiative are their rights, as well as those of all Americans.

The provision of adequate and suitable housing will be a major step in insuring these goals. It will evidence appreciation of the aged as a positive gain of our civilization.

Mr. SPECTOR. The older persons of this country have a high frequency of common problems and, therefore, do constitute a special problem in the field of housing. Merely indicating that we can solve the housing problem of older persons by solving the housing problems of the entire Nation is not adequate because the long run is too long for many of the older citizens.

Despite the fact that they have these common problems, I want to stress that we have to be constantly aware of the fact that aging is an individual matter of great variety.

There is the widest difference in their needs, capabilities, desires, and characteristics. At the Housing and Home Financing Agency

we have to be constantly aware that we must avoid rigidity in our housing for the elderly program and that we have to meet a wide range of desires and needs. We must do so flexibly and imaginatively.

Now, the wide diversity of needs is matched by the availability of a wide variety of Federal housing programs and I would just take a few minutes to indicate each of the programs and how they are set up.

The first that I call attention to is the matter of mortgage insurance through the FHA. This is a program in which the Federal Government insures private loans. This is a program of private lending to private individuals but with FHA insurance as added incentive.

The first program in the FHA is that of aid for the purchase of single-family homes and here the FHA may insure mortgages for single-family homes purchased by persons 62 and over. Liberal elements are available in the loan arrangements.

Then the second and larger area as far as the activity of the FHA is concerned is that of FHA mortgage insurance for private rental housing under section 231 of the National Housing Act.

Under that program a nonprofit organization or profit group can sponsor a rental project of eight or more units and they may become eligible for an insured mortgage in a nonprofit group covering up to 100 percent of the replacement costs of new projects, and if a profit-motivated group up to 90 percent of the replacement cost.

The mortgage may be repaid over the number of years approved by the FHA and the current rate of interest is 5¼ percent plus one-half percent of mortgage insurance premium.

The project may consist of row houses, elevator-type structures, separate dwelling units where they are contiguous, and may be for both families and single persons.

Conversion of hotels and other residences into permanent housing for older persons also may be financed with FHA-insured mortgages. Also included in an insured mortgage is the cost of commercial facilities, health services, and recreational facilities.

As of July 31, 1961, FHA had received 168 applications under this section totaling 21,311 units and amounting to $223.4 million.

Then the third aspect of the FHA program is what is known as the Fannie Mae program. Under this the Federal Government has set up a Federal National Mortgage Association which has special assistance funds to buy FHA section 231 insured mortgages.

This provides an incentive then for lending institutions to finance housing for older persons since there will be a market in the Federal Government for their mortgages.

As of July 31, 1961, Fannie Mae had set aside $151.1 million for this purpose.

Then we have another program that is more recent which involves direct Federal loans to nonprofit organizations, consumer cooperatives, and public agencies, except those receiving financial assistance exclusively under the Housing Act of 1937. This program is authorized by section 202 of the Housing Act of 1959. Under this program the Federal Government will make direct loans for a period up to 50 years, currently at a rate of interest of 3⅜ percent.

The Housing Act of 1961 increased from 98 percent to 100 percent of the development cost the amount which the Federal Government now can loan. The loan can cover the cost of construction, cost of

land, and necessary site improvements. Related facilities, such as dining halls, community rooms, or health facilities may also be included in the project.

Originally, the Congress authorized $50 million for the program. In 1960, $20 million was appropriated.

Of this, $17 million have been committed and the Congress recently provided an additional $25 million; more recently, the President has asked for a supplemental appropriation of $50 million in line with the additional authorization of the Housing Act of 1961, which raised the authorization from $50 to $125 million.

This is a program which we are using as a model in providing housing for senior citizens to meet the goal of independence, dignity, and continuing contribution to society.

The third big program is that of public housing and for a very large number of low-income older persons low-rent public housing is the primary means of providing a decent living environment.

Under the Housing Act of 1937 the Federal Government can make contributions to local housing authorities for low-rent housing of older families.

We now have 116,000 persons who are 62 years of age and over and living in public housing units of all kinds. They use approximately 15 percent of the total number of units in public housing. More than half of them are one-person families and another 40 percent are headed by older persons with at least one other adult.

There is specially designed public housing for older persons and we now have 35,000 units in this program.

In addition to that, there is a nursing home program which serves older persons. Under section 232 of the Housing Act, the FHA will insure mortgages of proprietary groups to finance the construction or rehabilitation of nursing homes.

The maximum rate of interest is 5¼ percent, plus a half-percent mortgage insurance premium.

As of July 31, there were 31 nursing homes projects for which mortgage insurance commitments were issued, amounting to $12.3 million for 2,463 beds. Beyond that we had 32 applications in process totaling $15.6 million and 2,995 beds.

The Housing Act of 1961 provided some additional tools for housing for senior citizens. Among them is the assistance to middle-income housing.

Some wish to purchase homes but generally most older families will not be able to afford nor will they desire homeownership. Under the Housing Act of 1961 we have very liberal provisions with respect to FHA mortgage insurance for moderate-income housing. FNMA can also provide special assistance to the housing.

Senator RANDOLPH. Mr. Spector, are you familiar with the loan which is being made in recent days to Buckhannon, W. Va.?

Mr. SPECTOR. I do not know the specifics of it, Senator. I know it is going on.

Senator RANDOLPH. Well, a portion of those homes, or houses to be constructed, would be for elderly persons. I think this is rather significant that a city of only 3,000 or 4,000 population would be thinking in terms of this problem.

We usually associate it with the metropolitan area. You might, for the record, just indicate how many houses are involved and what portion of the houses will be provided for elderly persons.

This is a fact I want to be correctly entered in the record and that is why I ask you at this point.

Mr. SPECTOR. All right. I will obtain that information for you.

PUBLIC HOUSING FOR SENIOR CITIZENS IN BUCKHANNON, W. VA.

The project in Buckhannon, W. Va., is a low-rent public housing development of 60 units to be built by the local housing authority with the assistance of the Public Housing Administration. Twenty-six of the sixty units will be designed and reserved especially for the elderly. As of August 31, the project was still in a preconstruction phase.

Under the terms of the annual contributions contract providing for these new dwellings, PHA may lend to the Housing Authority 90 percent of the estimated total development cost of $892,668.

This total, in addition to the cost of constructing the dwellings, includes architectural and engineering fees, costs of acquiring the site, providing site improvements and necessary utilities, administrative and maintenance space, local authority overhead, and a contingency fund.

When the project is built the local housing authority anticipates that the gross rents for the entire 60 units will average $32.63 a month. The units set aside for the elderly, however, will rent for less than the average. Thus, it is contemplated that one bedroom units will rent for $28 a month, while efficiency units will rent for $26 a month.

Senator RANDOLPH. The point I make—and I reemphasize—is that the smaller community can participate, and in this instance it is a recognition of the community obligation to its older citizens.

Mr. SPECTOR. Yes, Senator, this is not only a metropolitan problem but a very serious problem in the nonfarm areas where a large number of younger persons have left communities and as a result the proportion of the population over 65 has risen very rapidly.

In some communities we see declines in total populations, or in age groups 20 to 45 and the proportions of persons over 65 run up substantially, and as a result, in the smaller communities, in the rural areas, housing for older persons not only is a serious matter but is increasingly accepted both in terms of private and public housing.

I just have one more comment and that is on our organization.

We have these various programs in the FHA, in public housing, in the Office of the Administrator and in the Community Facilities Administration so early in the administration, Dr. Weaver undertook an intensive review of our various programs and he found that each had different standards and rules.

Some of the activities were confused as far as public understanding was concerned and complicated the work of builders and architects. There was no central office to review and evaluate what was going on. Dr. Weaver established a central office to give full-time coordination to all of the programs of housing for older persons. I would just mention four of the functions of the office.

One is to work out with the various constituent agencies a set of standards, policies, principles, and guides in providing housing for older persons; secondly, to be a central source of information on important experiences; thirdly, to assist the Administrator in evaluating the different programs, and in finding ways to move, faster; and fourthly, to undertake research and assist in training personnel.

The office does not administer any of the programs. The actual operation is carried out by the constituent agencies. The direct lending program was transferred from the Office of the Administrator to the Community Facilities Administration as a part of the reorganization of the administration of the housing programs for the elderly.

Just one final comment. These are exciting and winning times in the ineluctable drive to lengthen life and to fulfill the ineffable creative potential of man in modern society.

As a result we have the luminous prospect that a child born today or tomorrow can look forward to a healthy childhood, productive middle years and a creative period of later maturity. Housing and living arrangements can and should serve this end.

Senator RANDOLPH. Thank you, Mr. Spector.

Did Mr. Ashley want to make a statement at this time?

Mr. ASHLEY. I have nothing to add to the statement.

Senator RANDOLPH. Concerning the impact of an establishment of a department of urban affairs on the program for housing for the elderly, how would the aged, let us say, benefit from this kind of change? Any thought given to this?

Mr. SPECTOR. I do not know offhand that any specific study has been made of the special relationship of problems of the aging to the Department of Urban Affairs. It will be a significant aspect of its programs, however.

The aging in metropolitan areas, of course, is one of the great problems of our time. As this subcommittee went into the blighted areas of the city, it found that at the older core of the cities we have a great many older residents. Many of them are living in rooming houses, third floor tenements and buildings that are going to come down. Relocation is a great problem. Thus, in a Department of Urban Affairs the whole matter of their relocation, their relation to urban renewal and the special housing problems of older persons are going to receive major consideration.

However, the Department of Urban Affairs will not only be concerned with the metropolitan areas, it will also be concerned, as Senator Randolph indicated, with smaller cities and with the problems of aged in smaller cities. Thus, problems of aging will permeate throughout the whole Department of Urban Affairs, if it is created, and will be an important element of its programs.

Senator RANDOLPH. I know the committee has been receiving a lot of letters from people all around the country very often complaining about what they think is the redtape involved, all of the detailed procedures in learning about programs, what the paper work is that is involved in starting a project.

Do you have any impression about this problem and is there any way, any thought being given to simply filing the process of loan application or what have you especially from a nonprofit organization? A lot of these letters come from a nonprofit organization.

Mr. SPECTOR. I think there is some problem of delay in processing. This is one of the major concerns of Dr. Weaver and particularly of Neal Hardy, the Commissioner of the FHA.

They are heavily concerned now with simplifying the procedures and processing and particularly as they relate to the problem that you raise of nonprofit groups.

Nonprofit groups such as church groups, and civic groups, who go into housing, do so for admirable reasons—providing good housing for older persons.

However, many of them do not have the experience and the knowledge with which to undertake and finance housing. As a result, it takes a long time both from their point of view and the point of view of the FHA. However, one of the major undertakings that Dr. Weaver is moving on is to have in each of our regional offices a person or persons who can provide the kind of counseling and technical services to the groups to speed up their own work and to speed up and expedite the handling of applications in our organization.

Mr. ASHLEY. If I could add one further point on this, the FHA recognizing the problem here, has set up now one special office for processing all applications for multiple unit housing.

This first office, I believe, is in New York and will handle all of the northeastern sections of the United States. Ultimately, they will have one of these for each of their zones.

These offices will have specialists whose sole responsibility is to try to expedite the processing of these complicated cases.

Mr. SPECTOR. I would just add to that, that there is a climate, a receptivity, a will, and a commitment to insure the speedy consideration and approval of worthy applications, and this in my view, is a sharp contrast from what has been done in the past.

Senator RANDOLPH. What precisely are you doing in the way of technical assistance?

Mr. SPECTOR. One of the major functions of the new office of housing for the elderly is to establish counseling and technical services to groups that come in. Now when a nonprofit group, church group, or public group comes in, they have a single central place they can come to and get some evaluation of what they intend to do, where would be the best method of financing, and how they might go about constructing suitable housing for older persons. We then have an obligation to insure, if their proposal is sound, that it will get early consideration and as rapid approval as possible and that we will keep after it.

Senator RANDOLPH. Mr. Spector, letters which we have received mention that the field offices do not always have up-to-date information.

Now, I am sure that this impression is not correct—I hope it is not correct—but could there be a better coordination? Is there a way which you can remedy this apparent defect if it is a defect?

Mr. SPECTOR. Yes, I think to some extent that has been a fact in the past and we are committed to rectify that situation.

Right now, as a matter of fact, we are holding conferences in each of the regions of the HFHA and of the FHA. We are gathering all of the staff, all of the top staff of our regional and district offices, and are spending 2 or 3 or more days explaining the programs, indicating our intent to insure that housing for the elderly is accelerated and in going through the whole process of getting full information to the people who are involved.

Then, as I mentioned, in each of the offices of the region, we will have persons who not only know their own programs in detail but all of the programs. They can be first-rate sources of advice to any groups that come in and first-rate expeditors of applications that are submitted.

Senator RANDOLPH. You speak of this acceleration that you desire to properly service the applications.

Would you give the subcommittee the information as to the number of applications received since, let us say, January 20 of the new administration?

Mr. SPECTOR. A large part of that is in the testimony, other data can be secured.

Senator RANDOLPH. I meant to say received and then also approved, if you will place it in both categories.

Mr. SPECTOR. Yes, we can put that in the record.

ACTIVITY IN HOUSING FOR SENIOR CITIZENS FEBRUARY 1–JULY 31, 1961

Requests for Federal assistance in financing the housing of older persons have been coming in at an accelerated rate since the new administration took office. Under the FHA rental housing program, 35 applications for 3,994 units valued at $52.5 million were received during the 6-month period February through July 1961. This is at the rate of close to $9 million per month compared with an average of slightly over $3 million per month in the preceding 4½ years.

The net increase in the federally aided low-rent public housing program for the elderly between February and July 1961 was 8,523 units, an average monthly gain of better than 1,400 units. This is more than three times the monthly net increment between the inception of the program in August 1956 and the end of January 1961.

Between February and July, the CFA direct loan program received applications covering nearly 9,000 units involving requests for Federal funds of roughly $100 million. This is at a rate more than double that which prevailed during the period since the inauguration of the program through the end of January 1961. Commitments in this 6-month period were 2½ times the amount of the previous 6 months.

The attached table summarizes progress during the period in question:

Housing for the elderly

	February-July 1961	
	Dwelling units	Dollar amount
FHA section 231 rental housing:		
Applications received	3,994	$52,504,000
Commitments issued	2,444	29,875,000
Insurance written	1,997	20,777,000
PHA low-rent housing for the elderly:		
Net increase in:		
Total program	8,523	----------
Under program reservation	135	----------
Annual contribution contracts signed	6,353	----------
Under construction	1,181	----------
Completed	854	----------
CFA direct loans:		
Preliminary applications	8,987	99,933,000
Loan commitments issued	1,102	11,551,913

Prepared by Housing and Home Finance Agency Statistical Reports Staff, Sept. 5, 1961.

Senator RANDOLPH. I think that would be helpful.

How long does it take to process a loan from the time the application is made? Is there any general pattern of time?

Each case varies, I realize.

Mr. SPECTOR. Yes, every application, of course, is an individual one and requires an extensive amount of consultation, advice, and experience. Building is not a simple matter—it is a very complicated and very costly and a very important undertaking.

In our direct loan program, that is in the program in which we make direct loans to nonprofit groups, public agencies, and cooperatives, I think we have a fairly expeditious process. Let us take one example. There is now completely constructed a series of 30 units in Menlo Park, Calif., near a very famous senior center called Little House.

The application for this project was put in, I believe, last October, and now the units are constructed and are ready for occupancy.

The time required varies with how the applications come in. Some are rejected completely as not being suitable.

In the FHA I do not have specific figures but perhaps I can get averages for the record.

MEMORANDUM ON TIME INTERVALS IN HOUSING FOR SENIOR CITIZENS

The length of time it takes to get a housing development for senior citizens completed and ready for occupancy varies widely depending upon the nature of the project, its size, and types of services to be offered. It is also dependent upon the experience of the sponsors in formulating housing plans and programs. Some project plans, when they are presented to the Federal agency concerned, are so well worked out that they require only routine review before approval. Others require extensive revision and modification before they are ready to proceed.

In the case of the FHA program, the average time between receipt of application and the issuance of a commitment is slightly less than 4 months. There are individual cases which have been processed in less than 1 month and others in which nearly a year elapsed between the time of application and the time all the difficulties in the proposition could be worked out in order to be ready for commitment. After a commitment is issued the length of time to construct a project varies with its size, the nature of the site, and the effect of climatic conditions. It can range from a few months for small developments to well over a year in the case of the larger, more involved projects.

In the case of public housing projects for the elderly, the experience to date indicates a span of roughly 21 months between the receipt of an application by the Public Housing Administration and the actual start of construction by the local housing authority. Once construction has started, it typically takes somewhere between 9 and 12 months to complete the project.

Because it has only been in operation for a few months, the Community Facilities Administration's direct loan program in the field of housing for the elderly has inadequate experience upon which to base any statistically sound conclusions. Loan agreements have been entered into with project sponsors in a matter of weeks after receipt of a firm application in some instances; other projects have required 6 months or more to modify, revise, and firm up the proposal before sound loan agreements could be signed. Averages with statistical significance can be compiled in the next several months as the number of projects increase and the time intervals become measurable.

Senator RANDOLPH. Let me ask you when does construction begin, all things being equal, after an application has been approved?

Mr. SPECTOR. How long after an application has been approved?

Senator RANDOLPH. Yes.

Mr. SPECTOR. Well, I think we have to divide this up into various programs.

In the case of our direct loan program, for example, as soon as we enter into a contract or loan agreement, bids are taken immediately. After the loan agreement has been completed, it is only a question then of the time involved in accepting bids and in getting the construction underway.

Senator RANDOLPH. Mr. Ashley, I direct this question particularly to you.

What will the Housing and Home Finance Agency do in reference to the Census Bureau data on housing of the elderly? Can these find-

ings contribute to the national and local programs in the housing field? What has been done?

Mr. ASHLEY. Senator, in this area the Housing Agency has just secured appropriations from the Congress for $125,000 which is to be used to finance some rather elaborate tabulations of the 1960 Census of Housing and Population as it relates to the elderly sector.

The situation, as perhaps you know, is that the regular appropriation for the census did not permit them to go into any detail in providing information on this portion of the population.

As a matter of fact, even in 1950, very little was provided on this basis and what information we generally work from are some special tabulations which the Housing Agency paid for at that time.

On the basis of the experience that we have had with these rather limited tabulations which we had done in 1950, we have, we think, arrived at an approach this time which will really give us the answers that we need. Essentially what we propose to get is information which will show for all households in which an elderly person resides a number of key items about their living arrangements and their economic condition.

In the past there has been a tendency to talk about the houses that were occupied by people, the head of the household being 65 or over. This, we realize, has left out a very important sector of the elderly population, those who are obliged to live with friends or relatives and where we have reason to believe probably some of the most serious problems exist.

The information that we will get will shed light on such matters as the incomes of the elderly occupants in households as distinct from the income of the younger groups in the households so that we will have some basis for judging in those instances where the older person has gone back to live with children, what kind of housing they might reasonably be expected to be able to afford if it were provided.

We will have information on the relationship between the quality, the extent of crowding, the type of structure, the age of the housing, its general location as to being either inside or outside of the central city, inside or outside the metropolitan areas.

This information we will have not only for the United States as a whole, but in the case of the key tables—we cannot do this for all, since sometimes the costs preclude going beyond the national totals—for the States and for the 215, I believe it is, standard metropolitan statistical areas which the census has set up. As a result the data will be useful not only to us here in Washington in making our national evaluations of the situation, but it will also be available for many of the important centers of elderly population, who need similar information.

Senator RANDOLPH. Mr. Spector and Mr. Ashley, we appreciate your counsel with the subcommittee. We may wish to request replies to questions and we will provide these to you so that they may be made a part of the hearing.

If there is any material you think is pertinent, the record will be kept open until that is received. Thank you for your assistance in this important matter.

Mr. SPECTOR. Thank you, Senator Randolph. It is a pleasure to be here.

(Whereupon, at 12:05 p.m., the subcommittee adjourned sine die.)

APPENDIX

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 23, 1961.

HON. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities,
Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: This is in reference to your request of August 8, 1961, for information and views on policies, programs, and recommendations affecting older people.

The Department has one specific program which can be regarded as primarily directed in the interest of the older worker as opposed to programs which are administered for the benefit of all employees, regardless of age. This program is concerned with retirement counseling. Each agency of the Department is required to provide trained retirement advisers who are responsible for counseling with employees and disseminating retirement information. These advisers, in addition to having shown an interest in retirement, must possess an aptitude for counseling and guidance of employees, and must be persons who are well known and who have the confidence of employees in the units they serve.

All other existing personnel programs are administered for the benefit of all employees regardless of age. There are no maximum age limits prescribed for appointment. Promotions under the merit promotion program are effected on the basis of selections of the best qualified regardless of age. Training under the training program of the Department recognizes no age barrier. The health program under the leadership of a competent physician is perhaps the most sensitive to the physical and mental problems which are associated with aging and provides substantial assistance in these areas upon call of the employee or his supervisor. This assistance often takes the form of working with the personnel office to effect reassignment of the employee to duties which are compatible with his physical and mental problems, and of advising the employee of measures he can take himself by obtaining necessary professional advice or otherwise. The Department's health program is also moving in the direction of maintenance health which will take a positive position on the problems of all employees and especially those of the aging group.

We have not, in recent years, surveyed our employees to determine the average age. However, since this Department is, as it is often termed, "an old-line agency" with established and continuing programs, average turnover, and little susceptibility to mushrooming as the result of major program additions and large expansion of employment, we can assume that the average age of our employees is higher than the norm. This has led us to consider seriously the reemphasis or redirection of certain personnel programs to assure that they are attuned to the needs of the older worker.

The Department has scheduled a personnel policy review meeting for the week of September 25–29, 1961. This meeting will be attended by agency heads, agency personnel officers and field personnel officers, as well as selected members of the staff of the Office of Personnel. This review meeting is designed for the purpose of obtaining an overall combined attack on present personnel policies and programs and what needs to be done to each to bring them into focus with the needs of our programs, employees, and technological advancements. We have solicited in advance on a random sample basis comments and suggestions from employees at large, and, from all agency personnel officials, their recommendations of policies and programs which need reconsideration. At this point we are able to say that many of the problems which will be considered at this meeting will have a direct bearing on the older worker. As a specific example, there will be considered the establishment of a comprehensive preretirement

preparation program which will cover many aspects not now provided. This program would contemplate formalized group instruction on such phases as health and nutrition, financial preparation and planning, part-time employment, legal problems, etc.

As you may know, a pilot institute on the older employee was offered by the Graduate School of the Department of Agriculture in January of this year in coordination with the White House Conference on Aging (see enclosures). This institute was designed to explore the problems and difficulties of the older worker and methods of attacking these problems, to place management in a position of awareness and comprehension of the scope and importance thereof.

In an abstract consideration of this problem, I believe that life for the older worker can be made more meaningful and satisfying if several of the fears and apprehensions which are experienced upon age advancement could be alleviated or allayed. Perhaps the foremost of these is financial security. The pension of the older American should be better correlated in some manner to cost-of-living fluctuations.

In this connection, some consideration should be given to amending the retirement and social security program so that covered persons can purchase additional annuities through an individualized savings program and without necessity for physical examination. Under the retirement system, voluntary contributions are designed for this purpose, but the conditions of eligibility for the making of such contributions are too restrictive and often financially prohibitive. As a result, few employees are able to avail themselves of this opportunity. These restrictions should be relaxed or removed entirely and the annuity purchasable through contributions should be extended.

To assist in overcoming the financial security fear and at the same time, to utilize the services of the still productive worker who needs or desires to continue to be useful, it may be feasible to develop a program jointly sponsored by the Government and industry for the utilization of older workers on a part-time basis in suitable occupations. We have, in the Federal service, recognized the employment problems concerning veterans by preferential treatment in appointment and by restricting and reserving certain positions for veterans. It would appear reasonable, then, to survey occupational categories and to restrict certain of these for the aged worker by placing a minimum hiring age thereon.

The other area of prime concern I believe is health. In this area, it would appear that there is a need for a continuous educational program on health maintenance and preventive medicine. Such a program coupled with improved, employer-employee jointly financed health insurance extending beyond date of employment would go a long way to resolving many of the health and medical worries.

In this respect we are in agreement with similar recommendations made at the recent White House Conference on Aging. There is one specific recommendation issuing from this Conference with which we do not agree entirely. It is concerned with the abolition of mandatory retirement age in retirement programs. It must be appreciated that in any active organization there is need for the introduction of young personnel, not only to provide an opportunity for their employment but also to bring to the employer knowledge of the latest techniques and approaches developed through our educational system. There then must be a process of out and in to accommodate these needs. If the employee at mandatory retirement age has skills and know-how which are still needed by the employer, there are means for retaining his services. This is true in Government employment. However, for those cases, where through the natural processes an employee can no longer carry the full responsibility of a position, whether on a full-time or part-time basis, there must be some means of permitting his departure with dignity—this can be accomplished by a mandatory retirement age.

I sincerely appreciate the opportunity to comment on this problem and trust that this statement will be of assistance in the consideration of your committee.

The above comments relate to employees of this Department. Other statements, regarding programs administered by this Department, will be submitted as soon as possible. Comments on recommendations made at the White House Conference on Aging have been submitted to the Department of Health, Education, and Welfare for incorporation into the report of the Federal Council on Aging.

In view of the time situation, we have not obtained advice from the Bureau of the Budget regarding this report.

Sincerely yours,

JOSEPH M. ROBERTSON.

PILOT INSTITUTE ON THE OLDER EMPLOYEE (INCLUDING MOTIVATION, RETRAINING, PLACEMENT, AND RETIREMENT PROBLEMS)

(A new offering by the Graduate School, U.S. Department of Agriculture)

The need

Today more than one-half of all Federal employees are over 40 years of age, one-fourth are over 50 and nearly 9 percent are over 60. A Labor Department forecast indicates that this percentge will of necessity, increase substantially during the 1960's. The problem of tapping the full potential of older employees is becoming increasingly important.

More than ever, private industry is exploring new ways of improving productivity of older employees and improving their preretirement preparation programs. Government agencies are also exploring new methods as indicated by the Civil Service Commission's recent report on retirement planning.

Purpose

This institute will explore some of the difficulties of the older employee in the work situation and what can be done to release and recapture his working potential. The institute is being timed to profit from exposure to the many national experts in this field who will be in Washington for the White House Conference on Aging. A substantial number of experts from all parts of the country will be available for consultation.

The participants will analyze some of the new ways (and some of the older methods) which have been developed to make better use of older workers and keep them working creatively during their later years of employment. Some of these methods will be demonstrated and practiced.

Content

The program will include such subjects as:

1. Motivation and stimulation.
2. Retraining and updating.
3. Selective placement and minimizing the physical effects of aging.
4. Reducing rigidity and resistance to change.
5. Reducing anxieties and tensions about aging and retirement.
6. Analysis of preretirement preparation programs.
7. Problems of promotion and "passing by" of older workers.

Methods

The institute will include discussion, films, skill practice sessions, interviewing role playing, "skull" sessions and a living theater play, "Ever Since April." The emphasis will be on participation through a wide variety of methods.

Schedule

The program is divided into three phases:

(*a*) Orientation and briefing session—December 28, 3:30 to 5:30 p.m. (or by appointment or by mail for those out of town.)

(*b*) The institute—January 3 through 6, Tuesday through Friday, 10:30 a.m. to 9 p.m. each day.

(NOTE.—The White House Conference on Aging is from January 9 through 12.)

(*c*) Followup session—with enlarged panel of experts—January 12, 3 p.m. to 6 p.m. On January 13, staff members will be available for individual and small group consultation on participant projects from 9:30 a.m. to 4:30 p.m.

Total hours: 39.

Location: In Washington (place and rooms to be announced).

Cost

The fee for each participant will be $65. This will cover all three phases of the program including all fees and materials. Participants will be selected to include a wide representation of agencies.

Making nominations

Please submit your nominations, using the format of the attached "Guide Nomination Form." Your nomination must be received by the graduate school no later than December 22. For further details contact Dr. Carstensen on DU. 8–5885, or code 111, extension 5885.

THE GRADUATE SCHOOL, U.S. DEPARTMENT OF AGRICULTURE, PRESENTS A PILOT INSTITUTE ON THE OLDER WORKER

INSTITUTE PERSONNEL

Laurence Boucher, director, retirement counseling, Allis-Chalmers Co.
Ernest Burgess, Ph. D., director, retirement preparation program, Institute of Industrial Relations, University of Chicago.
Ewan Clague, Ph. D., Commissioner of Labor Statistics, U.S. Department of Labor.
Wilma Donahue, Ph. D., director, Institute of Social Gerontology, University of Michigan.
William Fitsch, executive director, American Association of Retired Persons and former Director, White House Conference on Aging.
Curtis Gallenbeck, director of personnel, Wisconsin Plant, Inland Steel Co.
Clyde Gleason, Ph. D., Technical Director for Employment, White House Conference on Aging.
Charles Haines, Director, Employment and Retirement Section, National Committee on Aging.
Earl Klein, older worker specialist, Office of the Secretary of Labor.
David Korb, U.S. Civil Service Commission.
James O'Brien, assistant chairman, Retired Workers Committee, United Steel Workers.
Charles O'Dell, director, older and retired workers program, United Auto Workers and former older worker specialist, Office of the Secretary of Labor.
Dwight Sargent, director of personnel, Consolidated Edison of New York.
Ted Schultz, Cornell University retirement study and former personnel officer, TVA.
Clark Tibbitts, Director for Program Planning, Special Staff on Aging, Department of Health, Education, and Welfare.
Harold Williams, director, older workers program, Pennsylvania Department of Labor.
(List not complete.)
Conference Coordinator: Blue Carstenson, Ed. D. (formerly Chairman of the Technical Directors, White House Conference on Aging, Adult Education Specialist, office of education, and training consultant, California State Department of Mental Health.

ADVISORY COMMITTEE

Newell Terry, Interior
Chris Henderson, Agriculture
James O'Brien, HEW
Clyde Gleason, White House Conference on Aging
Edward Silberman, Veterans' Administration
Bob West, Small Business Administration
Carl Hofer, General Services Administration
Earl Klein, Labor
Helen Strohkarck, Bureau of Ships, Defense
Carl Clewlow, Army, Defense
Adm. Robert Swart, U.S. Navy (retired)
Robert Hill, Agriculture
Melvin Johnson, M.D., Civil Service Commission
Seth Jackson, Agriculture
Theresa Wren, Federal Conference on Employee Relations
Ed Pope, Agriculture
Benjamin Ludwig, District of Columbia government
Edna Treasure, District of Columbia Committee on Aging
Guide Mixsell, Agriculture
Clark Tibbitts, HEW
Warren Roudebush, Federal Council on Aging
James O'Brien, United Steel Workers
William Fitsch, AARP
Don Dunn. National Federation of Postal Clerks
John McCart, American Federation of Government Employees.

THE GRADUATE SCHOOL
U. S. DEPARTMENT OF AGRICULTURE
PROGRAM FOR THE INSTITUTE ON THE OLDER EMPLOYEE

	Tuesday January 3, 1961 The Older Worker and Unemployment	Wednesday January 4, 1961 Increasing Production	Thursday January 5, 1961 Decreasing Tensions and Problems	Friday January 6, 1961 Retirement Preparation	
10:30 I	Introductions Problem Census Views of the Problem	Analysis of Forces Effecting the Older Worker Mulligan, Klein, Williams	Minimizing Physical Effects of Aging Johnson, Dunn	Retirement Preparation Odell, Boucher, Hunsaker, Cohen, Korb, O'Brien	
12:00	Lunch				
1:00 II	Social, Psychological, and Physiological Aspects of Later Maturity	Retraining Henderson, Carstenson, Hunsaker	Problems of Leveling Off Stimulation & Motivation Discussion Groups	Utopian Plan Retirement Preparation --Analysis of Present Programs Discussion	
3:15	Coffee				
3:30 III	Panel: Mohler, Gleason, Tibbitts, Dunn & Others Discussion	Stimulation Selective Placement	Counselling Boucher	Special Groups	January 12 Individual & Small Group Interviews Sargent, Beard, Schultz, Donahue, Gallenbeck, Burgess & Others
	Govt. Policies and present Status Liech	Gradual Retirement	Role Play and Discussion		
6:00	Dinner				
7:00-9:00 IV	Round table in "Forecasts for the 60's" Clague, Spector and Williams	Play "Ever Since April" Fitch	Special Problems Discussion Groups Film on Retirement Preparation	Problems of the 60's O'Dell Planning for January 12.	Reflections on the WHC of aging Donahue

THE GRADUATE SCHOOL,
U.S. DEARTMENT OF AGRICULTURE,
PILOT INSTITUTE ON THE OLDER EMPLOYEE,
January 3–6, 1961.

I. THE OLDER WORKER AND UNEMPLOYMENT

A. Introductions, problem census and views of the problem

1. *Harold Williams.*—"The man who stops working, stops living" (Talmud). This is a very dangerous field in which to generalize, because the problem is an individual one. Learning to grow is acquired through lifetime stimuli.

Our problem is to find out what is right for an individual, then create environment which is best for him.

We give people the viewpoint that they lose status when they retire. This is not particularly true. Aging is not necessarily painful, any more than life itself.

The idea of shelving at retirement should be eliminated. "He is," should replace "He was."

We must know how to work on new goals and then act on them.

2. *Lawrence Boucher.*—During the years and particularly the last year before retirement people begin to get worried, not about status, but about whether they can make a "go" of retirement.

Some of the questions, considerations and problems which faced Allis-Chalmers about retirement counseling:

(*a*) How great was the need?
(*b*) What was the attitude of its retirees?
(*c*) How to gain acceptance of such a program by top management and department supervisors?
(*d*) What approach to employees would be best? Would they be friendly or unfriendly?
(*e*) What types of information and material would alleviate some of the fears of retirement?

3. *Herbert Hunsaker.*—The greatest problem seems to be one of motivation—how to get people, management, and employees, interested in retirement preparation.

Subjects relating to retirement may be presented to individuals and to groups.

The two areas of most concern and importance are health and finances.

4. *Blue Carstensen.*—The combination of loneliness and boredom should be added to the above. The three main problems center around—

(*a*) Income.
(*b*) Worry about medical care.
(*c*) Boredom and loneliness.

B. Social, psychological, and physiological aspects of later maturity

1. *Clark Tibbitts.*—Longer life and increase in population influence retirement today.

Changes in economy and culture create problems with older people.

In 1930 there were 12,500,000 in the 45 to 64 age group. In 1960 there were 24 million in the 45 to 64 age group.

Middle-aged people realize they have reached the peaks of their careers and will not progress further; many become less highly motivated and look forward to retirement.

A new set of goals is necessary. At age 65 a man can look forward to 18,000 hours of retirement.

Retirement has gradually become institutionalized.

Three years after retirement 80 percent say they would not return to work even if they could.

Between 50 and 60 percent of all retirees have to retire because of health problems.

Reluctance factors of facing retirement, include those concerned with—

(*a*) Loss of status.
(*b*) Fear of the uncertainty of developing new routine.
(*c*) Uncertainty of income purchasing power.
(*d*) The association of retirement with old age.

People do not want to face these uncertainties and adjustments; therefore there is a need for retirement preparation.

2. *Clyde Gleason.*—The imminence of death is a definite factor when considering the psychological aspects of aging.

At age 60 you have probably reached fourth-fifths or more of your lifespan. This factor cannot be ignored.

A variety of neuroses can manifest themselves. An example is assumed cheerfulness, being chronically chipper.

Apprehension mounts as one gets older.

There is a loss of capacity; people do lose productivity as the aging process advances. The unemployed lose productivity rapidly.

There can be psychological heart trouble even if actual heart trouble never exists. Other diseases can also be psychogenic.

Employed people do not deteriorate as rapidly as the unemployed; the challenge of work distracts from other problems.

Keep on working and do not retire.

3. *Dr. Halbert L. Dunn.*—We must take care of the inner world of our bodies to realize purpose, fullness of life—effective living.

We need to feel needed and useful throughout our lives.

If you really have a purpose in life, you do not think or have fear of death.

The body may weaken and deteriorate, but the mind can continue to grow and expand.

The whole strengthening of inner man is psychological and must be taught early in life.

Cultural introductions must come early—they cannot be picked up at age 65. They help to balance out and replace productivity—and in so doing, assure retirement happiness.

4. *Panel comments.*—

(*a*) Tibbitts: Conventionally retirement means leaving the usual paid career employment. We have the problem of recognizing people in nonpaid work. We must work at developing some way to reward these people.

(*b*) Dunn: People are not being used wel when they work 50 or 60 hours per week. There needs to be a balance between productivity and the broader cultural interests.

(*c*) Gleason: Economic need is a highly pressing problem. A drop below bare sustenance means we are not taking care of most retirees properly. It would remain a worldwide problem, even if we could correct it in the United States.

(*d*) Williams: Our real task is to make possible for each individual to know what is best for him, then do it.

(*e*) Dunn: Do not call it retirement, call it graduation to things you want to do.

"Retirement" is a word born out of great depression.

The preschool period may be the time to start on retirement philosophies—when the mind is uncluttered and open.

5. *Stan Mohler.*—Aging is a continuous process. Our society adulates youth and vigor.

Physiological assessments:

(*a*) Hearing—without it communication suffers.

(*b*) Vision—lens yellow with age; lighting extremely important.

(*c*) Obesity—should weigh at 65 what you weighed at 25.

(*d*) Heart and cancer cause most deaths among the older.

Older employees have fear of technological replacement. Should have educational meetings to update employees.

Older employees dislike moves and changes. If retirement discussion groups are not compulsory, those who need it most will not attend.

6. *Dr. Butunik.*—There are less vistas open for a man 65 or 70.

To start a new venture requires great energy. When you are retired, you have less energy.

Types of retirement should be related to type of occupation before retirement.

B. Government policies

1. *Harold Liech.*—Older workers in Government do not present special problems; therefore no separate division is needed.

Only 9 percent in Government are over age 60.

There are no legal barriers if agencies want to work out gradual retirement or other system with their employees.

Medium retirement age in Government is about 63; few retire around ages 55 and 70.

C. Forecasts for the sixties

1. *Spector.*—In 1900 two-thirds of the men over age 65 were employed; now only one-third are employed.
2. *Clague.*—People over 45 are reluctant to move. Measures to facilitate moving would be helpful.
3. *Williams.*—Some people will have to take early retirement, but those with skills will be kept working.
4. *Clague.*—Requirements of new jobs, like automation, are changing faster than the qualifications and education of the labor force.

II. INCREASING PRODUCTION

A. Recapitulation of four committees—Forces affecting the older worker

1. Physical deterioration (hearing, vision, coordination, etc.).
2. Technological changes.
3. Youth orientation of society.
4. Emotional, physical, spiritual well-being.
5. Attitude of fellow workers and supervisors.
6. Stability of agency program (shutdowns, finances, changes).
7. Promotion practices and policies.
8. Performance standards (physical and mental).
9. Motivation changes.
10. Recruiting and training programs for executive development.
11. Placement and utilization practices and policies.
12. Interpersonal relationships.
13. Communications.
14. Supervision and management practices.
15. Self-image.
16. Stress on educational background.
17. Economic situation (personal, community, national).
18. Mobility.
19. Age and experience improve judgment (avoid false moves).
20. Social pressure for advancement (prestige forces).
21. Physical environment (working conditions).
22. Flexibility.
23. Opportunities for recognition.
24. Organized employee group policies.
25. Climate.
26. Home and family.
27. Experience or vocational versatility.
28. Trainability.
29. Community interests.
30. Transportation.
31. Housing.
32. Health and medical plans.
33. Recreation and hobbies.
34. Increased number of females.
35. Retirement preparation attitudes.
36. Limitation of pension plans.
37. Labor market conditions.
38. Personal investment in job.
39. National emergency periods.
40. Continuity and knowledge of organization.
41. Sponsorship.
42. Prejudices.
43. Fears (retirement, death, displacement, status).

B. Comments

1. *Klein.*—All the forces listed could be grouped in three categories:
1. Those which fall around the individual.
2. Those of economic nature.
3. Those pertaining to personnel policies and practices.

2. *Mulligan.*—We are well covered in the Federal service on retirement, health, compensation, insurance, sick leave, downgrading and reduction in force. We have a basically sound program for older employees.

There are needs in the areas of career frustration—a problem which good supervision should work on daily with all employees, not just the older ones.

The best way to handle the problem is through training in the human relations area.

C. Areas of retraining

1. Skills (technological changes, compensations for aging).
2. Relationships (supervisor-employee).
3. Attitudes and self-knowledge (motivation retirement).

D. Henderson

Retraining capitalizes on what the employee knows.

Let employee help select type of work. Give him opportunity to learn on his own without too close supervision.

Retraining can be done individually and in groups. The supervisor can do much of it himself.

If done in groups, let each individual know that it was an honor to have been selected.

E. Recapitulation of four groups on retraining areas

1. Technological changes, both in skills and in new developments within a profession.
2. Supervision and personnel techniques, including top management.
3. Written and verbal communications.
4. Interpersonal relationships.
5. Preparation for retirement.
6. Performance standards.
7. Job rotation to increase versatility.
8. Education for upgrading.

F. Stimulation and selective placement

1. *Recapitulation of four groups*—
(*a*) Recognize service and performance.
(*b*) Give increased privileges (lounge, lunch periods, parking, leave, etc.).
(*c*) Provide free cardiac and cancer clinics and free dental care.
(*d*) Set aside certain jobs for older employees.
(*e*) Provide retraining opportunities.
(*f*) Inventory job skills and match man to job.
(*g*) Redistribute work to provide periodic light assignments.

2. *Selective placement (older employees).*—Should be patterned after that of the handicapped.

G. Gradual retirement

1. *Eleanor Hayes.*—Discussion of gradual retirement plan of HEW.
Sampling of 2,500 resulted in affirmative replies of 38.7 percent.
Less interested low-grade employees chiefly due to economic reasons.
Married employees most interested.
Effective not more than 3 years prior to retirement, optional.
Enables agency to keep employees who might otherwise retire.
Enables good employees to train their replacements.
Employees supplied with leaflets. Supervisors supplied with handbooks.
Individual requests must be for good of agency as well as for employee.
Handbook should be out about January 27, 1961.

III. DECREASING TENSIONS AND PROBLEMS

A. Minimizing physical effects of aging

1. *Dr. Johnson.*—Develop a climate that recognizes remaining abilities. Separate parts of the body age at different rates.

This may entail:

(*a*) Rearrangement of duties of position.
(*b*) Shift in assignments.
(*c*) Disability retirement.

Personnel can do more regarding health of employees under provisions of Public Law 658 (Randolph-Downey Act):

(*a*) Agencies may have health service, preemployment checks, and physical examinations.
(*b*) Emergency care for on-the-job injuries.
(*c*) Preventive health programs.
(*d*) Referral to other resources.

2. *Dunn.*—Alcoholism and addictions are substitutes for other things people want out of life.

We must find means of integrating our minds so that psychosomatic illness will not result.

A pattern of living should be worked out according to our limitations.

We all tend to confuse ourselves with our concept of ourselves.

B. Counseling

1. *Boucher.*—There are three types of retirees:

(*a*) Those who adjust actively.
(*b*) Those who adjust passively.
(*c*) Those who are maladjusted.

Counseling:

(*a*) Establish acceptable emotional climate.
(*b*) Have deep understanding sympathy.
(*c*) Be genuine—not phony.
(*d*) Indicate positive regard.
(*e*) Be alert to observe present behavior, hopes, disappointments, feelings.
(*f*) Feedback or reaction (listen).
(*g*) Provide new information attitudes, skills.

2. *Williams.*—Seven fields for retirees:

(*a*) Achievement.
(*b*) Adventure.
(*c*) Companionship.
(*d*) Contemplation.
(*e*) Education.
(*f*) Enjoyment.
(*g*) Service.

3. *Boucher.*—Distribute materials at interview (leisure time, health, hobbies, etc.)

Groups meet for special subject information, such as social security most retirement counseling on individual basis.

Counsellors should—

(*a*) Have information.
(*b*) Not make promises.
(*c*) Establish rapport.
(*d*) Be sensitive to real problems.
(*e*) Try to exhaust one subject.
(*f*) Avoid technical jargon.
(*g*) Consider money not always primary.
(*h*) Allow necessary time.
(*i*) Have privacy.
(*j*) Be confidential.
(*k*) Protect management's interests.
(*l*) Vary approach.
(*m*) Give selected handouts.

Preretirement counseling—

(*a*) Benefits agency.
(*b*) Sells retirement program.
(*c*) Increases production.
(*d*) Makes retirement something to anticipate.
(*e*) Reduces rigidity.
(*f*) Is good recruitment tool.

IV. RETIREMENT PREPARATION

A. Hunsaker

Meaning of work:

1. Work represents purposefulness.
2. A meaningful contribution to society.
3. It gives satisfaction.
4. Opportunity for group and social experience.
5. Opportunity and participation.
6. It's income producing.
7. Loss of freedom.
8. Expression of conformity.
9. Work furnishes exercise.
10. Work furnishes discipline and conformity.
11. Work furnishes prestige and status in family group and community.
12. Work furnishes prestige in organization.
13. Work furnishes education and mental growth.
14. Work furnishes fun.
15. Work gives influence and power.
16. Work gives inspiration.
17. Work gives opportunity for escape.
18. Work represents feeling of security.
19. Work represents challenge.
20. Travel and recreation.
21. Living longer.
22. Meeting marriage partner.

Out of these facts, we can build up retirement plan.

B. Korb

Commission's analysis of Cleveland survey, Cornell, New York Garment Workers and California studies, raised questions on what has been done.

Subjects covered include—

1. Health maintenance.
2. Nutrition.
3. Income.
4. Benefits (Civil Service Commission, social security.)
5. Legal aspects.
6. Leisure.
7. Personal adjustments.

CSC position on retirement planning:

1. It is basically an agency responsibility.
2. Commission does not plan to issue directive.

CSC view: There are two kinds of retirement activities.

1. Those which are the responsibility of the employer—those related to employment such as information regarding retirement, health benefits, insurance, etc.

2. Those which are the responsibility of the individual such as personal adjustments, etc.

Agencies must give information to employees on No. 1. We lack knowledge on No. 2. Agency should study resources, objectives, and move with caution. Should not be too solicitous or too paternalistic.

Retirement planning pamphlet is the first step by CSC.

C. O'Dell

Adaptation of University of Chicago material to blue-collar workers.

Participants attend on their own time—should be during regular working hours.

Group sponsors additional participation by "every member get a member."

Worth while for management employees and public.

D. Hunsaker

"How to make the most of maturity"—enrollment below 20. Three groups, 2 hours a week for 11 weeks; 74 enrolled; 65 completed; 15 different industries, professions, interests, housewives: Ages 45–71.

(*a*) Develop awareness for need to plan for retirement.
(*b*) Define areas of adjustment.
(*c*) Planning help.
(*d*) Exchange ideas.
(*e*) Resources for the discussions.

Purdue course content.—

(*a*) Looking ahead to maturity:
(1) Population changes and what they mean to older people.
(2) Attitudes toward older people.
(*b*) Nutrition and health:
(1) Dietary needs for health.
(2) How to meet diet needs on a budget.
(3) Special problems; obesity, underweight, poor appetite.
(*c*) Physical changes:
(1) How health relates to other phases of life.
(2) Physical changes that may be expected.
(3) Simple rules for good health.
(*d*) Mental attitude:
(1) Psychological and emotional problems.
(2) How to maintain good mental health.
(*e*) Financial planning:
(1) Commonsense in investments.
(2) Wills, estate planning, trusts.
(*f*) The meaning of work:
(1) What work means for different people.
(2) Relating the meaning of work to retirement plans.
(*g*) Getting the most out of leisure:
(1) Meaning of recreation.
(2) How leisure activities can satisfy basic needs.
(3) Importance of flexibility.
(*h*) Increasing your retirement income:
(1) Planning for a second career.
(2) Getting a job or starting a business.
(*i*) Family, friends, and living arrangements:
(1) Changing family relationships.
(2) Various living arrangements.
(*j*) Where to live:
(1) Pros and cons of relocating.
(2) Special considerations for single or widowed persons.
(3) Choosing a retirement spot.
(*k*) Summing up:
(1) Discussion of participants plans.
(2) General conclusions.

E. Presentation of programs

1. Army.
2. Veterans' Administration.
3. Quartermaster Corps.
4. Allis-Chalmers.
5. United Automobile Workers.
6. Purdue University.

F. Program analysis

1. Getting started: Management approval and support a "must." Difficulties experienced getting participation for first group, no problem of participation afterward.

2. Size of groups: Varied: Minimum, 15; maximum, 60. Generally preferred: Minimum, 15; maximum, 20.

3. Number of sessions: Varied: Minimum, 6; maximum, 11; flexible, dependent upon particular interests and needs of group.

4. Attendance: Voluntary and by invitation.

5. Time: All Federal programs conducted during regular working hours. They all agreed they should be.

6. Age and grade levels: Varied. Unrestricted except when by invitation. Preferrable: Long enough before retirement to be beneficial, 50 to 60, possibly younger. Cross section of grade levels. Blue and white collar.

7. Spouse: Sometimes included. Time of sessions main difficulty.

8. Resource people: Specialists in various fields such as doctors, psychiatrists, lawyers, bankers, social security and veterans' representatives, nutritionists, etc. Retirees considered excellent source when available usually no fees.

9. Materials: Various leaflets, pamphlets, etc., regarding subject matter. Most obtained free, much available through insurance companies supplemented by pertinent local material.

10. Topics: Generally adaptations of University of Chicago program.

11. Evaluation: Participants enthusiastic as evidenced by increased interest of employees who want the program and requests for individual interviews afterward.

Improvement noted in supervisory attitudes and acceptance of program.

Letters and verbal expressions of appreciation from retirees.

Some participants retired within relatively short time after completing course—impossible to say whether there was any correlation between the two actions.

Various criteria being considered, developed, and used to evaluate.

G. Special groups

1. *Group I. Centralized areas.*—

(*a*) Include information regarding retirement planning in counseling and orientation programs some time during first 6 months from e.o.d.

(*b*) Group sessions, ages 35 to 40:

(1) Introduction to retirement planning by invitation.

(2) Cover long-range aspects of such planning.

(3) Include sessions on health and finances.

(4) Supplement by individual counseling.

(*c*) Group sessions, ages 50 to 52:

(1) Furnish privately to each participant an estimate of his annuity.

(2) Present complete package of retirement planning.

(3) Include the spouse.

(*d*) Individual counseling:

Followups, conduct group sessions in such areas as employees indicate interest.

(*e*) Devise means of evaluation and followup after retirement:

(1) Encourage establishment of local retirees clubs.

(2) Provide PX commissary privileges.

(3) Provide reduced rates for trips to look over retirement cites.

(4) Provide for holiday remembrances to retirees, etc.

2. *Group II. Scattered and isolated areas.*—

(*a*) Build program into basic personnel policy.

(*b*) Coordinate and cooperate programs with other Federal, State, county, and community committees.

(*c*) Through correspondence, radio, and TV make most of materials available.

(*d*) Notify employees of activities and programs at local levels.

(*e*) Encourage interagency communication to keep posted on what might be planned.

3. *Group III. Big installations.*—

(*a*) Eliminate mandatory retirement age—on physical examination.

(*b*) Compulsory contribution of 6½ percent be abolished and money used to buy bonds for employees.

(*c*) Allow same death benefits for CSC employees as for those under social security.

(*d*) For employees forced to retire, have built-in cost-of-living scale to automatically increase annuities.

(*e*) Eliminate income taxes for retirees.

(*f*) Pay retiree relocation expenses.

(*g*) Give paid-up hospitalization coverage.

(*h*) Make no deduction in annuities of widows.

H. Problems of the sixties—Odell

Relatively full employment is not complete answer to middle age and older worker employment. Short of all-out national emergency, full employment is no basic solution.

Tremendous bulge of young workers and more to follow, plus the impact of automation and technological changes. Automation shakes out many middle age and older workers too young to retire.

Things being proposed and done directly related to increasing work for older employees, include:

1. Basic legislation eliminating age barriers.
2. Development of more effective job and placement counseling.
3. Training and retraining of older people.
4. Extension of vocational rehabilitation training for older employees.
5. General education and promotion and subsidized employment such as:
6. Extension of unemployment payments.
7. Disability allowances.
8. Lower age of retirement.
9. Public support through public welfare.

Costs of 1 to 5 less than 6 to 9.

May have to have some of both in some places.

Obstacles of hiring older people which go beyond age:

1. Hierarchy concerned with minimizing risks.
2. Impact of specialization on hiring process.
3. Simple educational requirements.
4. Health and safety impact because of incidence of disabilities of this age group.

Need to reexamine whole employment set of procedures and practices which exclude older workers.

Seniority provisions seem to keep out older people—they should be broadened to be made more flexible.

The Federal retirement plan is exemplary in flexibility.

Need more liberal interpretation of disability under social security.

Roadblocks—retirement policies.

1. Health and hospitalization benefits.
2. Vesting provisions.

Retirees are best supporters of preretirement planning and believe it should start early.

If we are going to make retirement a part of our life—we must implement—we have responsibility for making retirement living dignified and meaningful.

There should be freedom of choice to retire or not to retire. Individual should have the right to choose. Need to develop social climate in which he can make choice.

Need to look at totality of this age group and implement this phase of living.

V. COMMENTS BY DELEGATES—WHITE HOUSE CONFERENCE

A. Kaplun

Glad to see Government getting into the picture, because it has such a big impact on industry, the States, and communities.

Each State should establish permanent committee or organization to handle the problems of the aging.

1. Establish mechanism to coordinate and cooperate with all agencies who deal with the problems.
2. Create public awareness of the problems.
3. Gather and disseminate research information—serve as a clearinghouse for such information.
4. Should be an independent agency, not housed in any one department.
5. Must have qualified staff.

B. Gallenbeck

Retirement more mandatory than flexible, which advocated retirement at age 68. with a 3-year corridor in which to prepare for retirement.

C. Schultz

Liberalization of widow's benefit to full amount of primary benefit under social security.

Retroactive feature that would provide benefits for those employees, whose employment came under social security after they left such employment.

D. Beard

Only half as many on farms today as in 1930.
Increasing need for vocational education courses for older workers.
Exercise ingenuity in planning courses to suit the needs.
Upon satisfactory completion of course, assist in placement.

E. Nash

Individual contact best in approach to retirement planning courses.
Eight sessions 2 hours a week covering financial matters, social security, health, good nutrition, part-time employment, leisure time, legal aspects, and community resources.
Resource people used: bankers, lawyers, doctors, home economists, representatives from Social Security, Veterans' Administration, FHA, etc.
Governor Freeman kicked off the program.
Local people used at community levels.
Handout materials included resources directory, the law and your rights, guide sheets on various subjects.

F. Roudebush

Need to get statutory recognition.

G. Donahue

Middle-class value system put on record.
Must operate from base of goals of what people want for they may not want what we want.
Have we done anything about establishing a new value system? What are the expectancies for and of life? What are patterns to be?
We know how to be young people and we know how to be middle-age people because we have prescribed patterns.
We should not be patronizing.
We need a better foundation to define what we are after. We need to learn to create a new society, a society in which we have extended natural history in a social sense just as we have in a biological sense. We need more insightful thinking.
We now produce far more than we can use, so how are we going to use all these added man-hours—how will this affect employment?
We need more exploration on how we are handling retirement preparation. Are we covering things we should?
Is there any need for specialized training the field of aging? Should we have specialists such as gerontologists?
Difficulties arise in defining training.
"The role of the older person in our society is the role-less role." Burgess.

H. Burgess

The big problem is how to give satisfying roles to older persons and how to develop new patterns of living which will compensate for giving up work.
When employee leaves employment—there is a breakdown of role setting.
There are breakdowns of other settings—such as the home setting—when a spouse does. There is a multitudinous list of social settings in which individuals live.
The older person has to be studied, considered, and prepared for retirement in his total settings, which complex of centers must be satisfying.
How can we get at this problem? The individual needs a setting appropriate to him. Human needs include health, economic, and emotional security.
The older person cannot guarantee health and economic security for himself—such must come from Government and companies, if such are guaranteed.
What kind of setting can we use to replace the work setting? How can we choose satisfactory settings for stimulation? How can we satisfy the need for love, friendship, sociability? These settings are difficult to supply. The individual needs to belong to groups where he can be recognized and identified, where he can take a role.
These notes are the combined, informal, personal notes of Seth Jackson and Ouida B. Mixsell.
As such, if other than the speakers' viewpoint is reflected, the misinterpretation is one of human error and under no circumstance, intentional.

SETH JACKSON.
OUIDA B. MIXSELL.

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DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 5, 1961.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities, Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: This is in further reference to our letter of August 23 in response to your request for information on policies and programs affecting older people which this Department administers.

This Department carries out several research programs and educational activities affecting older people. In addition, many of the acts administered by the Department affect older people.

Investigations relating to the nutrition and diet of the aging, and to some aspects of their clothing, housing, health, financial management, and retirement problems are part of the ongoing research program of the Agricultural Research Service of USDA and the State agricultural experiment stations. The work is done both independently and cooperatively, with the State portion supported in part by Federal-grant funds administered by the Department.

Investigations of the nutritional status of population samples, completed in recent years, have provided information on older age groups, from the fifth through the ninth decade. In these studies, records have been obtained of food and estimated nutrient intakes in relation to biochemical and clinical indexes of nutritional well-being.

Current research in human nutrition is concerned with the nutritional requirements and metabolic behavior of older people. For example, in the Department, metabolic studies of older men consuming controlled diets are yielding data on the effect of different types and amount of protein and fat on blood lipids and on the metabolic exchange of nitrogen and certain minerals.

Information about present-day diets of older people is obtained by the Department's surveys of household groups and of individual family members. A special analysis of a recent nationwide survey of households relates food consumption and dietary levels to the age of the homemaker. An earlier study of the diets of 1,000 homemakers indicated some of the differences related to age. Another study nearing completion is of the diets of a group of recipients of old age and survivors insurance in Rochester.

Using such surveys of food habits and information on nutritional requirements and the nutritive value of food, the Department develops guidance materials on food selection. A widely used publication useful to all age groups is Food for Fitness—A Daily Food Guide. Especially designed to help older people meet their food needs is the Food Guide for Older Folks (HG–17). This booklet suggests ways to meet special problems that often make it hard for an older person to be well fed. Several issues of a periodical, Nutrition Committee News, have been devoted to subjects closely related to better nutrition for older folks. An issue on feeding older folks in institutions (September-December 1959) was especially pertinent.

Case studies presently being made by the States of rural and urban aged are providing pertinent facts concerning their housing needs. The findings not only reveal the requirements for functional housing, but also provide insight into economic and sociopsychological aspects and point up both existing and needed planning and community facilities for the aged. A number of investigations of specific housing problems have the needs of older people in mind with respect to safety factors whether in the home or in group housing situations. Studies of accidents in homes and surrounding areas highlight factors contributing to the high accident rate among the aging and suggest remedial measures. Some research is concerned with provisions to facilitate ease in the care of homes. Limited researches directed to the problems of the homemaker with physical limitations are pertinent to difficulties associated with the infirmities of age.

Investigation is being made by the States of the practices of older people in selection, use, and care of clothing, and of the components that contribute to overall satisfaction with items purchased. This includes garments that can be used by the infirm or aged and in programs for self-help and rehabilitation of the handicapped.

To provide information wanted by extension personnel and others planning programs to improve family living, Departmental and State studies are made of family spending practices and home management practices among rural families and from these, information is gained on the extent to which family

expenditures are affected by age of family head. For example, recent surveys of low-income rural families in Kentucky and Texas, made to provide background information for the rural development program, indicate the heavy medical care expenditures of the older families.

State investigations in selected areas have also been concerned with rural health services and their use and have pointed up socioeconomic problems of the aged, indicating expectations of older rural residents and certain alternative solutions of problems.

We intend to utilize information to be collected in the 1962 Survey of Farmers' Expenditures to up-date an earlier report (1955), "Medical Care Expenditures of Older Farm Families." This survey will also provide information on other types of expenditures by older farm families.

As part of the Department's program to provide research-based information for home demonstration agents, social welfare workers, home economics teachers, and others, the Institute of Home Economics prepares a quarterly publication, Family Economics Review. Many items relate to the problems of aging, as, for example, an article summarizing and interpreting some statistics on the money income of aged persons (September 1959 issue).

A good example of followup action to insure greater attention to the problems of the aging is shown by Bulletin No. 778 (copy attached) of the Farmers Home Administration of this Department.

Through its continuing education programs in the fields of health, nutrition, work simplification, rural acts, and other phases of family living, the Cooperative Extension Service is operating to help all people, including older persons, to make better use of available resources and thus more fully meet their needs.

Program materials on aging in use by family life specialists of the Extension Service include the following: The Golden Years (Arkansas); Programs that Challenge after 60 (Connecticut); Face to the Future (Kansas); Aging the Modern Way (Michigan); Preparing for Middle and Later Years (Minnesota); Young at Any Age (North Carolina).

Sincerely yours,

FRANK J. WELCH, *Assistant Secretary.*

[FHA Bulletin No. 778]

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D.C., June 23, 1961.

To: All State directors.
From: Administrator.
Subject: Problems of the aging.

The White House Conference on Aging, held January 9 to 12, 1961, made a number of recommendations with regard to problems of the aging. We have reviewed these recommendations.

Our review raised a number of questions in our mind as to how effectively the Farmers Home Administration is using its authorities to assist elderly farmers. For example:

1. When we are working with middle-aged borrowers and helping them prepare long-time farm and home plans do we encourage them to make retirement plans? If the subject comes up, what is our advice? There are many ways to plan for a retirement income. Are we well acquainted with the various alternatives and able to discuss the various combinations of income that may be obtained from farming, off-farm employment, savings, social security, insurance, and annuities?

2. When elderly farm people talk to us about their housing needs are we sufficiently informed about the measures being taken today by private and Government organizations to provide homes for the aging?

3. What is our position toward utilizing the services of retired farmers on our county committees? Have we closed our minds on this subject because we found that some of the older farmers are not up to date on modern farming methods?

Would you please discuss these, and any related questions that occur to you, with your staff?

We do not want a report on this matter at this time.

We do want our people to become aware, if they are not already aware, of the many ramifications of this problem so far as the farm people we serve are concerned. We are certain that in the months and years to come, as the numbers of elderly farm people increase, we will need to give a good deal of thought to ways we can be of assistance to them.

HOWARD BERTSCH.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 19, 1961.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities,
U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: This is in reply to your letter of August 7, 1961, requesting the views of the Bureau of the Budget on policies or programs affecting older people.

I am advised that similar letters were sent to the heads of other agencies and that the Departments of Health, Education, and Welfare, and Labor, and the Housing and Home Finance Agency have been requested to testify before your subcommittee. These agencies, especially the latter three, administer and have responsibility for programs affecting the aged. Accordingly, I believe that the replies and the materials being prepared by these agencies will adequately describe the current policies and programs affecting the aged.

As staff to the President, the Bureau of the Budget is now starting, in conjunction with the other agencies and departments of the executive branch, on developing the budget for the fiscal year 1963. That budget will reflect the administration's proposals with respect to programs for the aging.

Your letter also requests information on the policies and programs affecting older employees of our agency now in effect or contemplated. Our personnel policies are geared, generally, toward insuring full contribution and participation by all employees. I intend to follow these policies, and to make certain that none of our older employees are placed at a disadvantage due to their age. In addition, we intend to explore the steps which should be taken to assist employees in planning for and making the transition to retirement.

Sincerely yours,

DAVID E. BELL, *Director.*

THE SECRETARY OF COMMERCE,
Washington, D.C., August 9, 1961.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities,
U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: This will acknowledge receipt of your letter of August 7, in which you kindly invite the Commerce Department to advise you of policies of programs affecting older people.

I want you to assure you of my very strong personal support for the work of your committee and of the various programs supported by the President and the administration. The Commerce Department as such does not have any responsibility in this area, but I am asking my associates in the Department to examine their programs carefully and to review the recommendations of the recent White House Conference on Aging. If it then appears that we can make some meaningful contribution to the record of your hearings, we shall be glad to send you a statement.

There is one comment on the general problem I should like to make at this time. Although there are a number of specific programs—both in the public and the private areas—that must be initiated and implemented to help our older people, the most important single thing we must seek is a healthy economy, with an adequate rate of growth and a minimum of unemployment. Only then will the jobs and the resources be available to provide for the security of our senior citizens. The Commerce Department is working with the entire executive branch toward the objective of general economic health.

Sincerely yours,

LUTHER H. HODGES, *Secretary of Commerce.*

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., August 22, 1961.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities, Special Committee on Aging, U.S. Senate.

DEAR SENATOR RANDOLPH: I am transmitting with this letter the report requested of the Civil Service Commission in your letter of August 8, 1961.

Because many of the Commission's activities affecting older workers are discussed in the two attached exhibits, our comments in this report on many aspects of our activities have been condensed, and we have concentrated on newer programs and proposals relating to the aging worker and our reactions to the recommendations of the White House Conference on Aging.

The Commission has appreciated this opportunity to prepare the present report and hopes to be of continued assistance to you.

By direction of the Commission:

Sincerely yours,

F. J. LAWTON, *Acting Chairman.*

FEDERAL PERSONNEL POLICIES AND PROGRAMS AFFECTING THE OLDER WORKER

(Prepared by the U.S. Civil Service Commission)

CIVIL SERVICE COMMISSION POLICY AFFECTING THE OLDER WORKER

The mission of the Civil Service Commission as the central personnel agency of the Federal Government is to attract and retain the best available talent to carry out the Government's program objectives, to develop employees' capabilities to the fullest, and to make optimum use of their skills. With these purposes in mind, it necessarily follows that there must be no artificial barrier based merely on age or other irrelevant consideration between a citizen and the performance of a useful productive service. While there is no special program as such for older workers in the Federal service, the very nature of the Federal personnel system, with its basis on merit, its consideration of the individual, and its comprehensive health and retirement benefits program, serves substantially to meet the needs of the older worker.

Generally, Federal policy on employment of older workers has been directed toward encouraging positive attitudes on the part of employing organizations toward broadening work opportunities for older persons. The following statement issued by the Civil Service Commission to the heads of departments and agencies illustrates this policy:

"People are living longer. Older people constitute a growing proportion of our total population—and therefore of the labor force. At the same time, evidence is growing that people are capable of high level productive work later in life. People of advanced age are making outstanding contributions in private industry, in the professions and sciences, and in public life. Studies in industrial plants show that older people do as well as younger workers in many types of executive, clerical, skilled, semiskilled, and unskilled work. Appointing officers should not, therefore, permit arbitary prejudgments about older workers to affect their thinking in selecting persons for employment. This is important both to carry out the principle that selection shall be made on the basis of merit and fitness and to insure greatest use of the Nation's available manpower."

CURRENT AND CONTEMPLATED PROGRAMS AFFECTING OLDER WORKERS

This discussion will not take up in detail the programs affecting older workers which are administered by the Civil Service Commission. The attached pamphlet "The Older Worker in the Federal Service" (exhibit A) which was prepared in January 1961 for the White House Conference on Aging accomplishes that purpose. Also the testimony of O. Glenn Stahl, Director of the Bureau of Programs and Standards of the U.S. Civil Service Commission, together with exhibits, appearing in the July 1959 report of the hearings before the Senate Subcommittee on Problems of the Aged and Aging, 86th Congress (pp. 138–213) presents a thorough account through July 1959 of the Civil Service Commission's policies and activities in the field of aging. However, the salient features of Federal personnel activities pertaining to the aging worker will be mentioned here together with more recent programs and proposals. It should be noted that policies and programs affecting older employees in our own agency are generally

no different from those which apply to older workers in all other agencies which are part of the Federal personnel system.

Briefly, the Civil Service Commission establishes job standards, experience requirements, and medical and physical standards related directly to the ability to perform the work required. Minimum standards for entrance into Federal service and for continued employment are consciously developed so that they will not deny opportunity to qualified citizens on the basis of age. It cannot be emphasized too strongly that there are no maximum age limits for appointment to the Federal competitive service. Ability and fitness to do a job are the prime considerations.

The older worker has available to him at all stages of his working career opportunities for development and advancement, as well as job-related benefits. There are refresher courses given to bring employees up to date on technical, scientific, and professional advances. In addition, should an older worker become unable to continue his previous work patterns due to decreased physical ability or poor health, agency officials may make adjustments in job assignments or work schedules if work arrangements permit. These adjustments which may involve reassignment to another position or retraining for another job are frequently made on the job by line managers. Changes of this type are not made merely out of consideration for age; older workers are individuals whose abilities and capacities, like others of any age, need to be matched to job requirements.

The Civil Service Commission is making every effort to encourage Federal agencies to make full use of the talents of the older worker. This fall, for example, the Commission plans to conduct a seminar for agency officials in Washington, D.C., for the purpose of discussing and exploring methods and practices for utilizing this special manpower source.

The Federal retirement system is a key program administered by the Civil Service Commission for the benefit of the aged. This liberal and flexible system covers some 2 million active employees and 365,000 retired workers. An employee may choose any one of a large number of plans to meet his personal retirement needs. He may elect to retire at age 55 or choose other plans which advance retirement to age 70. If an employee wishes, he may embark on a gradual retirement program, or under certain conditions, especially when his skills are needed, he may return to full or part-time employment after he has retired.

Retirement planning is a new concept which has been attracting considerable interest in the Federal service. Retirement planning, or preretirement counseling, involves a planned program of assistance by the employing agency to help ease the older worker's transition from full-employment to retirement. A detailed analysis and evaluation of retirement planning programs in industry and Government entitled "Retirement Planning, a Growing Employee Relations Service" published by the U.S. Civil Service Commission, August 1960, is attached as exhibit B.

There is neither requirement nor barrier to retirement planning programs in Government service. The Civil Service Commission requires all employing agencies to provide information to their employees on retirement eligibility and insurance benefits. The decision to conduct retirement planning programs, however, is the responsibility of the employing agency. A number of agencies have been experimenting with retirement planning programs which vary widely in scope and content ranging from distribution to employees of literature on retirement subjects to group seminars and interviews on job-related problems.

A recent development in retirement legislation was President Kennedy's approval on July 31, 1961, of Public Law 87–114 which made permanent the cost-of-living increases in civil service annuities granted in 1958. This action also made permanent the survivor annuities granted by the 1958 law to certain widows and widowers of Federal employees and annuitants who died before February 1948.

Another new development advantageous to the older worker is the Federal employee health benefits program which became effective in July 1960. This program, administered by the Civil Service Commission, enables employees, regardless of age, to participate in a number of group plans, most of which offer protection against catastrophic illness. On July 1, 1961, the retired Federal employees health benefits program went into effect. A total of 236,000 retired employees and survivor annuitants have elected to participate in this program. More than 150,000 dependents of enrolled annuitants also are covered. Enrollees may join a uniform plan contracted by the Commission or, if they so elect, may receive a

Government contribution toward the cost of health insurance offered by their own private plans. In total, some 4.5 percent of people in the United States having some form of health insurance protection are covered under the two programs which the Commission administers. An important feature of the active employee program is that participants may continue coverage after retirement without an increase in rates or diminution of benefits.

The Civil Service Commission also administers a low-cost life insurance program which provides benefits to employees without medical examinations and without reference to age. An employee at age 70 would not pay any higher premium than would his 25-year-old coworker. On leaving Government service, an employee eligible for retirement annuity may retain his life insurance policy without cost.

REACTION TO RECOMMENDATIONS OF WHITE HOUSE CONFERENCE ON AGING

Recommendations of the White Hoouse Conference on Aging which are of particular concern to the Civil Service Commission seem to center around retirement policies, job performance adjustments, and age discrimination in hiring.

Conference recommendations favoring greater flexibility in age options for retirement are put into reality in the Federal retirement program. As illustrated elsewhere in this report, the Federal retirement system is distinguished by the choice of retirement age it gives to Federal employees, and it stands in the forefront of the Nation's employers in this regard.

A number of Conference recommendations are concerned with the development of preretirement programs, and several recommendations also note the need for research on the effectiveness of such programs. As pointed out in the pamphlet "Retirement Planning, a Growing Employee Relations Service," the Civil Service Commission has been directing the attention of Federal agencies to current developments in this field, and is continuing its research into the extent of the need for preretirement counseling.

Several Conference proposals relate to the extension of old-age and survivors and disability insurance coverage to groups not now covered. One major group of excluded persons is Federal employees subject to the Civil Service Retirement Act. As far back as 1954, the Committee on Retirement Policy for Federal Personnel recognized that worker mobility between industry and Federal service inevitably results in inequities in benefits payments under OASDI and civil service retirement. To date, however, legislative efforts to secure coordination between the two benefits systems have failed of enactment. This is a problem area which the Civil Service Commission will want to study more closely as a result of the Conference's recommendations.

The Commission concurs with the Conference's recommendations on reassessing job requirements for certain positions. Studies related to physical and performance standards have been undertaken by the Civil Services Commission with a view toward eliminating unrealistic job requirements. Further, the Commission is in accord with proposals to minimize the extent of worker displacement through technological change. As previously stated, agencies may reassign and retrain employees as conditions permit.

Legal requirements prohibit age discrimination in the Federal service, and present and past performance of the Civil Service Commission demonstrates the Commission's adherence to the no-age-discrimination policy. Therefore, a casual reading of the conference's proposal that "the Federal Government set a good example by amending its procurement policies to eliminate discrimination against 40-plus workers * * *" creates a false impression about Government personnel practice in an area where it deserves credit for leadership rather than blame. This proposal should have specified that the "procurement" referred to is not the Government's own personnel procurement, but that of private contractors on Government assignments. The Civil Service Commission has no legal authority to intervene in any alleged case of age discrimination by private contractors.

Conclusions

It is essential for us to recognize that our population and workforce are aging and that we must make the necessary adaptations to meet this situation. We must develop an appreciation of the worth and importance of our senior citizens either in employed or retired status. We should uphold the dignity of old age by stressing that there is still need for the older worker's wisdom, skill, and experience. In the critical times ahead, this country can ill afford to create a

pool of unused or underused manpower if it is to continue to grow and prosper. Through its merit system of hiring, its flexible retirement and health benefits programs, its no-discrimination-on-age policy, and its work adjustment and training activities, the Commission is seeking to meet the needs of the older workers and the Nation.

EXHIBIT 1

THE OLDER WORKER IN THE FEDERAL SERVICE

Prepared by the U.S. Civil Service Commission for the White House Conference on Aging

(Bureau of Programs and Standards, U.S. Civil Service Commission, January 1961)

The Federal Government is the Nation's largest employer. Of the 2⅓ million civilian workers in the Federal Government, almost two-thirds of a million are age 50 and over. It is to be expected, therefore, that those interested in the well-being of older workers in this country would want to know what the Government as an employer has accomplished.

There is no special program as such for older workers in the Federal service. The employment system of the Federal Government emphasizes the ability to perform and not the chronological age. Personnel policies stress consideration of the individual. And the comprehensive employee benefits program provides financial protection against income losses stemming from illness, injury on the job, disability, and retirement. In the development of these policies and programs, the Government may serve as an example to employers everywhere.

THE FEDERAL WORK FORCE

The 2⅓ million men and women employed by the Federal Government work in all parts of the United States and all over the world. Fewer than 10 percent work in the Washington metropolitan area.

Forty-five out of a hundred of all Federal employees work for the Army, Navy, and Air Force. Twenty-four out of a hundred work at the delivery of the mail. The remainder staff all the other agencies of Government. They develop new techniques for fighting crippling diseases; plan the building of roads, dams, bridges, and harbors; foster agriculture, industry, and commerce; conserve our forests and natural resources; collect taxes; pay out social security checks to millions of citizens; and in thousands of other ways provide the people with the facilities and services needed to maintain peace, freedom, and prosperity in the modern world.

Federal employees engage in a wide variety of occupations, covering almost every profession and occupational skill. They work in the physical, biological, and social sciences; in engineering, mathematics, medicine, and accounting; and in education and social service. They work, also, as clerks and typists, truck-drivers, carpenters, machinists, painters, toolmakers, welders, artists, writers, technicians, cooks, and firefighters.

Altogether there are some 1,500 occupational groupings in the Federal service. There is need, therefore, for men and women of many different skills. To assure that the Federal work force will be staffed with employees of high competence and integrity, opportunity to compete for employment has to be open to all citizens on the basis of ability and fitness without regard to extraneous considerations such as race, religion, color, national origin, physical handicaps, or age.

AGE OF FEDERAL EMPLOYEES

A substantial portion of the work done by the Government is performed by older workers. Of the 2⅓ million workers in the Federal service, an estimated 27 percent are 50 and over; and 9 percent 60 and over.

An appreciation of the significance of the older worker in Federal employment can be obtained by looking at the size and age composition of the Federal work force. The age distribution of Federal employees appears to be well balanced, and, as illustrated by the exhibit below, approximates that of the nonagricultural working population as a whole, but with somewhat fewer younger employees. The older worker in the Federal service is the mature worker; he is not generally the same person as the aged individual whose health and well-

being occupy the attention of the gerontologist. The average male Federal worker is 43 years of age, and the average female 41.

According to a survey of employees covered by the Civil Service Retirement Act as of September 1958, the proportion of men with long service in the Government is much greater than that of women. About 18 percent of the men and 8 percent of the women have 20 or more years of service; 5½ percent of the men and slightly less than 2 percent of the women have 30 or more years of service. At the other end of the scale, about one-third of the men and one-half of the women have served less than 10 years. Approximately three-fourths of the women have less than 15 years of service. The average length of service is about 14 years for men and 10 for women. At the time of the survey, there was an estimated total of 84,000 men and 8,000 women with 30 or more years of service and 147,000 men and 37,000 women 60 years of age and older in the Federal service under the Retirement Act. The 184,000 employees in the Federal service age 60 and over are positive evidence of the favorable attitude of the Federal Government toward the employment and welfare of older workers.

Comparison of age distribution of Federal workers under the civil service retirement system and of persons employed in the nonagricultural labor force, September 1958

Group	Federal Government		Labor force, nonagricultural	
	Percent [1]		Percent [1]	
	100.0	Cumulative	100.0	Cumulative
Under 20	0.7	0.7	6.1	6.1
20 to 24	4.5	5.2	9.0	15.1
25 to 29	8.5	13.7	10.2	25.3
30 to 34	13.1	26.8	11.7	37.0
35 to 39	17.0	43.8	12.3	49.3
40 to 44	15.7	59.5	12.0	61.3
45 to 49	13.2	72.7	11.4	72.7
50 to 54	10.6	83.3	9.9	82.6
55 to 59	7.7	91.0	7.7	90.3
60 to 64	6.2	97.2	5.5	95.8
65 to 69	2.4	99.6	2.3	98.1
70 and over	3.0	100.0	2.0	100.0

[1] Percents are rounded independently and not forced to add to totals.

Source: Federal Government, 10-percent sample of employees under the retirement system. Nonagricultural labor force, population reports, Bureau of the Census.

HOW FEDERAL EMPLOYEES ARE SELECTED

Appointments to positions in the competitive civil service are made on the basis of merit. A person—young or old—seeking employment with the Government usually takes an open competitive civil service examination. This examination may include a written test, a performance test, and a rating of the applicant's experience and training; or it may just involve a rating of level, quality, and length of experience and training. Since exerience usually is important, this may be to the advantage of the older person. The higher the level of the job, the more important may be the experience factor. Older workers, accordingly, have the opportunity to compete for employment on the basis of their qualifications and their ability to perform.

It is this system of appointment—the merit system—that is the keystone of the Federal personnel system. And it is the "merit system" concept that accounts principally for the degrees of success achieved by the Government in giving equitable consideration in employment to older workers.

There are two principal features of this merit system. They are (1) "open competition," and (2) a "career service." "Open competition" is based on the Civil Service Act of 1883. It means opportunity for all citizens to compete for appointment on the basis of their qualifications and fitness. Open competition means that there is public notice given of opportunities for employment in the civil service and there is an examination in which there is equal application of standards to all applicants. These standards do not discriminate against applicants on the basis of irrelevant conditions such as race, color, religion, physical

handicaps, or national origin. There is no discrimination merely on the basis of age. Open competition means, also, selection from among the best qualified.

A "career service" means that employees generally are hired on a permanent basis, and that so long as they perform satisfactorily and there is work for them to do and funds to pay them, they may continue to work for the civil service. It means, also, opportunity to advance in accordance with one's abilities. The career service gives employees opportunity to change jobs or be promoted on the basis of merit; protection against arbitrary removal; increased job security with longer service; liberal sick and vacation leave benefits; a reasonable measure of protection against financial loss arising from injury on the job, early death, and illness; and a generous retirement plan.

Employees who obtain their jobs through open competitive examinations are normally considered to be in the "competitive service." These employees may be reassigned or promoted without taking further competitive examinations. About 86 percent of all Federal positions are in the competitive service.

The employees—14 percent in all—in the executive branch who are not in the competitive service are in what is known as the excepted service; that is, they work in positions excepted from the civil service rules by law or by action of the Civil Service Commission.

This report is focused on employees in the competitive civil service, although much of the discussion can be applied to all employees in the Federal service.

JOB PERFORMANCE OF OLDER WORKERS

Older workers have repeatedly demonstrated their productivity and dependability on the job. Full utilization of older workers is sometimes impeded by the notion that there is a sharp drop in the productivity of workers as they age. Studies [1] by the Bureau of Labor Statistics suggest that this notion is inaccurate. The studies conducted in both Federal agencies and private concerns, indicate there is little decline in productivity of workers to age 65. Where some decline occurs, it is often compensated for by other attributes. Older workers show up well in terms of consistency of performance, attendance, and job stability. Although there are wide individual differences, the average production of older workers is about the same as that of the younger workers.

FEDERAL POLICY ON EMPLOYMENT OF OLDER WORKERS

Older workers are a valuable manpower resource. Federal policy relating to their employment in the civil service is founded on two fundamental precepts: (1) This Nation can fully meet the social, economic, and political challenges of our time only through the full utilization of the talents and experience of all our people; (2) there should be no artificial barrier based merely on age between a citizen and his opportunity to perform useful and productive service. With the long-term trend toward an increasing number of older persons in our population, it is important that we utilize this valuable source of manpower. With a longer lifespan made possible by better health and nutrition, our older citizens who are able and who wish to work should certainly have full opportunity for employment in accordance with their qualifications.

Federal policy on employment of older workers, accordingly has been directed toward encouraging positive attitudes on the part of employing organizations toward broadening work opportunities for older persons. The following statement issued some years ago by the Civil Service Commission to the heads of departments and agencies illustrates this policy:

"People are living longer. Older people constitute a growing proportion of our total population—and therefore of the labor force. At the same time, evidence is growing that people are capable of high-level productive work later in life. People of advanced age are making outstanding contributions in private industry, in the professions and sciences, and in public life. Studies in industrial plants show that older people do as well as younger workers in many types of executive, clerical, skilled, semiskilled, and unskilled work. Appointing officers should not, therefore, permit arbitarary prejudgments about older workers to affect their thinking in selecting persons for employment. This is important

[1] U.S. Department of Labor, "Comparative Job Performance of Office Workers by Age," Monthly Labor Review, January 1960. Also similar studies of job performance among plant production workers, in the Monthly Labor Review, December 1956 and December 1957.

both to carry out the principle that selection shall be made on the basis of merit and fitness and to insure greatest use of the Nation's available manpower."

AGE LIMITS FOR APPOINTMENTS

The Civil Service Commission, in accordance with law, sets no maximum age limits for positions in the Federal competitive service. The Commission establishes standards for Federal jobs in terms of the ability and qualifications of individuals to perform the work, regardless of their age. Persons are placed on civil service registers solely on the basis of merit and fitness (taking into account veterans' preference), and appointing officers make their choices by the "rule of three" from the top persons on registers.

The first law dealing specifically with maximum age limitations for entrance into the Federal service was enacted by the Congress in 1952. This law read:

"The Civil Service Commission shall not impose a requirement or a limitation on maximum age with respect to the appointment of persons to positions in the competitive service, except such positions as the Civil Service Commission may publish from time to time in such form and manner as it may determine: *Provided*, That no person who has reached his seventieth birthday shall be appointed in the competitive civil service on other than a temporary basis."

The Civil Service Commission interpreted this law to mean that the Federal service should, to the extent feasible, utilize the services of older persons. The Commission withdrew all general maximum age limits, and required agencies to justify need for a maximum age for specific positions in order to be permitted to establish age limits. For the majority of Federal jobs no maximum age limits were established, except that people 70 years of age or older were given temporary appointments. The Commission's general policy was to avoid unnecessary maximum age limits. Limits were set only for (*a*) positions involving hazardous and arduous duties, and (*b*) trainee and apprentice positions.

Prior to the enactment of this law, general maximum age limits were set for entrance into Federal employment. From 1927 to 1942, a standard maximum age limit of 53 was established by the Commission. It was believed to be good employment policy and consistent with the purpose of the Retirement Act to establish maximum age limits in examinations at a point sufficiently below retirement age to assure employees an annuity sufficient for subsistence. Higher age maximums, it was thought at that time, would result in a continuation of some employees in service beyond the period when they could usefully perform merely to allow them to serve long enough to retire with an adequate annuity. During World War II, to meet employment demands, age limits were lifted for most positions. In 1946, with the end of the emergency, age limits were reinstated for open competitive examinations, with the standard maximum age limit set at 62. However, there were a number of exceptions to this provision, and further easing of the application of age limits came during the Korean emergency. The passage in 1952 of the law restricting the use of maximum age limits in appointments, accordingly, gave legislative sanction to an already emerging public policy against discrimination in appointment by reason of age.

The law of 1952 had given the Commission authority to except positions from the general ban on age limits in examinations. Although the Commission sought to restrict the number of exceptions, there was some feeling in the Congress that tighter legislation was needed. This led in June of 1955 to legislation which further strengthened Federal policy on age limits. The legislation provided:

"No part of any appropriation contained in this title shall be used to pay the compensation of any officers and employees who allocate positions in the classified civil service with a requirement of maximum age for such positions: *Provided*, That (1) ability and (2) qualifications for employment to such positions shall be the governing considerations."

One consequence of the new legislation was the elimination of the proviso in the law of 1952 which stated that no person who had reached his 70th birthday could be appointed in the competitive service on other than a temporary basis. Under this proviso, the Commission had issued a regulation establishing a system of 1-year temporary renewable appointments for persons appointed after they had reached their 70th birthday. The Commission hoped this system would encourage Federal agencies to appoint persons over 70 to appropriate jobs. By limiting the appointments to 1 year at a time, the agency could terminate the appointment in case the older employee's performance did not continue to meet standards. The Commission recommended that Congress restore this proviso.

The proviso was restored by the Congress in 1956.[2] This law which is currently in effect, provides:

"No part of any appropriation hereafter contained in this or any other act shall be used to pay the compensation of any officers or employees who establish a requirement of maximum age for entrance into positions in the competitive civil service: *Provided*, That no person who has reached his seventieth birthday shall be appointed in the competitive civil service on other than a temporary basis."

Although there is general acceptance by the employing agencies of the current policy of no discrimination in employment by reason of age, there is some thought that age limits should be applied to some hazardous, arduous, and trainee positions. The argument is made that while age itself may not be a job qualification factor, age may be related to performance of work in the cases of policemen, test pilots, or electric power linemen, for example.

The other view is that workers should be considered for employment without regard for any arbitrary restriction as to maximum age. For the comparatively small number of occupations which are hazardous or physically arduous, positive performance requirements and tests, rather than arbitrary age restrictions, should be established where possible. Admittedly, one of the problems here is that development of such measures is relatively difficult. Even if such tests were available, they may not be adequate as a selection device in some situations. It is also recognized that some occupations which require long and formalized periods of on-the-job training involving a sizable investment by the employer are not best suited for those who do not expect to remain at work for an appreciable length of time.

The Commission does not favor the general application of arbitrary age limits in employment. The Commission, at the request of some of the employing agencies, has been studying whether special provisions may be needed, for example, for hazardous occupations where early retirement is permitted by law and for apprentice positions.

The policy of the Commission at the present time is clear. The Commission's regulations, by which Federal agencies are guided, state that no maximum-age requirement shall be applied in examinations for positions in the competitive service.

THE OLDER WORKER ON THE JOB

The older worker in the Federal competitive service is a member of a career service where opportunities for development, advancement, and job-related benefits are available at all stages in his working career.

Training

The Government needs a great number of highly skilled employees to staff its many functions. In some cases, persons are hired who already possess the requisite skills. More often, however, training must be provided on the job to develop the talents needed to meet rapidly changing work demands. Federal agencies, accordingly, conduct extensive employee training programs. This includes orientation of new employees, skills training, supervisory and management training, and technical and professional training in almost all fields of knowledge. In 1958, a major advance was made in the field of employee training with the passage of the Government Employees Training Act. This act gave agencies additionally needed authority to adequately train their employees on the job, or, if needed, at non-Government facilities such as universities. As provided in this act, the Civil Service Commission provides leadership to the agencies in developing, coordinating, and evaluating training programs.

Of particular interest to older workers are the refresher courses given to bring up to date the knowledge of technical, scientific, and professional employees. Examples of such courses are economics of transportation, range management, statistics, thermodynamics, tobacco grading, research methodology, and space research. The principal limitation in this program that may affect some workers approaching retirement is that the employee remain at work after training at nongovernmental facilities for a period of time at least three times the length of his course of training.

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[2] Sec. 302, Public Law 623 (70 Stat. 355), 84th Cong., June 27, 1956.

Promotion

The Federal Government has a merit promotion program. This program requires that promotions to competitive positions be made in accordance with promotion plans which meet requirements established by the Civil Service Commission. Employees are selected for promotion on the basis of ability and fitness. The Civil Service Commission has provided in its regulations that agencies may not establish maximum-age requirements in competitive promotion examinations.

The Commission's requirement reads as follows:

"Section 302 of Public Law 623, 84th Congress, prohibits the establishment of maximum-age requirements for entrance into positions in the competitive civil service. This prohibition applies to noncompetitive as well as to competitive actions and applies to agencies as well as to the Civil Service Commission. Consequently, no maximum age limit may be applied by agencies in holding competitive promtion examinations or in making selections through any type of noncompetitive action."

Reduction in force

The Federal career service, while assuring employees of a high degree of job stability, does not guarantee that workers will not be laid off when there is a lack of work or funds. When a reduction in force becomes necessary, however, workers are not separated in a arbitrary fashion. There is a carefully established pattern of priorities, based on law and civil service regulations, governing the order in which employees will be separated. This system gives greatest protection to career veterans and career employees of long service. Wartime veterans have preference over nonveterans. Among employees in the same retention group, those with the longest service have the greatest retention priority. In computing retention credits, one point is given for each year of service. A long service career employee who is moved out of his job by reduction in force frequently has opportunity to be reassigned to another position, although sometimes at a lower grade. Should he be separated, he has priority for reemployment. Also, he may be eligible for discontinued service retirement.

In a recent study of reduction in force conducted by the Civil Service Commission, it was found that the employees who are affected most by reduction in force are those whose appointments are temporary or conditional and nonveterans with short service. The reduction-in-force system, in accordance with its design, gives greatest protection to career veterans and to career employees of long service.

Work adjustments on the job

The older worker in the Federal service ordinarily does not require any special attention on the job. Sometimes, however, because of decreased physical ability or poor health, he cannot continue previous work patterns. In this situation, agency officials may make adjustments, if the work arrangements permit, in job assignments or work schedules. The employee may be reassigned to another position, or retrained in another type of work. These adjustments are frequently made on the job by line managers. Changes of this type are not done on a group basis, nor are they done merely out of consideration of age. Older workers are individuals whose abilities and capacities, like others of any age, need to be matched to job requirements. Reassignments when made are accomplished in accordance with the procedures of the Federal personnel system, which system is sufficiently flexible to meet the usual work adjustment needs of all employees.

EMPLOYEE BENEFITS

Leave

Leave benefits in the Federal service are related to length of service. Annual leave is granted on a graduated basis. Employees with less than 3 years service earn 13 days annual leave each year; those with 3 and less than 15 years service earn 20 days; and those with 15 or more years service earn 26 days annual leave each year. Employees may accumulate up to 30 days annual leave. Employees earn 13 days sick leave each year, and they may accumulate unused sick leave from year to year without limit, to use it as their health needs require. Taking sick and annual leave together, an employee with 15 or more years of service earns almost 8 weeks (39 days) of leave per year. Sick leave, of course, is taken only when ill.

Injury compensation

An employee injured on the job is entitled to compensation, in accordance with the provisions of law, for time lost from work, for necessary medical service and hospital care, and for any permanent disability. For permanent on-the-job disabilities, compensation may continue for life. If rehabilitation training is needed, this may be given. Financial protection is given to the employee's family in event of death from injury on the job.

Safety

To reduce the occurrence of injuries, Federal agencies conduct comprehensive safety programs. These programs emphasize control of environmental hazards as well as the training of employees in safe work practices. It is of interest to note that older workers as a group have as good or better safety records than younger workers.

Life insurance

Employees may purchase life insurance at group rates without physical examination. The amount of insurance which may be purchased varies with wages. The cost of the insurance to the employee is related to amount of insurance and not to age. An older worker, accordingly, may purchase this life insurance on as favorable terms as a younger worker.

Health insurance

Of the many important benefits available to Federal employees, one of the most important to the older worker is health insurance. The financial threat of major illness, particularly chronic illness, has been to a great extent minimized with the passage in September 1959 of the Federal Employees Health Benefits Act. This act, which became effective in July 1960, provides employees with the opportunity to purchase health insurance, including insurance against the expenses of catastrophic illness. The Government pays part of the cost of this insurance, the employee the balance. The program is voluntary, with the employee having the option of choosing among many approved health insurance plans. A principal feature of this program is that the employee may continue his participation in the program after he retires without an increase in rates or a diminution of benefits. The employee who retires at 70, accordingly, can receive the same protection at the same rates as, for example, a young employee aged 25.

The 1959 act did not extend to employees who were already retired when it became effective. These already retired employees were provided some protection against health care costs, however, by the Retired Federal Employee Health Benefits Act effective July 1961.

GRADUAL RETIREMENT

In the Federal service, there has been considerable interest in the concept of gradual retirement. Gradual retirement may be accomplished before or after retirement. Before retirement, it involves readjustment of duties or hours of work; after retirement, it involves reemployment of an annuitant on a part-time basis. Although gradual retirement is permitted by law and Commission regulations, relatively few annuitants are presently reemployed. As a matter of fact, there are few requests for reemployment by annuitants. In general, those reemployed have special skills needed by the agency. One major civilian department, for example, reports 15 annuitants reemployed as consultants. An interesting sidelight is that most agencies say they have found little evidence of employee interest in reemployment. This may be due in part to the fact that the Federal retirement system provides for a wide range of years within which the employee may choose to retire voluntarily. No mandatory break in employment is required before age 70.

RETIREMENT PLANNING

While not yet a fully accepted part of the Federal personnel management system, retirement planning is attracting much attention in the Federal service. Retirement planning, or preretirement counseling as it is sometimes called, involves a planned program of assistance by the employing agency to help employees prepare for and adjust to retirement. Such programs are predicated on the idea that some employees may experience difficulty in adjusting to retirement.

Interest in retirement planning

A number of Federal agencies are now conducting retirement planning programs. These programs vary widely in scope and content. At the minimum, they consist of distribution of literature to employees on retirement subjects such as financial planning, annuities, health, and the use of leisure. The more comprehensive programs involve group seminars and discussions with about 5 to 10 sessions of about 2 hours each. In some organizations, the group meetings are supplemented by interviews with personnel staff members to discuss retirement annuities and other benefits provided. At some of these interviews there may be some discussion of job-related problems; however, very few organizations provide personal adjustment counseling. Some officials believe giving advice on personal problems relating to an individual's life adjustment should be reserved for trained psychologists, geriatric social workers, or, in some cases, psychiatrists.

Among the reasons given for the growing interest in retirement planning are (*a*) management's sense of responsibility for the well-being of employees, and (*b*) the belief that the assistance given to employees in planning for retirement will contribute to an easier transition between work and retirement, resulting in improved morale and better public relations. While there has not yet been sufficient experience or adequate research to fully assess these programs, there appears to be substantial grounds for continuation of developments in this field. Certainly there appears to be a need to plan for retirement; and management does have an interest in having employees understand the retirement policies and benefits of the organization and in maintaining employee morale and productivity. Current programs, accordingly, may be viewed as pioneering efforts in a new and evidently important field of employee relations.

The Commission recently published a phamphlet entitled "Retirement Planning, a Growing Employee Relations Service." This pamphlet reviews the experience of government and industry with retirement planning; describes typical programs; reviews available evaluative information on the effectiveness of such programs; and suggests to the agencies factors to be considered in starting retirement planning. The pamphlet does not tell agencies that they should or should not conduct these programs. The decision on this is an agency responsibility. Rather, it provides the background information on the basis of which agency officials can make a more informed decision as to their participation in this activity. The Cvil Servce Commission requires Federal agencies to inform their employees of their rights and benefits under the civil service retirement system. To assist agencies in this, the Commission has conducted training conferences on the substantive rights of employees under the Civil Service Retirement Act. This is the minimum retirement planning assistance given by agencies to their employees.

THE FEDERAL RETIREMENT SYSTEM

The civil service retirement system is distinguished by the range of choice which it gives to an employee. An employee with 30 or more years of service can retire voluntarily at any time over a 15-year time span from 55 to 70; and even after 70, he may be reemployed at the discretion of the agency. At 62, an employee may retire with as little as 5 years of service; and he can retire at any age on account of disability.

Approximately 90 percent of Federal civilian employees are members of the civil service retirement system.[3] As of June 30, 1960, the active membership of the system was estimated to consist of 2,150,000 employees with an annual payroll of $12,250 million. The original civil service retirement law was approved May 22, 1920, and has since been liberalized on numerous occasions to keep it abreast of changing conditions.

Through its retirement system, the Federal Government as an employer guarantees its employees a regular income at the end of their active careers, or, in event of death, benefits to their survivors. Benefits payable are related to length of service. With few exceptions, retirement credit is given for all service, both civilian and military, performed for the Government—the employer. Service performed for other employers—non-Government service—is not creditable for civil service retirement purposes.

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[3] Relatively small groups of employees are members of a number of independent Federal retirement systems, such as the Foreign Service retirement system and the Tennessee Valley Authority system. Those who are not covered under the civil service retirement system or another retirement system for Federal employees are generally subject to social security.

Major features of the retirement system

The Civil Service Retirement Act provides Federal employees with many kinds of retirement. The major features of general interest are reviewed below.

Mandatory retirement.—Generally, the law does not require employees to retire until they are 70 and have also completed 15 years' service. Employment may continue past age 70 until the service requirement is met.

Optional retirement.—Retirement is permissable at the option of the employee at age 60 after 30 years' service or at age 62, after 5 years' service. Retirement is also permissable at age 55 after 30 years' service, but the annuity is slightly reduced because of the greater life expectancy. Special provision is made for employees engaged in the investigation, apprehension, or detention of criminals. When the head of the employee's agency recommends it, and the Civil Service Commission approves, such an employee may retire at age 50 after 20 years of such service.

Discontinued service retirement.—Retirement is also optional at any age if an employee is involuntarily separated without "cause" after 25 years' service. Probably the most common situation when this occurs is when an employee loses his job by a reduction in force. This type of retirement is also permitted to a person who has reached age 50 and has had 20 years' service. In either case, the annuity is reduced if the retiree is under 60.

Disability retirement.—An employee may retire at any age if he becomes totally disabled for useful and efficient service in his grade and class of position after 5 years' service. Recovery or restoration of earning capacity before age 60 may terminate this annuity.

Deferred retirement.—An employee who has had 5 years' service and who is separated before becoming eligible for one of the foregoing kinds of retirement is entitled to a deferred annuity beginning at age 62 (or a refund of contributions with interest).

Amount of annuity.—Annuities are based primarily on length of service and the highest average annual basic salary earned during any 5 consecutive years. The general formula is:

(1) 1½ percent of "high-five" average salary multiplied by the first 5 years of service; plus

(2) 1¾ percent of "high-five" average salary multiplied by years of service between 5 and 10; plus

(3) 2 percent of "high-five" average salary multiplied by all service over 10 years.

A substitute formula, 1 percent of the "high-five" average salary plus $25 for each year of service, is provided for any part or all of the above formula. Its use produces a higher rate of annuity in the lower salary ranges.

Under the above formulas, the basic annuity will be at least 50 percent of the "high-five" average salary after 27 years' service, at least 66 percent after 35 years, and 80 percent after 41 years and 11 months.

There is a guaranteed minimum annuity for disabled employees who have not reached age 60 when disabled. If the employee's earned annuity would be greater than the guaranteed minimum he, of course, gets that.

The annuity for employees who retire under the special provision for law-enforcement personnel is based on 2 percent of the "high-five" average salary times years of service.

Survivor benefits.—Annuities are paid to dependents upon the death of an employee in service after 5 years of civilian service. Benefits to children are paid until they marry, die, or reach age 18. The age limit does not apply to a child incapable of self-support.

Any married employee who retires can elect to receive a slightly reduced annuity during his lifetime, with an annuity payable upon his death to the surviving spouse. In this case, the retiree's annuity is reduced by 2½ percent of any portion of the first $2,400 elected as the base for the survivor's benefit plus 10 percent of any amount over $2,400. Retiring employees usually base their survivor's benefit on the full amount of the regular annuity.

An unmarried employee retiring in good health may elect a survivor annuity for anyone having an insurable interest in him. For this his annuity is reduced 10 percent plus 5 percent for each full 5 years the designated survivor is younger than he is. The total reduction, however, cannot exceed 40 percent.

Contributions.—Employees have contributed 6½ percent of salary since October 1956; prior to that date employee contributions were at lesser rates. Any employee may deposit further sums in multiples of $25 to purchase additional annuity, but the total of such voluntary contributions may not exceed 10 percent

of his basic salary earned since August 1, 1920. Since July 1957, each employing agency contributes an amount equal to the total of its employees' 6½ percent retirement deductions. While no direct appropriations are required by law, the Commission must submit estimates of the amount needed to finance the fund on a "normal cost plus interest" basis.

The Civil Service Retirement Act has an extensive history of amendment to adjust the benefits of those already retired. Congress, sensitive to the needs of retired employees, has granted six annuity adjustments in the 10-year period from 1948 through 1958 alone.

Retirement facts

During the fiscal year ending June 30, 1960, the civil service retirement system paid a total of $668,435,682 in annuities to retired Federal employees and $98,595,756 to survivor annuitants. With the addition of 45,161 new retirees to the rolls, the total number of retired annuitants reached 365,391 on June 30, 1960. During the year, 20,271 survivors of employees and retirees also were awarded benefits, bringing the total of survivor annuitants to 149,529.

Of the new retirees, 41,794 were entitled to benefits under Public Law 854 (the Civil Service Retirement Act Amendments of 1956), while 3,367 were former employees entitled to benefits under laws in effect when they left Government service. A typical career employee retiring after age 60 with 30 or more years of service was male, married, 65 years old in 1960, and entitled to an annuity of $311 a month based on an average of 37 years of Federal service.

Reemployment of annuitants

By law, a civil service annuitant's retired status is no bar to further employment in the Federal service. A retiree can be hired to fill any job for which he is qualified. Generally, the usual methods of making civil service appointments apply. Although an annuitant who enters on duty after his 70th birthday normally must be given a temporary renewable appointment for a period not to exceed 1 year, this requirement does not apply to an annuitant who was mandatorily retired and reemployed without a break in service of 1 workday.

For the majority of reemployed annuitants—those retired voluntarily or mandatorily and disability retirees over age 60—annuity continues without interruption during reemployment. The employing agency deducts from the retiree's salary the amount of annuity allocable to the period of reemployment. In effect, the retiree receives (1) his annuity when he is not working, and (2) a combination of annuity and reduced salary equal to full pay for whatever time he works. The 6½ percent retirement deductions are not taken, but a supplemental annuity is payable if the retiree completes at least 1 year of full-time continuous service.

Annuitants whose retirement was based on involuntary separation are grouped in a separate class with respect to reemployment. If such a retiree is appointed to a position which confers retirement coverage, annuity terminates. The regular 6½ percent retirement deductions are taken from his salary, and his retirement rights are redetermined under the law in effect at the time of his subsequent separation. If reemployment is not in a position entailing retirement coverage, annuity continues without interruption, but the amount allocable to the reemployment period is deducted from his salary. Disability retirees who have been found to be recovered from the disability or restored to earning capacity are grouped in the same class except that if reemployment is not in a position entailing retirement coverage, annuity is suspended and then resumed at the same rate when the reemployment ends.

VALUES OF THE FEDERAL SYSTEM

The extent to which the Federal personnel system may serve as a model for other employers is due principally to the nature of the system itself rather than to any single policy or program. As expressed by Dr. O. Glenn Stahl, Director, Bureau of Programs and Standards, U.S. Civil Service Commission, in testimony given July 1959 to the Senate Subcommittee on Problems of the Aged and Aging:

"By and large I would not want to claim that the Civil Service Commission or Federal agencies as employers have deliberately set out to employ or treat older workers in any different manner than other members of the work force. Rather, I would stress that because we generally operate under a merit system, because selection for the service is upon the basis of ability and fitness, irrelevant

factors such as age do not get the same attention that they might in some other fields of employment."

There are characteristics of the Federal personnel system—a system that has resulted in a high level of worker stability and productivity—that may well be relevant to the employment of older workers in other segments of our economy. These features are:

Hiring on merit by competitive examination.

No discrimination of the basis of age (or race, religion, color, or national origin).

Attention to the training and development of individual employees.

Promotion of merit.

Job assignment changes as work requirements and changing individual capacities indicate.

Protection against arbitrary dismissal.

A full program of employee benefits, providing substantial protection against financial loss due to injury on the job or illness.

Postretirement health insurance benefits.

A flexible retirement system, with the individual employee having a broad choice of years in which to consider retiring on a voluntary basis.

Together these features make up a personnel system in which the older worker is considered as an individual and not merely as a member of a group apart. The job-related needs of the older worker are generally met in much the same way as needs of all employees.

EXHIBIT 2

RETIREMENT PLANNING: A GROWING EMPLOYEE RELATIONS SERVICE *

Bureau of Programs and Standards and Bureau of Retirement and Insurance, U.S. Civil Service Commission, August 1960

I. BACKGROUND

Retirement on a mass scale has been characterized as a new phenomenon in American life, in large measure an outgrowth of our highly productive, industrialized economy and tremendous advances in health and nutrition. Looking back, only 1 person in 25 was age 65 or over in 1900. Social security did not become law until 1935, and there were probably less than 1,500 formal retirement benefit plans in the United States before World War II. Today, 1 of every 12 Americans is age 65 or more, 50,000 pension and deferred profit-sharing plans have been approved under the Internal Revenue Code, and 58 million workers—87 percent of all those in paid employment—are covered under social security.

Even newer than the accomplished fact of mass retirement, however, is the concept of helping people anticipate and prepare for such things as the changed economic status, health problems, increased leisure time, and shifting social and family relationships that accompany aging and retirement. A growing number of private and public employers—whose initial interest stems in part from their participation in pension plans—have taken the lead in setting up programs to assist employees in planning for and adjusting to retirement.

Purpose

This paper reviews and analyzes the development of retirement planning programs in order to provide a clearer view of the place and significance of such programs in the Federal service.

For background and perspective, the paper draws on the experience of both industry and Government. It examines the characteristics of retirement planning program, their value to employees and to management, their limitations, and their significance to overall personnel management.

The paper is not intended as a directive to agencies to conduct or not conduct retirement planning programs. The decision on this rests with the agencies. The paper does provide information on the basis of which an agency may make a more informed judgment as to what type of program it should

* NOTE.—This paper is a joint product of the Program Planning Division, Bureau of Programs and Standards, and the Bureau of Retirement and Insurance, U.S. Civil Service Commission, Washington, D.C.

establish, if any. It also suggests some cautions that may help an agency avoid becoming engaged in types of retirement assistance activities which possibly are not the proper province of an employing organization, or entering upon activities of a kind which require staff resources not currently available in the agency.

Definition

The term "retirement planning," or "preretirement counseling," as used in this paper, relates to various forms of assistance that an employing organization may give to its employees to help them make a better adjustment to retirement. Our intention here is not to cover the overall problems of aging and the aged. Our concern is with that transitional period in a worker's life when he begins to close down his accustomed working career and enters into retirement from full-time, regular employment. It is during this period that the employing organization properly has concern for the continued adequacy of the worker's job performance, the maintenance of his morale, and the orderly ending of a working relationship that for most employees has been of long duration.

Growth of retirement planning programs

Retirement planning is a rapidly growing employee relations service both in private industry and Government. A survey conducted by the Equitable Life Assurance Society in 1950 shows that retirement counseling took place at that time in 13 percent of 355 cooperating companies. By 1952, a study of 657 companies by Edwin Shields Hewitt and Associates, independent actuaries, indicated that 54 percent were engaged in some type of counseling activity.[1] In 1955, companies that reported retirement counseling to the National Industrial Conference Board comprised 65 percent of a sample of 327 concerns with over 4.1 million employees.[2] This survey also indicated a greater prevalence of preretirement counseling among larger concerns. Among 68 firms employing 10,000 or more workers, 80 percent were engaged in some type of retirement counseling as compared with the overall 65 percent for all establishments in the sample. However, all but 15 percent of the total 214 companies reporting activity to the conference board characterized their programs as "informal." Preliminary findings of a current survey of some 500 companies show a lesser percentage of companies sponsoring retirement planning programs. However, the definition of a program as used in this survey is more rigorous than in some previous surveys.

Industrial interest in retirement planning has been echoed in many similar programs that have been developed by Government agencies. An imposing list of Federal agencies now conduct retirement planning programs. These include: the Department of Health, Education, and Welfare; the Bureau of Old-Age and Survivors Insurance of the Department of Health, Education, and Welfare; many components of the Departments of the Army, the Navy, and the Air Force; the Veterans' Administration; General Services Administration; and the Tennessee Valley Authority. Among field activities of Federal agencies conducting retirement planning programs, the Civil Service Commission's inspection service reported in the last year: U.S. Naval Weapons Plant, Washington; U.S. Navy Finance Center, Cleveland, Ohio; Veterans' Administration hospital, Hines, Ill.; Veterans' Administration hospital, Fort Meade, S. Dak.; Veterans' Administration, Newark, N.J.; Veterans' Administration, Baltimore, Md.; Veterans' Administration, Bay Pines, Fla.; and U.S. Army District Engineer's Office, Galveston, Tex. This is just a partial list covering only those agencies recently inspected.

At this point, it should be noted that all Federal agencies are charged with responsibility for giving their employees information on Federal benefits available to them at retirement, and that all Federal employees may consult on an individual basis with personnel or management officials on employment-related problems attendant on their retirement. In this sense, it can be said that all Federal agencies engage in some retirement planning work.

The Congress, within the context of its strong concern for our older citizens, has also expressed interest in retirement planning. The Senate Subcommittee on Problems of the Aged and Aging, Committee on Labor and Public Welfare, for

[1] Edwin Shields Hewitt & Associates, "Company Practices Regarding Older Workers and Retirement," Libertyville, Ill., 1952.
[2] National Industrial Conference Board, Inc., "Retirement of Employees," New York, 1955.

example, asked the Commission to submit a report on employment of older workers in the Federal service. This report, published in July of 1959, describes the Government's policy of no maximum age limits in hiring for the competitive service, and briefly reviews retirement planning activities in the Federal service.[3]

Labor unions, responding to the needs of their members, have shown considerable interest in retirement planning. The Upholsterers' International Union, the International Ladies' Garment Workers' Union, and the Retail, Wholesale, and Department Store Union are reported to have developed preretirement counseling programs and postretirement activities and services for their members. Some of the field representatives of the community services staff of the AFL–CIO also are reported to have been active in this field. The United Automobile Workers recently participated with the University of Michigan in an experimental project in "Leadership Training for Preretirement Education." A 19-week pilot training program was held for 25 union leaders from nine different locals. The emphasis of the program was on developing program leaders from among union ranks.

Factors promoting interest in retirement planning

What has brought about this rapid growth of retirement planning in industry and in Government? Of first importance is the increase in the proportion of older people in our population. Accompanying this increase there has been a rapidly growing recognition of the political, social, and economic importance of older people. Scientific inquiry into the social and physical aspects of aging has been accelerated. Stimulated by advances in the field of medicine, there have been striking developments in social gerontology, the field of research and teaching concerned with the psychological and sociological aspects of aging. Of considerable importance, as well, have been the expansion of the Federal social security system and the widespread adoption of pension systems by employers everywhere in the Nation.

The universities have been producing a number of important studies on aging, including those of the University of California (the economic aspects), Columbia University (the psychology of aging and retirement), and the University of Chicago (personal adjustment in old age). For the past 12 years, the University of Michigan has held an annual conference on aging which draws attendance from all parts of the Nation. Cornell University, since 1951, has been conducting a long-range, longitudinal study of occupational retirement; and the California Institute of Technology has recently begun research on retirement planning on an impressive scale. Seventeen universities throughout the Nation are participating in a newly established Inter-University Training Institute on Social Gerontology.

This general interest in the aged and the aging has given emphasis to questions relating to the adjustments attendant upon retirement from work. In the process of growing older, retirement is a pivotal point for the employed worker. As pointed out in a report of the Cornell study of occupational retirement: "Retirement involves the cessation of a major life activity; it is usually accompanied by a decline in income, an increase in the amount of free time, and in many instances it is preceded by physical changes which make continued employment difficult * * *. Many aspects of aging are a matter of gradual change or deterioration. However, retirement is a status change which is relatively clear cut, and as a consequence has a significant impact upon the persons involved."[4]

It has been hypothesized that the difficulties a retired worker experiences may stem in part from our cultural patterns. We tend to emphasize youthful qualities such as physical appearance, aggressiveness, initiative, and vigor, which may be declining or lacking in later years. Also, work in our society has great social value; it gives a person status and prestige. When an employee is retired, he is not only detached from his job, but from a role which helped form the pattern of much of his life. This may explain, in part, why there is some evidence to show that the closer some workers come to the time of

[3] This report is reproduced in Federal Programs for the Aged and Aging, a report of the hearings before the Subcommittee on Problems of the Aged and Aging of the Committee on Labor and Public Welfare, U.S. Senate, 86th Cong., Government Printing Office, Washington, D.C., pp. 145–212.

[4] Gordon F. Streib, Wayne E. Thompson, and Edward A. Suchman, "The Cornell Study of Occupational Retirement," in the Journal of Social Issues, 1958, No. 2, p. 5.

retirement, the more they wish to remain at work. There is no clear-cut established social role for retired people in our society. Retirement, in a very real sense, is what one makes of it.

Further, retirement is a time of economic deprivation for many older people. The changed financial status that accompanies retirement may have a major effect on adjustment. The mobility of younger family members and the loss of a life partner may help create a lonely life for a once busy person. Thus, many powerful social and personal factors are behind the current surge of interest in retirement planning; and there is every reason to believe that this interest will become even stronger in the years ahead. It is not surprising, accordingly, that this stream of activity has prompted employer interest in preparing workers for retirement.

Responsibility of employers

The well-being of people who have retired from work is an acknowledged area of interest and action for public officials, physicians, and social scientists. What, however, is the basis for the responsibility assumed by some employing organizations for the postretirement adjustment of their workers? To find an answer, the expressed views of employers who have had experience with retirement planning were examined. Since the longest and most extensive experience with retirement planning is to be found in industry the views given are principally those of business leaders.

Executives who have furthered the establishment of company-sponsored retirement planning programs give these altrustic reasons for employer participation in these programs: the success of a company retirement system depends on the educational preparation for retirement; it is important for worker morale; and the company should help its employees to approach retirement aware of the adjustment problems they may face. Charles E. Haines, director of the employment and retirement section, National Committee on the Aging of the National Social Welfare Assembly, believes that management is responsible for the welfare of its employees and should therefore have an interest in assisting them in preparing for retirement.

These points of view reflect the growing human relations trend in industry, with management increasingly interested in the motivation, morale, and attitudes of employees. However, practical considerations also have contributed to company interest in retirement planning. Companies with mandatory retirement ages have felt that retirement preparation would soften the abrupt break in employment. A few companies with flexible retirement ages have found that retirement planning may help encourage employees whose productive capacity has dwindled but who may be reluctant to retire voluntarily to give more favorable consideration to making the decision to retire.

Among other reasons cited for establishment of retirement planning programs is fear that ill-adjusted retirees may pose a community relations problem for the company or that the anxieties of workers facing retirement may be transmitted to other employees. Some companies are concerned about possible productivity slumps among workers approaching retirement age. Retirement planning programs are a way of assuring older employees that the company is still interested in them and their future.

By no means, however, is there general agreement that employing organizations should conduct retirement planning programs. Employer opinions on this subject run the gamut from enthusiasm to complete rejection of the concept. Some share the view of the personnel director of a major concern who is quoted to the effect that encouraging workers to think about retirement injures their usefulness as employees. Others feel that any program that goes beyond an explanation of benefits available from the company is paternalistic, unwarranted interference in the personal affairs of individuals. Many employers, both public and private, have a watchful wait-and-see attitude, accompanied by a strictly limited program or none at all, because they think that the right and wrong answers have not been found in this relatively new area of personnel management. Yet others join with the executive who says that the value of pension plans would be lost if employees were not encouraged to plan for retirement.

Fundamental to the concept of retirement planning is the belief that retirement will bring problems of personal adjustment and that anticipation of what retirement holds and preparation for it will contribute to a successful accommodation to retirement. The extent and nature of an employing organization's assistance

to employees in planning for retirement is undoubtedly influenced greatly by its evaluation of the seriousness of the various problems employees may face after retirement, as well as by its philosophy on the kinds of assistance it may properly offer to its employees.

II. PRERETIREMENT COUNSELING

Retirement planning as a management-sponsored personnel activity is so relatively new that it would be useful to describe in some detail the content and methods of retirement planning programs as they are currently being conducted. Much of the information that follows is based on the experience of industry, because most retirement planning programs were pioneered and developed in industry, although significant contributions to this area have been made by a number of Government agencies.

Subject matter coverage

The following table, which summarizes some of the findings of a survey conducted by the National Industrial Conference Board, gives a statistical indication of what subjects are included in various preretirement counseling programs. Note that separate figures are given for formally organized and informal counseling programs.

Subject matter of preretirement counseling in 214 companies

	Total companies		Informal program		Formal program	
	Number	Percent	Number	Percent	Number	Percent
Amount of benefits	213	99.5	179	99.4	34	100.0
Filing for OASI	190	88.8	157	87.2	33	97.1
Options under company pension plan	178	83.1	147	81.6	31	91.2
Financial problems	144	67.3	117	65.0	27	79.4
Advice on health	107	50.0	80	44.4	27	79.4
Hobbies	104	48.6	78	43.3	26	76.5
Leisure time activities	93	43.4	73	40.6	20	58.8
Finding other work	92	42.9	72	40.0	20	58.8
Opportunities for civic and religious work	52	24.7	34	18.8	19	55.9
Where to live	42	19.6	26	14.4	16	47.1

The chart on p. —[5] shows that a considerable variety of topics may be covered in both formal and informal counseling, but that comprehensive coverage is much more likely in an organized program. Other sources indicate additional subjects not covered in this list. In the following brief descriptions, some items have been combined and others added to those in the chart to give a somewhat broader coverage picture.

Subjects typically included in retirement planning programs are:

Financial planning.—By far the most common topics covered in preretirement counseling programs are the benefits, such as pensions, social security, and group life and hospitalization insurance, due the employee upon retirement. In fact, these and financial problems were the only topics covered in more than half of the informal programs in the National Industrial Conference Board survey. Although some programs are limited to an enumeration of benefits, others delve rather deeply into financial problems. Forms are provided to assist employees in budgeting anticipated retirement income against expenses, and advice is given on investments and other sources of income.

In the Federal service, all agencies are instructed to provide information to their employees on retirement eligibility and insurance benefits. To supplement its written instructional material, the Civil Service Commission has recently experimented with a training course on the benefits and options of the Federal retirement system for agency retirement counselors in the Washington, D.C., area.

Need for planning.—Often, if counseling antedates retirement by a fairly substantial period of time, an attempt is made to instill in the employee awareness of the desirability of advanced planning for retirement, just as for any other major life goal. This counseling usually emphasizes the idea that retirement is

[5] National Industrial Conference Board, "Retirement of Employees," New York, 1955, p. 32.

becoming an inevitable phase of life, the need to plan for adequate finances, acceptance of the fact of aging, and the importance of health maintenance, good family life, and useful activity. This facet of retirement preparation receives attention in most formally organized Federal agency retirement counseling programs.

Health and nutrition.—Health problems are likely to become more commonplace and more serious as the body mechanism ages, so health maintenance and proper nutrition are matters that receive attention in many retirement planning programs. Quite often the organization's medical staff or a physician with special interest in the problems of aging handles this topic. A few of the more comprehensive programs also go into concepts of mental health and the vicissitudes of everyday living in later life.

The three subjects listed above—finances, health, and advanced planning—are considered by many authorities on retirement adjustment to be the most important topics in any retirement planning program. The following subjects, which are included in many formal programs, are sometimes considered to be of lesser significance than the three previously listed.

Leisure time activities.—What to do with the extra hours that retirement brings has been characterized by some as a pressing problem of retired people. Some employers attack this problem by organizing hobby clubs, providing hobby facilities for employees and retirees, and publicizing individual achievements. Others try to relate leisure time activities to the satisfactions that the individual has derived from his work. In a few programs, forms are provided so that the employees can compare their work activities and interests with possible leisure time pursuits. A number of employers, perhaps a bit doubtful about the possibility of leading people to new interests at later ages or wishing to avoid the appearance of too much directiveness in this area, provide only rather general information on leisure time activities or avoid the topic.

Finding other work.—Inadequacy of income is a problem that confronts a substantial number of retiring workers; and even when the need for additional income is not great, there are people who tend to relate useful activity to a monetary return. In the conference board study, 40 percent of participating companies provide some sort of aid in finding other work. (Other sources indicate that company programs rarely get involved with this problem. In any case, industry efforts in this area are probably cautious since prospects for employment at older ages are not bright for the majority of retirees.) While some programs try to stimulate thoughts of self-employment, sometimes by illustrative examples of retired persons who have started their own businesses, a similar cautious attitude evidently is important because of the high percentage of failure in small business enterprises.

Opportunities for civic and religious work.—One way of occupying the leisure time provided by retirement, while enjoying the personal satisfaction of making a contribution to the community, is through participation in volunteer civic and religious work. Some programs, therefore, make an effort to bring opportunities for social service to the attention of participants. Quite often literature prepared by welfare agencies, although not beamed directly at retired groups, is available for distribution, and local speakers may be obtained if employee interest warrants. In larger cities, the public libraries often are a source of information on activities for older persons.

Where to live.—Retirement sometimes provides the opportunity for, and in other cases of necessity entails, a change in living location—either in the same area or another geographic locale. The content of individual courses varies considerably with respect to the coverage afforded this topic. In some programs, information may be given on the more widely known retirement locales, the pro's and con's of geographic relocation, or the retention or sale of an established home. In general, the emphasis is on systematic exploration of alternates prior to retirement. In some programs or individual cases, the alternates—availability of low-income housing in the immediate area, decisions on living with children—may be more limited because of the income available to retirees.

Legal problems.—This seems to be of considerable interest to a number of people approaching retirement age, so some programs provide general information on matters such as wills, and legal aspects of real estate sales and rentals. There is no intent to supplant the attorney's role, but rather the approach is one of cultivating an awareness of situations where legal counsel would be desirable.

Family and social relationships.—Another set of changes that may affect adjustment on retirement are shifts in family and social relationships, and some

of the more comprehensive programs try to assist employees in preparing for such changes. Subject matter may include relations with children, which may be affected by the status change of retirement, and consideration of the need for cultivating friendships and interests outside the work environment, which may be particularly important for unmarried persons.

Methods of presenting retirement planning information

The two principal methods of presenting retirement planning subject matter material to employees are: (*a*) individual counseling and (*b*) group meetings. Individual counseling is widely used in industry, particularly by companies that do not have formal programs. The "counseling" may be as prosaic as an interview in the personnel office where information on pension benefits is provided; or, in a few instances, it may be as intensive as counseling on individual personal adjustment problems. It can be seen that the word "counseling" as used in the literature on retirement planning may refer to any advisory contact between an official and an employee.

The group method, stimulated by the availability of course outline material such as produced by the University of Chicago, is being increasingly used in industry and in Government. This approach usually consists of 6 to 12 meetings, with each session between 1 and 2 hours in duration. Most often, several days or a week's time is allowed between meetings to give the participants an opportunity to digest the material presented at each session and to minimize work disruption. The material is presented either by lectures or group discussions. Lectures permit the use of subject matter specialists to present the topics covered. In the group discussions, a trained conference leader, who has been supplied with prepared background material, guides the participants through a discussion of the topic. There is some tendency, though, for the two types of programs to overlap; that is, a conference leader may knit together the topics covered in the lecture program and subject matter specialists may cover at least some of the material in the group discussion type program.

The advantage of the group method is that it permits providing information to a number of employees at a time. Further, the realization that others also are facing retirement may be of value, the exchange of viewpoints helpful, and the stimulation of group discussion beneficial in breaking down natural reticence about retirement problems. Moreover, the approach permits bringing in persons with special knowledge of subject areas and the inclusion of more topics for discussion than might be practical in an individual counseling session.

Recognizing that the group approach does not provide an opportunity for participants to go deeply into their particular cases with a counselor, some programs extend a blanket invitation to followup on individual problems. Most often, these individual interviews are informational in nature—amount of specific retirement benefits, etc.—and do not develop into an exploration of personal adjustment problems.

There are some few organizations, such as the Bureau of Old Age and Survivors Insurance in Baltimore and the J. L. Hudson department store in Detroit, which employ trained social workers who sometimes go into personnel adjustment problems and work with appropriate community facilities. Personal adjustment counseling, of course, is time consuming and potentially harmful if handled by amateurs.

Beginning date and frequency of counseling

The National Industrial Conference Board survey found, as might be expected, a relationship between a fixed beginning date for counseling and the existence of a formal, organized counseling program.

In 39 percent of the 180 companies with informal programs, the beginning date of counseling varied at the option of the employee. In about 25 percent of the informal programs, counseling did not begin until 1 year, or less, before retirement, but about one out of five programs began counseling 5 years before retirement.

Conversely, all but 1 of the 34 formal programs had fixed beginning dates. In 6 percent of these programs counseling started 10 years before retirement; 41 percent, 5 years; and 18 percent, 2 to 4 years prior to retirement. Since this is a small sample, these figures may not be fully representative of other programs.

Some authorities feel that retirement planning must begin no later than middle age, and probably earlier, to be effective. Two factors, however, often make it impractical for an organization to extend its retirement planning program to employees much more than 5 years away from optional retirement: the

number of employees near retirement age and lack of strong interest in systematic planning among employees of younger ages.

With regard to frequency of counseling, Edwin Shields Hewitt & Associates report that only 8 percent of the 657 companies in their study interviewed employees two or more times, with the first interview at least 1 year before retirement. In the National Industrial Conference Board investigation, almost 45 percent of the companies with informal programs, plus a third of those with formal programs, reported that the number of interviews before retirement varied with the needs of the employee. The board did not feel that its data permitted it to attempt a correlation of frequency of counseling with beginning date. Other sources have leveled criticism at industrial programs generally, on the grounds that counseling too often begins late and is inclined to be superficial.

Retirement planning literature

Printed material is widely used to supplement or, in many organizations, substitute for preretirement counseling. Companies that have pension plans customarily prepare an explanatory booklet for distribution to employees; some are cartoon-illustrated, attractively printed, and rather well designed for popular reading. House organs are often used to publicize the doings of retired employees and report current retirements. A few publications stimulate preparation for retirement more directly through articles on various aspects of retirement planning. Infrequently, other special literature is prepared by the employer, but more often it is obtained from organizations and institutions interested in the fields of aging and retirement.

Illustrative of an approach which provides some stimulus for retirement planning, yet regards preparation for retirement as a matter to be handled as each individual sees fit, is that of General Motors Corp. This company sponsored the publication of a series of seven booklets, "My Time Is My Time." These, and other pamphlets of interest to people planning for retirement, are made available as part of the firm's information rack service to employees. Aside from distribution of literature, General Motors conducts a preretirement interview with retiring employees, but discussion is mainly limited to various benefits available from the company and social security.

The Detroit Edison Co., as well as a number of other concerns, uses a pamphlet, "Look Forward to Your Retirement," published in 1956 by the U.S. Chamber of Commerce. This pamphlet is sent along with a letter to each employee reaching age 50. The carefully worded covering letter indicates that further information is available through personal interview, but leaves the decision on use of this service entirely to the employee. Another more detailed letter explaining pension benefits and options is sent a year before retirement, with a copy to the supervisor. These are supplemented by at least one preretirement interview.

The Mutual Benefit Life Insurance Co. of Newark, N.J., is reported to distribute to its employees a 57-page book, "Begin Now—To Enjoy Tomorrow," as part of a rather comprehensive retirement preparation program. The company also makes this book available to other concerns as a public service. Subscriptions to periodicals also are given to employees approaching retirement age in some companies. Among the available periodicals are "Journal of Lifetime Living," "Senior Citizen," and "Modern Maturity." Some Federal programs include a copy of "Retirement Life"[6] among reading material given to participants.

The Michigan Bell Telephone Co. is one of a number of concerns that have subscribed to the "Retirement Planning News" edited by the Retirement Council, a consulting organization on retirement planning, which has a monthly news service for mailing to employees' homes for several years before retirement. Articles deal with matters such as living arrangements, finances, use of leisure, and health maintenance. Michigan Bell is trying to place at least six pieces of retirement literature into the hands of older employees each year. The company, which has recently begun this limited program, does not intend to get into counseling activity unless employee interest later warrants it.

Also designed for mailing to the homes are a series of six leaflets, "Notes for After Fifty," prepared by the National Association for Mental Health. Although the leaflets are identified as mental health material, they are said to have been used in many firms without negative employee reaction.

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[6] "Retirement Life" is published by the National Association of Retired Civil Employees, 1625 Connecticut Ave. NW., Washington, D.C.

Proponents of the mailing to the home procedure cite several advantages. The anonymity of the recipient is preserved insofar as other employees are concerned. It is a relatively unobtrusive way of showing the company's interest, one that the employee can easily reject if unwanted—thus it does not smack of undue paternalism. Yet repeated mailings serve as periodic reminders of impending retirement, and may lead other family members to give thought to the changes associated with it.

A number of Federal agencies distribute reading kits in connection with their retirement planning courses. The U.S. Navy Finance Center, for example, gives a package of reference reading materials to the participants in its "Education for Lifetime Living Course." This course consists of six discussion sessions on questions that concern people as they look forward to retirement and later years. The sessions cover: The importance of the aging group, the physical side of aging, mental health in later years, financial planning for retirement, leisure-time activities, and living arrangements after retirement. The reading kit given to the course participants contains both published pamphlets and mimeographed handouts. Included are "Your Retirement System," published by the U.S. Civil Service Commission; several leaflets on health published by insurance companies; "Once in a Lifetime," a pamphlet on retirement planning issued by the National Association of Retired Civil Employees; a comprehensive bibliography on retirement planning; and mimeographed checklists on health, finances, and part-time work.

The Internal Revenue Service distributes a cartoon-illustrated pamphlet, "Retirement Planning," to its employees approaching retirement. The pamphlet briefly describes the highlights of the civil service retirement system and financial benefits such as continued group life insurance and income tax adjustments for retired employees. It also contains a bibliography of books of general interest on other aspects of retirement planning, although the Service does not counsel its employees on these nonemployment related aspects.

The General Service Administration has a six-session program, "Looking Ahead to Retirement." Participants are given a comprehensive kit of reference materials, containing some 25 pamphlets, and handouts obtained free of charge from insurance companies, medical organizations, and other Government agencies. Included are handouts on health, financial planning, retirement, tax benefits, and appropriate bibliographies.

The San Bernadino Air Material Area, Norton Air Force Base, Calif., distributes a pamphlet on preretirement planning to its "senior employees." The pamphlet gives information in a quick, readable style on why employees should plan for retirement, eligibility for retirement, computation of annuities, income tax, and life insurance. It limits itself generally to information the employing agency has to give its employees about benefits directly derived from employment in the civil service.

The University of Chicago, as part of a program on retirement planning which has been adapted for use by a number of major employers (including the Navy Department) has prepared a series of booklets on various aspects of retirement. These booklets are used as a basis for discussion of retirement problems among groups of employees and a trained conference leader. Each booklet, prepared by a different specialist, contains a short bibliography of further reading on the particular topic covered. Selected conference leaders are given special training by the university, which also supplies substantial backup material for them.

The University of Michigan's Division of Gerontology has recently prepared a series of retirement planning booklets to be used in connection with programs offered by that institution. The titles are indicative of content: "A Guide for Planning Your Retirement Years," "What Do You Think About Retirement," "What Is Retirement Going To Be Like," "How Can I Make the Most of My Retirement Income," "Where Shall I Live," "How Can I Keep Healthy in My Later Years," and "What Can I Do To Have a Good Life After I Retire.' "Selected References on Aging," an annotated bibliography published by the Special Staff on Aging, Department of Health, Education, and Welfare, lists a number of published guides to personal adjustment addressed primarily to individuals. The Special Staff on Aging also has a listing of tapes and filmstrips on retirement subjects.

In addition there is a vast array of other literature which either deals directly with retirement problems or is useful to persons interested in retirement planning (in the latter category, hobby magazines, financial publications, etc.). Some of this material is used in various retirement planning programs.

III. RELATED ACTIVITIES

Health maintenance programs.—A number of companies have industrial medical departments, which generally are concerned primarily with routine physical examinations, first aid, and followup on illnesses. In some instances, however, companies provide for periodic health examinations and systematic health consultations, which can have a great deal of value in reminding employees of the importance of health maintenance in later life, in calling individual health problems to their attention, and in gradually preparing them for retirement as a possible desirable eventuality from a medical point of view. Quite often, however, cost considerations limit the more comprehensive medical programs to older executive personnel. A somewhat greater number of concerns, though, do provide retirement physical examinations for all employees and, in some companies, a medical examination is required in connection with employment beyond normal retirement age.

Service clubs.—A number of private employers go beyond simple length-of-service award ceremonies and sponsor clubs for long-service employees. The programs of such clubs vary greatly—ranging from as little as an annual dinner or luncheon to rather comprehensive schedules of activities—depending on the degree of employee enthusiasm and management support. It should be noted that some companies deliberately avoid forming such clubs, feeling that they are evidence of paternalism or that cliques of older employees are undesirable. Such clubs can provide social relationships which can be carried over to retirement, but the geographic dispersal of retirees may be limiting factor in some organizations.

Hobby clubs.—Hobby, craft, and recreation associations are encouraged by some employing organizations. Usually, membership is not restricted to older employees, but often this group makes up a large part of the membership. Such associations usually have been started primarily as a means of relaxation for employees, but they also may provide recreational activities which employees can carry into retirement.

Retirement celebrations.—In many private concerns, as in government, some form of ceremony is customary in connection with the retirement of employees. The most common practices are a dinner or party or luncheon. In some instances, a special assembly of the work force is called, but often the celebrations, especially in larger concerns, are department affairs. Generally, some token of remembrance is given to the retiring employee. The employee's position in the organization, his length of service, and his past formal and informal relationships within the organization influence the type of retirement celebration and the gift.

It is unlikely that the retirement celebration in itself has any substantial retirement preparation effect, but such ceremonies are a custom of long standing in many organizations. Undoubtedly, they are useful in the sense that the employee leaves the organization with a feeling of importance and appreciation and the celebration serves as a culmination of the preretirement planning program.

IV. POSTRETIREMENT CONTACTS

Some form of continued contact with retired employees as a part of many retirement planning programs. By extending certain privileges and maintaining periodic contact, employers demonstrate a sense of regard for their retired employees, and, in varying degrees, strive to make the adjustment to retirement more pleasant. However, some prefer to make retirement a clean break of ties. Also, there are indications that a number of organizations maintain contact with retirees in a rather minimal fashion, so the following summary of postretirement contacts should not be considered as being suggestive of a widespread pattern of comprehensive programs of followup with retired employees.

Written contacts.—Employee magazines and other written communications are the most commonly used means of maintaining contact with retired employees. A wide variety of information can be communicated in writing; geographic dispersion of retirees is not a problem; the approach is unobstrusive because the retiree is free to ignore the material if he so desires; and it is relatively inexpensive. The means of keeping in touch include:

1. Employee publications: Many organizations retain retired employees on a mailing list for their employee publications. Some house organs regularly feature the activities of retired employees, and a few concerns are reported to

have developed special newsletters for their retirees. In some instances, service clubs have their own publications which are sent to retired employees.

2. Letters and cards: Another fairly common practice is that of sending holiday and birthday greetings, letters of sympathy on occasions of illness or bereavement, and announcements of special events of interest to retirees.

3. Questionnaires: Annual questionnaires are sometimes used to check on the activities, location, and well-being of retired employees. Returns can serve as a basis for newspaper articles and evaluation of preretirement programs.

4. Other literature: A few organizations are reported as keeping retired employees, particularly those of the executive level, on mailing lists for various publications—mainly of a management nature. Apparently these concerns feel strongly that retirees have a desire to keep up with company activities and changes.

Social contacts.—Many organizations encourage social contacts with retired employees. The nature and frequency of such contacts, the intangibles of attitude and relationship with retirees, apparently in large measure determine whether any meaningful accomplishments result. Common ways of maintaining social contacts are:

1. Special events: It is customary to invite retired employees to participate in Christmas parties, dances, outings, picnics, and other organization social activities. Many Federal agencies arrange an annual "open house" where members of employees' families, friends, and the public are invited to visit the establishment; and a special effort often is made to invite retirees to these affairs.

2. Hobby shows: Annuitants are encouraged to participate in company hobby shows and a few instances are reported where companies have "hobby outlet" stores in which annuitants may sell their products.

3. Service clubs: Many organizations invite retirees to continue membership in service clubs which have programs of social and recreational activity. Special annuitant's clubs also have been organized, and some employers, Eastman Kodak for one, also are reported to have established clubrooms for retired employees.

4. Visiting programs: A number of companies (over one-third of the 327 companies in the National Industrial Conference Board survey) send a representative to visit annuitants at home. In about half of these companies, there is a regular schedule of visits, most usually on an annual basis but quite often more frequently, although the program is almost always limited to the immediate geographic area. Aside from mere social visiting, such contacts are used to uncover cases where retirees have problems where the company can be of direct or indirect assistance.

5. Advisory services: In some concerns, retirees are invited to contact the company on problems that arise in retirement and are allowed to take advantage of company services such as tax and travel advice.

6. Plant entrance rights: Another quite common practice is that of encouraging retired employees to maintain social contact through visits to the company. However, visits by annuitants may disrupt production, so some employers permit them to return only by invitation.

Associations of retired employees.—There are a number of associations of retired employees that exist to maintain social contacts among their members and to represent the interests of their members in dealings with their former employers on matters of concern to them. Among Government employees, one of the best known of these groups is the National Association of Retired Civil Employees.

V. GRADUAL RETIREMENT: TAPERING OFF

Gradual retirement, or tapering off, may involve the assignment of less arduous duties, employment on less than a full-time basis, or liberalized leave arrangements. The principal purpose of gradual retirement is to minimize the impact on the individual of a sudden break in employment. It also may serve to extend the period of employment and productive usefulness of the employee.

Adjustment of work assignments

As presently practiced, adjustment of work assignments of older workers is not undertaken primarily as a retirement preparation technique. Rather, such adjustments are made mainly because the employer is convinced that they are practical and worth their costs in themselves, although humanitarian considerations and good community and employee relations also influence management's decisions. Some authorities feel, however, that more efforts should be made to

include systematic adjustment of work assignments as an integral part of the employing organization's program of assistance to workers in their preparation for retirement. They argue that tapering off work activities will help ease the financial and personal impact of full retirement, while at the same time permitting more efficient utilization of older workers.

With this background in mind, this section summarizes the available information on existing practices and briefly describes the procedures followed in some organizations that are reported to systematically adjust the work assignments of older workers as a retirement preparation technique.

Reassignment.—By far the most common industrial practice is reassignment of older workers to less exacting work. In the National Industrial Conference Board survey of 327 companies, over one-third of the reporting firms transferred older workers to other work as a regular or frequent practice, and an additional 57 percent did so occasionally. In a survey reported by Charles P. Boyle, of the Esso Co., 80 percent of 76 major concerns reported they assigned older workers to jobs in line with their changing capabilities. Boyle reports the following positions as ones to which older workers are commonly assigned. Routine positions: guards, elevator operators, janitors, oilers, caretakers, painters, machine tenders, and maintenance men. Positions, involving company experience: instructors, information clerks, receptionists, toolkeepers, stockroom clerks, telephone operators, guides. Positions involving patience and care: production inspectors, general clerical workers, accounting machine operators, laboratory testing assistants, mechanics, and draftsmen.[7]

Job modification.—Frequently, to avoid the expense of retraining, loss of know-how, and seniority problems involved in reassignments, companies retain the older worker in his job, but remove certain duties, provide younger assistants to share the workload, or even reduce performance standards.

Sheltered workshops.—Some attempts have been made to form older workers into special work groups, with less pressure to maintain a specified rate of production (of the 76 companies in the Esso survey, 3 had such groups). Apparently, this must be done carefully. Elizabeth L. Breckinridge reports the experience of two companies which discontinued such "sheltered workshops" because of older employee resentment against being singled out in this fashion.[8]

Reduction in time worked.—Paid vacations related to length of service gradually increase leisure time in some companies, but usually are granted as a reward for long service rather than for any retirement preparation effect. Also, from the available statistics, it appears that the large majority of private employers are reluctant to retain their older workers on other than a full-time basis—possibly because reassignment and retention on a full-time basis have proved satisfactory techniques. In one survey of 221 companies, only 8 concerns indicated that they decreased the hours of work of their elder employees. In the 327-company study by the National Industrial Conference Board, 14 companies reported a "policy of shortening the hours of work of employees nearing retirement." All except 3 of these 14, however, apparently took such action only if the employee's health required it or in response to his specific request.

Reduction in hours may be effected in other ways depending upon the nature of the job and its relationship to others in the organization. A few companies allow their older workers to come late and leave early to avoid rush hours as well as decrease their time on the job. Some have their employees work only half a day. Some work 3 or 4 full days a week. In one case, a company grants its employees additional leave between ages 65 and 68, with the amount of leave increased each year until retirement.

In another approach to gradual retirement by a private employer, the employee is placed on a 4-day week at age 60. At age 61, this is reduced to 3 days; at 62, to 2 days; and at 64, to 1 day. In still another approach, employees are given a year's leave of absence at age 65 to find out whether they will enjoy retirement. In the survey conducted by Charles P. Boyle, 3 of 76 firms reporting allowed experimental retirement (leave of absence, usually 3 months, to learn to adjust) prior to compulsory retirement. A 3 months' leave was the common experimental period.

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[7] Charles P. Boyle, "Helping Employees Adjust to Retirement," Personnel, vol. 29, No. 3, November 1952.

[8] Elizabeth L. Breckinridge, "Effective Use of Older Workers," Wilcox Follett, Chicago, 1953.

Another company uses a combination of preretirement counseling for 1 year prior to the normal retirement date and 10-week retirement terminal leave in place of the employee's regular earned days off and 4 weeks' vacation. Time off is planned so as not to disturb the work of the employee's department; however, it is arranged so as to give the employee the greatest advantage. This system enables the company to train an understudy while the employee is still at work.

Reemployment

While reemployment of annuitants is not uncommon, few organizations have planned gradual retirement programs. Private companies rehiring their retirees usually do so to meet production requirements and seasonal workloads rather than to ease them into retirement. However, the fact that 21 percent of the companies included in one personnel survey rehire retirees only on a part-time basis indicates some consideration of the desirability of assigning less strenuous work programs to retirees.

One company requires its employees to retire at age 65, and then gives them the option of half-time employment until age 70. For hourly paid workers this means a 5-day workweek every other week, and for salaried people this means half-day every day for a 5-day workweek.

A large midwestern department store places its employees on a "daily extra list" at time of retirement. The employees may work up to 3 days per week and still get full retirement income. Experience with the plan indicates that 3 days' work plus retirement benefit plus social security gives an adequate retirement income. After an employee has worked a 3-day week for a few months, he often will voluntarily reduce his time to 2 days per week and then within a relatively short period will stop working except for special events such as Christmas rush. The company rates the program a definite success.

Consultant reemployment.—A practice used by some companies with their executive personnel is to retain the retired executive in a consultive capacity. There are mixed feelings on this practice; but it is fairly common. One survey indicated that about one-half of the companies in the survey followed the practice. Some persons feel that these arrangements are of little value to the company and are made only as a bonus or reward for long service.

Employment referrals.—Of the 76 firms in the survey conducted by Charles P. Boyle, 31 reported an outplacement service for retirees who were interested in continuing employment.

Productivity of older workers

Full utilization of older workers is sometimes impeded by the notion that there is a sharp drop in the productivity of older workers. Studies by the Bureau of Labor Statistics suggest that this notion is inaccurate. The studies, conducted in manufacturing and clerical operations, indicate there is little decline in productivity of workers to age 65. In addition, where some decline in production occurs, it is often compensated for by other attributes. In particular, older workers show up well in terms of job stability, and their attendance and quality of performance are more consistent then that of younger workers. The average production of older workers is about the same as that of younger workers. There are, of course, strong individual differences. Among older workers, the experience factor shows up strongly.[9]

Gradual retirement in Federal agencies

In the Federal service, many agencies make work assignment and time schedule adjustments for their older employees as part of their regular personnel utilization activities. However, with a few exceptions, there is no planned effort to promote wide use of this as a retirement adjustment device. Agencies make changes in duties or hours of work on an individual basis, where such adjustments are mutually beneficial to both employee and the agency. Older workers are not singled out for special treatment, but are considered individually according to their capabilities and the work requirement needs of the organization.

Reemployment after retirement, however, is relatively rare. Agencies report that they have reemployed only a small number of annuitants, and that they have had few requests for part-time reemployment by annuitants. In

[9] U.S. Department of Labor, "Comparative Job Performance of Office Workers by Age," Monthly Labor Review, January 1960. Also similar studies of job performance among plant production workers, in the Monthly Labor Review, December 1956 and December 1957.

general, those reemployed have special skills needed by the agency. One major civilian department, for example, reports 15 annuitants reemployed as consultants. An interesting sidelight is that most agencies say they have found little evidence of employee interest in reemployment. This may be due in part to the fact that the Federal retirement system provides for a wide range of years within which the employee may choose to retire voluntarily. No mandatory break in employment is required before age 70.

It should be emphasized that Federal agencies are permitted by law to reemploy annuitants; and even annuitants over age 70 may be hired on a limited term basis. Agencies report that they have not found any major difficulties with their present authority to reemploy annuitants. The Retirement Act authorizes continuance of a voluntary retiree's annuity during reemployment, but reduces his salary by the total annuity allocable to the proportion of time he actually works. The Civil Service Commission considers the reemployment of annuitants a valuable personnel technique where beneficial to the individual and the Government.

VI. ILLUSTRATIVE FEDERAL PROGRAMS

A number of Federal agencies are doing excellent work in the retirement planning area. The Bureau of Ships, Department of the Navy, for example, has an 11-session course which it offers to employees within 10 years of retirement. The sessions, 1½ hours long, cover these subjects: nutrition, the physical side of aging, mental health and later life, financial planning, the meaning of work, leisure, increasing retirement income, living arrangements, and where to live when retired. The Bureau of Supplies and Accounts, Department of the Navy, has a similar program which is based on the material, "Making the Most of Maturity," published by the University of Chicago. The Department of the Navy, after conducting several successful pilot programs, including those in the Bureau of Ships, the Bureau of Supplies and Accounts, and the Navy Weapons Plant, has encouraged the establishment of retirment planning programs Navy-wide.

The Veterans' Administration regional office in Cleveland has assembled a retirement planning kit for its employees. The kit contains information on finances, diet, general health, and developing new interests. A group of 30-year employees helps the Personnel Division schedule conferences on retirement. They select the subject matter, speakers, and books to discuss. The meetings are informal and attendance is voluntary. Favored topics are the civil service retirement system, insurance, social security, hobbies, and travel.

A further illustration of the approach taken by some agencies is the program recently started in the central office of the Veterans' Administration. The program, run on a voluntary participation basis for employees eligible or close to eligibility for retirement, consists of six sessions of 2 hours each on financial planning, retirement benefits, health, activities for pleasure and pay, and living arrangements. The seminar is conducted by the personnel office with the assistance of subject matter specialists.

The Philadelphia Quartermaster Depot of the Department of the Army conducts on a voluntary basis a course of seven sessions on finances, benefits, adjustment to retirement, and health.

The General Services Administration invited a group of 30 employees to its first retirement counseling program, and 25 employees accepted and attended. At the end of the series of seven sessions, a questionnaire was distributed to determine the effectiveness of the program. The group as a whole wished they had had a chance to attend a similar program years before. They said that they were only moderately interested in the social and psychological side of retirement and that they were interested in more information on the financial aspects. Accordingly, the program was changed so that it touched only briefly on the social and psychological aspects of retirement, referring the group to reading material included in a kit for this type of information. The entire second group stayed throughout the six sessions, whereas several dropped out, a few at a time, during the first series. The survey made at the close of the second series indicated the group found the program helpful and unanimously recommended its continuance. A majority asked for still more financial information and counseling.

A special room is set aside by the General Services Administration in the executive cafeteria for the group to gather and eat lunch before each meeting. A Dutch treat luncheon is planned for 45 minutes on the employee's time, and is followed by group meetings covering a 45-minute period on official time. The

last luncheon is in the nature of a party and is sponsored by the agency's recreation association. Emphasis in the program is on the financial aspects of retiring as well as the need to consider health and living arrangements in later life.

The Bureau of Old-Age and Survivors Insurance, which has done pioneering work in retirement planning, has a program which includes group conferences and later individual counseling. Topics covered in the group sessions are aging in American life, health mantenance in the later years, nutrition, psychological changes and emotional adjustments, housing and living arrangements, income planning for retirement, civil service retirement and social security, increasing your retirement income, legal problems, and use of leisure time. Employee response to this program has been exceptionally favorable.

Middletown Air Material Area, Olmstead Air Force Base, Pa., is reported to provide counseling interviews for all employees with 30 or more years of service or who are 57 years of age or older. Four interviews are scheduled on a voluntary employee participation basis. Topics covered include retirement income, medical and dental health, social adjustment, and family benefits. An interesting feature of this program is a free preretirement medical examination conducted on a voluntary basis at the base hospital. Following the first phase of this program, a survey of the program's effectiveness was made by sending a questionnaire to a random sample of 477 employees out of the 1,053 employees who had taken part in the initial phases of the program. This survey indicated favorable employee acceptance of retirement planning. It also indicated that the employees prefer individually oriented interviews to group-type counseling. The subjects in which employees express most interest were retirement benefits, life insurance, hospitalization insurance, wills, and social security.

Agency representatives report that these programs have contributed to improved employee morale, better utilization of personnel, and better understanding of retirement systems and benefits.

On-the-job adjustments.—Retirement planning seminars are an important part, but only a part, of the overall effort to give consideration to Federal employees in employment and in preparation for retirement. As has been noted, agency officials make adjustments where possible in the work assignments and schedules of work of older employees who, because of decreased physical ability or poor health, cannot continue previous work patterns. In some cases, employees may be reassigned to other positions, or retrained in other types of work. These adjustments are frequently made on the job by line managers. Changes of this type are not done on a group basis, nor are they done merely out of consideration of age. Older workers are individuals whose abilities and capacities, like others of any age, need to be matched to job requirements. Reassignments when made are accomplished in accordance with the procedures of the Federal personnel system, which system is sufficiently flexible to meet the usual work adjustment needs of all employees.

VII. ASSESSMENT

In this paper we have discussed factors that led to the emergence of retirement planning programs in industry and Government, indicated the wide acceptance of such programs, and reviewed the variety of ways that employing organizations may attempt to assist employees in preparing for retirement and adjusting to it.

Issues

Based on an analysis of the information collected, we see the following issues:

1. To what extent do retirement planning activities, particularly preretirement counseling, contribute to the preretirement and postretirement adjustment of employees? To what extent are such activities necessary or desirable? In those areas in which it may appear desirable for agencies to provide assistance to employees, how can this assistance best be provided?

2. To what extent should it be the responsibility of an employing organization to assist employees in preparing for personal adjustment after the employees have left the organization? What is the proper role of the agencies in this area? Should retirement planning be an agency or a community responsibility? What kind of programs should agencies be cautious about conducting?

In the following sections, we shall consider these issues. Since there is a scarcity of research information in this field, our appraisal must be regarded principally as representing our best staff judgment on these matters. While

our discussion of these issues is directed at Federal agencies, the appraisal is based in good measure on industrial experience because in industry is found the most extensive and varied experience with management sponsorship of retirement planning programs. We believe, however, that in the area of retirement planning, both industry and Government, as employing organizations, may be regarded as having similar responsibilities.

Appraisal

The assessment of the significance and the effectiveness of retirement planning programs may be accomplished at several levels. The easiest is end-of-course evaluation by the program participants. More complex is the assessment of change in employee attitudes toward retirement. Most difficult is long-range evaluation of program effectiveness.

In those instances where retirement planning programs provide for evaluation, the evaluation is ordinarily done at the first level. Most employing organizations that have formally organized programs ask the participants to fill out a questionnaire at the completion of the conference sessions. Participants are frequently asked whether they found the course helpful in encouraging them to think ahead toward retirement, what sessions they liked, and what they believe they got out of the program. Participant response to group sessions are usually very favorable, and often enthusiastic. This has been the experience of Federal agencies such as the Bureau of Ships, Bureau of Old-Age and Survivors Insurance, and the Veterans' Administration, among others. Program leaders frequently report that employees who may initially have been hesitant about taking part in a retirement planning course became quite interested after attending a few sessions. Most program leaders report relatively few drop-outs, and a strong increase in employee interest after the first run or two of the program.

A number of studies made at the first level suggest that retirement planning programs may produce favorable results. In an evaluation of a series of retirement planning lectures conducted by the University of Michigan at Detroit Edison Co., 77 percent of the participants indicated they had changed their ideas about retirement planning and 41 percent had taken steps in retirement planning.[10] Although this evaluation study indicated favorable results, the Detroit Edison Co. discontinued this group approach.

A study of the effectiveness of the retirement planning program, "Making the Most of Maturity," prepared by the Industrial Relations Center of the University of Chicago indicates that the program had a positive influence on the participants. The University of Chicago program was designed to enable companies to use their own personnel to conduct retirement planning for their industrial workers. The University supplied booklets for participants, leaders' guides, and audio-visual aids; and gave program leaders from the companies 2 weeks training at the University. The program leaders then gave the course in their own companies. Two hundred and eighty-one workers who had taken the course were given a questionnaire, called the "Retirement Planning Inventory," at the first and the last sessions of the program. End-of-course responses showed some favorable changes in information and attitudes on retirement planning. The largest changes were in the categories: financial planning, health and nutrition, retirement living, and meaning of work. Fewest changes—between responses at the beginning and end of the 11-session course—were in the categories: use of leisure, mental outlook, and family life. It is reported that the course tended to reduce fear of retirement, increased positive attitudes toward retirement, and effected desirable changes in retirement preparation.[11]

The benefits of retirement planning programs most often reported are: encouragement to plan for retirement; better understanding of annuities and insurance benefits; a better view of the nature of retirement; and opportunity to exchange information and opinions on retirement problems.

Efforts to assess the impact of retirement planning programs on the attitudes of employees toward retirement and the long-term effect on adjustment after retirement have been limited. To do this on a scientific basis is a time-consuming and costly enterprise usually beyond the resources of the employing organization. As a result, objective appraisal of programs at this level are few in

[10] Magery J. Mack, "An Evaluation of a Retirement-Planning Program," Journal of Gerontology, April 1950, p. 198.
[11] Ibid., p. 199.

number. E. B. Schultz, of the personnel staff of the Tennessee Valley Authority, in commenting on the effectiveness of that agency's program, writes:

"Only after the participants have had a substantial period of retirement can they judge what benefits they derived from decisions the program helped them to make. Even then, they can know only whether they have made a satisfactory adjustment to retirement. They will not be able to say just what influence can be attributed to this preretirement program." [12]

In terms of long-range evaluation, the studies to date are not conclusive as to the value of retirement planning programs. Some of the results of these studies are on the negative side. These negative findings, however, do not mean that retirement planning is not important; rather they mean that certain types of retirement planning activities are not accomplishing their stated objectives. In short, the studies provide information on how retirement planning can be more effectively accomplished.

For example, most retirement planning programs are built around the idea that having plans for retirement will contribute to adjustment in retirement. Interestingly enough, this is not necessarily borne out by some research evidence. Two studies—those made by Cornell University and Special Surveys Cleveland—indicate that planning by itself is not necessarily related to adjustment in retirement. The Cornell study shows that employees who had a favorable attitude toward retirement before retiring and an accurate preconception of retirement tend to make a better adjustment to retirement. Among those who did not have an accurate idea of what retirement would be like, those without plans are more likely than those with plans to take less time to get used to not working. As expressed by Wayne E. Thompson, "In a sense, having plans, but an inaccurate view of retirement, may create a double problem of adjustment: not only must the retiree cope with the inevitable problems of a changed status, but also he must cope with the disappointment of thwarted plans and must readjust his own thinking and planning in terms of reality as he finds it." [13] The Cleveland survey indicates that retirement must be tailored to the individual's likes and needs.[14]

Robert Roessle of Standard Oil Co., who has had considerable experience in this field, believe that the seriousness of the retirement adjustment problem has been overplayed. He says that resourceful people will make adequate plans whether the company encourages them or not, for the process of adjustment is inherent in human beings anyway. Roessle believes that overemphasis on adjustment problems may threaten some inadequate people.

Health and finances are two subjects frequently covered in retirement planning programs. Undoubtedly, these are matters of concern to retired employees. The findings of the Cornell study of occupational retirement, however, suggest that retirement leads to an improvement rather than a decline in health, and that a reduction in income after retirement leads to problems only if it is not matched by a retrenchment of wants.[15]

Adjustment is a personal matter, not easily altered by a group of training conferences. As expressed by a faculty committee, Graduate School of Public Health, University of Pittsburgh:

"Anxiety, social impoverishment, loss of meaningful activity, are aspects of retirement whose possibility marks the permanent withdrawal from employment as a time of major crisis in the life cycle of the worker. The intensity of these aspects, or whether they occur at all, depends basically on the kind of person who is retiring, his fundamental personality structure and his habitual way of meeting difficulty and disappointment. If the 'overall adaptive pattern of the personality' is one of flexibility, the reaction to loss of occupation is likely to be much less violent than when the personality is relatively rigid and unyielding to change. The degree of emotional maturity attained and the extent and depth of the satisfactions experienced in the years previous to retirement, as well as the breadth and variety of interests outside the job, all together color and even determine the meaning which retirement has to the individual and the way he reacts

[12] E. B. Schultz: "Selective Retirement and Preretirement Counseling in the TVA." Industrial and Labor Relations Review, January 1959, pp. 206–213.
[13] Wayne E. Thompson, "Preretirement Anticipation and Adjustment in Retirement," in the Journal of Social Issues, vol. XIV, No. 2, 1958, p. 39.
[14] "What Pensioners Really Think and Do About Retirement," in Factory Management and Maintenance, May 1952, pp. 84–89.
[15] Gordon F. Streib, Wayne E. Thompson, and Edward A. Suchman, "The Cornell Study of Occupational Retirement," and other articles in the Journal of Social Issues, No. 2, 1958, p. 14 and p. 25.

to it. If a worker has been accustomed to take things in his stride and to face and surmount trouble when he met it, he will more than likely be able to adjust successfully to the crisis of retirement." [16]

These conclusions appear to emerge from the above evidence:

1. Formal retirement planning programs are valuable in providing information on employer-provided benefits.

2. Formal retirement planning programs bring together information and points of view on various aspects of retirement that employees would have difficulty in digging out individually. Employee response to retirement counseling is generally favorable.

3. Adjustment is a personal characteristic, to a considerable extent independent of retirement status. It is not reasonable to expect that a few interviews or group counseling sessions will significantly alter deeply ingrained behavioral and attitudinal patterns.

4. A clear understanding of the nature of retirement, information on retirement benefits and conditions, and a favorable attitude toward retirement are closely related to successful adjustment.

In summary, the available evidence suggests that employees respond favorably to organization-sponsored retirement planning programs; that they find information on financial aspects of retirement particularly useful; and that eventual adjustment to retirement is more related to the individual's adaptive qualities and circumstances than to the fact that he may have participated in a retirement counseling program. There is testimony to show that in many cases, individual employees have profited from the counseling assistance given them.

Responsibilities of agencies

In assessing the role of the employing organization, it is not wholly practical to speak of retirement planning in generic terms because of the wide variety of such programs. There is a considerable difference, for example, between providing information on employment benefits and psychological counseling on how to live happily after retirement. For convenience of discussion, accordingly, retirement planning activities are grouped arbitrarily as follows:

A. *Employment-related activities.*—

1. Distribution of informational material on employee-provided retirement, insurance, and similar benefit programs.

2. Individual interviews, group conferences, or training courses to explain employer-provided benefits and the options available to employees.

3. Counseling by members of the personnel staff on matters related to employment and retirement options.

4. Job adjustments, including tapering off and reemployment of annuitants; and health maintenance activities.

5. Followup with retired employees.

B. *Postretirement adjustment activities*—

1. Counseling interviews on personal adjustment to retirement.

2. Group seminars or conferences on personal adjustment to retirement; including such topics as where to live, leisure time activities, investments, legal problems, and social activities.

Employment-related activities: The program activities listed in A above, appear to fall within the accepted area of employer responsibility. There seems to be general agreement that agencies have a responsibility for providing employees with information about the benefits available to them at the time of retirement; such as retirement options, amount of annuity, life insurance, health benefits, other public insurance programs, and opportunity for reemployment. The means by which this information may be given to employees—informational releases, group training sessions, and individual interviews—are important principally in considering how to best provide the information and services to employees.

Making job adjustments pending retirement is clearly a management responsibility. The morale and productive effectiveness of employees on the job are concerns of the organization, whatever the age or length of service of an employee. Employees approaching retirement may be assigned less physically demanding work, or they may be placed on a reduced-time work schedule to permit them to taper off from full-time work, or they may be given extended periods of leave to become adjusted to the available leisure time that often

[16] Geneva Mathiasen, editor, "Criteria for Retirement," G. P. Putnam's Sons, New York, 1953, p. 114.

accompanies retirement. Tapering off can and is being done by Federal employees. The suggestion to taper off, however, ordinarily should originate with the employee.

The agencies have a proper concern with the maintenance of the continuing good health of employees; and to the extent practical, should foster a preventative approach to health on the part of employees.

Agencies, also, more as a public relations than as a retirement planning function, have a genuine interest in maintaining pleasant, continuing social contacts with retirees. This is done to give recognition for service rendered; and to maintain the threads, however tenuous, of social ties with fellow employees.

Postretirement adjustment: In the area of personal adjustment activities listed in B above—including advice on such subjects as hobbies, where to live, emotional problems, finances, and legal problems—the role of the employing organization needs to be more clearly delimited. Although many employees welcome this type of assistance, it may well be that the personal, social, and community adjustment of individuals after retirement from work is basically a matter independent of the economic relationships that the employees may have with their employer.

If employees or retirees need personal guidance on matters independent of their jobs, should this be the concern of the employing organization, or the concern of the community, the church, welfare organizations, and the family? This question is asked because if an organization permits itself to be placed in a position of responsibility for the non-work-related areas of employees' or retirees' activities, it may be assuming an obligation which it cannot satisfactorily fulfill. If employees are encouraged to develop the attitude that their personal adjustment is the responsibility of the organization, they may well charge their failure to adjust to their employer.

Wayne E. Thompson, assistant director of the Social Science Research Center of Cornell University, expresses very well the potentially troublesome consequences of intrusion into the nonwork, personal adjustment of individuals entering into retirement. In reporting on the findings of the Cornell study of occupational retirement, he writes: [17]

"However, it is necessary to use the concept of adjustment with care, for it clearly carries a static connotation. That is to say, the notion of adjustment often appears to imply a relatively fixed set of circumstances to which the relatively passive individual can and should be adapted. In the field of aging and retirement, the value of recognizing older persons as individuals is frequently voiced, and the tendency for society to put the aged on the shelf is widely damned. Yet there is a worrisome tendency simply to substitute a kind of systematic shelving, often based upon sound knowledge gathered and developed by researchers. In action terms, there is a tremendously important need to strike a balance between the goal of happiness and contentment for older persons and the goal of letting older persons retain their dignity as human beings. As it happens, there are many retirees who despise the institution of retirement, but who nevertheless are effective, attractive, and well-integrated persons qua persons. It behooves the researcher, as well as the practitioner, to bear this sort of thing always in mind when speaking in a pat way of 'good adjustment,' 'adjustment to retirement,' 'adjustment to old age,' and the like.

"Evidence from the Cornell studies seems to show that the present generation of oldsters are more widely capable of managing their own lives than would be indicated by the proliferation of counseling programs, aids to self-help, advice to the 'age-lorn,' and organized activity programs for older people. Self-reliance such as this may not be the case with future generations, since the youngsters of today are fed liberal doses of the values of 'playing it cool,' of heeding one's peers in an 'other-directed' manner, in short, of being 'well adjusted.' Moreover, for those who are not 'well-adjusted,' professional help and advice springs eternal. Given this orientation, personal resilience may come to be relatively lacking, and then systematically 'helping people to help themselves' may be more squarely to the point—assuming there remains someone to help the helpers.

"The joint should be clear: although adjustment, variously indexed, is an important and useful research tool, as researchers, and as resource people for the action oriented, we must retain a clear separation between the values we hold as important ones to be realized in old age and our subject matter—the psycho-

[17] Wayne E. Thompson. "Preretirement Anticipation and Adjustment in Retirement," the Journal of Social Issues, No. 2, 1958, p. 44.

logical and physiological processes of aging, the dynamics of changes in status, the processes of the development of norms and of roles, and the changes in the structure of society. To be sure, society has a largely unfulfilled responsibility to provide a context within which older persons may find a satisfactory life; but this responsibility should not be exercised in a way which undermines the dignity of the individual by well-meaning, but nevertheless stifling, overconcern, management, and manipulation."

The nature of the problem of how far an organization should go in counseling employees on nonemployment matters is recognized in some retirement planning programs. Leaders of these programs do not claim to advise employees on retirement adjustment; rather they encourage employees to anticipate retirement, and they provide them with the factual information on the basis of which they can do their planning.

This paper does not presume to suggest a definite boundary to the responsibility of employing organizations in the matter of assisting employees in making personal adjustments. This is something that each agency will have to work out in terms of its staff needs, its personnel policies, community relations, and available resources. Certainly, there is no hard and fast line between where the responsibility of the agency ends and that of others begins. What is important, is that the problem be recognized, and dealt with wisely.

The accumulated evidence would suggest that employing organizations move slowly and cautiously into the area of directing and guiding the personal, offi-the-job adaptation of retired employees. Some employing organizations undoubtedly get into this area because they recognize the unavailability or inadequacy of other resources and are sensitive to the particular needs of their employees. We are not saying that it has not been desirable to give some assistance in this area; but the impact and consequences of employer action here should be carefully understood in advance; and the provision of such assistance should be trusted only to those professionally competent in fields such as psychology, psychiatry, social work, or gerontology, or at least specially trained to give such advice and guidance. The employing organization may well function as a resource for information and referral; it should be conservative in providing adjustment therapy.

Application

The decision to conduct a retirement planning program clearly is a responsibility of the employing organization. There is neither requirement nor barrier to these programs in the Federal service. Agencies, however, are expected, in accordance with chapters A4 and R5 of the Federal Personnel Manual, to: (*a*) Make such adjustments in the work assignments of their employees as may be necessary to promote effective use of personnel, and (*b*) to provide long-service workers with information on Government retirement benefits.

Agencies may well wish to start or continue retirement planning programs as a means of exercising their responsibility for securing continued productive effectiveness of older workers and for providing information on Government-administered employee benefit programs. The feasibility of such an endeavor has to be determined by the agency in accordance with its own interpretation of the necessity for such action.

Retirement planning checklist.—In establishing a retirement planning program, agencies may well wish to consider the following:

1. Age and length of service of employees, and years to optional retirement.
2. Occupational grouping and rank of employees within 10 years and within 5 years of optional retirement
3. Current arrangements to give employees information on employment-related retirement and insurance benefits and options.
4. Appraisal of employee interest in preretirement counseling, including expressions of need for assistance by employees approaching retirement.
5. Views of employee organizations on retirement planning needs of employees.
6. Adjustment on the job. Extent to which personnel staff and supervisors understand how to make such adjustments, give information to employees, use existing authority to taper off.
7. Availability of staff resources. Availability of employees professionally qualified for service as counselors or program resource people.
8. Availability of resources in the community.

9. Planning and conducting program.
   Statement of objectives; management support.
   Assignment of program leadership responsibility.
   Employee participation in formulation of program objectives and approach.
   Group sessions or individual counseling, use of literature and visual aids.
   Announcing the program.
   Eligibility to attend; composition of group.
   Keeping participation voluntary.
   Subject matter coverage.
   Speakers and discussion leaders.
   Time, place, and frequency of sessions.
10. Provision for method of evaluation.
11. Followup with retired employees.

Conclusion

A variety of approaches are used in retirement planning programs in industry and in Government. This is to be expected considering the relative recency of employer participation in this field, and the fact that most organizations are still feeling their way, testing and experimenting with various approaches, adjusting program activities to local needs and resources. These differences are healthy, because without effort there will be no results. There is a need for further experimentation and evaluation because of the scarcity of objective information on the relative effectiveness of various programs and the dearth of research evidence on the long-range significance of retirement planning activities.

The signs are many, however, that retirement planning is a matter of increasing general interest; that it has begun to be recognized as a significant aspect of employee relations; and that few modern personnel offices can much longer ignore considering how their organizations can best meet the needs of employees approaching retirement. It can reasonably be expected from this that we will have more, not less, retirement planning activities in the future, with program arrangements more selective and effective.

STATEMENT OF THE ASSISTANT SECRETARY OF DEFENSE (MANPOWER) ON POLICIES AND PROGRAMS AFFECTING OLDER WORKERS

The Department of Defense recognizes that older workers represent an important segment of the Nation's total manpower resources and appreciates and supports the efforts of the Senate Special Committee on Aging to develop solutions to the problems of the aging.

From the point of view of the Department of Defense, proper use of the skills of the increasing proportion of older workers in the work force will contribute, in the broadest sense, to the preparedness of the Nation for any future emergency.

While the Department of Defense appreciates the important social and manpower considerations involved in the problems of utilizing older workers, the Department of Defense is not directly responsible for the administration of any policies and programs affecting older people, other than those which relate to older workers in this Department.

With regard to personnel of this Department, we have endeavored to adhere to the following practices: (1) Selection and promotion of employees strictly on merit without discrimination on the basis of age; (2) administration of leave, health, and placement programs in a way designed to provide maximum practicable assistance to workers who have limitations resulting from physical disabilities, including limitations resulting from increasing age; and (3) assstance to employees in preparing for retirement through preretirement education and counseling.

The first two of these practices are integral parts of our personnel program which in its entirety seeks to help individuals, whether they be old or young handicapped or able bodied, to utilize their abilities and to overcome their limitations.

The third practice, assisting employees to prepare for retirement through programs of preretirement education and counseling, is directed specifically to employees who are generally within 5 years of retirement

We have found that programs of preretirement counseling have been particularly well received by older employees and are proving to be of material assistance to many who are financially, emotionally, or otherwise unprepared for retirement.

Typically, these programs consist of discussions by experts with employees approaching retirement on mental attitudes toward retirement, employment after retirement, financial planning, health considerations, developing leisure activities, determining where to live on retirement pay, and on retirement, social security, and veteran benefits.

In conducting these programs the services of lawyers, investment advisors, physicians, social welfare agencies, and other experts are frequently utilized. Employees also are furnished or advised of published informational materials on these subjects which they may wish to read and consider in making their personal plans. In addition, the services of universities have been used in training employees to plan and conduct programs of preretirement education.

In some instances, retirement associations comprised of retired employees of a particular installation have been established with the cooperation and support of management. These associations give employees an opportunity to continue friendships developed during their employment. The facilities of the installation are provided for such activities as luncheons, meetings, parties, and hobby programs. Where associations of this type have been organized, such as the one established at the Philadelphia quartermaster depot, they have flourished and seem to meet an important need in the lives of retired employees and provide a valuable link to their former place of work.

Many of the principles and suggested practices advanced by the 1961 White House Conference on Aging, as they pertain to employer practices, are substantially in effect with regard to employees of the Department of Labor.

The Civil Service Act, for example, which covers most employees in the Department, provides considerable flexibility in the terms and ages of retirement. There are a number of options which employees may elect, depending upon varying circumstances, providing retirement from age 50 to 70. Provisions also exist for the reemployment of annuitants. In addition, as recommended by the White House Conference, employees acquire vested rights to annuities.

As indicated above, through placement and health programs, efforts are made where necessary to adjust job requirements to the needs and limitations of individual workers. Counseling services are available both with regard to on-the-job problems and retirement planning. Discrimination on the basis of age is forbidden by statute for positions in the competitive civil service. Liberal health and life insurance plans which carry over into retirement are in existence. When reductions-in-force are necessary extensive efforts are made to reassign and retrain employees, curtail strength levels through normal attrition, notify employees well in advance of impending actions, and to work with other Government agencies, public employment offices, and private employers in finding positions for employees who must be released.

The military departments also endeavor to provide all possible counseling and assistance to military personnel being released from the services, including personnel who are retiring. Each of the services provides information and vocational guidances to personnel about to retire in order to assist those who wish to obtain civilian employment. In this connection, the military departments work closely with the U.S. Employment Service.

Of particular interest with regard to the vocational guidance furnished retiring military personnel are plans now being made in cooperation with the American Council on Education, the National Education Association, and the American Association of Junior College Teachers for development of a register of retired military personnel interested in positions in education. It is expected that this program will be of material assistance to retired military personnel in using their skills in civilian employment and in meeting acute shortages of qualified educational personnel.

Other recommendations of the White House Conference on Aging relating to employment, training, rehabilitation, and vocational guidance are of interest to the Department of Defense in that they are directed toward fuller utilization of the Nation's manpower pool, as are the recommendations that steps be taken to minimize worker displacement resulting from technological change.

In moving toward the attainment of these objectives, the Manpower Development and Training Act of 1961, which is now before the Congress, should be of considerable assistance. This bill, which is supported by the Department of Defense, provides for the establishment of training and retraining programs de-

signed to qualify persons who cannot reasonably be expected to secure full-time employment without such training. The bill recognizes that the skills of many persons have been rendered obsolete by dislocations or by economies arising from automation or other technological developments, foreign competition, relocation of industry, shifts in market demands and other changes in the structure of the economy. Undoubtedly, many older workers would be among those adversely affected by such changes.

The training provisions of the Area Redevelopment Act (Public Law 87–27) also should be helpful in efforts to develop employment opportunities for older workers in areas of substantial and persistent unemployment.

Another significant development along the lines recommended by the White House Conference is the formation of the Advisory Committee on Automation and Manpower by the Secretary of Labor on which the Department of Defense is pleased to be represented. This committee, consisting of representatives of industry, labor, education, and Government, acts as adviser to the Department of Labor in its efforts to develop programs for improving testing, counseling, training, and placement of workers who have been displaced by automation or who lack skills needed by technological developments.

The Department of Defense also considers most appropriate the recommendations of the White House Conference on Aging concerning the expansion of counseling and placement services for older workers offered by the U.S. Employment Service and its affiliated State agencies. In his message of February 2, 1961, to the Congress, the President stated that he had directed the Secretary of Labor to take necessary steps to expand the services of the U.S. Employment Service, including expanded counseling and placement services for older workers. It is our understanding that action has been taken to accomplish the President's purpose.

The other recommendations of the White House Conference on Aging in such areas as social services, housing, education, religion, medical services, and the many other important considerations involved in meeting the problems of older people are outside the area of the Department of Defense's primary interest. These recommendations can best be commented upon by other Federal departments having responsibilities in these areas.

The Department of Defense as an agency concerned with the development and maintenance of the Nation's defense, however, recognizes that in the last analysis these defenses rest upon the strength of our total economy and the vitality of our social institutions. In this connection we welcome and wholehearted support the efforts of the Senate Special Committee on Aging to better meet the needs of our increasing long-lived population.

Begin Today To Enjoy Tomorrow

(Prepared by the Office of the Administrative Assistant Secretary, Division of Personnel Management, Department of the Interior, 1960)

The subject of this little booklet is

YOU

Whether you consider yourself as "young" or "middle aged" or "old," it is true that you, and all of us, will be 1 day older tomorrow. Aging is an experience we all share.

No matter what your present age, the probabilities were never as high as now that you will live to reach that period we call "old age." Whether our later years are worth while is largely up to us. We should set goals for ourselves that will lead us to new satisfactions in what may well become the real prime of life.

There is no best way to plan for retirement. Plans are as variable as personalities. They must be flexible to meet changing conditions.

Release from the stress and strain of gainful employment is not the whole answer to happiness and contentment in retirement. Retirement at any age requires serious thought and planning, just as it does for any period of life. Lack of such planning accounts for much of the frustration and unhappiness often found among many older people today. In order to be happy and contented we need to carry over some of our usefulness into retirement. We should retire *to* something rather than *from* something.

It is hoped that this pamphlet may in some way help you to prepare for and look forward with joy to the later years.

FINANCIAL SECURITY

All of us want the security and independence of an adequate income without fear of having to look to others for help. In order to have such security we should—

(1) Save regularly.
(2) Plan carefully.
(3) Invest wisely.

A personal question that must be resolved by each individual retiring is: How does my present retirement dollar potential compare with my present take-home pay?

One of the best ways to develop a financial plan is to prepare a budget of your present income and expenses and compare this with a similar budget set up for the retirement years. From this you can get a good idea of how much you should save each month for your retirement years to supplement your retirement annuity. Naturally the amount a person can save will vary with circumstances.

Those who are not familiar with how to invest their money can get good advice and assistance from their bank, or a reputable broker.

Some suggested readings

"Managing Your Money," by Jacob K. Lasser and Sylvia F. Porter. New York: Henry Holt & Co., 1953. $4.95.

Pamphlets on "Financial Reports" and "How To Invest" may be had by writing to Merrill, Lynch, Pierce, Fenner & Smith, 70 Pine Street, New York, N.Y. Free.

RETIREMENT ANGLES TO CONSIDER

In preparing ourselves "to enjoy tomorrow," we should take time out to think about our responsibilities and what they mean to our spouses and families. Too often we fail to properly advise them as to what their benefits or entitlements may be, and what must be done in case an emergency exists. Some of our responsibilities are:

(1) *Provide an adequate will and provide for its safekeeping.*—A will is the means by which you can direct the disposal of your property in the manner you choose. In preparing a will you should keep in mind all possibilities which may arise. Normally it is better to have a lawyer draw your will.

If you do not have a will your personal property will be disposed of in accordance with the law of your State, and any real property in accordance with the law of the State where it is situated. In many States a widow receives only part of an estate, with the children receiving the remainder. This plan may not fit in with the financial planning you may have made for your wife.

(2) *Insurance.*—It is your responsibility to have information available as to the types and kinds of insurance you have. This would include Government life insurance, private policies, and any health and accident policies that you may have.

(3) *Veterans' benefits.*—If you are a veteran your discharge papers should be available. Some of the benefits that you may be entitled to are compensation for disability, wife or widow preference, free burial in a military cemetery, and funeral allowances.

(4) *Social security.*—If you have ever been covered by social security you may be entitled to certain social security benefits, such as: Retirement payments, survivors' payments, and disability payments.

In determining your social security status, the following should be known: How many quarters of coverage do I have? How many quarters do I need to qualify for social security coverage? What will my monthly social security benefits amount to? Your local social security office can help you in finding answers to the above questions.

Suggested readings

"Teach Your Wife To Be a Widow," by Donald I. Rogers, New York, Henry Holt & So., 1953.

OASI–35. Bureau of Old-Age and Survivors Insurance, U.S. Department of Health, Education, and Welfare, Washington, D.C.

VA Fact Sheet 1S–1, "Federal Benefits for Veterans and Dependents," Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 15 cents.

HEALTH

Among the essentials for life satisfaction in the older years, health heads the list. Without continuing good health, or adequate medical care in its absence, the older years lose much of their promise, even when all other living needs are met. Good health extends to matters of proper nutrition, good mental hygiene, constructive activities, interests in life, and satisfactory living conditions.

Some of the essential things that we can do ourselves are to have routine physical checkups, proper exercise, adequate rest, and periodic vacations.

It would be well to remember that a good daily diet is an investment in the future. As Molière said, "We should eat to live, not live to eat." A diet deficient in protein, vitamins, and minerals causes chronic fatigue.

There are those who have the problem of overweight. This can be as hazardous as undernourishment. If you are quite a few pounds overweight, you should first see your doctor. Quick reducing methods are not practical, as they do not accomplish the objective. You should learn to eat the right foods in the amounts needed by your body.

Suggested reading

"The Second Forty Years," by Edward J. Stieglitz, M.D., Philadelphia, J. B. Lippincott Co., $3.95.

SOCIAL AND LEISURE TIME ACTIVITIES

While emphasis may shift, older persons seek essentially the same basic social satisfactions that make life rewarding at all ages. Hence such factors as recreation, often overlooked in considering the needs of oldsters, may actually take on greater importance as leisure increases. Religion and humane associations, likewise, have an enlarged role to play. Because the pattern of family relationships tends to narrow as children grow up and leave home, stress on friendship and community activities is a new potential for enriching our lives. Participate with those who have common interests. Maintain earlier friendships.

It would be well to develop hobbies and activities that can be carried over into the retirement years. There are those who may want to continue the work done before retirement, either for pay on a part-time basis or as a volunteer worker for welfare organizations. Also there are many social services that need volunteer workers. Some of these services are Grey Ladies, Red Cross, Veterans' Hospitals, and visiting homes for aged and incurables.

As one grows older, there is often more leisure time to use in helping a wider circle of people. At all ages, helping others can be one of the deepest sources of satisfaction. Whether by material assistance, by lending a helping hand, or just by a cheerful word and smile, one is never too old to make life more pleasant for others.

Suggested reading

"How To Enjoy Retirement for the Rest of Your Life"; a practical psychological and spiritual guide by a man whose life began at 65, by Theodor Groene, New York, Exposition Press, Inc., 1957, $3.

The following chart shows a few samples of activities and some of the needs that each may serve in varying degree. You might use this chart as a guide to determine some of the rewards and satisfactions of your leisure time activities.

Meeting my needs in retirement

Activity	Self-respect	Prestige and respect	Social participation	Creativeness, self-expression	Service, usefulness	Physical activity	New experiences	Mental stimulation	Routine, keep busy
Golf			√			√			
Painting				√			√		
Social work		√			√				
Gardening				√		√			√
Traveling							√	√	

HOUSING

Suitable housing is one of the most neglected needs of our aging population. Housing suitable before retirement may become unsatisfactory afterward. Selecting a home in which to live after retirement is probably one of the last things the average person gets around to thinking about.

Lack of planning results in elderly people living in houses far too large for their needs, as they continue to occupy homes bought to meet the needs of a family with children, all of whom have married and have homes of their own. Very often oldsters struggle to operate and maintain large houses, which as the years pass by, become more burdensome for them to handle.

Many families are homeowners by the time they reach retirement age. They have spent the better part of their adult lives building up an equity in the house in which they live. Having planned it this way, families on the threshold of retirement may resent any suggestion to review their housing situation. The matter is further complicated by sentimental and emotional considerations. There are many cherished memories which go along with any house in which a family has lived for a period of time. Because of this, consideration of their later housing needs is postponed or avoided by all too many families as they approach retirement.

In selecting a suitable home for the later years, two main considerations should be borne in mind. The first has to do with the physical well-being of older people. The second factor is that, with rare exceptions, retirement brings a curtailment in income.

To be suitable for the elderly, a house or apartment must incorporate the following features:

1. Complete dwelling facilities, including a bathroom, on one floor, with that floor reached by few, if any, steps.
2. All thresholds and other tripping hazards absent or eliminated.
3. Nonslip surfaces installed everywhere.
4. Shelves and cupboards within reach without climbing.
5. Handrails by all steps and inclines.
6. Adequate handgrips by all bathtubs and toilets.
7. All steps and hazardous areas adequately illuminated.
8. Fully automatic heat.

If this evaluation is made of the present residence of a family anticipating retirement, the question need not necessarily be whether in its present conditions it meets the criteria, but whether with a reasonable expenditure of money it can be made to meet them.

Suggested reading

"You and Your Aging Parents," by Edith M. Stern and Mabel Ross, New York, Wyn, 1952, $2.75.

LOCATION

If the residence passes the design criteria, its location should then be considered. To be satisfactory from the point of view of location, it should be—

1. Near public transportation and shopping facilities.
2. Near friends.
3. Near a church.
4. Near recreation facilities.

If it is acceptable from the standpoint of location and design, its economic feasibility should then be examined. No matter whether it is the family's present house or one they contemplate purchasing, it is important to know the monthly costs, including taxes; payments on the mortgage, if any; heat; utilities; maintenance and repairs, etc. It is important that the cost of operating the house be carefully examined in relation to the family's prospective postretirement income.

You might ask, should I continue to live in the old neighborhood or move to a new location after I retire? The answer to this important question is one you will have to decide yourself after considering all the facts.

In the old neighborhood you have a feeling of security. Your home through the years has acquired affectionate associations. But, of course, neighborhoods do change. And, too, you may find that your income is so reduced that former living standards cannot be continued.

Suggested reading

"Where To Retire and How"; a comprehensive guide, planning jobs, hobbies, and housing, costs of living, climates, and places, by Fessenden S. Blanchard; New York, Dodd, Mead, 1952, $5.

WHERE TO LIVE AFTER RETIREMENT

If you are one of those persons who enjoys good health, are able to care for yourself, and have an adequate income, probably the best way to live is in a home of your own.

The average American household today provides little accommodation for the privacy needed for three-generation families. If it is necessary, however, to live with children or other relatives, remember that compatibility and our attitudes are very important to happiness and getting along with others.

Climatic conditions play an important part in the health and happiness of older persons. A sunny climate is rejuvenating for some older people, while others prefer the change of seasons.

For those seeking a warmer climate, there an are increasing number of so-called retirement villages, chiefly in Florida, Arizona, and California, which offer small houses of the type they are seeking, together with various facilities for community living.

In a number of communities private operators have successfully taken over large hotels which were losing their "prestige value" and are offering room and board to retired couples and individuals on a year-round basis at modest cost.

Some may enjoy the informality of rural living, because they would not need to dress as expensively, and land and taxes are cheaper. Many retired families help to furnish their tables from their own vegetable gardens and fruit trees. There are many good rural retirement spots located near small and large towns.

Vacations can be planned in a way that will give opportunity to look over various places and compare their merits. One should be very cautious about making permanent moves too hastily. Very often this leads to unhappiness. Before making a final decision to relocate, you might rent for a few months to get proper insight.

Suggested reading

"Lands in the Sun," by Norman D. Ford, Greenlawn, N.Y. Harian Publications. 1955.

CONCLUSION

You can make your retirement years the happiest years of your life. To make them so, however, you must plan ahead. We plan for a career, why not plan for retirement?

We cannot expect to escape all the difficulties of life, but if we are mentally and emotionally prepared for the changes that come with time, we have won half the battle.

STATEMENT OF ALAN T. WATERMAN, DIRECTOR, NATIONAL SCIENCE FOUNDATION, REGARDING POLICIES AND PROGRAMS OF NSF AFFECTING OLDER PEOPLE, AUGUST 22, 1961

The National Science Foundation is an independent agency of the Federal Government authorized and directed to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences and generally to support basic scientific research and programs to strengthen scientific research potential. In line with this orientation toward basic science, the foundation does not administer any policy or program specifically related to older people. However, some of the basic research supported as part of our activities in the biological, medical, and social sciences undoubtedly has implications for those concerned with the problems of aging, insofar as additional knowledge concerning the basic biological and social mechanisms of human beings can help provide information for those seeking answers to specific gerontological problems.

Our support of the conduct of basic research is primarily conducted through the award of grants to qualified scientists. In this connection, the subcommittee may be interested in the fact that the foundation makes grants to professors emeriti who may have reached their university's mandatory retirement age but who are nevertheless still capable of planning and conducting highly meritorious scientific research. A number of such grants have been made with gratifying and important results.

This agency has no specific program relating to its older employees. As far as the recommendations of the White House Conference are concerned, we are only qualified to comment on those relating to the need for increased research on various problems related to aging. We believe such increased research to be most desirable. We also feel that increased research on such general problems as housing, transportation, health, leisure, recreation, and employment will assist in finding solutions to some of the problems of the older segments of our population and, therefore, that research in these areas should be vigorously pursued by appropriate Federal agencies.

Thank you for giving me an opportunity to comment on this important matter.

UNITED STATES OF AMERICA,
RAILROAD RETIREMENT BOARD,
August 18, 1961.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: I am pleased to transmit to you the Board's reply to your recent letter on behalf of the Subcommittee on Federal and State Activities in the field of aging of the Senate Special Committee on Aging. Your letter requested information on policies or programs affecting the aging advocated or administered by the Board. It also inquired into the Board's reactions to any of the recommendations made at the recent White House Conference on Aging.

The Board administers the Railroad Retirement Act and the Railroad Unemployment Insurance Act, which together form a comprehensive Federal social insurance program for railroad employees designed to restore part of the income loss resulting from old-age or disability retirement, unemployment, sickness, or death. Because of the nature of the risks covered, the program is largely one affecting the aged and aging. A brief description of the program is enclosed.

The Board is well aware of the general problems confronting the aged. However, its functions are confined to the administration of the railroad social insurance program. Although it has made a number of studies of the relationship of this program to other social insurance schemes, its authority does not extend to the study of the problems of the aging in general. However, it has in the past and will in the future urge that if favorable congressional consideration is given to legislation which will provide a plan of medical insurance benefits for aged workers in industry generally, that the same legislation extend corresponding benefits to Railroad Retirement Act beneficiaries.

While the Board's program is not confined to older persons, the major part of its benefit expenditures under the Railroad Retirement Act and the Railroad Unemployment Insurance Act are, in fact, to such persons. In 1960–61, the

Board disbursed about $1,250 million in benefits of all kinds. Ninety percent of the $642 million in retirement annuities went to persons aged 65 and over. Most of the balance was paid to persons over 50. Aged widows all aged 60 or over received $160 million. It is estimated that about 60 percent of the $55 million paid as sickness benefits and about 30 percent of the $207 million in unemployment benefit payments went to employees aged 50 or over.

Over the years, the system has been quite responsive to the growing and changing needs of railroad employees. The acts under which the system operates have been frequently amended since their original enactment: to raise the scale of benefits, to broaden the protection offered, and to liberalize the conditions of payment. In cooperation with representatives of covered employers and employees, the Board is constantly seeking ways to improve the system consistent with considerations of financial soundness.

The railroad retirement system originally provided for retirement annuities based on old-age or permanent disability for all employment. Since disabled employees under age 60 needed 30 years of service to qualify for annuities, the provision was a modified old-age benefit provision. The only death benefit was a lump sum of the refund-of-contributions type.

Major amendments in 1946 and later years considerably broadened the scope of protection for railroad workers and their families. In 1946, the service requirement for total disability annuities was reduced from 30 years to 10 years for employees under age 60, and annuities were made available to employees disabled only for their regular occupations. A system of monthly and lump-sum benefits based on the insured status of deceased employees increased enormously the protection afforded to their widows, children, and dependent parents. In 1951, benefits for wives of aged retired employees were provided for the first time; in 1954, the age of eligibility for widows (without children) and parents was reduced from 65 to 60. Finally, in 1959, annuities to wives and women employees were made available at age 62 on a reduced basis.

In addition to the liberalizations described above, there were upward revisions in the benefit formulas. The retirement annuity formula was successively changed in 1948, 1951, 1956, and 1959, so that it now yields annuities about 67 percent higher than under the original law. The survivor annuity formula increased almost as much over the same period. In addition, under a provision introduced in 1951 and amended in 1959, the system guarantees benefits at least 10 percent higher than the amounts that would otherwise be payable under the Federal old-age, survivors, and disability insurance system. Hence, upward revisions in the benefit scales of that system, such as occurred in 1952, 1954, 1958, 1960, and 1961, have had the effect of further increasing benefit amounts for a substantial number of beneficiaries of the railroad retirement system, particularly survivors.

Important changes in the railroad unemployment insurance system have also been made. Under the original law passed in 1938, daily benefit rates for unemployment ranged from $1.75 to $3, and were payable for a maximum of 80 days in each benefit year. Today, daily benefit rates range from $4.50 to $10.20 per day, up to a normal maximum of 130 days per benefit year. Under amendments enacted in 1959, there is provision for extended duration of benefits for individuals who exhaust normal benefits, so as to make available an additional 65 days' benefits for those with 10–14 years of service, and an additional 130 days' benefits for those with 15 or more years of service. In addition, under a law enacted this year, temporary extended unemployment benefits were made available to railroad employees under terms similar to those for employees under State unemployment compensation systems.

Under an amendment enacted in 1946, the railroad unemployment insurance system provides sickness benefits for qualified railroad workers, similar to those for unemployed workers. Thus, the railroad retirement and unemployment insurance systems covered all the major hazards of older people—old age, total and occupational disability, death, and unemployment and sickness. While no such system attempts or should attempt to replace entire wage loss, the railroad retirement and unemployment insurance systems do provide considerably more than a subsistence income. In fact, together they constitute probably the most liberal social insurance system in the country.

There are now 397,000 individuals receiving retirement annuities, of whom 349,000 are aged 65 and over. Some 166,000 of the latter have wives who are also on the benefit rolls. There are 208,000 benefits being paid to aged widows. The average annuity is $133 for a retired employee, $58 for a wife, and $65 for an aged widow.

The maximum retirement annuity for a single person is now $208 a month, and for a retired couple almost $280 a month. These maximums will increase until eventually they reach nearly $350 and $420 a month, respectively. Benefits payable to unemployed or sick workers average about $10 per compensable day (the maximum is $10.20 per day) for up to 10 days out of each 14-day registration period. An estimated 150,000 workers over age 50 received such benefits in the last fiscal year.

The Board hopes that the statements in and enclosed with this letter will be useful to the subcommittee in its work. We will be happy to assist that work further in any way we can.

Sincerely yours,

HOWARD W. HABERMEYER, *Chairman.*

RAILROAD RETIREMENT BOARD

DESCRIPTION OF ACTIVITIES IN FIELD OF AGING

Objectives

The Railroad Retirement Board administers a comprehensive social insurance program for the Nation's railroad workers and their families which provides partial protection against loss of income resulting from old-age retirement, permanent disability, death, unemployment, and sickness. Under the Railroad Retirement Act, benefits are payable to workers retired on account of old age or disability, to their eligible wives, and to their surviving widows, children, and parents. Under the Railroad Unemployment Insurance Act, benfits are payable to unemployed or sick railroad workers.

The railroad social insurance system is confined to employment in, or closely affiliated with, the railroad industry. The system is the only federally administered one covering a single private industry. About 1,100,000 individuals will work in calendar year 1961 in employment covered by the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Services and benefits to older persons

The Railroad Retirement Act provides full retirement annuities for workers aged 65 and over with at least 10 years of railroad service and for women workers aged 60 with 30 years of service. In addition, reduced age annuities are payable to male employees at age 60 after 30 years of service and to women employees at age 62 after 10 years of service. Also, disability annuities are available to totally disabled employees at any age after 10 years of service, and to occupationally disabled employees at age 60 after 10 years of service or at any age after 20 years of service.

Workers who retire on nondisability annuities must relinquish their seniority rights with their last employers, railroad or nonrailroad, before they can receive annuities. They cannot return to work for a railroad or for their last nonrailroad employers without losing their annuities for the months they worked. However, they may normally work outside the railroad industry for any other nonrailroad employers without penalty.

Disabled annuitants under age 65 lose 1 month's annuity for each $100 they earn in a year in excess of $1,200 (not counting earnings in a railroad job or for their last nonrailroad employers) ; however, their loss is confined to months in which they actually earned over $100. On reaching age 65 they are subject to the rules covering age annuitants and must give up their seniority rights.

In addition to their railroad annuities, employees may normally draw old-age benefits under the Social Security Act, based on employment covered by that act, without reduction in their railroad annuities.

Monthly benefits are also payable to wives (and dependent husbands) of retired employees age 65 and over. The wives must also be age 65 or over or have children in their care in order to receive full annuities, but may receive reduced annuities beginning at age 62.

Monthly survivor benefits are payable beginning at age 60 to the aged widows, widowers, and parents of deceased insured employees. These benefits are payable until death or remarriage. In addition, monthly benefits are payable to widowed mothers with entitled children in their care as well as to the children. Entitled children are those under age 18, plus those age 18 and over who are permanently disabled from a disability which began before age 18. Lump-sum benefits are payable when the deceased employee had no survivor entitled to monthly benefits in the month of death.

In the fiscal year 1960–61, a total of $987 million in benefits was paid out under the railroad retirement system. Some 425,000 retired employees (including 378,000 aged 65 and over) received $642 million, 182,000 wives and husbands of retired employees received $118 million, while $227 million was paid to 308,000 survivors, including almost 22,000 aged widows and parents.

The average retirement annuity being paid on June 30, 1961, was $133. The maximum currently possible is about $208; in the future, much higher annuities will be available. Of the retired employees on the rolls, 88 percent were aged 65 and over. The average age of retired employees on the rolls was 74 years. The average ages of those newly entering the rolls are 67 for retirements on account of age and 58 for disability retirements.

The averages being paid on June 30, 1961, to wives and aged widows were $58 and $65, respectively. The Railroad Retirement Act contains a provision that benefits shall not be less than 110 percent of the amounts that would otherwise be payable under the Social Security Act. Some 84 percent of the wives and 87 percent of the widows on the rolls were aged 65 and over; their average ages were 70 and 73, respectively.

Railroad employees who earn $500 or more in a base (calendar) year are qualified employees for unemployment and sickness benefits under the Railroad Unemployment Insurance Act in the following benefit year (July 1–June 30). Of particular importance to older workers are provisions for extended benefit periods for employees with 10 or more years of service after normal unemployment benefits are exhausted.

Benefits paid to 412,000 railroad employees for current unemployment or sickness in 1960–61 totaled $262 million. About 319,000 unemployment beneficiaries received $207 million, while 128,000 sickness beneficiaries received $55 million. (An estimated 35,000 persons received both types of benefits.) Biweekly averages were $80 for unemployment and $91 for sickness. As in other years, the sickness beneficiaries in 1960–61 were a substantially older group than the unemployed.

Other services

The Board gives direct assistance and information to applicants for benefits or others interested in the programs, through its headquarters office in Chicago and through 7 regional and approximately 100 field offices located in railroad centers throughout the Nation. Also, part-time and itinerant services are supplied to other points. Applicants are encouraged to go to these offices whenever possible to receive firsthand assistance in completing forms and furnishing supporting documents. The field offices also handle the Board's placement service. Through this service, the Board attempts to help as many unemployed claimants and potential claimants as possible to find jobs. To help the older experienced railroad workers who become unemployed, the placement service makes a special effort to get them back to work. It has had considerable success in persuading railroads to ease their hiring requirements for older experienced workers.

The Board maintains a basic informational program designed to acquaint covered employers and employees, other Federal agencies, State, and local agencies and the public, with the provisions of the laws administered by the Board, the interpretation of these laws, and application to specific cases, and the characteristics of benefits and beneficiaries under them. Publications include the Monthly Review, the Annual Report, and a variety of informational leaflets, pamphlets, and releases. In addition, the Board holds a number of informational conferences each year in each region, attended by representatives of covered employees. At these conferences, the programs of the Board are discussed in detail with respect to their content and their financial and adjudicative aspects.

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
August 24, 1961.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities, Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Further reference is made to your request of August 7, 1961, for (1) a statement of policies and programs administered by SBA which affect older people; (2) our reactions to recommendations made at the recent White House Conference on Aging; and (3) a statement of policies and programs affecting older employees of SBA.

SBA policies and programs affecting older people

The Small Business Administration has no specific statutory responsibility with respect to the problems of the aging. There is, however, one aspect of our lending program which would be of interest to your committee. SBA, alone or in participation with banks, provides financial assistance to private hospitals, convalescent and nursing homes, and medical and dental laboratories for expansion, improvements, and general operations. Development of such facilities is of course of direct benefit to the elderly in many cases. I am enclosing 25 copies of a leaflet describing our program in this area.

Recommendations by the White House Conference on Aging

As indicated above we have no specific program responsibilities in this field. Our loans for health facilities are, of course, consonant with the recommendations of the White House Conference for adequate medical care (e.g., recommendation 15, p. 122 of "The Nation and Its Older People," Report of the White House Conference on Aging, Jan. 9–12, 1961).

SBA is in complete sympathy with recommendation 1 on page 149 of the report that wide publicity be given to the facts about the ability of the aging to perform useful jobs. There are enclosed copies of two publications by this agency on this subject which have received wide distribution.

SBA policies and programs affecting older employees

SBA permits no discrimination because of age in its personnel programs. Because our staff is small and largely decentralized, we have no special programs for aging employees.

I hope that the foregoing will be of help to your subcommittee in its consideration of problems of the aging.

With kind regards, I am

Sincerely,

JOHN E. HORNE, *Administrator.*

DEPARTMENT OF STATE,
August 23, 1961.

HON. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities,
Special Committee on Aging,
U.S. Senate.

DEAR MR. CHAIRMAN: The Department is happy to cooperate with your subcommittee by providing information concerning its policies affecting older employees.

The Department was impressed by the recommendations made at the recent White House Conference on Aging. It is not, however, an agency which would be involved directly either in research and development in the field of gerontology or in dissemination of information. Neither does the Department have any special policies or programs affecting older employees, except through its administration of the civil service retirement provisions and the Foreign Service retirement provisions with respect to those of its employees to whom they are applicable.

Normal Civil Service Retirement Act procedures govern the Department of State's civil service employees (and some of its Foreign Service employees) who are retired with annuities when they reach the mandatory retirement age of 70 with at least 15 years of service. An employee subject to the Civil Service Retirement Act may provide survivorship benefits for his wife by taking a reduced annuity. Minor children of an annuitant are protected with no reduction. Employees who prefer to retire before they reach 70 may do so at age 62 with 5 or more years of service, at age 60 with 30 years of service or any time after reaching age 55 with 30 years service, but on a reduced annuity.

Foreign Service personnel who qualify for participation in the Foreign Service retirement and disability system are, for the most part, required to retire somewhat earlier than civil service personnel, although chiefs of mission on active duty abroad are not required to retire at any specified age. Career ministers and career ambassadors, excluding those serving abroad as chiefs of mission, must retire at age 65, and all other Foreign Service personnel at age 60, except that in either case the officer's service may be extended for up to 5 years whenever the Secretary deems it to be in the public interest. Until the amendment of the Foreign Service Act by Public Law 86–723 in September 1960 such extension was permissible only when the Secretary determined that an emergency existed.

This extension provision is useful for prolonging the careers of vigorous officers who would prefer to stay in harness longer and whose services are needed.

Foreign Service officers with 20 years of service may retire with the Secretary's approval at any time after reaching age 50. For personal or family reasons some officers prefer to retire before reaching the mandatory retirement age, and this provision enables them to launch into a second career if they choose.

Retired Foreign Service officers may be recalled temporarily to duty if the Secretary believes it is in the public interest. This provision can be used with respect both to officers who have elected earlier retirement, and hence are more youthful, and to officers who have retired at the mandatory age.

Another amendment of the Foreign Service Act, also in effect since September 1960, makes it possible for a retired officer or employee of the Foreign Service to be reemployed in an appointive position in the Federal Government either on a part-time or a full-time basis. He is entitled to receive the salary of the position and as much of his Foreign Service annuity which, in combination with his present salary does not exceed his former Foreign Service salary.

As in the case of the Civil Service annuitants, the wife of a Foreign Service annuitant can be insured against his premature death if the employee at time of retirement electes to provide a continuing annuity for her by accepting a slight reduction in his own annuity. Minor children of an annuitant are protected with no reduction.

Finally, the Department of State provides counseling service to personnel at the time of their retirement, informing them of all their rights under the civil service or Foreign Service laws and regulations.

It is hoped that this information will be useful.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary
(For the Secretary of State).

THE SECRETARY OF THE TREASURY,
Washington, August 18, 1961.

HON. JENNINGS RANDOLPH,
Chairman, Subcommittee on Federal and State Activities,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of August 7, I am glad to supply the following information for the Subcommittee on Federal and State Activities in the field of aging.

None of the programs administered by the Treasury Department relate specifically to old people. However, the income tax laws contain special tax benefits for older people. A summary of these benefits, taken from material prepared for the recent White House Conference on Aging, is enclosed.

The Conference made a number of recommendations. Those of particular concern to the Treasury Department relate almost entirely to taxation. As you know, the President has directed the Treasury to prepare a comprehensive tax reform program for submission to the Congress next year. A major objective of the new program will be a broadened and more equitable tax base. The rate structure will be reconsidered. Problems of pensions and retirement will be examined.

I believe that the White House Conference recommendations should be considered in the context of this overall tax reform program. I hope, therefore, that your committee will agree that the Treasury's views on the separate recommendations of the Conference should be presented when they can take into account the whole tax reform program.

So far as policies and programs of the Treasury Department affecting its older employees are concerned, I can assure you that the Department makes no discrimination because of age. It does not, however, have any policies or

programs especially favoring older workers, nor does it have any which adversely affect them.

I hope this information will be useful to you and your subcommittee. If I can be of further assistance, please let me know.

Sincerely yours,

HENRY H. FOWLER,
Acting Secretary of the Treasury.

DEPARTMENT OF THE TREASURY

Objectives

A basic objective of the Treasury Department is to maintain sound fiscal and monetary policies in order to protect the economy against inflation and thus prevent erosion of the value of the dollar. The Government's efforts in this direction have special significance for older people, particularly those who live on fixed income, such as pensions and annuities, those who have put their life savings in banks, savings and loan institutions, and Government and corporate bonds, and those who have life insurance policies.

Tax relief for older persons

The Treasury's tax policies recognize the special problems encountered by older persons. Our income tax laws grant substantial relief to older people or to members of their family who are responsible for their support. Of the approximately 15 million persons aged 65 and over in 1957, 6.5 million persons were accounted for on the 5 million returns filed for 1957 by taxpayers aged 65 or over, but only 3.2 million persons had taxable returns.

Persons of 65 or over do not have to file an income tax return unless their income exceeds $1,200, as compared with the $600 filing requirements for other taxpayers. They are allowed double personal exemptions amounting to $1,200. Thus, a husband and wife who are over 65 are allowed an exemption of $2,400. This exemption, together with the 10-percent standard deduction, means that they may earn up to $2,675 without paying any tax. Older people who are blind may get further relief from the additional personal exemption of $600 which is allowed to blind people. In 1957, the latest year for which data are available, almost 6.5 million additional exemptions were claimed for age resulting in a tax saving of about $475 million.

Social security and railroad retirement benefits are exempt from tax. Under the retirement income credit provision enacted in 1954, retired persons 65 years of age or over who get modest amounts in pensions, annuities, interest, dividends, and rents may be completely exempt from tax. Under the credit provision, the first $1,200 of retirement income is exempt from the first bracket rate of 20 percent. This means a tax saving of up to $240 a year, or up to $480 if husband and wife both qualify. A husband and wife both of whom are 65 or over and qualify for the retirement income credit may receive as much as $5,333 of retirement income without paying any tax. In 1958, a tax credit for retirement income was claimed on more than 729,000 returns and a total tax reduction of more than $104 million was claimed on the basis of this credit.

The following table further illustrates the tax benefits accruing to older persons as a result of the double exemption, the exclusion of social security and railroad retirement benefits, and the retirement income credit. It indicates, for example, that a single person under 65 receiving wages of $2,205 pays $278 in income tax, while a single person aged 65 or over receiving the same amount of income pays no tax if his income consists of the average social security benefit, a small amount of other retirement income, and the maximum amount of earnings permitted without a reduction in his social security benefits. A married couple, both under 65, with wage income of $5,196 pays a tax of $695, while a married couple, both 65 or over, receiving this same amount of income pays no tax if their income consists of the average social security benefit, the maximum amount of earnings permitted without a reduction in social security, and other retirement income.

Comparison of tax liability of individuals under age 65 and individuals 65 or over with different sources of income

SINGLE PERSON UNDER 65

Wages	Retirement income [1]	OASDI benefit	Railroad retirement income	Total income	Tax liability [2]
$1,324				$1,324	$116
$2,205				2,205	278
$2,674				2,674	359
$2,848				2,848	391
$2,934				2,932	410
$3,794				3,794	575

SINGLE PERSON AGE 65 OR OVER

$1,324				$1,324	0
$1,220	$124	[3] $881		2,205	0
	2,674			2,674	0
$1,200	124	[4] 1,524		2,848	0
	1,324		[5] $1,608	2,932	0
$1,324			[6] 2,470	3,794	0

MARRIED COUPLE, BOTH UNDER 65

$2,674				$2,674	$239
$5,196				5,196	695
$5,333				5,333	720
$5,435				5,435	738
$5,541				5,541	757
$5,982				5,982	840

MARRIED COUPLE, BOTH 65 OR OVER

$2,674				$2,674	0
$1,200	$2,549	[3] $1,447		5,196	0
	5,333			5,333	0
$1,200	1,949	[4] 2,286		5,435	0
	3,249		[5] 2,292	5,541	0
$2,674			[6] 3,308	5,982	0

[1] For married couples, assumes that $1,200 belongs to wife and remainder to husband.
[2] Tax liability as determined by tax table, where applicable.
[3] Average OASDI benefit, June 1959. For married couples, one-third of benefit belongs to wife.
[4] Maximum OASDI benefit. For married couples, one-third of benefit belongs to wife.
[5] Average railroad retirement benefit, December 1959. For married couples, $684 of benefit belongs to wife.
[6] Maximum railroad retirement benefit. For married couples, $839 of benefit belongs to wife.

As a result of special tax provisions, older persons are able to deduct a considerably greater portion of their medical expenses than younger persons. They may deduct medical expenses without being limited like younger people to deducting only those expenses in excess of 3 percent of adjusted gross income. A new provision enacted in 1960 allows all taxpayers a similar right to deduct, without the 3-percent limitation, those medical expenses which they incur on behalf of their aged, dependent parents.

Individuals of 65 or over are subject to the 1-percent drug limitation and to the maximum dollar limitation on the medical expense deduction, but a special provision adopted in 1958 raised the maximum limitation on the amount of medical expenses which can be deducted by elderly persons who are so disabled that they are unable to work. If a taxpayer or his spouse has reached the age of 65 and is disabled, he may deduct up to $15,000 of medical expenses instead of the $5,000 maximum allowed generally in the case of a single taxpayer or a married person filing a separate return. If both the taxpayer and his spouse are disabled and 65 or older, the limitation on a joint return is $30,000 as compared with the $10,000 allowed generally for a joint return.

In 1956, persons 65 or over who itemized their medical expenses were able to deduct $648 million or almost 90 percent of these itemized expenses. For taxpayers under 65, less than 65 percent of the medical expenses itemized were eligible for deduction.

The tax laws also contain several provisions which encourage the growth of nondiscriminatory pension plans which enable individuals to meet retirement needs. Employers are allowed, within certain limits, to deduct contributions to such plans; covered employees are permitted to postpone payment of tax on the employer's contribution until they receive the benefits; and qualified trusts established to administer the pension plans are exempt from tax. In 1958 employers contributed $4 billion on behalf of 19 million employees covered under such private pension and deferred profit-sharing plans while approximately 1.4 million beneficiaries of these plans received $1.3 billion in benefits. In the same year, Federal, State, and local governments providing pension-plan coverage for their employees paid retirement benefits of $1.5 billion to 834,000 beneficiaries. To provide pensions for workers retiring in the future, over $71.4 billion had been accumulated by the end of 1959 in these private and public pension funds (exclusive of OASDI and railroad retirement funds). In the case of the private pension funds, both the existence of the plans and the size of the individual pension payments have been significantly affected by favorable tax treatment.

Older persons may also benefit from the provision which allows a special exclusion of up to $5,000 for death benefits paid by an employer to the beneficiaries of a deceased employee. Moreover, many older citizens benefit from a 1954 provision which exempts from tax wage-continuation payments up to a maximum weekly rate of $100 received by employees under an employer-financed plan which pays them during absence from work because of injury or illness.

Older persons who are widows or widowers or who are not married may benefit from the special tax rate provided for a head of household if they share their home with an unmarried child, grandchild, or stepchild, or with any other dependent relative.

Under a provision of the 1954 code, a taxpayer who supports his dependent father or mother may qualify as head of household even though his parents continue to live in their own home.

Another measure of assistance to taxpayers with elderly dependents is the provision of the 1954 code allowing employed women and widowers to deduct up to $600 a year of expenses for the care of disabled dependents.

Report of Study by the Veterans' Administration Voluntary Service Subcommittee on Volunteer Participation by Retired and Older Citizens

The older and retired citizen: areas of volunteer service, recruitment, and implications to VA voluntary service of White House Conference on Aging

(Presented to the Veterans' Administration Voluntary Service National Advisory Committee, Washington, D.C., April 18–20, 1961)

Definitions

For the purpose of this report the following definitions are used:

1. *VA hospitals* refers to all Veterans' Administration hospitals, domiciliaries, outpatient clinics, and day care centers with voluntary service programs.
2. *VA patients* refers to patients in Veterans' Administration hospitals, outpatient clinics and day care centers and to members in Veterans' Administration domiciliaries.
3. *VAVS committee* is a committee composed of representatives of voluntary organizations serving VA patients. These representatives, who are selected by their respective organizations, are in a position, through the medium of the committee, to advise in the planning, integration, and coordination of the Veterans' Administration voluntary service (VAVS) program. There are local VAVS committees to work in coordination with each VA hospital and one national VAVS committee to work in coordination with VA central office in Washington, D.C.
4. *VAVS chairman* is the VA official whose responsibility it is to serve as chairman of the VAVS committee.
5. *VAVS representative* is that person designated by a member organization of a VAVS committee to represent the organization on the committee in carrying out the organization's responsibility in planning for volunteer assistance in the VAVS program. Each member organization of the national VAVS committee or a hospital VAVS committee is permitted to appoint one representative and one alternate representative to the VAVS committee of which it is a member.

PART I. INTRODUCTION

Foreword

The Veterans' Administration voluntary service program from its inception in 1946 has represented a voluntary effort on the part of the people of America to serve the patients in all VA hospitals, thus supplying an invaluable link between society and our hospitalized veterans.

Traditionally the voluntary organizations in these United States have utilized the services of volunteers in their many programs of service for the entire community. In the VAVS program this practice continues and it is recognized that the organizations could not possibly provide effective services without capable volunteers. There is value in the volunteer approach, especially when it is based upon selective recruitment and training as a prerequisite to assignment to specific responsibilities.

In the Veterans' Administration, volunteers are important because of the variety of tasks which can be properly assigned to them. They are important because in many instances they have direct contact with the patients, and often the volunteer is the only contact which some organizations and individuals have with the veterans hospitals. The volunteer also gives a stability and continuity to the hospital volunteer program when changes in professional VA staff occur. VA voluntary service may well be judged by the caliber of its volunteer workers.

Many volunteers, like patients, are veterans and can contribute much as they speak the same language. Because there is a recognized potential for strengthening volunteer activities by older people, a subcommittee was appointed to study volunteer participation by retired and older people in VA hospitals. The subcommittee accepted the twofold challenge identified by the panel discussion at the 1960 national VAVS meeting: "Service to the older citizen—Service by the older citizen." [1]

The broad charge to the subcommittee of "What do we need to do?" fell into four areas:

1. Determine committee objectives and purposes.
2. Make a study of volunteer service by retired and older people—how to go about recruiting them for service in the VAVS program.
3. Review aspects of the White House Conference on Aging which have implications for the VAVS program.
4. Discover new ways to involve older people in volunteer service.

Objectives and purposes of the study

The subcommittee outlined four main objectives for its study:

1. To suggest guides for member organizations that will help them focus their recruitment efforts on the best possible resources to produce volunteers from the ranks of retired and older people.
2. To provide data that will help VA staff and organizations to interest older people in the program. How the services of retired and older people can be used to meet the needs of the aging patients as well as the other patients; conversely, to have older people find the experiences satisfying.
3. To provide voluntary organizations and VA staff with information on how this program can be implemented within the present structure of volunteer service.
4. To consider special problems related to retired and older people serving as volunteers such as transportation, diet, specific hours, physical condition.

Approach to the study

The enthusiasm and stimulation aroused—as an outcome of the panel presentation and discussion on the subject of "Service to the older citizen—Service by the older citizens," at the 1960 National VAVS meeting—resulted in the formation of a subcommittee which would further explore these challenging areas.

Our topic was made even more timely by the nationwide focus on the soon to be held White House Conference on Aging.[2]

It was determined that the subcommittee should become knowledgeable about the present status of programs within member organizations of the national committee for their older and retired members. To accomplish this, a questionnaire was mailed to the 43 organizations.

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[1] A summary of this panel presentation, entitled "Our Senior Citizens: A Two-Fold Challenge," appears on pp. 27–30 of the Report of the 22d Meeting of the VA Voluntary Service National Advisory Committee, published by the Veterans' Administration, Washington 25, D.C., June 1960.

[2] The White House Conference on Aging was held on Jan. 9–12, 1961.

The Veterans' Administration, in turn, developed a survey to determine the utilization of services of older and retired citizens as volunteers and the potential for additional service. See page 6 for a review of their replies.

Since findings of related groups and organizations interested in the older and retired citizen would enlarge our sphere of information, we were fortunate to have on our subcommittee representatives and consultants from such areas as American Association of Retired Persons, the White House Conference on Aging, and VA specialists, who brought their knowledge and experience for consideration.

Armed with detailed and exact facts about older and retired citizens, the subcommittee hoped it would be in effect a resource, as well as a sounding board, for VAVS member organizations.

PART II. FINDINGS

Findings from standpoint of the member organizations

To ascertain what the member organizations of the National VAVS Committee were doing for and with their older and retired members and whether their services were being used in VA voluntary service, a questionnaire was devised and sent to all 43 of the member organizations.

Twenty-five members of the national committee answered and returned their questionnaire. Eighteen did not.

Information received.—

Question No. 1. What are your present programs and projects in the area of senior citizens in or at VA stations?

Reported none at all	9
Have specific recruitment of retirees, to work with VA	2
Work with older persons in VA hospitals, but do not recruit senior citizens	8
Works with senior citizens but receives no national direction	1
Reported "all workers are senior citizens themselves"	1
Include older persons only in special events	2
Works with older persons only when he is returned to the community	1
Reported no actual information to date	1

Question No. 2. Estimate the number of members involved.

Reported no actual count of numbers available	16
Reported 50,000	1
Reported 50	1
Reported 350	1
Reported 75 percent of volunteers are over 40	1
Reported one-half of organization are seniors themselves	1
Reported 200	1
Reported several thousand	1
Knew of seniors working in approximately 75 VA hospitals	1
Reported 500	1

Question No. 3. If you do not presently have such a program, is one being planned?

Answered "No"	12
Try to stimulate interest through articles in news bulletins	2
Expect the White House Conference on Aging to become a springboard for expansion of such programs	4
Encourages senior participation	1
Is conducting a survey re skills of retired members	1
Has initiated a mail campaign re recruitment of special volunteers	1
Said "Yes" through VA	2
Does not feel it has the membership or resources to plan an extensive program	1
Hopes to start such programs	1

Question No. 4. Would you be interested in promoting a senior citizens program in VA hospitals and domiciliaries, if given guidance?

Replied "Yes"	23
Felt no need at this time	1
Said "Yes" if approved by representatives at their June meeting	1

Analysis.—

Question No. 1. Present programs: Participating VAVS organizations, in the main, have given no special attention, either by national direction or actual local programing to this phase of the work and much needs to be done.

Question No. 2. Members involved: The majority of member organizations which answered could give no actual count of the numbers of their older members who give volunteer service in VA hospitals. Nine other answers indicated rather sketchy information ranging from 50 to 50,000 volunteers who might be involved in their programs for older and retired persons.

Question No. 3. Future programing for members: While most organizations had no plans for programing in the area of the older adult, several looked to the 1961 White House Conference on Aging to be learning ground and hence a springboard to start such activity.

Question No. 4. Need for future service: All but three of those answering this survey question would welcome guidance in such programs. This points up a great void to be filled.

Findings from the standpoint of VA hospitals

To determine the present use of volunteer services of retired and older citizens in the Veterans' Administration, all hospitals, domiciliaries, and outpatient clinics with voluntary service were asked to report at the close of the calendar year 1960 certain information about these volunteers.

There follows an analysis of the replies to each question with reference to any indicated trends, developments, or general procedures about the use of volunteer services of retired and older citizens.

Volunteer assignments for older volunteers.—There are 1,443 assignments now being filled by older volunteers in VA hospital programs.

There are 539 additional volunteer assignments for which older volunteers are needed. This figure does not reflect the number of volunteers needed to fill these assignments.

Retired and older volunteers are filling more volunteer assignments in the field of recreation than in any other program. This finding is consistent with the overall volunteer utilization statistics: Recreation utilizes the services of more volunteers, regardless of age, than any other hospital program.

It is important, in reviewing the following table and narrative analysis, to remember that number of volunteers now participating or desired are not indicated.

Volunteer service by retired and older citizens in VA hospitals

Hospital program	Number of assignments now being filled by older volunteers	Number of assignments giving most satisfaction to older volunteers	Number of assignments best suited to older volunteers	Number of assignments needing additional volunteers
Recreation	357	251	221	104
Nursing	174	120	119	86
Library	147	99	104	32
Chaplain	85	59	55	15
Occupational therapy	79	59	51	39
Registrar	62	38	40	19
Other programs	539	368	313	244
Total	1,443	994	903	539

Older volunteers in recreation: Among the assignments in recreation which were mentioned by more hospitals as being filled by older volunteers were assistance in small group activities for the purpose of developing interpersonal relationships, in resocialization activities through parties and ward recreation, and in sports activities to develop better patient relationships. Also included were assignments in which the special skills and knowledges of older volunteers would be used, such as in music activities, with the hospital newspapers, in stamp and hobby clubs, as discussion leaders, and as art specialists, among many other assignments of a specialized type.

Older volunteers in nursing: The study revealed the fact that there were more assignments for older volunteers to central service than anywhere else in nursing

service. However, more assignments of older volunteers were in direct patient care services rather than in indirect patient care services. The direct services included personal services, assisting with feeding patients, escort services, and other services which add to the well-being of the patient.

Older volunteers in library: Library was listed as the third service having the greatest number of volunteer assignments for older volunteers. Such assignments as readers, ward cart assistants, and clerical assistants were listed. In general, the hospitals said that older volunteers received most satisfaction from their present assignments and that approximately two-thirds of the assignments were best suited to older volunteers. It is to be noted that the libraries throughout the country appear to have almost all of their volunteer assignments for older volunteers filled; only 32 assignments were listed as now being available for older volunteers.

Older volunteers in chaplain service: Fourth in the list of assignments being filled by older volunteers were those assignments available in chaplain service. Staff felt that 51 of the 85 assignments are best suited to these volunteers, e.g., escorts, ushers, musicians, assistants to the chaplain in preparing the church for services and helping in clerical duties.

Older volunteers in occupational therapy: Next in order of assignments being filled by older volunteers are those found in occupational therapy (79 assignments). As in recreation, volunteers with special skills and abilities were filling specialized assignments, were enjoying them, and were best suited for the work. Volunteers in the older and retired brackets were particularly helpful in arts and crafts activities.

Older volunteers in registrar service: Assignments in the registrar's office for older volunteers numbered 61. Helping as receptionists and at the information desk accounted for many of the assignments. Other assignments were of a non-direct patient-contact type.

Older volunteer in other hospital programs: The other programs, referred to in the table on page 7, included 539 assignments now being filled by older volunteers in manual arts therapy, housekeeping service, educational therapy, dietetic service, social work service, voluntary service, and to some degree in practically every other hospital program in which adult volunteers were assigned. The number of assignments and the number of older volunteers needed to fill these assignments will change from time to time as the need changes.

Limitations of service.—There was both agreement and disagreement in the answers to the question as to what limitations, if any, it has been necessary to place on the services of retired and older volunteers.

Thirty-nine hospitals listed excessive walking or heavy lifting as a decided limitation. Yet, in examining the figures for a number of assignments in nursing service, it was found that a number of hospitals utilize the services of older volunteers in connection with escort service.

The hospitals reported that older volnnteers should not be asked to take assignments that require long standing, involve strenuous activity, necessitate stooping and bending, or require concentrated and continued work where there is no opportunity for a break.

It was agreed that the physical limitations of each volunteer had to be considered separately, as with all volunteers. With proper orientation, counseling, and supervision, the right assignment could be made to meet the abilities and physical fitness of the volunteers, regardless of their chronological age.

Hospitals mentioned that transportation is a problem for older people, as many do not drive, and bus or trolley connections are sometimes poor. It was found that with good transportation and with full knowledge of the need for service, older volunteers are most dependable and rarely miss an assignment.

Another problem facing older volunteers is that of paying for transportation, and in certain cases, paying for meals where none are available or the volunteers do not work over a meal period. Many volunteers are on a very limited income and as generous as they may be with their time and efforts, cannot include expenditures for transportation to and from the hospital and meals away from home within their budget.

Recruitment sources.—More hospitals (74) reported that older volunteers were recruited through the efforts of satisfied volunteers—the person-to-person touch—than through any other means of recruitment.

Service organizations are the next most mentioned source for recruitment of these volunteers.

Church groups was another excellent source for older volunteers inasmuch as in any instances there groups have taken leadership in providing programs for their older members.

Some of the other recruitment sources mentioned were:

Senior citizens clubs.

Golden age groups.

Clubs for retired men and women from telephone companies, railroads, other industries.

Retirees from armed services, Federal Government, etc.

Schoolteachers were found to be an excellent source for volunteers with special abilities and skills.

A number of hospitals observed that newspaper publicity helped in recruitment as did radio and TV announcements. A continuing campaign rather than one-time methods was found to be the most effective.

Other information.—The hospitals were asked to provide any additional information that they deemed pertinent to the use of services of older and retired citizens in VA voluntary service. Some of their comments follow.

One hospital emphasized that the attitude of staff members supervising volunteers is a much more important factor than the specific assignment. In many instances, volunteers receive satisfaction from routine, uninteresting type work assignments because of the pleasant associations with staff members. Also, there are a number of attractive volunteer assignments which sometimes leave much to be desired in job satisfaction because of poor staff-volunteer relationships.

Another hospital pointed out that its greatest problem is rejection of unsuitable volunteers due to their physical or mental conditions. Their spirit and willingness often exceed their capabilities. Organization VAVS representatives must be particularly selective in recruiting their older volunteers.

A third hospital, using the services of teenage volunteers in its summer program, found that combining the older and the younger groups worked out most satisfactorily—with the older group assisting in supervising and guiding the younger group.

Retired men were found particularly effective as volunteers at several hospitals.

One hospital reported that the greatest contributions were made by those older volunteers who have a real understanding of the needs and characteristics of the patients with whom they are working. The hospital has found that they do a much better job when they recognize that the needs of the patients are not always identical with their own.

Older volunteers, one hospital pointed out, are much more sensitive to indifference and thoughtless remarks by employees and other volunteers.

The drive, interest, and dependability of the senior citizen as a volunteer is aptly summed up in an observation made by one hospital when it commented:

"In March of 1951, just 4 months after our hospital was dedicated, 94 volunteers had registered for the first orientation course, thus demonstrating their desire to serve. In November 1960, 10 years after the hospital dedication, 57 of the original 94 volunteers were still actively serving. Their service totaled almost 71,000 hours. Almost all of the 57 volunteers are retired and older citizens."

Findings of the White House Conference on Aging that have implications for VA voluntary service

Even before the White House Conference on Aging[3] was convened its success was assured in at least one of its basic objectives. The publicity attendant upon it through press, radio, and television, did, if nothing else, serve to keep before the people of the United States the fact that our aging citizens have very serious problems. These problems are noted in all parts of our country and in every community, large or small. It was made evident that something must be done almost immediately to meet these problems of older people.

In preparation for the White House Conference on Aging, each State held a State conference, the recommendations from which showed a new recognition of services older people could render in their communities. This was also true of the White House Conference, which discussed in many of its sections the need for useful occupation for our older citizens, the suggestions of many kinds of voluntary services which they might perform and what the value of these serv-

[3] White House Conference on Aging, Jan. 9–12, 1961, Washington, D.C.

ices could mean to the older persons themselves. Finally, the Conference recognized the real value of enlisting the experience and ability of a large portion of its citizens in many voluntary endeavors in the community.

In the few weeks since the Conference was held several States have reported on the Conference, emphasizing that if the White House Conference on Aging is to be a success, it depends upon the subsequent action taken in the States and communities. The Conference delegates agreed that something should be done for the aged, and, in turn, aging people should do something for themselves. This, too, was the conclusion of the State meetings held in advance of the Conference.

One of the sections at the Conference, population trends, social and economic implications, felt that a statement of rights and obligations was essential and produced this senior citizen's charter:

Rights and obligations of senior citizens.—

Rights of senior citizens:

1. The right to be useful.
2. The right to obtain employment, based on merit.
3. The right to freedom from want in old age.
4. The right to a fair share of the community's recreational, educational, and medical resources.
5. The right to obtain decent housing suited to the needs of later years.
6. The right to the moral and financial support of one's family so far as is consistent with the best interests of the family.
7. The right to live independently, as one chooses.
8. The right to live and to die with dignity.
9. The right to access to all knowledge as available on how to improve the later years of life.

Obligations of senior citizens: The aging, by availing themselves of educational opportunities, should endeavor to assume the following obligations to the best of their ability:

1. The obligation of each citizen to prepare himself to become, and resolve to remain, active, alert, capable, self-supporting and useful so long as health and circumstances permit and to plan for ultimate retirement.
2. The obligation to learn and apply sound principles of physical and mental health.
3. The obligation to seek and develop potential avenues of service in the years after retirement.
4. The obligation to make available the benefits of his experience and knowledge.
5. The obligation to endeavor to make himself adaptable to the changes added years will bring.
6. The obligation to attempt to maintain such relationships with family, neighbors, and friends as will make him a respected and valued counselor throughout his later years.

Policy statements concerning noninstitutional care.—Some quotes from the policy statements call attention to other than institutional care. The section on rehabilitation stressed the fact that "several millions of our older citizens are dependent on others for the normal demands of daily living. They cannot travel, feed themselves, dress, communicate adequately, or move about without aid." The need for volunteers to help these persons is without precedence throughout the country, and points the need of basic training for the various jobs to be done.

"The provision of rehabilitation services should be encouraged. These facilities should be encouraged to affiliate with organized and approved training programs for the improvement of their nonprofessional staff. Persons with practical knowledge may serve a useful purpose to supplement the services of professional workers."

"Communities should develop additional supporting services and facilities, such as, home care programs, homemaker services, day hospitals, patient clubs, half-way houses, foster homes and preventive clinics for well older people. Careful attention to the training of the aging in the use of self-care devices would enable many of them to lead more independent lives."

The policy statement from the section on social services stated that: "Older persons for the most part have the capacity to lead independent and useful lives, enriched by a lifetime of experience, but as a group they encounter great obstacles to the satisfaction of these needs. These may include sharply reduced income, ill health, physical handicaps, loss of family and friends, unsuitable living arrangements, loneliness and isolation from community affairs."

"Communities should provide a wide range of services under public and private auspices to enable older individuals and families to cope constructively with the social, physical, emotional, and economic problems which are beyond their capacity to resolve independently."

From the Section on Free Time Activities: Recreation, Voluntary, Services, Citizenship Participation: "Therefore, effective use should be made of senior citizens in the continuing life of the community, State, and Nation. It is every citizen's concern that senior citizens participate and become actively involved in recreation, voluntary services, and in citizenship participation."

"The involvement of participants in the total planning and the executing of the program is basic and essential. To meet the diversity of interest of all the aged, a broad range of program offerings, creative, cultural, physical, social, volunteer service and citizenship participation must be implemented by every available public and private agency through coordination of effort in utilization of facilities, leadership, and funds."

"Voluntary services and citizenship participation represent a traditional American ideal of value in the development of individual and national character; and habits of voluntary service and citizenship participation on the part of all Americans should be developed early in life to carry over into later life."

"Stereotyped attitudes about old age both on the part of the community as well as of older people about themselves can limit the continued participation of senior citizens in recreation, voluntary service, and in civic and governmental affairs. To remedy this situation we need to develop a better public image of old age based on the potential contribution senior citizens can make plus a more positive self-image through opportunities to achieve skills and accomplishments which would preserve and restore a sense of belonging and usefulness."

"Basically, the primary responsibility for creating a more realistic attitude toward old age rests with senior citizens themselves in terms of demonstrating that some of the traditional concepts of old age are no longer justified. But older people cannot accomplish this without the sympathetic cooperation of society and the removal of barriers that prevent older people from contributing their services."

"Since it is recognized that effective leadership is the most important single factor in successful program effort, adequate professional leadership is essential, supplemented by trained volunteer leadership. The quality of professional and voluntary service should be improved through preservice and in-service training."

"In behalf of those older people who do not or cannot avail themselves of community resources (such as the shut-ins and those who have always been reticent about becoming involved in group or formal programs, who are known to be unhappy because of their isolation) communities should devise programs to bring services to the home."

Implications for VA voluntary service.—The White House Conference on Aging provides the following implications for volunteer service by older and retired citizens:

1. Older persons should be encouraged to undertake a wider variety of services in the veterans hospitals according to their abilities.
2. The cooperative national organizations can help by changing attitudes toward aging.
3. The cooperating organizations can make use of their own older members by encouraging them to contribute volunteer service and by initiating or joining with other organizations in training programs for them.
4. The Veterans' Administration may find within its own hospitals certain older patients who may be involved in services to other patients whose need may be greater than their own.
5. The multitude of needed services for the veterans not hospitalized point to the wide possible variety of services such as homemaker, meals on wheels, friendly visiting, shopping, and a myriad of practical services for the homebound veterans.
6. The fact that there are so many older persons in veterans hospitals makes them an especially good field for various research projects on the aging and for in-service training projects.

Some further byproducts of the White House Conference on Aging which can be of great benefit to the organizations working with VA voluntary service are to study the many new methods of agency cooperation and community planning. Much is being written about community action programs which embody these

new techniques and which also point the way to new opportunities for correlation of effort in joint planning for the aging.

The States as well as national organizations will continue to implement their own and Conference recommendations and make both progress and methods available. Through this means, the organizations can give greater emphasis to the new opportunities for the meaningful involvement of older citizens as active members of society.

PART III. SUGGESTED AREAS FOR VOLUNTEER SERVICE BY RETIRED AND OLDER CITIZENS

General comments

The challenge and opportunity to utilize higher technical and social skills and systematically to broaden the scope of the volunteer program is currently present and will intensify in the American tradition of service to those in need.

The resource pool supplying these services will be greatly augmented by including in its potential the natural aptitudes and backgrounds of the retired and older citizens. Planning should recognize the need for dignity and satisfaction in directing their contribution to the overall mission.

Definitive volunteer assignments can best be made locally in accordance with patient needs and medically indicated treatment programs. Therefore, only broad areas of activities, with a few examples given, have been suggested as an overall device for local planning.

Intrahospital activities

Volunteer service by older and retired citizens as part of intrahospital activities can be of a direct patient nature or of a supportive nature in the care and retirement of patients.

A. *Direct patient service.*—

1. Companionship therapy: (*a*) The older volunteer usually has time and the capacity to win the confidence of the patient. Person to person relationships will help bridge the gap between the family and hospital living. This friendly relationship adds depth when the volunteer not only looks at the patient but tries to hear what he is saying and what he is not saying. In talking with the patient's family, the volunteer must also understand what is not said but which is implied. When this information is shared with the physician and nurse it can be of real value in the treatment of the patient.

(*b*) With maturity, judgment, and life experience, older and retired volunteers can offer a type of friendship and understanding essential for patients with long-term illness and for domiciliary members. Many patients in their effort to maintain privacy not possible to institutional living have withdrawn themselves from the hospital climate as a means of self-protection. Empathy, skill, and a depth of understanding are required to remotivate these individuals and to encourage them to regain the limits of their potential for restoration and return to community living.

(*c*) The older volunteer with a natural capacity for assisting and motivating patients on an individual or group basis may help through study or discussion groups of many types, e.g., travel discussions, stamp collecting, music activities, and other cultural hobbies.

(*d*) As a companion the older volunteer with understanding and appreciation of individuals can sympathetically help the patient to participate in his care and treatment programs.

(*e*) The older volunteers with a seventh sense of just how far to go can encourage patients to participate in social group activiteis. They may also know how to encourage and lead a patient in pursuit of the patient's hobby or special interest.

(*f*) Older volunteers with green thumbs prove to have great empathy for those patients who love to work with the soil. Together they can plan and work their garden and, at the same time, develop the friendship and understanding which both will welcome and, sometimes, both will need.

2. Hospital training and rehabilitation programs: The older volunteers with judgment and understanding can assist patients to follow their medically prescribed training or rehabilitation programs. These volunteers are not pressed for time in having a patient finish a given assignment. The volunteers realize that a patient may not be able to complete the desired training in the first, second, or even the third try; they do realize, however, that no matter how long the training takes, the patient should continually be encouraged to reach his goal.

Assistance in such training might take the form of helping the patient to

relearn the walking processes or to complete prescribed exercises to alleviate certain conditions. Many patients lose interest in the prolonged stages of training. It is here that the older volunteer can be of particular help.

3. Assistance in meeting personal needs: An older volunteer with understanding and patience can assist so well in writing letters for a patient or reading to him. However, the older volunteer may have even greater skills which are needed by VA patients in certain communities. Often the patients can speak only in their native foreign language or prefer to talk in it. Many of the older volunteers have this ability and are particularly pleased when they are called on to use a skill which other volunteers do not have.

4. Assistance in ward and/or clinic duties and activities:

(*a*) Escort service: Senior volunteers should not be requested to push wheelchairs or carts unless they have been medically cleared for such service. Of equal importance, many patients as part of their treatment should walk to the clinic or special therapy areas from their ward units. However, because of work pressures, wheelchair or cart transportation, whichever is more rapid and will take less time, is provided. Many patients need the encouragement and the time to travel by foot the distance involved. A senior volunteer has the time and could give this special type of much needed escort service which will help the patient carry out his medically prescribed program. Such help is another example of the important principle of getting the patient to help himself.

(*b*) Feeding patients: Older volunteers make excellent companions to assist in feeding selected patients. Patients who are to be helped in feeding must be carefully screened as to their needs. The volunteer must know the extent of self-help the patient is capable of using. The patient's recovery is dependent in many instances on his own efforts to help himself. The understanding, patience, and skill of the volunteer in providing encouragement and companionship can be a strong motivating force to the patient.

(*c*) Receptionist on ward unit and in outpatient clinic: The older volunteers, because their appearance speaks of maturity, have special abilities as receptionists on ward units. They give the impression of assurance and "time to listen"—qualities which are so helpful in greeting visitors and taking them to the patient's room. The senior volunteer can also help the charge nurse in giving individual attention to designated waiting patients, or in assisting the nurse with delegated activities concerned with patient care. In the outpatient clinic, the senior citizen can help in preparing the room for group teaching of patients and act as host or hostess with the patients.

(*d*) Friendly protector: The older volunteers know what to look for—the fears and the uncertainties—in talking with patients. They also can assist aging or disabled patients to smoke if the patients are permitted to do so. Knowing the dangers inherent in smoking in bed, in chairs, inside the hospital or outside, the older volunteer will not leave the patient until he has stopped smoking. Older volunteers will make a service of this type look like a friendly visit rather than the act of a watchdog.

B. *Supportive services for patients.*—Another area for intrahospital service to patients is through assistance in volunteer assignments which help support the treatment of the patients and which are not of a patient-contact type. Some of these areas include:

1. Assistance in clerical, statistical, and technical areas: Such assistance includes the filing of patients' records or the compilation of information needed about patients, and working with the staff in developing activity schedules for patients.

2. Assistance in laboratories: Because of previous professional or business experience, some older volunteers can help VA staff with the work carried on in medical illustration or X-ray laboratories either through use of their special skills or in helping with filing and recordkeeping.

3. Assistance in general hospitalwide programs: Older volunteers have much to offer in planning and helping to conduct open houses at VA hospitals, or with special visitor days or special programs being put on for the hospital community. They are adept at recruiting blood donors for the blood recruitment program. Another example of their ability to assist in hospitalwide programs is through their participation in the safety and fire programs. An experienced mind unconsciously looks for fire and accident hazards and is also quick to safeguard patients from other hazards as they may develop.

4. Assistance in central service and operating room: Older volunteers can help by assisting the nurse in answering the telephone or transcribing and/or filing records, or other designated functions. Such work frees the nurse for

the duties for which she is particularly prepared. Another example of help is preparing usrgical packs for sterilization and in fabrocating special material equipment needed by patients and which are not available commercially.

Extra hospital activities

There are many extra hospital activities in which older and retired citizens can support the hospital mission.

A. *Assistance in establishing community relationships and responsibilities.*—Older and experienced volunteers can help patients maintain that delicate balance between enjoyment of the hospital—and a desire to remain rather than to face the uncertainties of life outside the hospital. They can help patients feel confident that they have a contribution to make to their families and/or to the community.

The patient can also be reassured that interest in him as an individual will continue through visits to his home by the volunteer friend. This open-door arrangement of the hospital assures the patient that the volunteer can be the link between him and the hospital staff.

The senior volunteer, because he knows why it is difficult for the patient to leave the hospital, knows, too, the lack of community resources which would insure continuity of medical and other care for the patient following hospital discharge. Armed with this knowledge the volunteer is in a position to work with local, county, and State health agencies in setting up needed community resources, for example: Preventive and treatment clinics, visiting nurse services, homemaker and meals-on-wheels services, and foster homes in which discharged VA patients share the benefits available to the whole community.

B. *Assistance in community planning for social and medical needs of discharged patients.*—Older volunteers are more experienced in civic activities and are aware of social or medical care inadequacies or lags in the community. They, therefore, are in good position to work with organized health and welfare citizen groups in providing needed community services. Such groups would include health and welfare councils, local health departments, community councils, etc. In particular, these volunteers could encourage the establishment, extension, and improvement of community, social, and medical resources through these agencies for the benefit of the aging and the handicapped.

In addition, the older volunteer as an individual citizen is free to initiate or take action regarding legislative proposals concerned with hospital care and treatment, thus helping to meet community health and social needs.

PART IV. SUGGESTED RECRUITMENT METHODS FOR RETIRED AND OLDER CITIZENS

The subcommittee reviewed the report of "Recruitment and Retention of Volunteers" for service in VA hospitals[4] with particular reference to information about older and retired persons. The material was found most helpful.

The subcommittee believes that it is necessary to tailor the methods of recruitment of older and retired citizens to the sources of recruitment as they are interdependent. The following methods are suggested for recruitment of such volunteers:

Speakers

The use of speakers before groups of retired and older people brings about a person-to-person approach in recruiting. As with any means of communication, the personal method is the surest and most effective. Some of the various people upon whom an organization might draw for speakers are:

1. Volunteers who are enthusiastic, are already working in VA voluntary service, and who want to tell about their work in an interesting and concise way give the person-to-person approach.

2. Officials of the organizations who know about the program are an excellent source for speakers. Stature is given the program by having such officials of the organization speak about VA voluntary service.

3. Other interested people from the community who know the benefits to be received by older and mature citizens participating in VA voluntary service and who can speak with conviction are an excellent source for speakers.

4. VA hospital management and staff, including the chiefs and staff members of services utilizing volunteer assistance, make excellent speakers. Having

[4] Report of a 2-year study by the VAVS Subcommittee on Recruitment and Retention of Volunteers, presented to the VAVS National Advisory Committee, Apr. 28–29, 1960.

worked with older and retired people as volunteers in their service, VA staff know what information potential volunteers need and want to know and the assignments most interesting to this group.

Personal contact

This recruitment method is the personal approach on an individual basis to the potential volunteer.

1. Volunteers of similar age as the potential volunteer know the benefits they and the patients have received from volunteer work. They also know the difficulties and limitations experienced by people of their age and are thus able to dispel misinformation and doubts.
2. VAVS representatives, either formerly or presently working in this capacity, as a result of their own or their volunteers' experience, have the knowledge necessary to talk with potential older volunteers. Such representatives can imbue the potential older volunteer with the desire to serve patients in VA hospitals.

Printed material

Articles in the publications of member organizations of the National VAVS Committee, as well as other organizations whose membership is composed of potential older volunteers, is another way of telling the story. Interesting articles centered around the work of a senior citizen, which appear in local newspapers, bring attention to the program.

Radio and TV appeals

Locally produced radio programs telling about individual older volunteers and how their special abilities helped in the patient care and treatment program are interesting to listeners. Similar programs with pictures of the work these volunteers accomplish make for good TV programs. Motion pictures of the service being given by these volunteers might also be included in a TV presentation.

Exhibits

Booths and special exhibits manned by older volunteers and centered around the opportunities for service by older volunteers make excellent recruitment sources. These exhibits can be placed at county and State fairs, railroad and bus stations, hotel lobbies, telephone company offices, banks, utility offices, and in other offices of companies having public service programs. They can also be used at National and State conventions and other meetings of the organization. It is suggested that the VA Pamphlet 10–6, "You As A Volunteer," be used as a handout in addition to items the local VA hospital may develop to assist in recruiting older and retired volunteers.

Senior Citizen Week

Members of the hospital VAVS committee and older volunteers may work with other community organizations to encourage the establishment of a week to be designated by the city in honor of older citizens. This week could feature a special Older Volunteer Day at the hospital.

Local civic associations

Older volunteers may also be reached through local civic associations or citizen groups. These associations have older people as members. Stories about opportunities for service by older people, properly prepared and energetically given, will help stimulate interest in the program on the part of the listeners who otherwise might not hear of the work. A program of service by retired people might be undertaken by local civic groups or associations.

Volunteer bureaus

Volunteer bureaus have been found to be an excellent means for recruiting retired and older volunteers for VA voluntary service. In addition to the appeals for volunteer assistance which these bureaus systematically put on, volunteers often come to the bureaus to offer their services.

Welcome wagons

Welcome wagon hostesses, in addition to their appeal for volunteers of all ages for VA hospitals, could make special requests to the older newcomers to the community or for volunteer assistance from the parents of young people who have move into the community.

"The Gift You Bring"

The VA film "The Gift You Bring" is available for showing to local groups. Its moving story tells of the part the older volunteer can play in the program for patients. The film is available without charge through the nearest VA hospital. A handout containing information as to how to go about offering volunteer service should be distributed after the showing of the film.

VA open house

Another good recruitment source is a VA open house especially planned for golden age groups. It is suggested that the program include an enthusiastic speaker who speaks to the point but briefly, the showing of a film of hospital activities or the showing of the film "The Gift You Bring," and a short tour of the volunteer work areas.

Retirement preparation

Most industries now have a program to bring the future retiree up to date on community opportunities for a fruitful life of retirement. Included in these talks some mention and possible discussion should be had about service to patients in VA hospitals. These retirement preparation programs will be found in industry, Government, armed services, and private agencies. Speakers from the nearest VA hospital, VAVS representatives, and enthusiastic older volunteers can present an attractive picture of opportunities for service that are purposeful to patients and meaningful to the volunteers themselves.

PART V. CONCLUSIONS

The subcommittee found there was a variety of ideas and experiences to draw upon in their review. There was also considerable common agreement by the subcommittee members on the meaning and value of these experiences.

The conclusions of the subcommittee were:

1. That community organizations have a responsibility for planning together new patterns of service by older and retired citizens.
2. That older and retired people should participate in planning and developing the new patterns of service to be given by these citizens.
3. That member organizations of hospital VAVS committees should join together to coordinate their efforts in developing volunteer services in VA hospitals by retired and older people.
4. That member organizations of the National VAVS Committee, in the main, have given no special attention either by national direction or actual programing in the area of projects for retired and older persons.
5. That there may be a tremendous untapped potential of older and retired citizens available as volunteers since the majority of the member organizations of the National VAVS Committee do not have full knowledge of the number of such of their members involved.
6. That most member organizations of the National VAVS Committee do not have programs specifically for their older and retired members but welcome guidance for such programs.
7. That there are certain characteristics which an older or retired citizen may have which are particularly helpful in his role as a hospital volunteer.
8. That older and retired citizens desire to be included in the hospital volunteer program as a natural part of the entire program of volunteer service and not as an older age class entity.
9. That there are physical limitations in the utilization of the services of older volunteers just as there are differences in the physical abilities of all volunteers regardless of age.
10. That the methods of recruiting older citizens should be tailored to the groups in which they will be found, that is, Golden Age Clubs, associations for retired persons, the plus 50 or senior citizen groups in churches and synagogues, and preretirement groups in industry and Government agencies.
11. That there is relatively little written resource material concerned with retired and older citizens as volunteers, and, that agencies and associations already established and working with older and retired citizens should develop a bibliography of such materials.

PART VI. RECOMMENDATIONS

Upon review of its findings from the viewpoints of (1) older and retired citizen volunteers, (2) member organizations of the National VAVS Committee, and (3) the Veterans' Administration, the Subcommittee on Volunteer Service by Retired and Older Citizens makes the following recommendations:

It is recommended that—

1. Member organizations take a leadership role in (*a*) reviewing their own attitudes toward aging, and (*b*) exploring use of the services of their retired and older members.
2. Member organizations utilize the services of retired and older citizens in developing new patterns in community planning.
3. Retired and older people be encouraged by their local organizations to take leadership roles in VA voluntary service.
4. The Veterans' Administration prepare a pamphlet specifically designed to aid in recruiting retired and older citizens.

PART VII. APPENDIX

Members of Subcommittee on Volunteer Participation by Retired and Older Citizens

Chairman: Lt. Col. M. I. McMahon, the Salvation Army.
Vice chairman: Mrs. Franc Balzer, B'nai B'rith Women.
Members:
Mrs. Marie J. Anderson, National Ladies Auxiliary of the Veterans of World War I of the United States.
Dr. Paul Guten, Jewish War Veterans of the United States.
Mrs. Ethel Hasenbuhler, National Women's Relief Corps Auxiliary, Grand Army of the Republic.
Mrs. Michael J. Healy, American Legion Auxiliary.
Robert Livingston, United Spanish War Veterans.
Bryan J. McKeogh, Elks National Service Commission.
Mrs. Lois Walker, American War Mothers.
Mrs. Edna Summerfield, Auxiliary, United Spanish War Veterans.
VA staff representatives:
Ruth Addams, Nursing Service, D.M. & S.
Roger Cumming, Social Work Service, D.M. & S.
Lenard Quinto, Voluntary Service Staff, D.M. & S.
Consultants:
William Fitch, American Association of Retired Persons.
Dr. Charles Henke, Director of Domiciliaries, D.M. & S., VA.
Dr. Edward Mandell, Policy and Evaluation Staff, D.M. & S., VA.
Miss Esther Stamats, Special Staff on Aging, Department of Health, Education, and Welfare.
Lewis Schrier, Jewish War Veterans of the United States.

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