

FUTURE DIRECTIONS IN SOCIAL SECURITY

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
FIRST SESSION

PART 16—NEWARK, N.J.
Impact of High Cost of Living

JUNE 30, 1975



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Future Directions in Social Security :

- Part 1. Washington, D.C., January 15, 1973.
- Part 2. Washington, D.C., January 22, 1973.
- Part 3. Washington, D.C., January 23, 1973.
- Part 4. Washington, D.C., July 25, 1973.
- Part 5. Washington, D.C., July 26, 1973.
- Part 6. Twin Falls, Idaho, May 16, 1974.
- Part 7. Washington, D.C., July 15, 1974.
- Part 8. Washington, D.C., July 16, 1974.
- Part 9. Washington, D.C., March 18, 1975.
- Part 10. Washington, D.C., March 19, 1975.
- Part 11. Washington, D.C., March 20, 1975.
- Part 12. Washington, D.C., May 1, 1975.
- Part 13. San Francisco, Calif., May 15, 1975.
- Part 14. Los Angeles, Calif., May 16, 1975.
- Part 15. Des Moines, Iowa, May 19, 1975.
- Part 16. Newark, N.J., June 30, 1975.
- Part 17. Toms River, N.J., September 8, 1975.
- Part 18. Washington, D.C., October 22, 1975.
- Part 19. Washington, D.C., October 23, 1975.
- Part 20. Portland, Oreg., November 24, 1975.
- Part 21. Portland, Oreg., November 25, 1975.
- Part 22. Nashville, Tenn., December 6, 1975.
- Part 23. Boston, Mass., December 19, 1975.

(Additional hearings anticipated but not scheduled at time of this printing.)

CONTENTS

	Page
Opening statement by Senator Harrison A. Williams, Jr., presiding-----	1451

CHRONOLOGICAL LIST OF WITNESSES

Gibson, Hon. Kenneth, mayor of the city of Newark, accompanied by Robert Strand, director, Newark Office of Elderly Affairs, and Rev. Kelmo Porter, executive director, Newark "Golden Age" project-----	1453
Pennestri, James, director, New Jersey Division of Aging-----	1457
Jacobson, Joel, commissioner of the New Jersey Department of Public Utilities-----	1458
Howard, Mary, Newark, N.J.-----	1463
Lopez, Virgilio, Newark, N.J.-----	1464
Grier, Nellie, Newark, N.J.-----	1466
Vasselli, James, Newark, N.J.-----	1470
Bienstock, Herbert, Assistant Regional Director, Bureau of Labor Statistics, U.S. Department of Labor-----	1471
Payne, Donald M., member, Essex County Board of Freeholders-----	1485
Neurath, Dr. Otto, professor of medicine, New Jersey College of Medicine and Dentistry-----	1490
Ganster, Alice, registered nurse, North Jersey Community Union-----	1493
Porter, Jessie, Newark, N.J.-----	1496
Herz, Dr. Sylvia, psychologist and sociologist, State Board of Psychological Examiners-----	1499
Volosin, Jack, executive director, New Jersey Council of Senior Citizens--	1501
Johnson, Mary, director, Jersey City meals-on-wheels project-----	1502
Simpson, Flossie, Jersey City-----	1504
Garrison, Amelia, Newark, N.J.-----	1505
Weinlandt, Vera, National Legislative Council, American Association of Retired Persons-----	1506
Hart, Hon. William, mayor of East Orange, N.J.-----	1515
Iglesias, Ramon, Jersey City, N.J. (translated by Rafaud Bou)-----	1516
Bremer, Emma, Hoboken, N.J.-----	1518
Weinberg, Joseph L., executive director, Jewish Vocational Service of Metropolitan New Jersey, East Orange, N.J.-----	1519
Frank, Evelyn, president, Union County Senior Citizens Council-----	1524
Anzalone, Anthony, chairman, Committee on Transportation for Senior Citizens, Central Bergen Chapter, Red Cross-----	1527
Edwards, Hattie, Perth Amboy, N.J.-----	1529
Baer, Nancy, social worker, Strawberry Hill Senior Citizen Center, Middlesex County, N.J.-----	1529
Fox, Richard D., assistant to the director, Housing Authority of Plainfield, N.J.-----	1532

APPENDIXES

Appendix 1. Material submitted by individuals and organizations:	
Item 1. Progress report—Work Center on Aging Program, May 1975; submitted by Joseph L. Weinberg, executive director, Jewish Vocational Service-----	1539
Item 2. Report and attachment of Essex County senior citizen public hearings, by Essex County Office on Aging; submitted by Donald M. Payne-----	1543
Item 3. Statement of Hon. Brendan T. Byrne, Governor, State of New Jersey-----	1548
Item 4. Statement of Robert Notte, executive director, Newark Re-development and Housing Authority-----	1550

IV

	Page
Appendix 2. Letters from individuals and organizations :	
Item 1. Letter from James D. Healy, director, Office of Manpower, Jersey City, N.J.; to Senator Harrison A. Williams, Jr., dated June 27, 1975-----	1553
Item 2. Letter from Neal C. Clarke, executive director, retired senior volunteer program of Essex County; to Senator Harrison A. Williams, Jr., dated July 2, 1975-----	1553
Item 3. Letter from E. Norman Wilson, Jr., executive director Hoboken Organization Against Poverty and Economic Stress (HOPES, Inc.) ; to Senator Harrison A. Williams, Jr., dated July 16, 1975-----	1554
Item 4. Letter from Thomas E. Hamilton, executive director, County of Middlesex Office on Aging; to Senator Harrison A. Williams, Jr., dated July 25, 1975-----	1555
Appendix 3. Statements submitted by the hearing audience :	
Vonroth, William, Nutley, N.J.-----	1557
Peart, Lena V., Newark, N.J.-----	1557
Gray, Edna, Newark, N.J.-----	1557
Webb, Martha, Newark, N.J.-----	1557

FUTURE DIRECTIONS IN SOCIAL SECURITY

MONDAY, JUNE 30, 1975

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Newark, N.J.

The committee met, pursuant to notice, at 10 a.m., in the Municipal Council Chamber, City Hall, Newark, N.J., Senator Harrison A. Williams, Jr., presiding.

Present: Senator Williams.

Also present: William E. Oriol, staff director; John Guy Miller, minority staff director; Walt Ramsay, administrative assistant to Senator Williams; George Cronin, professional staff member; Patricia Oriol, chief clerk; and Kathryn Dann, assistant chief clerk.

OPENING STATEMENT BY SENATOR HARRISON A. WILLIAMS, JR., PRESIDING

Senator WILLIAMS. The committee will come to order. We will begin our hearings on "Future Directions in Social Security."

Our witness list is long, and time is limited. And so this statement shall be brief.

First, I would like to say that we are in Newark, N.J., this morning to hear directly from as many older persons as possible and from those who work directly with the elderly. We are looking for the kind of testimony we do not always receive in Washington, D.C.

There, this committee has heard from experts who have discussed the social security system in national terms. For example, in March we heard from persons who discussed the impact of inflation and recession upon social security benefits.

Their message was clear: Social security is not going broke, even though the demands caused by today's high prices and a work force hit hard by unemployment are severe. Such testimony is valuable, but it doesn't tell us what is happening to individual people.

And so, the Committee on Aging has since conducted three field hearings—two in California and one in Iowa—on the impact of the high cost of living upon the elderly.

The committee has received heart-rending testimony documenting harsh facts of life facing older Americans during these troubled economic times.

OLDER AMERICANS FACE HARSH FACTS OF LIFE

The first fact is that social security benefits are generally inadequate. Even with the 8-percent increase due in 3 days, the average benefits for a retired worker will be only \$200. For a couple it will be \$341. And for a widow, only \$193.

That 8 percent—which was opposed by the Ford administration, by the way, on the grounds that 5 percent was enough—does not bring social security up to the actual overall cost-of-living increase within recent years.

From October 1972 to March 1975, prices rose by about 25 percent. But the social security increases since October 1972, including the new 8 percent, will come to only 20 percent.

The second economic fact of life I want to mention is that the overall increase in the cost of living doesn't really measure the cost increases faced by older persons. This is so because the elderly spend proportionately more of their incomes for items which are rising in cost more extremely than the other items in the index.

I am referring to housing—and that includes utilities—transportation, health care, and food.

In short, I believe that the general cost-of-living index must be replaced; and I have introduced a bill calling for a special index for arriving at social security and supplemental security income adjustments. That same bill also calls for cost-of-living increases whenever warranted during a 6-month period, instead of having to wait for a full year, as we do now.

There is a third fact of life which I will mention before hearing from the witnesses. And that is it does little good to raise social security income by a few dollars a month if they are wiped away by needless drains on that income.

Let us say, for example, that a doctor who has served a community for years and years decides one day to retire. Older persons who had depended upon him may now find that they have to travel miles to get health treatment, if indeed such care is available at any distance.

A taxi may be the only way to reach medical help, and a taxi may be completely out of financial reach. Or let us say that the Ford administration were to be successful in increasing charges to the consumer under medicare, as it proposed early this year. Here again, there would be a new drain on retirement income.

I do not think we can expect the social security system to pay for all the inadequacies of our transportation systems, our health care resources, and the social services needed by so many older persons. We need positive programs, under the Older Americans Act and under other auspices, to deal with those problems.

I have called upon several witnesses today to give us information on such programs, and I will also ask for details about employment opportunities in the later years. After all, many persons near or beyond age 65 want to continue working, but quite often are denied the opportunity.

Finally, I would like to say that last week I introduced a bill to provide Federal assurance that an 8-percent increase in social security should not result in reduced SSI payments or loss of medicaid. That bill, of course, cannot be passed within the next 3 days. But it can be made retroactive, and I intend to push for early congressional consideration of this pass-along bill.

And now our first witness, the Mayor of Newark, Kenneth Gibson. We welcome you to our hearing as our first witness, Mr. Mayor, and we appreciate the hospitality of our governmental home.

STATEMENT OF HON. KENNETH GIBSON, MAYOR OF THE CITY OF NEWARK, ACCOMPANIED BY ROBERT STRAND, DIRECTOR, NEWARK OFFICE OF ELDERLY AFFAIRS, AND REV. KELMO PORTER, EXECUTIVE DIRECTOR, NEWARK "GOLDEN AGE" PROJECT

Mayor GIBSON. Thank you very much, Mr. Chairman, and I think that I can say to you honestly we really do not have to welcome you home because this is your home, but at the same time, we would like to welcome you and the staff and the members of the committee to the city of Newark, on behalf of the city administration, and on behalf of the city council, which has granted us the use of their chamber.

We of course agree with the concern that has been expressed for the aged—our senior citizens—those who have really built this country.

The needs of our elderly population are far greater than any other in this country. Aged residents of urban areas suffer the worst of blight and neglect. While discussions, conventions, and special news features focus and refocus on the despair of the American elderly poor, remedies too often revert to mere rhetoric.

Congress, particularly the efforts of the Senate Special Committee on Aging, has worked diligently to enact and implement legislation designed to improve and increase services to the aged poor.

However, the increased number of aged citizens at a time of inflation and recession has substantially increased the need for comprehensive, specific, and far-reaching programs in service to the elderly.

There is now a need to reform, restructure, and reorganize the dominant and necessary Federal efforts to provide services to senior citizens.

Most of the present Federal programs, commendable as they may be, are a patchwork of compromise and accommodation. They do not reflect well-rounded, comprehensive efforts in which immediate and future needs are represented in a balanced program.

MULTIPLE AND INTERRELATED SOCIAL DISORDERS

Social disorders afflicting elderly residents are multiple and inter-related. Insufficient incomes may often result in squalid living accommodations, improper diets, lack of personal hygiene, physical disorders, and general poor health.

Isolation can produce variations of the same scheme. Sickness, with accompanying isolation and loneliness, produces other deterrents, even where incomes may be deemed proper.

The interrelated disorders necessitate comprehensive solutions. A national policy that does not encompass a comprehensive approach but, rather, issues categorical band-aids to massive wounds, cannot hope to truly reverse the decline of the American elderly.

The growing population of elderly residents across the Nation, especially in urban centers, pinpoint the need for an interrelated comprehensive approach to senior service delivery nationally, as well as locally.

An examination of statistics on the growing elderly population and the deprived economic condition of most elderly Americans, suggest that the ability for a majority of senior citizens to become self-suffi-

cient, with the most far-reaching of social security legislations, is very limited.

This is not to imply that Congress should not legislate maximum benefits. However, such an examination does point to the realization that our elderly must have and should have the assistance of their government to lead comfortable and wholesome lives. The European approach to care of the aged citizenry encompasses this realization.

The Older Americans Comprehensive Services Amendment of 1973 provides for the planning and implementation of programs in service to the elderly on regional levels. It was the intent of this legislation to provide broad services to the maximum number of persons in greatest need.

Regions encompass communities; and community problems, though similar, are inherently different, and solutions to these problems are also dissimilar.

In reforming Federal efforts to provide social services to the aged, regional planning and implementation should give right-of-way to local planning and service delivery when it is deemed that maximum services may best be provided on a local level.

In March of last year this administration established the Newark Office of Elderly Affairs. The mandate to this office is to assist existing programs in service to senior citizens, through planning and coordination, in an effort to maximize services to our seniors.

In association with such agencies as the Golden Age project, Newark Day Center, North Jersey Community Union, North Ward Educational Cultural Center, and voluntary agencies, we hope to provide a network of comprehensive services. It also has been the charge of this office to examine and plan for gaps in service.

The Newark Office of Elderly Affairs is making marked positive inroads in addressing the needs of Newark's elderly; one to one social service programs, outreach, employment, preventive health, nutrition, and volunteer programs are implemented and coordination is in process.

Coordination and comprehensiveness are the keys to reduce fragmentation, duplication, and waste among the maximum number of Newark's elderly.

Designation of the city of Newark as an independent planning and service area for aged service greatly enhance the efforts of the city. We have been seeking designation for almost a year. It is our desire and hope that we will achieve designation for the up-coming fiscal year.

We believe the solution to the problems of the elderly of our city must begin at the local level, with an approach which is comprehensive on one hand, and specific on the other.

RECOGNIZING AVAILABLE AND ACCESSIBLE SERVICES

Comprehensive as to the coordination of existing programs and services and planning for maximum utilization of all Federal, State, and local moneys. Specific as to the viability and flow of services to ameliorate specific conditions related to aging. This must be our goal, recognizing that these services be available and accessible at the neighborhood level.

This administration is committed to the realization of this goal and believes it can best be achieved within the framework of city government.

We urge the Senate Committee on Aging to continue their progressive work on behalf of elderly in Newark and across the Nation—especially as it relates to increased social security benefits in these times of shrinking dollars.

In their efforts, we also urge the distinguished committee to think in broad terms in order to recommend and legislate full-bodied programs, that may become comprehensive rather than fragmented efforts on behalf of senior citizens, and national policies of long-term commitment to the aged and the aging of America.

“RICHEST COUNTRY,” BUT PRIORITIES AWRY

Mr. Chairman, I would like to add that I think we all recognize we do live in the richest country in the world, the richest country in the world without question, and that there should be no need for us to continue to struggle to provide basic services to senior citizens in this country.

The only reason we have to struggle is because of the priorities which we have assigned in our national structure.

Those people who have actually worked to build and to contribute the majority of their lives to our society, should not have to worry about whether or not they get decent meals or can afford to go to the doctor, or take a bus to get downtown, or transportation to go shopping.

They should not have to do that, but they must do it, because we have not provided adequately for their care.

I think that we need not only one or two pieces of legislation, but I think that we should have a comprehensive program that deals with the total need of the aged, and not just a piece to provide some money for meals, and a little bit of money for a bus, and maybe a little bit of money for a job.

I think we have to look at the total needs of the seniors in our society, and develop comprehensive legislation to deal with that need.

I do not think it is legislation that would be frowned upon by Congress; in fact, I think that services to our seniors would probably be readily accepted by both houses of Congress.

It means, of course, that they would have to reorder some of the other allocations, but I think that a reordering is necessary, and I believe that this distinguished committee would go a long way in listening to the needs of people, and then developing, hopefully, comprehensive measures to deal with those needs.

Thank you very much, Mr. Chairman. [Applause.]

Senator WILLIAMS. I certainly appreciate your observations, Mayor Gibson, and they are very helpful.

Let me first say that we have a many-faceted approach to the needs of older persons, and these come in various programs, and it takes great administrative skill to put them together to reach out and make them fully effective.

I will say that you and the people that you have chosen to work with you are doing a very skillful job, and I know it. Then there are a host of others; I saw many this morning in the North Jersey Community Union, and, again, taking many programs and putting together

the union, programs using older people, where older people are going out as homemakers, the CEDAR program woven in, I know that you must consider the needs of older persons as the highest priority, because the limited revenue sharing of funds you have assigned are a significant part for the program of the elderly. Am I correct on that?

Mayor GIBSON. Yes, sir.

Senator WILLIAMS. I certainly applaud you, and I know the older people I saw this morning certainly have to be most grateful.

Here is Kenneth Peterson, who has guided us through the union, with others, and it was inspiring to see the administrative genius that puts it all together, and, of course, behind that administrative genius is the heart and soul to apply the program to the need.

Just one other thing, Mayor Gibson. The other needs of your city are pressing in on you this morning, and people are waiting to see you.

You know, we are having in 3 days an 8 percent increase in social security—that goes to SSI as well as the regular beneficiaries.

INCREASE IN SOCIAL SECURITY—LOSS OF MEDICAID

Now, it seems cruel as can be if that increase would put people just a little bit over the threshold, and would knock them out of other programs, like medicaid.

I have legislation that will prevent that, but we have not passed it, we have got to pass it. I wonder if, through your familiarity with these things, could you give us some support on that bill?

Mayor GIBSON. Yes, sir.

Senator, the unfortunate thing with many of the guidelines that have been established in the legislation is that they do not look too far into the future. and I think that those of us, you and I, who have struggled for some of these programs 2 and 3 years ago, and accepted Federal guidelines. have to continue to work to make sure that those Federal guidelines that we established in those years do not prevent the newer programs from being implemented.

For us to penalize seniors or anyone else, because of a rent program or improvement in the basic quality of life, by taking away another grant or subsidy is cruel, and I do not think we can allow that to happen.

Senator WILLIAMS. Well, I appreciate your support for that idea to give with one hand and take away with the other—that in these circumstances is a cruelty, and we will do our best to prevent this.

Now, I wanted to express the regrets of my colleagues in Congress who wanted to be with us here today but are officially assigned elsewhere. Congressman Minish called me to express that he could not be here; also, others, along with Congressman Rinaldo from the adjoining district. I was with Senator Case Friday night and did invite him here, and if at all possible, he might be by today, but I just wanted our friends here to know that their representatives in Congress are solidly with you, and they do regret they could not be here, and we are most grateful to you, Mayor Gibson, and those who have chosen to work with you.

Mayor GIBSON. Thank you, Senator.

Senator WILLIAMS. Our next two statements will be from Mr. James Pennestri, the director of the New Jersey Division of Aging, and

Joel Jacobson, commissioner of the New Jersey Department of Public Utilities.

Mr. Pennestri, we thank you for all of the help you have given our Committee on Aging in Washington.

**STATEMENT OF JAMES PENNESTRI, DIRECTOR, NEW JERSEY
DIVISION OF AGING**

Mr. PENNESTRI. Thank you, Senator.

On behalf of the Governor, I am James Pennestri, and I am sure that you know many of the problems that face the Governor, that also face the senior citizens, and we are hopeful some solution can be reached in the next few days.

The Governor will present a statement* to the committee, but in the interim, I would like, on behalf of the Governor, to thank you, as director of the New Jersey Division of Aging, for the many things that you have done for the aging population, not only for the State of New Jersey, but for the Nation as well.

TITLE XX PROVIDES RAW FOOD COSTS

Just last week we learned that one of the pressing things that we had been moving toward, as far as title XX was concerned, was that it will now provide for raw food costs, which is one of the saving factors, as far as the elderly are concerned, in nutrition.

We think this was part of your efforts, and the efforts of the entire New Jersey delegation, to see that this was included in the regulation of title XX. We think that this is a great step forward.

Senator WILLIAMS. You gave us the information that was essential to get that necessary change made.

Now, the Governor has had a statement that was delivered in Washington recently, and I felt it was a thoughtful, comprehensive, and necessary statement. I included it in our Congressional Record Friday of last week, so it will be preserved there for the record and for everybody to find useful. I am sure, as a close adviser to the Governor, you probably helped in the process of developing that very constructive statement.

Mr. PENNESTRI. Thank you very much, Senator. I am sure all of us appreciate the efforts that you have done on our behalf.

Again, I would like at this time to also thank the executive director of the Essex County Office on Aging, Mr. Bernie Gallagher, who, I am sure, everyone here knows is responsible for the development of the area plan here in this county.

Senator WILLIAMS. I see Mr. Gallagher in the back of the room, and I want him to know that we do know of the good work he is doing.

Mr. PENNESTRI. I think this is important, because many of us realize the importance of the Older Americans Act—the strategy of the Older Americans Act. It was implemented here in New Jersey, and it is being carried forward in our county office on aging, and I think it is very important that you know this, and, again, Senator, thank you very much for this opportunity to speak before this committee. I think what you are doing will dramatize the effects of the elderly situation here in New Jersey, and it needs to be dramatized.

*See appendix 1, item 3, p. 1548.

We have been having very difficult troubles with our budgetary problems, and we see the greatest need for Federal legislation in many areas that will assist the elderly, to which, I am sure, Mr. Jacobson will address himself.

Senator WILLIAMS. Thank you very much. You inspire us to do even more, because I think you are a very responsive group.

Mr. PENNASTRI. Thank you very much.

Senator WILLIAMS. Now we will turn to Commissioner Jacobson.

We understand the demands of the commissioner, and he must leave very shortly. We are pleased you are with us, and we are happy to try to cooperate with your schedule.

STATEMENT OF JOEL JACOBSON, COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF PUBLIC UTILITIES

Commissioner JACOBSON. Thank you, Mr. Chairman.

My name is Joel R. Jacobson, and I am a member of the New Jersey Board of Public Utility Commissioners. I am deeply grateful for this opportunity to appear before this Senate Committee on Aging, and particularly, before our own distinguished representative from New Jersey, Senator Harrison A. Williams, Jr.

In the few brief moments at my disposal, I want to deal exclusively with the problem of higher utility rates and their impact upon the senior citizens of our State.

Because of the limited time available, I will, of necessity, offer my evidence in brief and summary terms. Full amplification, however, is available to anyone upon request.

I want to present this testimony in three parts. First, I want to analyze for the benefit of this committee the current trends in, and the motivating causes for, the existing pattern of electricity, telephone, and other utility rates.

Second, the impact these rates have had upon senior citizens and other citizens of fixed, low income.

Third, and finally, I would like to offer, on behalf of my fellow commissioners, president Anthony J. Grossi and Commissioner Stewart G. Pollock, a recommendation for a beginning of easing, if not resolving, those problems.

The primary obligation of the New Jersey Board of Public Utility Commissioners is to guarantee for our citizens safe, adequate, and proper service at reasonable rates from all of the State's utilities.

Let me discuss "safe, adequate and proper service" first. Reduced to its simplest terms, this legislative edict requires this board to guarantee that when a person picks up the telephone, he will hear the dial tone and ultimately reach the party he is calling, or that when he flips the switch on the wall, the lights will go on.

Neither the New Jersey PUC, nor the citizens of New Jersey, will tolerate a situation where the phones don't work, or the lights won't go on.

"SERVICE AT REASONABLE RATES"

This means, of course, that the utility must be provided with the financial resources to construct the facilities and operate the system that will provide this "safe, adequate, and proper service."

It is the responsibility of the PUC to provide those resources to the utility, while simultaneously meeting our other mandate—to provide service “at reasonable rates.”

I would like to offer a brief analysis of how the New Jersey PUC reached a recent decision in which an increase in rates was voted.

In the past 30 years, the demand for electricity has doubled every 10 years. Here are the actual sales of megawatt hours for one of our State's major utilities during the last three decades: 1954—7.8 million megawatt hours; 1964—16.2 million megawatt hours; 1974—30.6 million megawatt hours.

Projections for the sale of megawatt hours for the year 1984 are 53.5 million.

Because of population growth, economic development, lifestyles, and the host of other factors that stimulate the need for electricity, it appears quite logical that the demand for electricity in the next 10 years will again be slightly less than twice the current level.

In order for the utility to meet this anticipated doubled demand in 10 years, obviously the facilities for generating electricity must be available.

This means, primarily, that the utility must be able to provide sufficient electricity to meet the demand on that one day and at that one hour when the most usage of electricity is being employed. This is known as the peak demand. In our State, the peak demand period is generally a blistering hot July or August day, around 5 in the afternoon, when most people are home from work, and have turned on their air-conditioners.

In 1964, the peak demand for this utility was 3,737 megawatts, while the maximum generating capacity was 3,978 megawatts—a reserve margin of 14 percent.

In 1974, the peak demand for this same utility was 6,316 megawatts. In plain sight is the fact that if no new generating facilities had been constructed in the interim, the peak demand of 1974 would have far exceeded the 3,978 megawatts generating capacity of the 1964 level.

Today, the generating capacity for this utility is 8,541 megawatts. The projected peak load for 1984 is 11,525 megawatts. Obviously, new facilities must be constructed or the consequences will be dire.

NEW STATIONS NEEDED

If no new generating stations are built, the result will be brownouts, blackouts, curtailed industrial power, widespread unemployment, a ban on new customers, restricted residential usage for old customers—in short, unacceptable and chaotic conditions for all Americans.

To meet the anticipated demand in 1984, this utility has plans to construct four new generating stations at an approximate total cost of \$4 billion. Query: Who is to pay the \$4 billion to build these facilities?

Obviously, you first look to the earnings of the utility itself. In 1974, this utility earned a net income of \$131.5 million. At the present level of earnings, it would take almost 30 years to produce the resources required. Obviously, there has to be another source of funds.

Under the existing free enterprise, capitalistic system, there is, namely, the Wall Street investor. Roughly two-thirds of all capital

needs of electric utilities are now raised on Wall Street. Whatever else you may say about the Wall Street mentality, there isn't much to be said about its charitable instincts.

Investors will not assume risks unless the return on that investment warrants the risk. In plain words, investors will only purchase the utility's securities when a profitable return on their investment is assured.

There is only one way a utility can provide investors with a profitable return on their investment, and that is to show a steady and continuing increase in earnings. And in the current inflationary spiral, there is only one way a utility can show steadily rising earnings, and that is a corresponding and steadily increase in rates.

Now, if any citizen, or any member of this committee finds this system objectionable, I would suggest that the remedy lies beyond the authority or ability of the PUC.

LANDMARK DECISION BY SUPREME COURT

In a landmark decision dealing with manner in which regulatory agencies establish rates for its regulated industries, the U.S. Supreme Court stated that:

From the investor or company point of view, it is important that there be enough revenue not only for operating expenses but also for capital costs of business. These include service on the debt and dividends on the stock. . . . By that standard, the return to the equity owner should be commensurate with returns on investment in other enterprises having commensurate risks.

That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

In other words, Senator, the New Jersey PUC is obligated by fiat of the U.S. Supreme Court, to impose a rate structure on the customers of this utility that guarantees "a rate of return to the stockholder commensurate with returns earned on investments in other enterprises having corresponding risks."

I want to emphasize—and to reemphasize—with all the vigor I can command, that in no legal opinion that I have ever read is any reference made to any customer's ability to pay the increased rates.

And herein lies the rub. How does the New Jersey Public Utility Commission meet its joint obligation of providing the utility with the resources mandated by the U.S. Supreme Court, and still impose reasonable rates upon New Jersey consumers? And, in truth, how does one define a reasonable rate?

Is a rate which is reasonable for a \$50,000-a-year corporation executive reasonable for a social security recipient, or an unemployed urban resident?

And, may I pose what I consider to be the cardinal question facing this and any other commission, and particularly in this morning's context, this committee: What does the New Jersey Public Utility Commission do, when the legitimate revenue requirements of a utility impose a rate structure which a significant minority of consumers is unable to pay?

I would urge this committee to do what this commission is constantly enjoined from doing, to engineer the social reforms necessary to ease the burden of the senior citizens and others on low, fixed incomes who

find the current, necessary, and required utility rates too burdensome to assume.

I would urge you to support legislation to provide to low-income senior citizens and others on low, fixed incomes with emergency fuel, utility, or energy stamps so that the burdens I have enumerated above may be eased.

There are some 800,000 senior citizens in the State of New Jersey—10 percent of our entire population—whose limited financial resources are being stretched to the extreme by inflation.

These people, many of whom have already eliminated every luxury from their lives, are now faced with the cruel fact that they cannot even afford vital life-sustaining services.

Perhaps the beginning can be found in the legislation introduced by Senator Vance Hartke, of Indiana, in Senate bill 808, which would provide current recipients of food stamp bills with the additional benefits I have urged above. I emphasize the need of adding this program to the food stamp program, and not deducting those benefits from the existing grants.

It makes no sense for the Government to give benefits with one hand and take them away with the other. Energy stamps must be awarded in addition to food stamps, not in lieu of them.

Regulatory commissions were not created as social welfare agencies, but the time has come, however, when they must examine their actions in light of current economic conditions and determine whether these actions impose unconscionable burdens upon any class of customer.

S. 808 IS NOT FINAL ANSWER

I do not represent that the passage of S. 808 will immediately resolve all of the problems facing our Nation's and our State's senior citizens. It will not.

There is a great deal more to be provided to our Nation's needy golden agers. But, the passage of this bill will be an important first step in assuring those senior citizens that this Nation will not tolerate a situation where senior citizens are denied the fundamental life-sustaining services of electricity or telephone service because of economic duress.

Your committee can strike a powerful blow in the direction of this economic freedom, and the New Jersey Board of Public Utility Commissioners does respectfully urge you and your colleagues to do so.

Thank you.

Senator WILLIAMS. Thank you very much, Mr. Jacobson.

We must be apprehensive when we think of next winter, and wonder what the situation will be with regard to rising fuel costs and problems of older people, particularly on reduced incomes. Can you give us any hope that we are not going to be faced with a shortage?

Commissioner JACOBSON. Senator, you would make me the happiest man in the world if the Congress would provide this commission with the authority to regulate the oil industry, so we could stop the price gouging by the oil companies, both foreign and domestic.

Almost 50 percent of the electricity bill by senior citizens is because of the higher cost of fuel, and I need not remind you of the tremendous

profiteering that is going on in the oil business. You would make me the happiest man in the world if you would let me regulate the oil industry.

Senator WILLIAMS. We are in the struggle right now to try to find some answers to this, as you know. The answers are not easily arrived at.

Let me ask you this: On the staff approach to the needs of people on reduced income, the Hartke bill you mentioned— you do support that?

Commissioner JACOBSON. Yes, sir.

Senator WILLIAMS. And this follows the line of the food stamp?

Commissioner JACOBSON. Yes, sir.

Senator WILLIAMS. Similar to food stamps?

Commissioner JACOBSON. This is for people who are eligible for food stamps—to receive utility stamps.

Senator WILLIAMS. This does not create a separate administrative finding of qualification?

Commissioner JACOBSON. No, sir, the eligibility will be determined by eligibility for food stamps.

Senator WILLIAMS. As a competing idea, this is another approach, where there will be a certain bare minimum of energy at a reduced rate, and I have gathered from your comments on this that you oppose that as a way to meet the energy needs of older people so that they can get an assured supply of energy.

Commissioner JACOBSON. We looked at this in New Jersey rather extensively, and we determined that with lifeline rates, say 300 or 400 kilowatts per month, the major beneficiaries will not be the low-income senior citizens.

AFFLUENT "MAJOR BENEFICIARIES" FROM LIFELINE

The major beneficiary will be the affluent man, who has two homes, perhaps a summer home on the shore—he will be the major beneficiary.

The argument is that lower income people use less electricity. It is not necessarily true. As a matter of fact, when people are on restricted income the probability is that they stay home, do not go out to restaurants, and they use more electricity.

The institution of lifelines would impose a heavy burden on the middle income worker and would not significantly help the senior citizen in this State. We find it would be a wrong way.

Senator WILLIAMS. If there was a way to discriminate between the owner-user and the casual situation, then you do not find it offensive?

Commissioner JACOBSON. If we could eliminate those with the second home, it might be worthwhile, although I would have to take into consideration that to ease the burden of the low-income rate payer and thereby reduce the revenue produced, upon whom shall the new burden be heaped? If it is heaped upon the man who works hard for a living, that must also be considered.

Senator WILLIAMS. Well, of course, this is a complicated thing. We could spend a whole day in seminar on it. The lower rate for the large users are determined as wasteful in a way. This is part of the picture too.

Commissioner JACOBSON. I am very happy to tell you that of the three or four rate increases that have been coming from this commission—we have set a strong trend for flattening rates—that there will be no discount for promotion of electricity.

Senator WILLIAMS. Thank you.

Commissioner JACOBSON. Thank you.

Senator WILLIAMS. Now we are going to have a panel of elderly persons from Newark, and I gather we are going to have a rearrangement of the witness area.

George, is your panel established?

Mr. CRONIN. Yes, Mr. Chairman.

Our first witness is Mrs. Mary Howard. I visited Mrs. Howard in her home. Mrs. Howard lives on the fifth floor of a public housing apartment. She depends heavily on friends, and I have asked her to talk to you about those and also what her feelings are as to economic conditions and how that passes on her life.

Senator, I introduce to you Mrs. Mary Howard.

Senator WILLIAMS. Mrs. Howard, you have to hold the microphone up close. Please proceed.

STATEMENT OF MARY HOWARD, NEWARK, N.J.

Mrs. HOWARD. Senator, I am Mary Howard, and I live on Mercer Street, in Newark.

There is a program for senior citizens where I live, and they hope to keep us senior citizens going; they take us to the doctors, and they give us a chance to help ourselves and to make us feel wanted.

It is so great, this program, and it has done so much for the senior citizens.

For myself, I have not been out of my building, except only to be carried to the doctor by ambulance. I was unable to go out, and this program gives me such great hopes. They have taken me to the doctor and they have fixed meals for me.

This program is just great and I know all of the senior citizens are happy with it. Those that will speak up for this program, those that love our seniors—each one has had a father and mother. For us, the friendly full senior citizen project is the greatest program for senior citizens.

I am partly blind so I need this help. There are so many faces helped by this program, and I want to thank you, the Congress, Senators, each and every one of you for keeping this program alive in helping the senior citizens to help themselves and to live a few years longer.

Thank you, and God bless you.

[Applause.]

Senator WILLIAMS. Well, you can have our assurance that we will keep the program alive, and what we want to do is make it reach as many people as it can.

You are magnificent to come here and help us, and your description will be very helpful.

Mr. CRONIN. Our next witness is Mr. Virgilio Lopez of Newark.

Senator WILLIAMS. Please proceed, Mr. Lopez.

STATEMENT OF VIRGILIO LOPEZ, NEWARK, N.J.

Mr. LOPEZ. My name is Virgilio Lopez, and I live in Newark.

Housing is the major problem in this area for the older Americans. For example, we have the older people living in old frame housing, paying over \$125 a month, and using the same services, such as cooking and bath facilities.

Their incomes range from \$125 up to \$185. These are examples of 200 cases that are pending at the present time because of poor facilities, and they have problems of nutrition, transportation, and housing.

Public service employment is needed to supplement their income—the cost of living is too high, and their income is too low.

HISPANIC PROBLEMS ARE NUMEROUS

The social security office does not provide any additional services at present, and it has no Hispanic employees. The public welfare office has three Hispanic employees, so the Hispanic people have a difficult time to communicate. The food stamps office has two Hispanic employees. The office of elderly affairs has one employee who speaks Spanish.

Another problem we have is that of receiving checks. At times it takes 2 months to receive the regular check, and some landlords have taken action to send the old people home because of that. In other words, they want to fire them from their living facilities.

Another problem is social security. I feel like social security recipients should be on medicaid instead of medicare. Medicare does not cover everything.

Another problem of social security is that our clients have to wait very long times—sometimes the whole day—to get services in such an office.

Also, on welfare—at times they claim that clients have enough with social security with an income of \$182 and that they are not entitled to that service.

That is all I have to say. Thank you.

Senator WILLIAMS. George, are there any questions you might want to clarify? I am not sure that we got the full import of some of the things that Mr. Lopez said, particularly the question of the rent. Did you say that people on incomes of \$185 are paying most of their incomes for rent?

Mr. LOPEZ. That is right; they are doing that. Some of them are renting from \$100 up to \$182. The majority of these clients are paying between \$125 up to \$160 to \$165, depending on where they live.

Senator WILLIAMS. And these are recipients of SSI?

Mr. LOPEZ. Yes; SSI recipients.

Senator WILLIAMS. Which is \$182 a month?

Mr. LOPEZ. That is the maximum, but it also depends on family size, because if they live with their relatives, their rent can go from \$120 or \$130 a month, depending on family size. Because of that, their rents go up.

For example, a family with two relatives, with their children—they pay depending on family size.

Senator WILLIAMS. There is one other question that I would like to ask, and I am not sure what your feeling is about medicare and medic-

aid. Did you say it is preferable to be on medicaid than medicare?

Mr. LOPEZ. Social security recipients should be entitled to medicaid instead of medicare, because medicaid pays all of the services, and medicare pays only a certain portion.

Senator WILLIAMS. I misunderstood you. Obviously, with the other services that are under medicaid, people would prefer to be under medicaid, but by the same token—

Mr. LOPEZ. The law should be implemented to try to receive medicaid instead of medicare, because, as you know, social security clients are not entitled to medicaid, and SSI are entitled to medicare and medicaid.

Senator WILLIAMS. But the SSI clients are entitled to medicaid?

Mr. LOPEZ. Yes.

Senator WILLIAMS. And we do not want to see those people lose that because of the 8-percent increase.

Mr. LOPEZ. That is true.

CHANGE OF LAW NEEDED

Senator WILLIAMS. That is one of the things I mentioned earlier, and it will take a change of law to protect those people; is that clear?

Mr. LOPEZ. Yes.

Senator WILLIAMS. Do you understand that?

Mr. LOPEZ. Yes.

Senator WILLIAMS. Now, you are a worker with Mr. Strand's office?

Mr. LOPEZ. I am employed at the office with Mr. Strand, at 605 Broad Street.

Senator WILLIAMS. How many people do you see and help each day?

Mr. LOPEZ. Daily, it depends, because I am employed with quite a few things.

I belong to the nutrition council, and we are involved in nutrition also, but I see daily between 6, 7, sometimes 10, sometimes 2, depending on the services, because when I go to social security I have to be there half a day, or almost all of my time can be taken there.

Senator WILLIAMS. Then you assist them in various ways?

Mr. LOPEZ. In various ways; right.

Senator WILLIAMS. Including transportation—if they were going to medical services, do you ever help them get there?

Mr. LOPEZ. We have transportation services under title VII—nutrition. The State gives us the service of nutrition, but it does not give us transportation. We are lacking transportation for nutrition.

Senator WILLIAMS. Thank you very much.

Mr. CRONIN. Mr. Lopez has a statement for the record.

Senator WILLIAMS. We will include that for the record. Thank you very much.

[The prepared statement follows:]

PREPARED STATEMENT OF VIRGILIO LOPEZ

HOUSING

Housing is the major problem in this City upon older Americans.

An example: Three Hispanic clients over 63 years old living in an old three story frame house, paying over one hundred and twenty-five dollars (\$125.00) a month rent and using the same services, such as cooking and bath facilities.

Their income range from one hundred and twenty-five dollars (\$125.00) to one hundred and eighty-five dollars (\$185.00) monthly.

These clients have been referred for nutrition but title VI and VII do not have transportation. There are some 200 active cases in my case load waiting for this service, but because of this long list pending in the Newark housing authority, it seems they will never live in decent housing in the City of Newark.

PUBLIC SERVICE EMPLOYMENT

Public service employment is needed to supplement them and balance their budget. The cost of living is too high and their income must be too low.

Hispanic representatives in all agencies is lacking from 1% to 3% on employment. In the Social Security Office none.

Hispanic employment participation:

Social Security—None.

Food stamps—2.

Division of Public Welfare—3.

Office of Elderly Affairs—1.

Mr. CRONIN. Our next panel member is Mrs. Grier of Newark.

Senator WILLIAMS. We welcome you to our hearing, Mrs. Grier. You can proceed in any way you wish in helping us with our hearings here today.

STATEMENT OF NELLIE GRIER, NEWARK, N.J.

Mrs. GRIER. Thank you very much, Senator.

The senior citizens, first of all, are a group with a vast source of knowledge and experience, because they are the engineers who paved the way for today's successes.

It is a waste of ability, information, and fundamental education to shut them away as if they were already entombed and moldy.

They have at their fingertips the information which is waiting to water the tender roots of industry, for where else can you find the experience necessary to rebuild our country? Where else can you find willing hands to rebuild the decaying inner cities which are dying so fast?

I have come before you today to give you some information which you have asked for. I am one of the old timers who does not know what it means to sit around and wonder what my fate will be.

I chose to go out and face life on my own terms. This hearing is called today for you to get information about the needs of the elderly and the poor, but our time is so limited that we can't tell you everything we need to. The needs of the elderly are so great today. They build a senior citizens home, but the rooms are so small they are actually closed in.

They have one room to go in and out. They need more space; they do not need to live alone. This is bad for a senior citizen.

LACK OF SERVICES FOR ELDERLY

They need more food and transportation. Sometimes we may get some, and sometimes we may not get any at all. I would like you to see an 85-year-old senior citizen pushing her cart, trying to make it up to the market to secure food for herself. There are senior citizens who need diet foods and have to wait until a set time—until someone comes by and gives them their needed transportation.

We have no transportation; we are almost completely shut in. Housing is very important, not only for those the housing projects take in, but also for the seniors who own their own homes.

Expenses are so high, maybe they have a few pennies left to bury themselves. Now, if they have to use all of this money for other things that are necessary, they just do not have enough.

I believe the Government owes the senior citizens a lot more than they are giving them today. Senior citizens are very important—very, very important. A lot of them are able and qualified to hold decent jobs, but they are shut out.

I am a senior citizen and I still have a good mind. My mind is so that I can do a job. I direct a senior citizens center under a golden age project, and we have to take money from our pockets to feed the shut-in, and there are a lot of seniors that are shut in.

Each day we take them meals; we pay for those, because the finances are so limited in the golden age project. If you could expand that project, or give more finance to these ongoing programs, I am sure that all senior citizens would have more food and be able to live better in this life, because they have so limited income. When they apply for stamps, they say they are not eligible, and there are a lot of senior citizens that need help.

Thank you.

Senator WILLIAMS. Thank you, Mrs. Grier. We do appreciate your statement. You certainly are very sharp. [Applause.]

This morning we visited the North Jersey Community Union and we saw a lot of folks getting ready to go out as homemakers. I wonder if you ever thought of yourself as working in any of the programs that are designed to reach out and help people who need help.

Mrs. GRIER. I work with the senior citizens. I am a director of the golden age center, and this is why I know what they need.

SHUT-INS WANT OUT

As I said before, sometimes we take money from our own pockets to feed the senior citizens. The director has the responsibility, believe me. Senior citizens are hungry. Some never get out, as you heard this lady say. It is nice to go out, Senator, but do you realize that there are seniors who are really shut in?

I will tell you how they are shut in, because if your mother is living with you, sometimes you want to be to yourself. The mother is all alone. She is still shut off from you and your family, so that makes her still a shut-in.

One of the most beautiful things I have proposed, and I am hoping you will help me with, is a senior citizens day care center, where the seniors can be picked up later. They can be brought in at 8:30 in the morning and be served all day long until 4 in the afternoon, and then be brought back to their families. [Applause.] This would give the children a chance to do some of the things they want to do.

I know of a case where the daughter was taking the mother to work with her, giving her breakfast in the car, and carrying her back three times a day, so she could hold her job.

A friend told her about me. She called me about bringing the mother over. I said bring her over. This mother had strokes, she had lost her husband, and she was completely shut in.

She did not say anything to anybody, and 3 days later, after she came to the center, she was able to mingle with others, to commingle, and to exchange conversation with her age group.

That brought her out, and today that same senior is sitting in this building, she is reading, she is writing, and a week ago she received an award from Essex County College.

This is the kind of work you asked me about. This is the kind of work that I do, Senator.

Senator WILLIAMS. Your center does exactly what you suggest should be available to others—a day care center?

Mrs. GRIER. This is what I am asking for, a day care center; but we do a bit of everything in that center.

Senator WILLIAMS. Including this?

Mrs. GRIER. Taking care, yes.

Senator WILLIAMS. I certainly agree, and we are trying to make this another significant national effort, the day care approach. The principle you tell us of is sound, and we will bring people out and open up a new life to them.

Mrs. GRIER. Yes.

Senator WILLIAMS. All right. We will stay with it. [Applause.]

Mrs. GRIER. One other statement, Senator. As a rule, when something comes you start it, and somebody else takes it and goes with it, and you never reap the benefits. Now, this is something we do not want done.

Thank you.

Senator WILLIAMS. Thank you.

Mrs. GRIER. Thank you, Senator.

[The prepared statement of Mrs. Grier follows:]

PREPARED STATEMENT OF NELLIE GRIER

Senior citizens are a vast untapped source of knowledge and experience, because they are the engineers who paved the way for today's successes. It's a waste of ability, information, and fundamental education to shut them away as if they were already entombed in muddy or molding mausoleums.

Here at the fingertips of today's youth are fountains of information which are waiting to water the tender roots of industry. Where else can you find the experience necessary to rebuild the sagging economy of our country? Where else can you find willing hands to rebuild the decaying inner cities which are dying for the lack of interested citizens? I feel that the governments of our State and our country have an obligation to these men and women who have toiled long, and sometimes laboriously, in service and loyalty to the land that they are proud to call "my home," "my State," "my country."

Senior citizens have been proven by the activities of such men and women as Bernard McFadden, Albert Einstein, Dr. Livingston, Eleanor Roosevelt, Helen Hayes, and Mary McCloud Bethune. These people never became old, because their minds were active and fertile until death laid some of them to rest. Others are still producing for the benefit of mankind.

FACE LIFE ON OWN TERMS

I have come before you today in their behalf and for myself, for I am one of the old timers who doesn't know what it means to sit around and wonder what my fate will be. I choose to go out and face life on my own terms.

This hearing is called today for you to get as much information as we can give you about the needs of the elderly poor. And I say to you they are so great it would take much more time than I have to tell you about all of them. There is much to be said about the conditions of the elderly and their secur-

ity. Unfortunately many of today's senior citizens are incapable, hardly earning enough to provide for their security in times like these.

There are many programs set up to aid the elderly as "give and take": in one hand and a few pennies are given to tide them over, suddenly medicare and rent are increased. Those on medicaid now pay 50 cents extra to have a prescription filled. We need that removed, and we need a discount on all drugs, because there are many senior citizens who cannot get the proper medicine due to the high cost. We need the \$60 deductible cost removed; also the \$92 entrance fee into the hospital should be removed because seniors can't afford to pay this price, let alone survive on their fixed income. Seniors are poorly fed; those who are on a special diet can't afford to buy the required food that they need.

Seniors need more than a small handout. Seniors need larger living quarters, free transportation, which would help those who must do their own shopping. Also lowering the requirements for obtaining food stamps in which so many seniors are found to be ineligible would be helpful. Those who are vetoing legislation and helping keep the seniors in this phase of life have not had the experience of being hungry and not knowing where to turn.

"YOU WILL TRAVEL THIS ROAD"

Yes, we need everything that it takes to make people happy. We need better housing, transportation, more money, cheaper rents, more protection when we go out. Utility costs are too high; seniors need jobs. Yes, if we can do volunteer work, some are able and qualified to have a good paying job, but, rather, we are forced to retire, sit back and decay. There is a story that goes like this: A man had a son and the man grew very old and the son got tired of supporting him. So he carried him up a hill and they stood on the embankment and the father looked from side to side. The son asked him what he was thinking about and the old man replied: "I was just thinking, one day you will travel this same road."

When a program is started for senior citizens they always start at the top distributing the money. What I mean is that all top pay goes to the younger person—one who can demand a job outside, maybe in a factory where they will not hire a senior citizen and they finish with higher salaries and there are only crumbs left for the senior citizen. Yet if a senior rents, he pays the same price unless he lives in a senior citizens home; but if he lives in a senior citizens home and receives a slight income in his social security check, his rent goes up.

This needs to be looked into—better yet, it needs to be stopped. Bread is 65 cents a loaf and some seniors who are on a special diet have to buy special bread and many days, maybe, their bread is out and they have no way of getting to the store. Therefore, they have to wait until someone comes along that they can trust to go to the store for them. If transportation was furnished at least twice per month, they would be able to purchase the things they need to tide them over until the following month. Therefore transportation is one of the important needs of the senior citizen. Even for going to the hospital, going to and from the doctor, it is too much for a senior citizen to stand on a corner and wait for a bus after sitting all day in a hospital waiting to be treated.

TO KNOW ONE—ONE MUST BE ONE

Ladies and gentlemen, think of yourself and then you would see and feel and, better still, know the importance of all these needs of the senior citizen. I listen to people saying how long they have worked in the program. I would not dispute them when they say they know about senior citizens. But I will say the only way one can know the feeling of a senior citizen, and really know, is to be a senior citizen. When they want or need something done, they call on volunteer senior citizens to give their services. When they want to make a big showing or have a large crowd, they reach out for senior citizens. When the politicians want to make sure they get a certain amount of votes, they reach out for all senior citizens all over the United States. They will even provide transportation for us, but when they get in the chair, senior citizens are the last to be remembered. They are so high then they don't see those poor old 85-year-old men and women trying to push a grocery cart to get to and fro with the things they need.

As I said before, the needs of the senior citizens are so great that it would take more than the time allotted to tell you all of them. Some of the programs that you have started need more money because it is not enough to pay for transportation to carry senior citizens to and fro; therefore, I recommend when money is being allotted, give the program enough that they might supply the needs of the ones they are serving.

Senator WILLIAMS. George, who do you have next?

Mr. CRONIN. Senator, our next witness is Mr. James Vasselli of Newark.

Senator WILLIAMS. Mr. Vasselli, you are welcome to proceed in any way that you wish.

STATEMENT OF JAMES VASELLI, NEWARK, N.J.

Mr. VASELLI. My name is James Vasselli, and I am an outreach worker in the senior citizens program.

The outreach program has proven to be a great service to many isolated and lonely senior citizens. Seniors who have not been living in senior citizens housing are left on their own because their children have married and have moved to other localities, leaving them to deal with everyday problems of life to face. These seniors do not know where to turn for help.

We have many senior citizens living in substandard dwellings, tenement houses, and apartment houses that are unsafe. After paying their monthly rent, they are left with very little money with which to provide food, utilities, and other commodities of everyday life. Because of that, many of these senior citizens are handicapped in many ways.

Now, the outreach person locates these senior citizens and proceeds to solve their individual problems, which may be many. In many cases, in my contacts with senior citizens, I have discovered the greatest problems are: (1) Inadequate housing; (2) lack of transportation to doctors' offices and for food shopping, which initiated the transportation service provided for by the North Ward Education and Cultural Center; (3) health problems; (4) financial difficulties; and (5) isolation and loneliness brought about by lack of funds.

Now, there are many senior citizens who have reaped benefits from the outreach program, because we have been able to bring them supplemental social security assistance and also food stamps. But there are many, many cases where the outreach worker's efforts meet with frustration and disappointment because, after submitting an application for help, we must hand down refusals from associating agencies to senior citizens because they are \$2 or \$3 above their stipulated amount on their social security check; in some cases, it is \$3 or \$4 which medicare takes out of their check to start with.

Of course, we have been able to bring help to many senior citizens through food stamps, but we also have had reversals in that, because senior citizens have had \$200 or \$300 more in the bank than they should have had. We have had reversals because the senior citizen is carrying too much insurance over and above what he should be carrying.

Other refusals which enter the picture are refusals, where a senior citizen receives a small pension from a previous employer, which again carries him over and beyond the limits in which he may receive help.

GUIDELINES NEED BROADENING

I, as an outreach worker, firmly believe that the guidelines in a great many cases can be broadened just a little bit, because with the spiraling of rents, everyday commodities, and utilities, the problem with a great many of these senior citizens is growing more severe.

Now, I would like to end by saying that I hope that I can provide a little more assistance to some of the senior citizens through the efforts of the office on aging.

At this time I wish to thank you, Senator, for your interest in the elderly. Thank you very much.

Senator WILLIAMS. Thank you very much.

If I could ask you a bit about your program, of the outreach from the neighborhood center—what title of Federal program do you fall under?

Mr. VASELLI. I am under the CETA program, for the county office on aging.

Senator WILLIAMS. Well, I am glad to know that. I am glad I asked, because the CETA program, it seems to me, is being used in this way, and that is all we had hoped it would be. It is very important.

Mr. VASELLI. Yes.

Senator WILLIAMS. Thank you very much.

Mr. VASELLI. Thank you.

Senator WILLIAMS. Bill Oriol suggests that everybody might not be familiar with the title of CETA, a program which has been with us a long time, and we have added new efforts to it. It has been used in two ways now for meeting public needs, through employment programs, and it has been working out very well. So CETA means Comprehensive Employment Training Act.

Mr. ORIOR. Thank you.

Senator WILLIAMS. Our next witness is Mr. Herbert Bienstock, Assistant Regional Director for Labor Statistics, New York City, U.S. Department of Labor.

We are a little out of order as to our agenda, but, Mr. Bienstock, we recognize your time demands.

STATEMENT OF HERBERT BIENSTOCK, ASSISTANT REGIONAL DIRECTOR, BUREAU OF LABOR STATISTICS, U.S. DEPARTMENT OF LABOR

Mr. BIENSTOCK. Thank you, Mr. Chairman.

Senator WILLIAMS. We have your statement.

Mr. BIENSTOCK. In view of that, I will try to make it brief, although that is very difficult for an economist.

Senator WILLIAMS. Are you one of the economists that says for all practical purposes we are out of the recession?

Mr. BIENSTOCK. I am afraid that is not my quote.

At any rate, I have submitted a statement on the subject at mind, but I do not intend to read it. You also have a set of visual presentations,* and I thought I might hit the highlights by running through some of the pages.

*See pp. 1476-1484.

Addressing myself to the question of living costs for the elderly, which are significantly higher in this part of the country, New York-northeastern New Jersey, and for that matter, the broader question of the significant differences in living costs for the elderly between areas, I think the figures on page 1, at the top of the page, are very striking. The lefthand column suggests that, in the fall of 1973, the last time we had an estimate on retired couples, it cost about \$450 more to live at the lower of three specifically defined levels of living in New York-northeastern New Jersey than the national average.

SHARP RISE IN LIVING COSTS

Perhaps more significant to your focus of concern, in the third column from the left is the increase from the spring of 1967 to the fall of 1973. In the urban United States, the cost of the lower level retired couple's budget, from the spring of 1967 to the fall of 1973, rose 40.9 percent, but here in the New York-northeastern New Jersey area it increased a striking 50.6 percent—a much sharper rate of increase—during that inflationary period. The same kind of patterns are found at the intermediate and higher levels of living. In terms of actual dollars, increases in budget costs at the three levels ranged from \$1,092 to \$2,230 nationally as compared to a range from lower to higher level of \$1,417 to \$3,025 in the New York-northeastern New Jersey area.

Senator WILLIAMS. How about that last column? It shows that we were least in terms of increase from autumn of 1972 to the autumn of 1973.

Mr. BIENSTOCK. Yes. The table on page 1 indicates that during that period New York-northeastern New Jersey increased at a slower rate than the Nation. At each one of the levels it is lower here, but the difference, compared with the 10-percent differential over the longer period, 1967-73, is still relatively small.

You may see this on page 5. There has been, on a long-term basis, a widening gap between living costs in the country and living costs in this area. You will notice the U.S. Consumer Price Index rose at a slower pace since late 1968. However, on the chart on the bottom of that page, which plots point differences in over-the-year percent changes between the United States and this area, there has been something of a catchup in the last year, but, Mr. Chairman, there is certainly a long way to go.

If we look at the chart on the bottom of page 1, the differentials in living costs for retired couples boils down to 12 percent on the lower level, 17 percent at the intermediate level, and 19 percent at the upper level, between this area and the U.S. average.

That becomes more striking on page 2, which provides comparisons for specific places. You will notice the sharp differences in living costs among places around the country. Between New York-northeastern New Jersey, and the lowest cost area for a retired couple living at the intermediate level, simply stated, it costs 29 percent more to live here than in Baton Rouge, which is the lowest cost area.

To move on, there are a lot of charts here, if you will take a look at page 6, the comparisons of the price indexes in the two left-hand columns between this area and the United States, indicate that in

New York—really meaning New York-northeastern New Jersey, which includes the eight northeastern New Jersey counties—price increases between the 1967 index base year and May 1975 were particularly higher in the category of gas and electricity, which is a relatively more important living cost factor for the elderly. The New York rise was 24 percentage points above the national increase.

Older people are more dependent on public transportation, and in this category you have a 16-percentage point differential between this area and the United States. Not unmindful of the comments of some of our earlier speakers, the medical care component has a 13-percentage point higher rate of increase in the New York area.

The relative importance of various consumption categories in the retired worker's intermediate budget level is compared to the consumer price increases on page 7. The relative importance bars are on the left, and the percentage of the consumer price increase in the bars on the right.

WEAKNESSES IN COMPARISON

I would point out there are weaknesses with this comparison. The price index for housing includes interest rates, which usually an older person's budget does not have. Despite that fact, notice the clear relationship for the categories of housing, food, and medical care. They are very significant in a retired couple's consumption budget, and they have been running significantly ahead of the rate of increase of current prices in other categories which are not as important for older persons. Supporting the importance of the housing charts that you have before you, one of the witnesses earlier made reference to the very significant proportion of the income spent for rent. The housing category includes more than rent, but you will note at the lower level, of the \$4,000 consumption costs for a retired couple, housing accounts for 43 percent of that budget; food another 32 percent; and medical care another 11.5 percent. All of this adds up to housing, food, and medical care accounting for over 85 percent of total consumption.

Now, on page 8, at the top of the page, we are looking at the section that reflects changes in budget consumption costs for a retired couple, compared with the changes in the cost of an equivalent level of living for a specifically defined family of four headed by an active worker. The very top line tells the story. From spring of 1967 to autumn of 1973, the cost of consumption goods and services in the lower level budget for a retired couple went up 51 percent, compared with 41 percent for the four-person family.

Now, 41 percent is apparently a very unattractive rate of change, but 50.5 percent, obviously, is significantly worse. The other charts available for your examination have other information, but these are the key points.

I think we might sum it up this way: (1) Living costs have risen significantly more in this part of the country—New York-northeastern New Jersey—than in other parts of the country; (2) New York-northeastern New Jersey was a high-living-cost area to start with; and (3) there is, based on the limited data available, some evidence that living costs have moved up even more rapidly for elderly persons, for retired couples, than they have for the general population.

Senator WILLIAMS. So what we conclude here is that we, unfortunately, are in an area that is second only to Boston in the increase of living; is that right?

Mr. BIENSTOCK. Yes, that is correct; at the intermediate level of living, the cost of living in this area is only exceeded by Boston.

ESSENTIALS ARE COSTING MORE

Senator WILLIAMS. And, No. 2, the essentials of living are going up a lot—are increasing more than nonessentials, particularly essential things for the basics: housing, food, and health care?

Mr. BIENSTOCK. Well, I would just simply state that is particularly so for the older folks.

Senator WILLIAMS. That is the next point. That is the link between what I just said, and these are the essentials for older people—these essentials have the most dramatic increase. Yet the cost-of-living index does not reflect the relative needs of individual items of older people?

Mr. BIENSTOCK. Well, it is simply not designed to. The Consumer Price Index is weighted in accordance with the way urban wage-earners and clerical workers and their families spend their money. There is now a scheduled addition that will include a broader group, specifically, a consumer price index for all urban households.

Senator WILLIAMS. Are you in a position to give an opinion on this business of a cost index that reflects the relative needs of older people?

Mr. BIENSTOCK. I was about to say it is a difficult thing for a bureaucrat in a field office to say definitely, because the issue is a policy issue, and incidentally, I have not discussed this with our Washington office, but I do not think there is any kind of constitutional aversion to developing an index for older people. The issue always is, how to spend one's resources.

Now, one of the factors to keep in mind is that price increases are only one part of what actually enters into a price index, although perhaps they are the most significant ones. An index movement also depends on selection of items priced, the kinds of outlets sampled, and the relative weights assigned to the various items.

There is no evidence that a price index for older persons would always rise faster. For example, if items such as fuel costs, which are more important for the elderly, were relatively stable, as in previous years, the index might increase less than the current wage and salary worker price index.

Senator WILLIAMS. Thank you very much. You are very helpful. I appreciate your coming over here to Newark and you have obviously attended to our needs.

Thank you very much.

[The prepared statement of Mr. Bienstock follows:]

PREPARED STATEMENT OF HERBERT BIENSTOCK

Mr. Chairman and members of the committee, I welcome the opportunity to explain to this committee various economic pressures confronting the elderly during this period of simultaneous inflation and recession.

There are indications that the inflation of recent years has impacted the elderly in the New York-northeastern New Jersey area more sharply than in other areas or other groups.

The cost of living for retired couples in the New York-northeastern New Jersey area was sharply above the national urban average in 1973. Based on

Bureau of Labor Statistics' hypothetical family budgets for retired couples at three levels of living, living costs in the area at the intermediate and higher levels exceeded national averages by 17 percent and 19 percent, respectively; at the lower level, by 12 percent. In contrast, elderly couples residing in southern nonmetropolitan areas enjoyed a substantially lower cost of living. At the lower level, living costs in southern nonmetropolitan areas were 25 percent below the New York-northeastern New Jersey area. At the intermediate and higher levels the gap widened to 34 and 37 percent, respectively.

Between 1967 and 1972, the cost difference between the New York-northeastern New Jersey area and the urban U.S. average steadily widened as prices rose more sharply in the area. Between 1967 and 1972, Consumer Price Index annual averages for urban wage and clerical workers and their families rose 31.4 percent in the area, as compared to 25.3 percent for the United States. Since then, there has been some turnaround. For example, in each of the 14 months ending in May 1975, annual Consumer Price Index increases for the Nation have exceeded the area's. The over-the-year increase in the New York-northeastern New Jersey area in May—the latest month for which data are available—was 7.7 percent, as compared to 9.5 percent for the Nation.

COST INCREASES FOR RETIRED SETS FASTER PACE

Increases in family consumption for a specifically defined four-person family headed by a 38-year-old worker, as compared with increases for the retired couple budgets, indicate that the total cost of goods and services rose at a faster pace for the retired. At the three levels of living studied, consumption cost increases for retired couples ranged from 47 to 51 percent between 1967 and 1973, as compared with increases of 40 to 41 percent for the four-person family.

When personal income taxes are considered, there is some narrowing of the differential. Total budget costs, including personal income taxes, for 1967 to 1972 (the latest date for which such data are available) indicate that at the higher level differences in change were marginal, up 35.6 percent for the four-person family, as compared with 36.5 percent for the retired couple's budget. At the lower and intermediate levels, increases for retired couples continued to outpace those for the four-person family budget. At the lower level, the 1967-72 increase for the retired was 38.4 percent, as compared to 30.2 percent for the four-person family; at the intermediate level, 37.9 percent and 32.1 percent, respectively.

The BLS retired couple is defined as a husband, age 65 or over, and his wife. They are self-supporting, living independently in an urban area, in reasonably good health, and able to take care of themselves. The budgets are illustrative of three different levels of living and provide for different specified types and amounts of goods and services for families already established in an area. They do not measure costs incurred by recent arrivals in a community.

The BLS four-person budgets are for a precisely defined hypothetical urban family consisting of a 38-year-old husband, employed full time; his nonworking wife; a boy of 13; and a girl of 8. The family has, for each budget level, average inventories of clothing, home furnishings, major durables, and other equipment. The budgets, which pertain only to urban families, are not intended to represent a minimum or subsistence level of living nor how families of these types actually spend their money.

I attach a copy of some background material relating to "The Impact of Inflation on the Elderly."

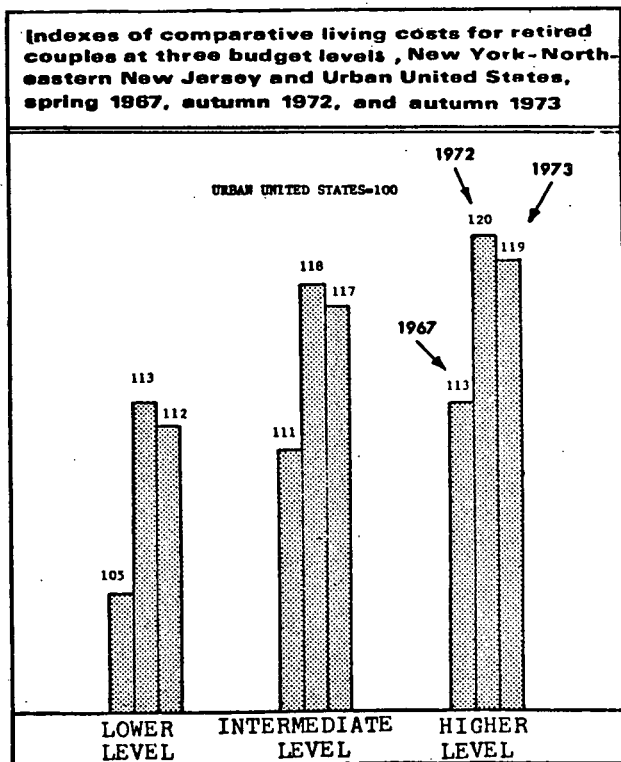
[The material referred to follows:]

THE IMPACT OF INFLATION ON THE ELDERLY

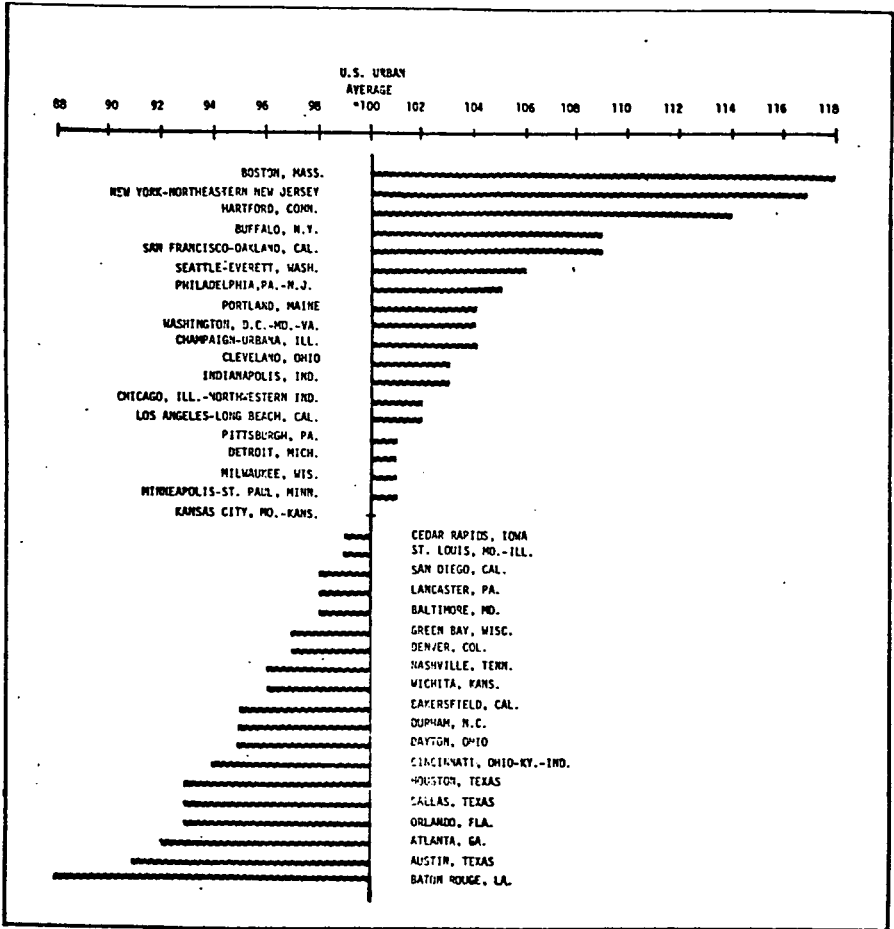
Changes in budget costs for a retired couple at three levels of living urban United States and New York-Northeastern New Jersey, Spring 1967-Autumn 1973

Budget level and area	Total budget costs Autumn 1973	Change 1/			
		Spring 1967-Autumn 1973		Autumn 1972-Autumn 1973	
		Amount	Percent	Amount	Percent
<u>Lower Level</u>					
United States.....	\$3,763	\$1,092	40.9	\$321	9.3
New York-Northeastern New Jersey.....	4,220	1,417	50.6	340	8.8
<u>Intermediate Level</u>					
United States.....	5,414	1,557	40.4	455	9.2
New York-Northeastern New Jersey.....	6,353	2,088	49.0	481	8.2
<u>Higher Level</u>					
United States.....	8,043	2,230	38.6	617	8.3
New York-Northeastern New Jersey.....	9,557	3,025	46.3	654	7.3

1/ Personal income taxes were deleted from earlier estimates of the total budget in order to make the figures comparable with the autumn 1973 total budget estimates.



INTERCITY DIFFERENCES IN LIVING COSTS FOR A RETIRED COUPLE
Intermediate budget, Autumn, 1973



**Budget costs for a retired couple at three levels of living
New York-Northeastern New Jersey, Spring 1967-Autumn 1973**

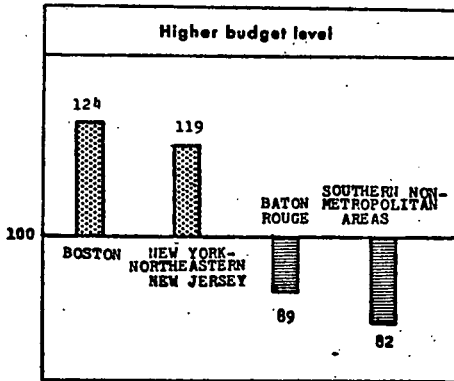
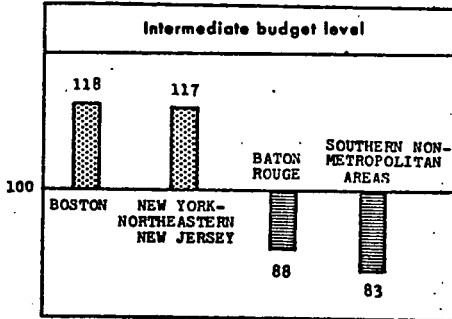
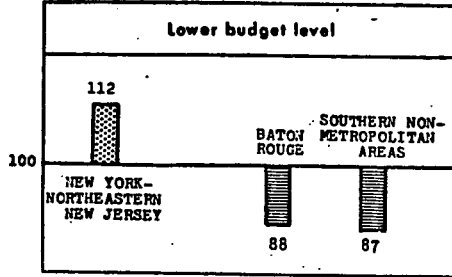
Component	Costs			Change			
	Spring 1967	Autumn 1972 ^{1/}	Autumn 1973 ^{1/}	Spring 1967- Autumn 1973		Autumn 1972- Autumn 1973	
				Amount	Percent	Amount	Percent
<u>Lower level</u>							
Total budget ^{2/}	\$2,803	\$3,880	\$4,220	\$1,417	50.6	\$340	8.8
Total family consumption.....	2,683	3,713	4,038	1,355	50.5	325	8.8
Food.....	845	1,110	1,309	464	54.9	199	17.9
Housing.....	1,142	1,644	1,733	591	51.8	89	5.4
Transportation.....	33	55	55	22	66.7	-	-
Clothing and personal care.....	223	273	283	60	26.9	10	3.7
Medical care.....	301	443	465	164	54.5	22	5.0
Other family consumption.....	139	188	193	54	38.8	5	2.7
All other ^{3/}	120	167	182	62	51.7	15	9.0
<u>Intermediate level</u>							
Total budget ^{2/}	\$4,265	\$5,871	\$6,353	\$2,088	49.0	\$482	8.2
Total family consumption.....	4,009	5,518	5,971	1,962	48.9	453	8.2
Food.....	1,173	1,540	1,822	649	55.3	282	18.3
Housing.....	1,682	2,443	2,563	881	52.4	120	4.9
Transportation.....	247	339	344	97	39.3	5	1.5
Clothing and personal care.....	368	443	459	91	24.7	16	3.6
Medical care.....	303	445	467	164	54.1	22	4.9
Other family consumption.....	236	308	316	80	33.9	8	2.6
All other ^{3/}	256	353	382	126	49.2	29	8.2
<u>Higher level</u>							
Total budget ^{2/}	\$6,532	\$8,903	\$9,557	\$3,025	46.3	\$654	7.3
Total family consumption.....	6,012	8,216	8,824	2,812	46.8	608	7.4
Food.....	1,418	1,909	2,254	836	59.0	345	18.1
Housing.....	2,609	3,785	3,968	1,359	52.1	183	4.8
Transportation.....	617	805	823	206	33.4	18	2.2
Clothing and personal care.....	550	663	687	137	24.9	24	3.6
Medical care.....	304	448	470	166	54.6	22	4.9
Other family consumption.....	514	606	622	108	21.0	16	2.6
All other ^{3/}	520	687	733	213	41.0	46	6.7

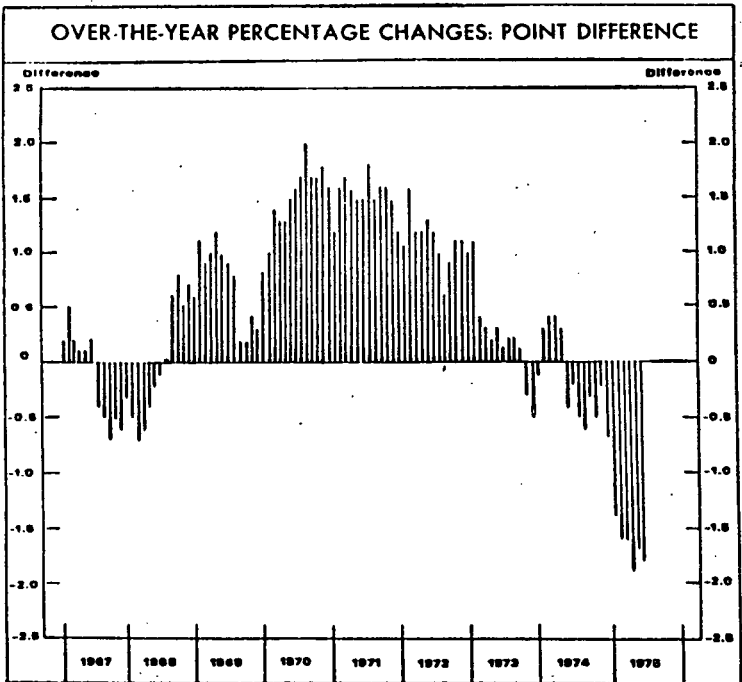
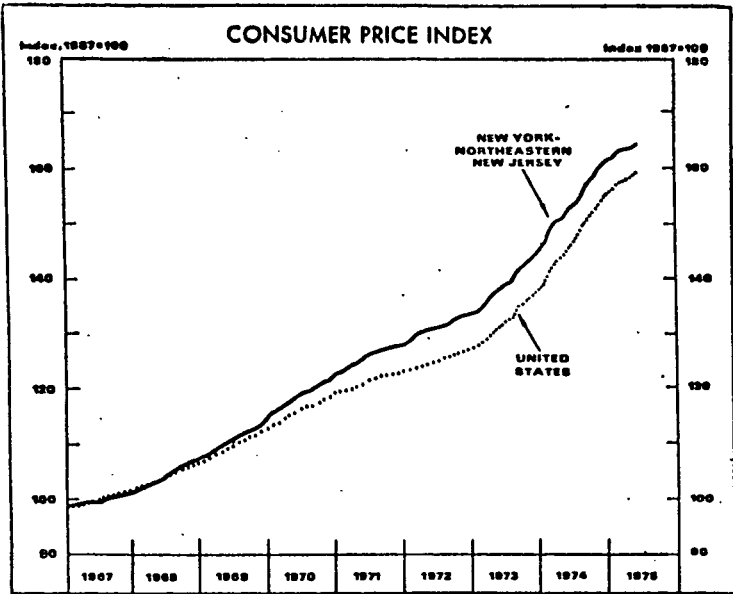
- ^{1/} Derived by applying changes reported in area Consumer Price Index for appropriate classes of goods and services to preceding estimates.
- ^{2/} For the autumn 1973 updating of the retired couple budgets the total budget is defined as the sum of total family consumption and other items. Total budget costs which included personal income taxes in the past do not include personal income taxes for this updating. The entire tax estimation procedure for these budgets is being reviewed because several states have recently enacted laws permitting various types of tax credit refunds based on differing eligibility criteria. So as to make comparisons with earlier estimates personal income taxes were deleted from the autumn 1972 and spring 1967 total budget costs.
- ^{3/} Includes gifts and contributions at all three levels, as well as life insurance payments at the higher level.

NOTE: The retired couple is defined as a husband, age 65 or over, and his wife.

RELATIVE LIVING COST COMPARISONS FOR RETIRED COUPLES
 AT THREE BUDGET LEVELS, HIGHEST MAINLAND COST AREA,
 NEW YORK-NORTHEASTERN NEW JERSEY,
 AND LOWEST MAINLAND COST AREAS, AUTUMN 1973

Urban United States=100





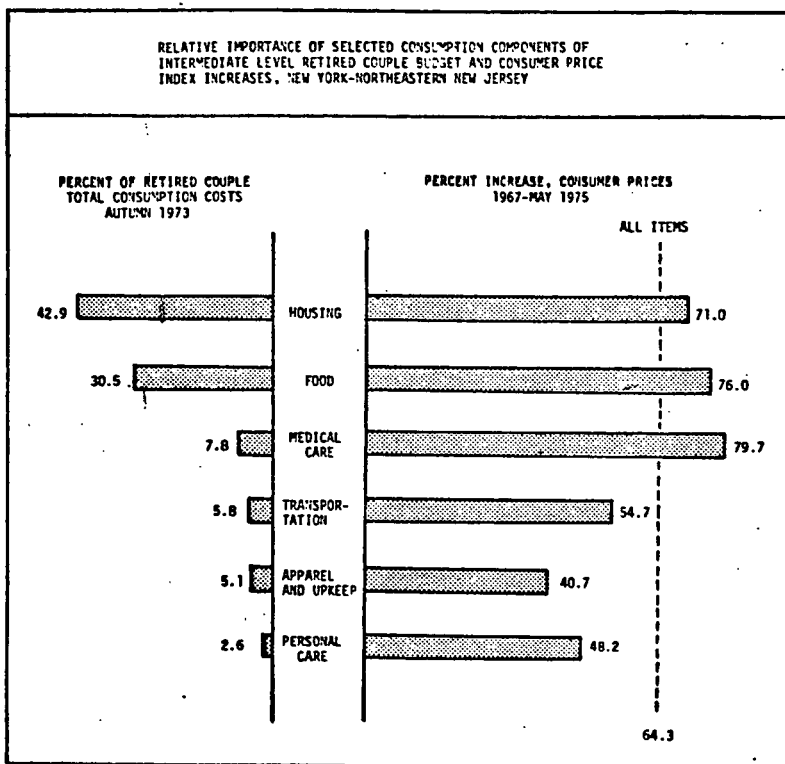
**Consumer Price Index for urban wage earners and clerical work ers,
New York-Northeastern New Jersey and United States**

(1967-100)

Group	Index May 1975		Percent change to May 1975 from:			
			April 1975		May 1974	
	New York	United States	New York	United States	New York	United States
All items	164.3	159.3	.4	.4	7.7	9.5
<u>Expenditure classes</u>						
Food	176.0	171.8	.3	.4	8.1	7.6
Food at home	176.2	171.6	.4	.4	7.9	7.0
Cereals and bakery products.	189.1	187.0	-.2	-1.0	16.3	13.8
Meats, poultry, and fish	170.7	168.2	3.7	4.0	5.7	6.1
Dairy products	156.9	153.6	-.8	-.8	-.8	-.6
Fruits and vegetables	179.2	169.0	-1.2	.7	-4.2	-4.9
Other foods at home	181.9	182.7	-2.5	-3.0	25.6	20.8
Food away from home	175.7	172.8	.2	.3	8.7	10.0
Housing	171.0	165.3	.3	.4	7.7	12.0
Shelter	171.7	168.2	.5	.4	5.5	11.1
Rent	151.9	136.4	--	.4	8.5	5.2
Homeownership	186.4	180.1	.8	.4	5.3	13.0
Fuel and utilities	182.8	165.5	-.9	.5	8.0	11.4
Fuel oil and coal	236.7	230.2	0	.5	10.9	9.1
Gas and electricity	191.2	167.3	-2.2	.6	10.5	16.3
Household furnishings and operations	162.2	157.4	.5	.4	13.7	14.9
Apparel and upkeep	140.7	141.8	.6	.4	4.5	5.0
Men's and boys'	138.8	142.8	-.4	.4	.8	5.2
Women's and girls'	134.8	136.7	1.7	.5	5.9	2.2
Footwear	141.5	144.5	.7	.1	4.5	5.2
Transportation	154.7	147.4	.2	.8	7.1	8.1
Private	151.3	146.8	.3	.9	8.3	8.5
Public	168.0	152.5	0	.1	3.3	4.2
Health and recreation	158.8	152.6	.4	.3	9.2	10.8
Medical care	179.7	166.8	.8	.6	14.2	13.3
Personal care	148.2	149.9	--	.3	8.3	11.1
Reading and recreation	147.9	143.8	.1	.2	6.1	8.9
Other goods and services	153.7	147.1	-1.1	.2	7.3	9.4

All Items index on the 1957-59 base is 195.5 for New York and 185.2 for United States.

RELATIVE IMPORTANCE OF SELECTED CONSUMPTION COMPONENTS OF
INTERMEDIATE LEVEL RETIRED COUPLE BUDGET AND CONSUMER PRICE
INDEX INCREASES, NEW YORK-NORTHEASTERN NEW JERSEY



Percent distribution of consumption components for a four-person urban family and a retired couple, at three levels of living, New York-Northeastern New Jersey, Autumn 1973

Component	Retired Couple	4-Person Family
<u>Lower level</u>		
Total consumption.....	\$ 4,038	\$ 6,925
Percent distribution.....	100.0	100.0
Housing.....	42.9	24.5
Food.....	32.4	38.8
Medical care.....	11.5	10.4
Other.....	4.8	6.3
Clothing.....	4.4	10.0
Personal care.....	2.5	3.0
Transportation.....	1.4	7.0
<u>Intermediate level</u>		
Total consumption.....	\$ 5,971	\$ 11,019
Percent distribution.....	100.0	100.0
Housing.....	42.9	32.9
Food.....	30.5	32.9
Medical care.....	7.8	8.6
Transportation.....	5.8	8.7
Other.....	5.3	7.4
Clothing.....	5.1	9.1
Personal care.....	2.6	2.5
<u>Higher level</u>		
Total consumption.....	\$ 8,824	\$ 16,822
Percent distribution.....	100.0	100.0
Housing.....	45.0	35.8
Food.....	25.5	29.5
Transportation.....	9.3	8.2
Other.....	7.0	8.6
Medical care.....	5.3	4.8
Clothing.....	5.1	8.5
Personal care.....	2.6	2.6

Percent changes in consumption costs, New York-Northeastern New Jersey, 1967-73

Component	Percent change			
	Spring 1967-Autumn 1973		Autumn 1972-Autumn 1973	
	Retired Couple	4-person family	Retired Couple	4-person family
	Lower level			
Total family consumption	50.5	40.8	8.6	9.0
Food	54.9	52.0	17.9	17.0
Housing	51.8	37.1	6.4	6.8
Transportation	66.7	30.0	0	2.1
Clothing and personal care....	26.9	22.7	3.7	3.2
Medical care	54.5	41.2	5.0	4.8
Other family consumption....	38.8	41.2	2.7	2.6
	Intermediate level			
Total family consumption	48.9	40.2	6.3	7.2
Food	55.3	55.8	18.3	17.5
Housing	52.4	37.3	4.9	2.3
Transportation	38.3	24.1	1.5	2.4
Clothing and personal care....	24.7	24.8	3.6	3.2
Medical care	54.1	41.0	4.9	4.8
Other family consumption....	33.9	39.5	2.6	2.5
	Higher level			
Total family consumption	46.8	40.9	7.4	6.5
Food	59.0	62.1	18.1	17.0
Housing	52.1	38.2	4.8	2.3
Transportation	33.4	27.5	2.2	2.4
Clothing and personal care....	24.9	25.1	3.6	3.2
Medical care	54.6	41.8	4.8	4.7
Other family consumption....	21.0	29.9	2.6	2.5

Note: The three levels of living presented were in part derived from actual expenditures of families in the early 1960's. These budgets, for two precisely defined hypothetical families, include at each level, average inventories of clothing, major durables and other equipment. However, the manner of living differs between the two family types most particularly because of differences in housing, transportation, and medical care. Some of these differences are listed below:

Housing The four-person family only rents at the lower level. For the intermediate and higher levels, 75 and 85 percent of the families, respectively, are assumed to be homeowners who purchased their homes six years ago. For the retired couple, 40 percent are renters at the lower level; 33 percent renters at the intermediate level; and 30 percent renters at the higher level. Retired homeowners own their homes outright; therefore, price changes for mortgage payments and interest are not reflected.

Transportation The elderly couple, at the lower level does not own a car; 25 percent do at the intermediate and 75 percent at the higher. For the four-person family, 50 percent own cars at the lower level; 80 percent at the intermediate and 100 percent at the higher level.

Medical care Medical care for the elderly couple at all three levels reflects payments for Medicare as well as out-of-pocket expenses. Medical costs not covered by Medicare are virtually the same in all three levels. For four-person families, medical care covers out-of-pocket expenses for health insurance as well as fees for physicians, dental care, prescriptions, etc. The average cost of medical insurance is weighted so that 30 percent pay the full cost; 26 percent pay half cost; and, 44 percent are covered by noncontributory plans paid by the employer, at all three levels.

Changes in budget costs for a four-person family and a retired couple at three levels of living, New York-Northeastern New Jersey area, Spring 1967-Autumn 1972

Budget level	Costs		1967-72 Change			
	Autumn 1972		Amount		Percent	
	4-person family	Retired Couple	4-person family	Retired Couple	4-person family	Retired Couple
Lower level						
Total budget.....	\$7,841	\$3,880	\$1,820	\$1,077	30.2	38.4
Family consumption...	6,353	3,713	1,434	1,030	29.2	38.4
Personal taxes.....	687	0	184	0	36.8	0
All other.....	801	167	202	47	33.7	39.2
Intermediate level						
Total budget.....	13,179	5,880	3,202	1,615	32.1	37.9
Family consumption...	10,283	5,518	2,426	1,509	30.9	37.6
Personal taxes.....	1,787	9	487	9	37.5	1/
All other.....	1,109	353	289	97	35.2	37.9
Higher level						
Total budget.....	20,165	9,443	5,297	2,528	35.6	36.5
Family consumption...	14,667	8,216	3,576	2,204	32.2	36.7
Personal taxes.....	3,933	540	1,355	155	51.4	40.3
All other.....	1,565	687	388	187	32.7	32.1

1/ Percent change not applicable.

Note: 1972 is the latest date for which comparable tax data are available for both the four-person family and retired couple budgets.

Per capita average family income and selected expenditures by age of family head, U.S. urban and rural families and single consumers, United States
Survey of Consumer Expenditures-Diary, July 1972-June 1973

Item	All families	Head aged 65 and over	
		Amount	Percent of all families
Annual per capita income.....	\$3,131	\$2,785	89
Selected weekly expenditures, per capita			
Total food, excluding alcoholic beverages...	10.48	11.58	111
Food at home, total	7.64	9.28	121
Cereal and bakery goods .....	.91	1.11	122
Beef.....	1.18	1.34	114
Other meats	1.03	1.26	122
Poultry, fish and seafood .....	.54	.68	126
Milk, eggs and other dairy products.....	1.22	1.44	118
Fruits and vegetables.....	1.12	1.65	147
Non-alcoholic beverages .....	.58	.65	112
All other	1.07	1.13	108
Food away from home, total.....	2.81	2.29	81
Selected non-food expenditures			
Gasoline	2.19	1.74	79
Gas and electricity.....	1.86	2.74	147
Other fuels .....	.32	.65	203
Personal care services .....	.45	.66	147
Personal care products .....	.51	.46	90
Non-prescription drugs and medical supplies.....	.39	.65	167
Housekeeping supplies.....	.87	1.01	116

SELECTED FAMILY CHARACTERISTICS BY AGE OF FAMILY HEAD,
ALL URBAN AND RURAL FAMILIES AND SINGLE CONSUMERS, UNITED STATES,
SURVEY OF CONSUMER EXPENDITURES - DIARY, JULY 1972 - JUNE 1973

	TOTAL	AGE OF FAMILY HEAD IN YEARS					
		UNDER 25	25-34	35-44	45-54	55-64	65 AND OVER
Percent of families in universe	100.0	8.7	20.1	16.4	16.4	16.3	20.1
Number of families in universe (000)	71,163	6,208	14,293	11,484	13,092	11,360	14,316
Average							
Family size	2.9	2.1	3.3	4.3	3.4	2.3	1.7
Family income before taxes	\$9,081	\$3,679	\$10,143	\$11,613	\$11,932	\$9,166	\$4,739

SELECTED WEEKLY FAMILY EXPENDITURES BY AGE OF FAMILY HEAD
ALL URBAN AND RURAL FAMILIES AND SINGLE CONSUMERS, UNITED STATES
SURVEY OF CONSUMER EXPENDITURES - DIARY, JULY 1972 - JUNE 1973

	TOTAL	AGE OF FAMILY HEAD IN YEARS					
		UNDER 25	25-34	35-44	45-54	55-64	65 AND OVER
Total food, excluding alcoholic beverages	\$30.32	\$16.64	\$31.35	\$41.23	\$38.64	\$27.85	\$19.60
Food at home, total	22.17	12.40	22.08	30.03	27.79	21.13	15.78
Cereal and bakery products	2.63	1.33	2.37	3.66	3.31	2.40	1.89
Beef	3.42	1.68	3.32	4.88	4.42	3.26	2.28
Other meats	3.00	1.49	2.86	4.13	3.77	3.00	2.15
Poultry, fish and seafood	1.57	.87	1.49	2.03	2.02	1.60	1.16
Milk, eggs and other dairy products	3.54	2.02	3.67	4.91	4.43	3.17	2.43
Fruits and vegetables	3.26	1.81	2.98	3.96	4.06	3.43	2.81
Non-alcoholic beverages	1.68	1.11	1.77	2.24	2.08	1.56	1.11
All other	3.09	2.29	3.47	4.23	3.67	2.63	1.92
Food away from home, total	8.15	7.04	9.27	11.22	10.66	6.71	3.80
Selected non-food expenditures							
Gasoline	6.26	5.26	7.33	8.23	8.11	6.11	2.96
Gas and electricity	5.40	3.61	5.34	6.82	6.26	5.49	4.63
Other fuels	.92	.36	.68	.74	.91	1.48	1.10
Personal care services	1.30	.40	.99	1.33	1.83	1.57	1.12
Personal care products	1.40	1.24	1.67	1.94	1.91	1.28	.78
Non-prescription drugs and medical supplies	1.12	.56	1.01	1.17	1.49	1.12	1.11
Housekeeping supplies	2.32	1.33	2.63	3.18	3.13	2.41	1.71

Senator WILLIAMS. We will now have a panel on health issues, the Honorable Donald M. Payne, member, Essex Board of Freeholders; Mr. Otto Neurath, M.D., professor of medicine, New Jersey College of Medicine and Dentistry; Ms. Alice Ganster, registered nurse, North Jersey Community Union; and Mrs. Jessie Porter. We will first proceed with Mr. Payne.

**STATEMENT OF DONALD M. PAYNE, MEMBER, ESSEX COUNTY
BOARD OF FREEHOLDERS**

Mr. PAYNE. Thank you very much, Senator Williams. I am very happy to be here, and that you and your staff have decided to come to Newark and the County of Essex to hear some of the needs of the seniors, and to some of us in the administration and the programs that affect senior citizens.

Personally I feel that the most effective part of the hearings were the part that dealt with the seniors themselves when they spoke. Certainly they articulated the needs of our elderly community, which is served by their testimony, such as from Mrs. Grier and the others who have testified here. I think that is certainly the highlight of today's proceedings. But as our responsibility as administrators of the office on aging in the county of Essex, I think it is important too that we provide some testimony articulating our concerns, the feelings that we have, and the problems that we face in trying to implement the needs of the persons, our citizens of the county of Essex and the city of Newark.

Of course, I am familiar with the time constraints; I will attempt to be as brief as possible.

When I was asked to come to speak, I thought of a little verse that I often heard, and I think it depicts the plight of many of our seniors today. It was written by Paul Laurence Dunbar, the son of a slave, and an outstanding poet. It goes as follows:

A crust of bread and a corner to sleep in,
A minute to smile and an hour to weep in,
A pint of joy to a peck of trouble,
And never a laugh but the moans come double,
And that is life.

I think that was true for many people in the 1890's, and unfortunately today, it is true for many people in 1975.

NATIONAL PRIORITIES NEED REPOSITIONING

I think that there is definitely a need for an overview of the needs of our cities and counties, and a repositioning of our national priorities. We need to reprioritize the goals of our country to escalate the human needs agenda to the top of the heap.

Just last week I received a letter from the Friendly Fuld Neighborhood Centers, Inc., with a factsheet of a program that the agency will be unable to continue because of the lack of its 25-percent match for title III funding.

The friendly fuld senior citizens project is a federally funded program under title III, which is designed to serve senior citizens in

the central ward who are socially isolated. The program presently serves approximately 400 of the most isolated elderly.

In an effort to reduce isolation, increase participation, and deal with the daily problems of survival, the staff utilizes the team approach. These teams act as substitute families to the elderly who are often alone, frightened, and despondent, they assist them in taking care of their daily needs and give the seniors a sense of belonging.

The teams go directly to the homes of the elderly, (1) escorting them safely to activities, medical, dental, shopping, recreational, and social service facilities and returning them safely inside their homes; (2) finding out what the seniors need; (3) seeing that the seniors benefit from existing services; and, (4) planning various social activities.

The services rendered to the seniors, along with the social interaction, promote a sense of belonging and foster independence, thus reducing isolation. In order for the senior citizens to survive in this deteriorated area, the services must continue.

The central ward has the highest rate of crime, poverty, drug abuse, and unemployment in the city of Newark. Forty percent of the 21-year-olds and younger are drug addicts and a larger percentage of this group is unemployed—they prey upon the elderly for their livelihoods.

SENIORS SEEK PROTECTION IN HOMES

Rather than risk robbery or physical abuse, the seniors stay in their homes, socially isolated from the rest of the community. The area does not have adequate public transportation and is devoid of essential services; therefore, it is vital that the seniors be transported outside the area to meet their needs.

Without our services, especially the escorting services, the elderly would be left to themselves to "rot away" in their apartments. This is an example of the plight of a segment of the senior citizen population in the center city.

I bring this to your attention because, under title III, which will soon be under title XX, there needs to be a 25-percent match by the sponsoring agency, and also the 75 percent can be gotten. I think that what we have to do is to think in terms of special priority areas where the 25-percent match could be eliminated, where the programs could be funded with 25 percent from a grant and 75 percent coming under the regular title III.

In January 1974, the Essex County Department on Aging, sponsored by the Essex County Board of Chosen Freeholders, was designated as the area agency for aging for Essex County. The responsibilities of the department are to increase the public's awareness and understanding of the nature, process, and problems of aging; provide information on available senior services; identify and assess the needs of seniors; devise appropriate solutions to current and potential problems; and act as an advocate with governing bodies, and public and private agencies.

Essex County has a total population of 929,986 persons, with the largest number of senior citizens of any New Jersey county—143,600, or 15 percent, of our total population, according to the 1970 census.

OVERVIEW OF PROBLEMS

According to our surveys, an overview of some of the specific problems that seniors face today are:

One: Rising cost of medical services have forced seniors to avoid the critically needed, yearly preventive health checkups.

Two: High cost of drugs have forced seniors to decide not to fill prescribed drug prescriptions.

Three: Increased utility and food costs have created a hardship on the seniors.

Four: Increased cost of housing seniors.

Five: Need to provide low-cost or free supportive home services to help seniors remain independent.

Six: Unfamiliarity of many in the health field of the special needs and medical problems of the elderly.

Seven: Need for the establishment of day care facilities for some of our seniors.

Eight: Need for additional nursing home bed spaces locally.

Nine: Expansion of programs providing meals in either congregate settings or home delivered.

Ten: Expanded transportation services.

There are a number of solutions that I might quickly go over. As I mentioned, we feel that it is extremely necessary for the New Jersey School of Medicine and Dentistry to have an aggressive program on geriatric help. It is our feeling that our medical profession is not geared up today to deal with the problems with geriatrics people. I think this should be a mandatory part of any medical school; and any interns should have specific courses dealing with the problems of the geriatrics patients—this is essential.

Also, nutrition for geriatrics; the need for additional transportation. We are very pleased to say that there is a very exciting program that is being conducted where we have a very comprehensive health screening service in the Oranges. Our seniors have total free medical care, and we feel that this kind of program—the funds need to come so we could expand this kind of program throughout our country. Also, the meals-on-wheels program needs to be extended, so that balanced diets for our elderly can continue.

As you know, the problem of trying to deal with the total needs of our county are great. It is our feeling we simply need more funds to carry out the programs that are necessary to meet the needs.

EQUAL CHANCE TO PERFORM

In conclusion, I would like to say that I think it is great the committee has taken the time to come to Newark. I think we need to transform our national ideals, where every citizen is supposed to get an equal chance to perform, where a job exists for everyone that wants one, where health care and personal safety are assured, where harmony exists with each other, and where each of us has a decent place to live. This needs to be realized, but we need to compare it with our national reality.

It is my feeling we need to promote for the general welfare in the same manner which we provide for the common defense.

Voltaire said: "Nothing is as powerful as a dream whose time has come." It is our opinion that the time has come for reordering the priorities of our Nation, so that our senior citizens can have a true and full life in our area.

Thank you very much. [Applause.]

Senator WILLIAMS. Thank you. That is an excellent and compelling statement; very, very good. We do thank you.

Mr. PAYNE. Thank you.

[The prepared statement of Mr. Payne follows:]

PREPARED STATEMENT OF DONALD M. PAYNE

Honorable Chairman, Senator Williams, Mayor Gibson, distinguished panelists, guests, senior citizens, and interested citizens; I am honored to be one of the panelists requested to testify in these hearings; one of a series on "Future Directions in Social Security," focusing upon economic pressures confronting the elderly during this period of simultaneous inflation and recession.

Paul Laurence Dunbar, the son of a slave, and an outstanding poet, wrote in the late 1890's a short verse which goes like this: "A crust of bread and a corner to sleep in; a minute to smile and an hour to weep in; a pint of joy to a peck of trouble; and never a laugh, but the moans come double; and that is life."

Today, especially in some of our urban centers, these words are still true. There is a need for repositioning of our national priorities—a reprioritizing of the goals of our country to escalate the human needs agenda to the top of the heap.

Just last week I received a letter from the Friendly Fuld Neighborhood Centers, Inc., with a factsheet of a program that the agency will be unable to continue because of the lack of its 25 percent match for title III funding.

FRIENDLY FULD NEIGHBORHOOD CENTERS, INC.—SENIOR CITIZEN PROJECT

The Friendly Fuld Senior Citizen project is a federally funded program under title III, which is designed to serve senior citizens in the central ward who are socially isolated. The program presently serves approximately 400 of the most isolated elderly.

In an effort to reduce isolation, increase participation, and to deal with the daily problems of survival, the staff utilizes the team approach. These teams act as substitute families to the elderly who are often alone, frightened, and despondent; they assist them in taking care of their daily needs and give the seniors a sense of belonging. The teams go directly to the homes of the elderly (1) escorting them safely to activities, medical, dental, shopping, recreational, and social service facilities and returning them safely inside their homes; (2) finding out what the seniors need; (3) seeing that the seniors benefit from existing services; and (4) planning various social activities.

The services rendered to the seniors, along with the social interaction, promote a sense of belonging and foster independence, thus reducing isolation.

In order for the senior citizens to survive in this deteriorated area, the services must continue. List below are some facts about the area:

The central ward has the highest rate of crime, poverty, drug abuse, and unemployment in the city of Newark. Forty percent of the 21-year-old and younger are drug addicts and a larger percentage of this group is unemployed and they prey upon the elderly for their livelihoods. Rather than risk robbery or physical abuse, the seniors stay in their homes socially isolated from the rest of the community.

The area does not have adequate public transportation and is devoid of essential services, therefore, it is vital that the seniors be transported outside the area to meet their needs. Without our services, especially the escorting services, the elderly would be left to themselves to "rot away" in their apartments.

This is an example of the plight of a segment of the senior citizen population in the center city.

At this time I would like to become more general and explain the function of the Essex County Office on Aging, an overview of some specific problem areas and some prospective solutions.

In January of 1974 the Essex County Department on Aging, sponsored by the Essex County Board of Chosen Freeholders, was designated as the area agency

for aging for Essex County. The responsibilities of the department are to increase the public's awareness and understanding of the nature, process, and problems of aging; provide information on available senior services; identify and assess the needs of seniors; devise appropriate solutions to current and potential problems; and act as an advocate with governing bodies, and public and private agencies.

Essex County has a total population of 929,986 persons, with the largest number of senior citizens of any New Jersey County—143,600, or 15 percent, of our total population, according to the 1970 census.

An overview of some specific problems that senior citizens face in the rising cost of goods and services:

PROBLEMS FACING SENIOR CITIZENS

1. Rising cost of medical services have forced seniors to avoid the critically needed yearly preventive health checkups.
2. High costs of drugs have forced seniors to decide not to fill prescribed drug prescriptions.
3. Increased utility and food costs has created a hardship on the seniors.
4. Increased cost of housing seniors.
5. Need to provide low cost or free supportive home services to help seniors remain independent.
6. Unfamiliarity of many in the health field of the special needs and medical problems of the elderly.
7. Need for the establishment of "day care" facilities for some of our seniors.
8. Need for additional nursing home bed spaces locally.
9. Expansion of programs providing meals in either congregate settings or home delivered.
10. Expanded transportation services.

Some "solutions," and what Essex County is trying to do:

1. In this time of inflation medical costs have soared. The county department in 1974 funded from title III of the Older Americans Act a model "preventive health program" in the municipalities of Orange, West Orange, and Maplewood. Satellite health centers have been established in each municipality with a public health nurse on staff providing health education, testing, counseling and information, and referral. The Hospital Center at Orange, a local community hospital, provides the free health checkups and any additional necessary medical services. The county department would like to expand this program to other areas of the county but is unable due to the lack of available funds. Medicaid waiver presently being developed for the citizens of Newark be expanded to include senior citizens. The county department has been a strong advocate of this position.

2. The county department has advocated the continuation of the funding by the State division on aging of the summer intern program of the college of medicine and dentistry. This program provides stipends for premedical and predoctoral students to spend several weeks every summer in geriatric hospitals and clinics so that they can become more sensitive and practically aware of some of the special medical needs and problems of the elderly.

CONTINUATION OF FUNDING

3. Support for a program that would provide low-cost or free drugs to all seniors.

4. The public hearings documented the desire of seniors to have the necessary homemaker-home health aide services to permit them to remain in their homes. The Essex County Board of Chosen Freeholders just recently authorized the matching of \$57,000 in county moneys with \$171,000 Social Security Act funds for an expansion of the homemaker-home health aide program for seniors in Essex County. It is estimated that by the end of this month there will be approximately 50 homemakers working in senior homes providing the necessary supportive services to help them remain in their home environment.

5. The county department has supported and has received assurances from the New Jersey Department of Institutions and Agencies that the proposed senior day care program at the Daughters of Israel Pleasant Valley Home be funded to provide another important alternative for some seniors to institutionalization.

6. The Essex County Geriatric Center, operated by the board of chosen freeholders, is at its full capacity of 300 seniors with an average age of approximately 80 years old. The board has requested from the State a certificate of need for an

expansion within the present facility that would provide approximately 30 to 40 critically needed beds. It is hoped that the application, twice rejected because of the availability of beds in southern New Jersey, will be approved in the fall.

7. Title VII of the Older Americans Act provides funds for the establishment of congregate nutrition sites where seniors can receive a daily hot meal and also additional supportive services (information and referral, transportation, nutrition education, etc.). There are presently approximately 10 such sites operating now throughout Essex County serving just a little over 1,000 seniors daily. The Essex County Board of Chosen Freeholders has authorized approximately \$50,000 in county moneys to be used as a match for Federal Social Security Act funds administered by the New Jersey Department of Community Affairs, State Division on Aging. The original proposal was submitted in December 1974, with considerable delays in processing since then. The county department is hopeful that a contract can be executed in the next month or so.

8. Transportation is, every time, the No. 1 concern discussed by most seniors at either public hearings, senior citizen meetings, etc. In 1974, the county department on aging, recognizing this fact, funded 12 transportation programs throughout Essex County. These programs are only the beginning of a concerted effort to increase the mobility of our seniors. The department has gone on record in favor of free public transportation during any hour of the day—a proposal that Governor Byrne has supported.

9. Food stamps have been a lifesaver financially for many of our elderly. In Essex, efforts have been made to bring the food stamp certification process into the local senior centers, municipal offices and community agencies to insure that seniors participate in this program.

"A NEED TO HOLD LINE ON COSTS"

Almost a year ago, the director of the Essex County Office on Aging testified at local public utility commission hearings, of the vital need to "hold the line" on utility and fuel costs to our seniors, many of whom live on fixed incomes. He proposed the establishment of a "utility stamp program" for seniors and it is our understanding that such a program is presently being seriously considered.

10. One of the most important issues with seniors is housing. As you are quite aware, many of our seniors are spending large percentages of their income on housing and thus leaving very little left to cover food, medical, and other essential costs. Senior citizens housing for those who need it and want it is essential. The director has testified at several municipal meetings of the desperate need for clean, safe, low-cost housing for our elderly in this county.

In conclusion, we need to transform our national ideals of America, where every citizen gets an equal chance to perform, where a job exists for everyone who wants one, where health care and personal safety are assured, where harmony exists with each other, and where each of us has a decent place to live—and compare it with the national reality. We need to "promote the general welfare" in the same manner which we "provide for the common defense."

Voltaire said: "Nothing is as powerful as a dream whose time has come." The time for repositioning of our priorities.

Senator WILLIAMS. We will now hear from Dr. Otto Neurath, professor of medicine, New Jersey College of Medicine and Dentistry. Please proceed, Dr. Neurath.

STATEMENT OF DR. OTTO NEURATH, PROFESSOR OF MEDICINE, NEW JERSEY COLLEGE OF MEDICINE AND DENTISTRY

Dr. NEURATH. Mr. Chairman, the testimony which I am about to give will, of necessity, mostly deal with the needs and requirements of the elderly regarding the prevention and treatment of conditions which are, to a large extent, attributable to their old age.

Inseparably connected with these problems is the limited ability of these people to defray the cost of adequate health care in various aspects, financially, logistically, and also due to the only limited number

of facilities where health care, geared to the special needs of the elderly, is available.

The overall picture of this situation transpires from a few figures which, although often cited, are not fully appreciated.

The health care of the about 20 million Americans over 65 years old amounted in expenses to about 25 percent of the \$9½ billion spent in 1973 on medical care.

These impressive figures include about 10,000 people over 100 years old. They also include about 65,000 people living in the greater Newark area, which is, for all practical purposes, a low-income area.

Not only are there not enough facilities for the needs of the elderly available in this area, the medical profession in this country has only recently realized the tremendous importance of geriatrics as a specialty and in spite of all the interest which is now awakening in medical schools and related institutions, the facilities where geriatrics as a specialty is taught and/or practiced lag deplorably behind the demand for such institutions.

The New Jersey College of Medicine and Dentistry has taken the initiative to pursue this goal on two fronts, as it were.

The college has now, for the third year, arranged for a series of lectures on geriatrics with the participation of its faculty, directed toward the goal of stimulating interest in geriatrics among doctors, nurses, social workers, and medical students.

These lectures have had the enthusiastic support of the American Geriatric Society and have aroused interest not only nationally but from places as far as Sydney, Australia.

Realizing that a systematic training and a basis for geriatric research is badly needed, the college has, in collaboration with the Newark Day Center, attempted to establish a geriatric clinic at the site of the day center, a location where there is a considerable aggregation of elderly people.

Supported by private as well as public funds, the college has already started an interim facility consisting of a medical and a dental clinic, and last week we had a groundbreaking ceremony for the construction of a modern two-story building which will house the permanent clinics.

THREEFOLD GOAL

The goal for this clinic is a threefold one:

(1) It should serve as a station for patient services, that is, treatment on an ambulatory basis for existing ailments.

(2) It will be staffed by physicians of the medical school and will thereby serve as a training center in geriatrics and will most probably stimulate interest in this new specialty among young doctors.

(3) It will provide a rare opportunity for geriatrics research. Among some of the problems for which answers will be sought, are: vitamin deficiencies and aging; improper nourishment, due to poverty, but also perhaps due to poor dental conditions; and its influence on the aging process; activity versus physical inactivity and aging, and many more.

We must not forget that while the average life expectancy has increased in the last 70 years (from 48 to 70 years), the maximum attainable age has increased only insignificantly.

Even the elimination of heart disease would increase the human life span only by about 10 years. In contrast, in several areas of this world there are population groups where ages up to 120 years and longer are almost the rule. And these "old" people are in excellent physical condition.

Coming back to the problems at hand, it is clear that the socio-economic problems, not only of the elderly, but of our population at large, have enormous overriding significance.

But the plight of the elderly, especially of the elderly poor, deserve our close attention. On an average, our population will grow older and the special needs of the elderly have to be attended to.

No doubt, the medical profession will take a closer look at its duties in this respect. It may require a reorientation regarding the modes of health care delivery. But whatever new forms of medical care may develop, the study and practice of geriatrics will be given close attention, and it is with great pleasure that I can state that the New Jersey College of Medicine and Dentistry, together with the Newark Day Center, can be found in the forefront of those pioneering endeavors.

Senator WILLIAMS. Thank you very much, Dr. Neurath. You noted in your statement an announcement of the medical aspects of the aging process.

Dr. NEURATH. This is the second program. We just concluded the third on a different scale, and I can say every year we have had increasing attendance at these lectures.

DEVELOPMENT OF PERMANENT CLINIC

We hope to establish not only a permanent clinic, as I mentioned before, but we hope that with the development of a new university, which is in the process of being built, we may be able to use our present facilities in part as a geriatric in-patient department, where we can take care of the medical needs of these people, and use it also as a training and research center. These are the future plans.

Senator WILLIAMS. We visited the North Jersey Community Union this morning. We saw a lot of professionals there. Are they the kind of people that will be coming to this series of lectures?

Dr. NEURATH. The series of lectures will be given more publicity. We have several institutions here, such as the nursing schools and the different colleges. We have enlisted their aid in giving more publicity to these lectures.

These lectures, I want to add, are free, and are recognized as "continued education."

Senator WILLIAMS. That is an excellent program, and it is a great statement that you have given.

We appreciate very much your statement.

Dr. NEURATH. I would like to thank you for the opportunity to appear.

Senator WILLIAMS. Our next witness is Alice Ganster, registered nurse from the North Jersey Community Union.

STATEMENT OF ALICE GANSTER, REGISTERED NURSE, NORTH JERSEY COMMUNITY UNION

Ms. GANSTER. I am the health educator at the North Jersey Community Union. I am a registered nurse and have further education in the field of community health education. It is from that vantage point that I would like to present my testimony.

The North Jersey Community Union is a community organization that has long been concerned about senior citizens. In fact, the organization was formed in order to identify community needs in order to work toward their constructive resolution.

Before its inception, community input dictated that one of the primary needs in the community was an employment program for senior citizens.

Consequently, in 1969, when the community union started operation in the old Krueger Brewery building on Charlton Street, 60 senior citizens were recruited for the first senior citizen program funded through the National Council of Senior Citizens by the Department of Labor.

That original program has been refunded annually up to this time. A CETA I program for 60 senior citizens was added in July 1974, and initially funded for 1 year.

WORK EXPERIENCE PROGRAMS

A CETA VI program for 100 senior citizens was added in January 1975, and initially funded for 1 year. We now have a total of 220 senior citizens in work-experience programs at the North Jersey Community Union. They work 4 hours per day, 5 days a week, as ancillary personnel. Some are employed in various capacities in our health center assisting in medical records, in billing, at the reception desk, assisting the nursing staff, doing followups of patients, attending to children while mother is seen by a physician, and carrying out functions of maintenance and housekeeping.

Some assist in our day care center as foster grandparents to our 90 underprivileged children, most of whom do not have extended families that include grandparents. Other seniors are out stationed in facilities in the community like nursing homes, day care centers, the Salvation Army, et cetera.

A large number of them serve as homemakers to other senior citizens in the community who would otherwise not be eligible for such home assistance.

All of them, however, make a contribution in one capacity or another to the implementation of services that benefit other members of the community.

WHAT ARE THE BENEFITS?

How does the job benefit the senior citizen in return? First of all, he or she gets a paycheck that supplements the social security check. This paycheck may mean the difference between eating regularly or not.

Second, our health center provides free initial health care to all of these employees. This health care includes laboratory evaluation, chest X-ray, physical examination by a doctor, and a hearing assessment.

Third, each of these employees receives Blue Cross-Blue Shield benefits or comparable health insurance, sick time, vacation time, workmen's compensation benefits, unemployment insurance, and social security credit.

Fourth, these senior citizen programs provide a collective means of providing help and advice concerning availability and eligibility of other community resources. Some of these resources may include items like food stamps, medication, transportation, housing, specialized health facilities, and social and recreational programs.

Generally, the North Jersey Community Union serves somewhat as an umbrella agency that provides a generalized function of interpreting, referring, advising, assisting, and informing its employees about what they are entitled to receive and how to go about getting it in order to live a more comfortable lifestyle in the golden years of their life.

What kinds of problems have we found to be common among these senior citizens?

EXISTING PROBLEMS

(1) Inability to exist on a fixed income with all incumbent problems brought on by an inflationary economy.

(2) Inadequate supply of low-income housing for senior citizens: (a) Some public housing units have a 2- to 3- year waiting time; (b) Private apartments are too expensive for their small fixed incomes; (c) Rents are raised when the senior citizen gets a job; (d) Frequent rent increases during an inflationary economy; and (e) Seniors fear fire, especially in a high-rise apartment building if they live on an upper floor and cannot get around too well.

(3) Transportation by public means: Transportation discounts apply only during noncommuting hours; seniors who work cannot utilize these discounts getting to and from work; use of public transportation requires more frequent shopping trips because of the difficulty in carrying large amounts of groceries on foot. This also precludes buying in larger quantities and makes for higher food costs.

(4) Lack of skills conducive to getting employment, especially at this age: Some seniors are illiterate and, therefore, must depend on word-of-mouth information about what is available to them. They also cannot interpret forms and brochures, and they usually need help in filling out applications.

(5) Many senior citizens live alone and are trying to be self-sufficient with their limited resources and their lack of a family support system. They often have little contact with other people and become depressed, feel useless, and lose the will to live.

(6) Many senior citizens have not received health care other than on a crisis-intervention basis because of health care costs, their inability to assess what health provider resources are available to them, and their needs for transportation to and from health facilities.

This is a particular problem for those who live alone, who need custodial and maintenance kinds of assistance, and who do not know how to secure help and from whom.

Reimbursement mechanisms like medicare, medicaid, et cetera, do not reimburse for home health assistance on a long-term maintenance or custodial basis that does not require skilled nursing care.

HOME HEALTH CARE

Let me briefly elaborate about one program that has offered some help in the area of home health care.

Since the advent of our two CETA programs, we designated and trained 65 senior citizens to be homemakers. We fashioned our training program along the lines of the State's homemaker training program, and we set up a laboratory in our training room for use in practicing minimal patient care.

During the initial physical examinations that these senior citizens received, we found many of them to be in need of extended health care for problems like hypertension, diabetes, obesity, arthritis, and congestive lung disease, and we determined that some of them were not physically able to go out in the field to work.

Consequently, we reassigned some of them to other areas of work. Forty-four of them were assigned to the field to assist other senior citizens who needed some kind of maintenance home assistance and who were not eligible for reimbursement for such service.

Because our senior citizens were paid out of the CETA program, we could provide such service free of charge to those people in the community to whom they were assigned. We started out serving our own patients who needed this help, and then we extended the offer of service to other health facilities who quickly started referring patients whom they knew were in similar need.

Too soon we were able to place all 44 homemakers, who work in pairs for reasons of security and cooperation, and the waiting list grew. At this point in time, we have a long waiting list of patients, and we have stopped receiving new referrals.

While I have no statistics to substantiate my perceptions, I feel very strongly that this kind of home assistance has prevented some of these senior citizens from having to reside in nursing homes, and it has literally saved some lives.

One dramatic example of the program's life-saving potential happened as follows: One homemaker team had been assisting a patient regularly for several weeks. On this particular day, one member of the homemaker team was seeking health care at the health center. The other homemaker went to the patient's apartment as usual. When she knocked on the door, there was no answer, but she heard some kind of noise from the other side of the door.

She continued to knock, got no answer, and called the health center for help. Mrs. Elsie Wright, her supervisor in the outreach department, called the housing authority, who came and broke down the door. The patient was found lying on the floor, unconscious and having a seizure.

The patient was taken by ambulance to the hospital in critical condition having suffered a stroke. She remained in the hospital for some time, eventually recovered and came home, and is presently being assisted by the same homemaker team.

LIVING AT HOME WITH DIGNITY

While what I have just cited is an individual case, it does seem to me to illustrate the importance of home health care as a means of allowing a senior citizen the option of living at home with dignity while at the same time reducing the need for more costly forms of institutional care.

There are many people who "fall between the cracks" in the health care system and its reimbursement mechanisms and who wait to die either alone at home or in an institutional setting that costs money and does not afford an individual the option of staying at home as long as possible.

Thank you for allowing me this opportunity to share my perceptions with you, and I wish you well in your efforts to improve the plight of our senior citizens.

[Applause.]

Senator WILLIAMS. You are being applauded, and that is appropriate. It is a very, very helpful statement you gave us, and your association has greatly impressed me. I was there an hour this morning, and it was a beautiful eye opener.

We do thank you very much.

Ms. GANSTER. Thank you.

Senator WILLIAMS. We will now hear from Mrs. Jessie Porter.

STATEMENT OF JESSIE PORTER, NEWARK, N.J.

Mrs. PORTER. I am Mrs. Jessie Porter. I am 68 years old and proud to be a senior citizen. I live in Newark and am presently working at the North Jersey Community Union under the CETA program.

I had to move from my former place of living to a very small apartment because of financial needs. I lived there 1 year. After leaving there, I came to my present place of living at 39 Fabyan Place, and I am very pleased, but during this time my rent has been increased four different times, which practically takes my whole social security check.

After my husband died, I tried to do domestic work. I was suffering from arthritis very badly, and that was much against me. But still I did my best, as to be a self-supporter and to live within my social security check, which is very, very hard with my check. With my utilities and my rent that I have to pay, it is most difficult.

Later I had to have dentistry care, which all came out of the little bit that I was making and what I was getting from social security, which made it rather hard.

In December 1973, I became ill. I had to be placed in a hospital in intensive care for some time. After I was taken out of intensive care, on the 14th day, I was sent home to care for myself. Then I had to go to the doctor, back and forth, 3 days a week, which was \$3 per visit, and my transportation was \$1.20 per day, which was very rough.

After talking with my doctor, he said to me, Mrs. Porter, no more domestic work for you—no more wiping or washing down woodwork.

Well, at that particular time I really and truly felt that the walls were caving in on me, and then I talked to this particular friend of

mine. She said to me: "Why don't you go to the North Jersey Community Union? They are hiring there."

First, before going for an interview, I first prayed to almighty God to give me just a little something to do to help myself, and then God granted that wish to me. After going to North Jersey, I thanked God; my physical condition has become very good and my arthritis has improved for which I am so grateful.

"I HAVE SOMETHING TO LIVE FOR"

I feel now that I have something to live for. I have something to look forward to; I have a goal to reach, and I am willing to do whatever I can, whenever and wherever I am called upon. It is a privilege for me to go out and lend a hand when I can help somebody else, then I know that my life is worthwhile. [Applause.]

And I want to say right now in conclusion, I want to give thanks to God, to the wonderful Senators, to Mrs. Ganster, Mr. Peterson, Mrs. Scott, and to Mrs. Cunningham, because I was hired to be a homemaker. But when you put your trust in your almighty God, he looks out for you; he speaks for you; he speaks to others and makes them see something in you that you do not see for yourself.

Mrs. Scott called one day and had me to go down to the medical secretary's office, and in going, I said: "Mrs. Scott, I do not want to go." She said go, and I went. I always learned if you go and seek, you always find help; and thanks to God, I found help there, which was very helpful to me in every respect. Then I was placed in the medical secretary's office, where I am her assistant, and I want to say for North Jersey and to the group, please do everything that you can, and, Senator, please do what you can to promote the program of North Jersey, because it is doing a wonderful job. We are so grateful for all North Jersey with each day, we take care of about 100 to 125 patients every day. We have 5,000 families registered, and about 40 percent of those are senior citizens.

Thank you very much. [Applause.]

Senator WILLIAMS. That is beautiful, Mrs. Porter. Could I ask a couple of questions? You are on social security, am I right, and you are a widow?

Mrs. PORTER. Yes, I am on social security.

Senator WILLIAMS. And which amounts to what, each month?

Mrs. PORTER. \$153.20. My rent is \$121.30 per month, and I still have to pay my utility bills. Without CETA, I could not make it.

Senator WILLIAMS. CETA I?

Mrs. PORTER. CETA I.

Senator WILLIAMS. How long have you been under this program—under this CETA I?

Mrs. PORTER. August 14 will be 1 year.

Senator WILLIAMS. Now, how many hours can you serve under the program?

Mrs. PORTER. Four hours a day.

Senator WILLIAMS. Could I ask—how much of a return and how much income does that make for you?

Mrs. PORTER. Well, my take-home pay is \$105 per week. That is every 2 weeks.

Senator WILLIAMS. Every 2 weeks?
Now, that is your entire income, the CETA program, plus your social security?

Mrs. PORTER. Yes; my social security would not meet it.

Senator WILLIAMS. No; that would leave you way short of your needs.

Mrs. PORTER. Yes.

Senator WILLIAMS. Without CETA, you would be short.

Mrs. PORTER. I would just go someplace and wait until they roll me away in death, but that is the only solution. I have no other.

Senator WILLIAMS. Thank you, Mrs. Porter. Thank you all. Magnificent; most helpful; and your message will get back to Washington, believe me. [Applause.]

[The prepared statement of Mrs. Porter follows:]

PREPARED STATEMENT OF JESSIE PORTER

I am Mrs. Jessie Porter. I am 68 years old and proud to be a senior citizen. I live at 39 Fabyan Place in Newark and am presently working at the North Jersey Community Union under the CETA program. I would like to tell you a little bit about how the high cost of health care has caused hardship in my life.

Eleven years ago my husband became very ill and died within 1 week. Shortly after he died, the apartment building where I lived had to be torn down to make room for the construction of the New Jersey College of Medicine and Dentistry. I was forced to move to a small apartment where I stayed for a year, then moved again to my present apartment where I have been living for the past 6 years. My rent has been increased four times since I moved here, and it takes almost my entire social security check to pay my rent and utilities.

After my husband's death, I did any part-time domestic work that was available, but because of my arthritis, which I have had for many years, I was not always able to work. At this time my only regular income was social security but I needed dental work badly. I had to purchase dentures, payment for which had to come entirely from my meager income.

In December of 1973, I became very ill and I had to stay in a hospital's intensive care unit for 12 days. After an additional 2 days, I was sent home directly to recover. During this convalescence period, I had to take care of myself, as a consequence of which I suffered two bad falls. I was also advised by my doctor not to do any more domestic work because of my cardiac spasms (for which I had been hospitalized) and arthritis, and I realized I would never be again able to "push a vacuum cleaner or wash woodwork."

JUST WAITING TO DIE

After my stay in the hospital, I had to visit the doctor three times a week for about 8 months, each doctor's visit costing me \$3 out-of-pocket, and \$1.20 for transportation. I became very depressed and began to think I was no longer useful. I felt like one who was just waiting to die.

Last summer a friend told me about the new CETA program for senior citizens at the NJCU and advised me to apply. Before I went for the job interview, I prayed to God to give me a job for 4 hours a day since I could not work longer than that, but I knew I had to work in order to survive. I was hired to be a homemaker, but was later reassigned to my present work in the medical secretary's office because of my arthritis and the difficulty I had in getting around.

Since my employment at NJCU, I have received all of my health care free of charge as part of my work, my physical health is much improved, including my arthritis. I am no longer depressed and I am just happy to be a part of the NJCU, and would be very happy to remain here. I would like to do anything I can to help other senior citizens. This is a worthwhile program and it has been very helpful to me. I give my thanks to Mrs. Scott, Mr. Peterson, Mrs. Davis, Mrs. Ganster, and Mrs. Cunningham for all the help they have given me.

Senator WILLIAMS. There is an announcement that I would like to make.

If there is not enough time for everybody to speak at this hearing, I have supplied this form* that is available, and if those who could not be heard and who want to make a statement to us would include it on this form, our address is on it, and I would appreciate it.

We will now hear from Dr. Sylvia Herz, psychologist and sociologist, recently appointed by Governor Byrne to the State board of psychological examiners.

STATEMENT OF DR. SYLVIA HERZ, PSYCHOLOGIST AND SOCIOLOGIST, STATE BOARD OF PSYCHOLOGICAL EXAMINERS

Dr. HERZ. I am Dr. Sylvia Herz, psychologist and sociologist, recently appointed by Gov. Brendan T. Byrne to the State board of psychological examiners in New Jersey.

I should like to state first that when I heard Senator Harrison Williams was going to chair these hearings, known affectionately to us as "Pete" Williams in the State of New Jersey, who has always been for the underdog, for the disenfranchised and senior citizens who are disenfranchised in our society, I know that it was a "good" day.

I knew then as I know now that he will go back to Congress and will work for us and will advise and work diligently for the interests and the needs, and serve the best that he possibly can for the senior citizens of our State. So I want to say to the senior citizens that we have great hope, because today is a very important day, Senator Williams is behind us, and that is important to the citizens of New Jersey—especially the senior citizens.

I came here with a new thrust and to give a new definition to senior citizens. Before I do that, I wish to give you an estimate that in the year 2000 it is projected that half of the population of this country will be age 65 and over; half of the population will be senior citizens. Therefore, the organized senior citizens of today are in the forefront of preparing the Nation for what we, as a society, are going to have to face in the future: people who are going to be living longer, people who are going to have more senior citizen needs and services. I wish to tell Senator Williams that senior citizens are a powerful force; they are organized. "Senior citizens" need to be newly defined. Go to your dictionary, everyone, and look up the word "senior." First, "senior" means of the highest rank and office; "senior" means "superior."

The senior student in college is the highest rank student in the college. The senior vice president in a corporation is the highest ranking vice-president of that corporation, and the senior citizens in our society are the highest ranking citizens of our society and should be treated as such. Our sick society has made castaways of our elders and placed them in a subservient position by our youth-oriented culture.

Their own families have rejected them and I am not going into the long list of old-age and nursing homes. These facilities, of course, are a must if there are no other alternatives. Senior services and day care

*See appendix 3, p. 1557.

centers and health services provide such other alternatives as that senior citizens can "make it on their own," and make their contributions—which they are nobly doing—despite society's "put-down" of them.

On the contrary, senior citizens are very productive, extremely reliable and experienced, and should not be automatically retired at a set chronological age. Individual capabilities should be considered on a one-on-one basis for the brilliant performances I have seen of senior citizens in action cannot be outmatched.

Some corporations have lowered their retirement age to 55—an outrage for still extremely productive people.

"OUR SOCIETY IS SICK"

It is our society that is sick. I repeat, it is our society that does not know its priorities, and we do need a reordering of our priorities. The senior citizens are to be given the dignity, the respect, and the fulfillment of their needs, for they indeed have built our society.

They have built the United States of America. They have provided us with the doctors and the lawyers and the construction workers and the builders of our society, and now they should not be in the position of having to beg to get a meal, to beg for health services and day care centers, to be cast aside as they have been.

We need a new definition, a new thrust of what senior citizens mean to our society, and I feel today will give us that new definition.

You were very keen, Senator Williams, when you noted that Mrs. Grier was sharp. I want to tell you that these senior citizens and I know in my having worked with them and having worked with the Newark Senior Citizen Commission, are very sharp, very sharp, indeed.

They are sharp and they are senior; yes, they are. They are senior in their experience, they are senior in their knowledge, and they are senior in their wisdom and their attitudes toward life.

They do not care about the color of people as black, white, yellow, or polkadot. They care about human beings and that humanity be human. Listen to them about social values, and you will get what America should really be standing for.

In our society, not only is the individual and collective wisdom and experience of elders shunted away but society has denigrated the senior citizen into a fraction of the living human experience.

Thank you for giving me this opportunity to redefine "senior citizens," the highest rank in our society, and if any of you doubt that, read Plato, the best of the Greek philosophers, and as he stated in his four books of "The Republic," it should be a council of elders who should lead the society and the state.

Thank you so much. [Applause.]

Senator WILLIAMS. Thank you so much. That was a very eloquent statement.

We now turn to the New Jersey Council of Senior Citizens, Mr. Jack Volosin, its executive director.

**STATEMENT OF JACK VOLOSIN, EXECUTIVE DIRECTOR,
NEW JERSEY COUNCIL OF SENIOR CITIZENS**

Mr. VOLOSIN. Thank you, Mr. Chairman.

I want to address myself to the operation of government. We talk about many programs and the needs of the seniors, but I want to speak about the fact that first, as the executive director of the New Jersey Council of Senior Citizens which is affiliated with the National Council of Senior Citizens, we want to inform you, Senator, that we are in support of and hope that the Congress will act expeditiously on the enactment of Senate bill 388, introduced by Senator Church, the chairman of the Senate Special Committee on Aging.

We believe that the Social Security Administration should become an autonomous agency. It is certainly important enough and large enough that should be recognized as such.

The Social Security Administration is the agency that handles what is, in effect, a group insurance plan, where workers contribute so that they may be able to be in a position of getting something in their retirement years.

Also, in the Senate bill, which we think is important—that no political notices be distributed with social security checks, as was demonstrated and was the lowest rank of politics that I can remember in my lifetime, where there was the inclusion of a political notice in 1972 that, in effect, implied to the recipients that the administration was responsible for the increases that went into effect, when it was common knowledge that the administration was opposed to the actual benefits that were included.

SEPARATION OF SOCIAL SECURITY FUNDS

What is important is the actual benefits that were included. What is important, too, is that this bill calls for—and, we believe, as it should—the separation of social security funds from the unified budget.

We want to talk about that because of the fact that the recommended cutbacks of benefits, as proposed by President Ford, would have amounted to the addition of \$425 million to the medical and hospital bills of senior citizens. There is a reason, and a most compelling reason, for the enactment of this legislation.

In effect, if the proposals of the administration were put into effect—

Senator WILLIAMS. You are talking about the President?

Mr. VOLOSIN. I am talking about the incumbent nonelected President of the United States. The proposals of the President of the United States, if they would have been put into effect, would have really meant a double ripoff to the citizens of this country—the sick old people and the younger people who pay the cost of the medicare bills; it would stretch there, too.

I think I made myself pretty clear to you, Senator. I know that you have got this message, and I know that you will be in the ranks of the Senators who will enact this legislation so that we do not have this separation of the social security agency so that it can and will be used for what it was intended to be used for.

Thank you very much.

Senator WILLIAMS. You know, I am a sponsor of the bill, and I support it and I am very glad for your strong and forceful statement here today, Mr. Volosin. Thank you very much.

Mr. VOLOSIN. Thank you.

Senator WILLIAMS. Remember our fight together for housing for the elderly? The regulations are going to change it, and we are still in the battle there.

Mr. VOLOSIN. Thank you.

Senator WILLIAMS. Our next group of witnesses will be expressing concern for food costs: Mrs. Mary Johnson, director of the Jersey City meals-on-wheels project, and accompanied by Mrs. Flossie Simpson of 105 Virginia Avenue, Jersey City; Mrs. Jenice Rankins, nutrition director, city of Newark; and Mrs. Amelia Garrison, 69 Lincoln Street, Newark.

Mrs. Johnson, we welcome you to this hearing today, and you may proceed.

STATEMENT OF MARY JOHNSON, DIRECTOR, JERSEY CITY MEALS-ON-WHEELS PROJECT

Mrs. JOHNSON. Thank you, Mr. Chairman. It is certainly a pleasure to come before you once again, and to speak on the high cost of food.

I am Mary Johnson, director of meals-on-wheels of Jersey City. The high cost of food has its effects on the housewife in planning her weekly shopping. How well the elderly eat at the beginning of the month—not so well at the end of the month. Also, the amount of persons one may put on a program such as meals-on-wheels—going over the prices and doing a little comparison with 1974 prices and 1975 costs, I have found vegetables cost \$3 to \$4 a case more; \$5 to \$6 more a case for fruits—puddings as much as \$11 more a case.

Meats have risen as much as 50 cents to \$1.50 per pound. Packaging, plates, bags, wrappings have doubled in price. The cost of putting a meal together last September was \$1.20. Today for the same meal, it is \$1.50 to \$1.75. Our food budget calls for \$1 per person for food, and we are serving 256 persons a day. This goal of feeding 400 a day cannot be reached because of the high cost of food and packaging.

The other reason is since January 1975, I have been funded under the title VI of the Social Security Act. I have been given full administration moneys, but because of the raw food cost regulation—no moneys for food—running a food program is a little difficult.

The city of Jersey City has picked up food costs but under the economics problems they are having, the city of Jersey City has been very slow in paying of food bills.

LIMITATION TO THOSE SERVED

Not only does this force a waiting list of persons to be served, but it also limits the number of persons I can serve—that the city can pay the food cost for. I still must use a waiting list. A waiting list is a waiting game—wait for someone to go off the program, and they go off because of being hospitalized or deceased.

You go to the waiting list to place a person on the program and

find that person is back in the hospital or has since died, which leaves you very upset and with a bad taste in your mouth.

Fifty percent of recipients must be on SSI to be eligible for our program. Come July, the elderly will be receiving an 8-percent cost-of-living raise in social security which brings about 5,000 Hudson County borderline cases on SSI over the limit.

Veterans' pensions will be lowered, railroad retirements will be lowered, which seems to me that what help they receive in one hand is taken back with the other.

And they still are in the same rut. They not only must contend with the high cost of food, but every day you see and hear about another supermarket being closed or about to be closed.

In our Greenville area, one supermarket has closed, forcing the elderly in the section to shop in the small grocery store. The nearest supermarket is on Route 440, where no direct bus route is available.

Another supermarket is about to close in 1 or 2 months; that one serves two senior citizens projects and a public housing project involving about 600 elderly people. If this closes, it would mean shopping in Bayonne or Route 440 only if they have a car—which very few have—forcing them to the small grocery store, where the price is twice as high.

I am a board member of the Jersey City Food Action Committee and food prices and food shopping is a deep concern of this committee. At present, we are looking into what advantage food cops will have in helping to solve these problems. Also the best areas to set them up in. We are looking into a possible food supplement program patterned after the WIC program—the womens, infant, and children—that has recently been begun in Jersey City for clinic mothers.

This supplement program would supply a formula fortified with iron and vitamins, so vital for the elderly needs, to be used as an added meal for meals-on-wheels programs and congregate feeding sites. We feel this will not only enhance these programs, but will add to the health of our elderly. Of course this will be done with the consent of their doctors.

FOOD PROGRAMS NEEDED

To sum this all up, I can see the need of meals-on-wheels growing and title VII programs enlarged, for as food prices go up, the need for food programs will also be there to help the elderly stretch their dollars for the high cost of living nowadays.

Thank you.

Senator WILLIAMS. That is a magnificent statement. I think we should state for the record that you were directing meals-on-wheels long before we had some of these programs to support it.

Mrs. JOHNSON. That is correct.

Senator WILLIAMS. And from a very few, you are now serving many, and if we can get the resources to you, you will increase the number you serve.

Mrs. JOHNSON. That is true. It is so needed, really, and you cannot run a food program without food money.

Senator WILLIAMS. Really, it is heroic the work you are doing.

Mrs. JOHNSON. Thank you.

I would now like to introduce Flossie Simpson, who works on my program as a senior.

Senator WILLIAMS. Thank you very much. We welcome you, Ms. Flossie Simpson, to give us your thoughts.

STATEMENT OF FLOSSIE SIMPSON, JERSEY CITY

Ms. SIMPSON. Thank you, Senator. It is a pleasure for me to come to speak on this program because I was hired as a senior citizen approximately 7 months ago.

This really put life into me. I have a heart condition. I stayed home for 18 years, and one day, Miss Susan Kirk called me and asked if I would like to work on their program. I said I was not able. I said I had been sick for about 18 years; so she said to give it a try. At this time I said to myself, maybe that is why I was so nervous and jittery about the house. I need something to do, and this will help me straighten out my bills and take some of the worry off my mind. So I went down and started working with Mrs. Johnson, who is a very, very good, stern lady. God knows she is trying to help me in every way she can.

We worked Christmas Day and also Thanksgiving Day, just to give the people their meals. I had my table set at home—I cooked the night before for my family. I said to one of my daughters: "I would like you to help me with some of these old people that are really in need." She said: "I will think about it in the morning," and she came. Later, while we were at the table, she said: "Thank God I came." If you had heard some of those old people's statements, you would know just how I feel, so I said thank God I came.

"GOD GAVE ME THE STRENGTH"

God gave me the strength. Thank God I can carry on, and I think this program. God knows, is wonderful, and I hope it will keep up.

[Applause.]

Senator WILLIAMS. We thank you for your wonderful statement. I will include in the record the statement I have in front of me that gives some of the terrible increases in costs of daily things that you need—where a pound of meat went from 49 cents to \$1.69; your grocery bill from \$11 or \$12 a week to \$40 or \$50 a week.

These are facts of inflation, and it is good to know that this program that you are a part of and you are serving in, helps so many people.

Ms. SIMPSON. Thank you.

[The prepared statement of Ms. Simpson follows:]

PREPARED STATEMENT OF FLOSSIE SIMPSON

I am a senior citizen of Jersey City, N.J. I have been a resident in Jersey City for 60 years. I've seen depression and know what it is like. When I bought my home in 1951, I was paying \$70 per quarter. At that time I was working and did not feel it so much as now. I became ill with my heart, hypertension, high blood pressure, and couldn't work for about 15 to 18 years. I have to take a cardiogram every so often. I can't take my medications as I should because prescriptions are too expensive. I began to feel the pressure like so many others, but thank God for the new programs. First the Green Thumb and now I am

working for CETA under meals-on-wheels. I can't work full-time, only part-time.

It was difficult to make ends meet because what I got from social security, just wasn't enough. My house was making me nervous. A pound of meat went from 49¢ to \$1.69 per pound. My grocery bill went from \$11 or \$12 a week to \$40 or \$50 a week. My taxes went from \$70 to \$265 per quarter. Oil from 13¢ per gallon to 38¢ per gallon. Once I could fill up a tank of oil for \$60 or \$70—now it cost \$154 per month during winter months. But, thank God for a person like Mrs. Johnson; she makes you feel like you're a person and gives you the inspiration to work.

So, by this you can tell how much things have changed. I sincerely hope this testimony will help in some way to make things a little better in this world for all of us to live in.

Senator WILLIAMS. We will now hear from Mrs. Amelia Garrison of 69 Lincoln Street, Newark.

STATEMENT OF AMELIA GARRISON, NEWARK, N.J.

Mrs. GARRISON. Thank you. For the past 12 years I have worked as a center director at one of the senior citizens old-age projects.

Now, my first point to bring out is this: With the food program, we have the problem—we would like to have more food for the shut-ins. A program like this must be amended to suit the people that it serves.

There are 300 seniors and I have served 125 meals; of this, only 12 can be taken upstairs. In one there are nine sick, then seven sick, then eight sick; five or seven in the next building. Who should choose who should get that food? Who am I to make such a choice? Then I have other situations in the building where these citizens live; they smell the food upstairs—the sick—in one circumstance a gentleman came down in his underwear. He was sick and he could not even get dressed. Sometimes they stay sick for months.

The problem is you cannot give a distribution of food where a mass of people are. I am asking for more food where a mass of people are.

I am asking for more food for these people, and then, again, Senator, we have another real problem of security. Food service begins with breakfast from 8 to 10, and then from 10:30 to 2:30, and that leaves our doors open 6 hours a day, 5 days a week.

We are in need of police protection. The seniors will stay there, and we must see that the job is done. There are times when teenagers, and even adults, to 45 to 55—I am speaking now from the standpoint of security—while these programs are being processed, because it is an open program, people will come in and abuse me and my food service workers because we are not supposed to serve the teenage kids.

For example, a week or so ago, one man came in and pulled his knife. Now, you know, this is frightening; so I am asking the Government, or wherever it comes from for some security.

In the first place, we are in a fixed-income area, and when you say food, this brings out the people. Having been the director there for so long, it is very important that I have the strength to handle these bad situations.

NO SICK LEAVE—NO VACATION TIME

I will move on from that, and I would like to bring this point to you: There is no sick leave in this program for us, and there is no vacation

time set up for us. It is a slave situation. Now, we enjoy serving our people because we know that they need this food.

I would also like to see a much closer relationship between that central office and a closer communication with the central director, because, after 12 years of experience, you cannot throw me down as being a dummy. Then I would like to ask, also, do not cut the food service workers; it takes my staff, plus the food service workers, plus whatever volunteers that we can get.

I mean, this is a moving program. It is a great program, but it must be amended in some spots to get the best results from those who must do the job.

And then there is the supportive services—there are records and there are reports. Please, the staff should not be cut. We have to have shopping services, as Mary said—I have known her for years, too—as she says, stores are closing, and you have to go out of town to shop. Somebody has got to provide shopping services for the elderly, so they can get food into the house.

Thank you so much, Senator.

Senator WILLIAMS. Thank you very much.

Mrs. JOHNSON, there can be the cooperative approach to buying here. I hope you see some daylight in that, because I do know the super-market situation is disappearing in the areas of our cities.

Mrs. JOHNSON. I see that.

Senator WILLIAMS. I hope you are furnished what you need, because we need this program. You put your finger right on it when you pointed out you have to go out to Route 440.

Mrs. JOHNSON. And they are closing one on the edge of Greenwood, and they have to go to Bayonne, and I understand they are closing the one at Bayonne, so I do not know where they will go shopping. They have to go to small stores, and I understand there are co-ops being set up.

Senator WILLIAMS. Your advice is very useful, all of you, and we will try to improve things as much as we can.

Thank you very much.

Mrs. JOHNSON. Thank you.

Senator WILLIAMS. Our next witness is Mrs. Vera Weinlandt, member, national legislative council, American Association of Retired Persons.

We welcome you to our hearings. We are delighted you are with us today. We are looking forward to your statement and hearing what you have to say.

STATEMENT OF VERA WEINLANDT, NATIONAL LEGISLATIVE COUNCIL, AMERICAN ASSOCIATION OF RETIRED PERSONS

Mrs. WEINLANDT. I am Mrs. Vera Weinlandt, a member of the legislative council of the National Retired Teachers Association and the American Association of Retired Persons. These affiliated organizations represent a combined membership of 360,000 statewide, and 8,300,000 nationally.

I am here today to express our associations' support of S. 1992, the Social Security Cost-of-Living Improvement Act, which you and Senator Church have introduced.

This bill would better preserve the purchasing power of social security benefits during periods of high inflation and would ultimately provide a standard more accurate than the existing Consumer Price Index for urban wage earners and clerical workers with which to measure the impact of inflation on those items on which the aged tend to spend disproportionately higher portions of their budgets.

LIMITED MEANS FOR AGED TO FIGHT INFLATION

The poor and fixed-income aged are the groups least able to maintain constant purchasing power during periods of high inflation. Businesses can pass on the impact of inflation on costs of production through higher prices for their goods and services. Our people are consumers. Governmental entities at all levels can pass on the higher costs of services through increased taxes.

Our people are taxpayers. Active workers, through the process of collective bargaining or through job changes are generally able to obtain wage increases that are usually more than sufficient to offset price increases. Our constituency, however, is largely retired, although often against their will.

It is important to remember that when inflation is coupled with high rates of unemployment as it has been, it becomes even more difficult, if not impossible, for the aged to obtain any relief from the impact of inflation through increased income from active employment.

Even in the best of times, the aged encounter a formidable combination of barriers to employment. When an increasing number of workers are competing for a diminished number of jobs, the employment alternative, as a means of sustaining purchasing power is, for most of them, out of the question.

Under these circumstances, the aged find themselves highly dependent upon the indexing mechanisms which have to be introduced into most of the primary retirement systems such as social security, railroad retirement, and civil service.

However, the indexation of these systems provides no relief from the impact of inflation on the purchasing power of their other sources of supplemental income and their income-producing assets. If a retiree has a private pension, for example, unless his former employer's pension plan is indexed, the purchasing power of the pension plan declines. Because of the limits on the rates of interest payable on savings by savings and loan associations and banks, inflation rates in excess of those limits erode the value of the savings asset.

To the extent that the aged's income consists of social security that is subject to cost-of-living adjustments, indexation provides only an adequate degree of relief from inflation.

Under present law, cost-of-living adjustments can occur only once a year—long after the aged have been confronted by increases in the prices for the goods and services they consume.

An example based on this month's 8-percent adjustment should demonstrate the nature of the problem. Assume a retiree had a social security benefit of \$190 a month in June of 1974; this month's adjustment will result in a benefit increase of \$15 to \$205 a month.

Table I, however, is a set of calculations indicating the value of the \$190 check in terms of the goods and services which could be purchased.

TABLE I

Month	Check amount in June 1974	Monthly purchasing power lost
June 1974.....	\$190 00	-----
July.....	188.46	\$1.54
August.....	186.08	3.99
September.....	183.99	6.01
October.....	182.43	7.57
November.....	181.13	8.87
December.....	179.85	10.15
January 1975.....	179.04	10.96
February.....	177.79	12.21
March.....	177.12	12.88
April.....	176.22	13.78
May.....	175.44	14.55
Total.....	-----	102.53

The calculation indicates that this retiree has lost purchasing power equal to approximately \$102 in the year which elapsed since June 1974. It will take approximately 7 months just to fully compensate him for last year's losses due to inflation. Even then the adjustment does not take into account the inflation that has occurred after the end of the measurement period and before the adjustments are reflected in higher social security benefit check.

Consequently, persons living on fixed incomes are never quite able to keep pace with high inflation rates. The provisions of S. 1992 that would allow social security cost-of-living adjustments twice a year would be a welcomed improvement.

THE AGED'S RECENT EXPERIENCE WITH INFLATION

Reporting an annual rate of increase in price for food of 24 percent, for housing of 5.5 percent, for clothing of 4.2 percent, and for fuel of 7.7 percent, the joint economic committee staff's study, "Inflation and the Consumer," in 1973, concluded that inflation was widespread among essential consumer commodities and services and that the impact of higher prices was approximately one-third greater on lower income consumers than on other consumers because a higher proportion of the former group's purchases are necessarily concentrated on items such as food, housing, medical care, and fuel.

The 1974 report by the same committee's staff reaffirmed the 1973 finding stating that, over the last 3 years, the lower income groups suffered a greater loss of purchasing power than other groups.

To understand why the aged suffered more than other groups, it is not enough to know the rates of inflation with respect to the different items that enter into the computation of the present Consumer Price Index. The index makes no distinction among subgroups, assuming that all consumers, rich and poor, young and old, consume the same marketbasket of goods and services.

This is obviously not the case, for the rich, by choice, spend a higher proportion of their income on luxuries, while the poor have

no choice but to spend a higher proportion of their income on necessities.

In order to assess the impact of inflation on the aged, it is necessary to develop a price index based on the marketbasket that they consumed.

As table II indicates, there are differences in the percentage of the budget devoted to particular categories of expenditures between younger and older consumers.

In some cases, these differences are substantial. The aged devote higher percentages of their budgets to housing, gifts and medical care than do younger people and devote significantly less to clothing, automobile purchases, and recreation.

The factor which primarily accounts for the concentration of the aged's expenditures on necessities is their relative lack of income.

TABLE II

Household Data
Average Budget Shares^{a/}
Devoted to the Following Expenditure Categories^{b/}

ITEM	AGE		
	Under 65	65-74	75+
Alcohol	.013 (.010)	.011 (.008)	.007 (.005)
Tobacco	.016	.012 (.008)	.009 (.004)
Household Operations ^{c/}	.046	.050	.057
Housing ^{d/}	.140 (.199)	.164 (.274)	.190 (.322)
Clothing	.091	.062	.051
Auto Purchase	.053	.034	.025
Auto Operation	.068	.052	.035
Personal Care	.025	.022	.021
Recreation	.035	.022	.015
Gifts	.043	.070	.072
Food	.197 (.214)	.204 (.185)	.223 (.195)
Medical Care	.053	.075	.098
TOTAL EXPENDITURES	.942	.900	.898

^{a/} Average Budget Share = Average Expenditure on an item divided by average income.

^{b/} Source: 1963 Consumer Expenditure Survey, B.L.S. The figures in parentheses were derived from The Panel Survey of Income Dynamics data gathered by the University of Michigan for the period 1968 to 1972.

^{c/} Includes phone, supplies and services.

^{d/} Includes rental expenses if renting, interest on mortgages, property taxes, property insurance, repairs, replacements, and water.

TABLE III

1973 ANNUAL INCOME BY AGE*

PERCENT OF POPULATION** BY INCOME LEVELS

Current Total Money Income	Age 65 and Over			Age 25-64		
	All Consumer Units	Families	Nonfamily Persons	All Consumer Units	Families	Nonfamily Persons
Under \$1,000	2.8%	0.8%	5.3%	1.9%	1.0%	6.2%
\$ 1,000 to \$ 1,499	4.9	1.1	9.7	1.1	0.5	4.2
\$ 1,500 to \$ 1,999	6.9	2.0	13.0	1.5	0.8	5.0
\$ 2,000 to \$ 2,499	8.9	3.1	16.1	1.7	0.9	4.9
\$ 2,500 to \$ 2,999	8.6	4.9	13.2	1.5	1.1	3.4
\$ 3,000 to \$ 3,499	7.1	5.5	9.0	1.7	1.3	4.0
\$ 3,500 to \$ 3,999	6.1	5.8	6.5	1.6	1.3	3.5
\$ 4,000 to \$ 4,999	10.8	12.4	8.9	3.9	2.9	8.5
\$ 5,000 to \$ 5,999	8.3	10.6	5.3	4.0	3.2	7.7
\$ 6,000 to \$ 6,999	6.3	8.8	3.2	4.2	3.6	6.7
\$ 7,000 to \$ 7,999	4.4	6.5	1.8	4.7	4.3	6.9
\$ 8,000 to \$ 8,999	4.0	5.7	1.8	5.1	4.7	6.8
\$ 9,000 to \$ 9,999	3.0	4.2	1.4	4.9	4.8	5.5
\$10,000 to \$11,999	4.5	6.7	1.8	10.9	11.4	8.8
\$12,000 to \$14,999	4.8	7.6	1.2	15.1	16.4	8.8
\$15,000 to \$24,999	6.0	9.9	1.3	26.8	30.8	7.4
\$25,000 to \$49,999	2.0	3.4	0.4	8.4	9.9	1.2
\$50,000 and Over	0.6	1.0	0.1	1.0	1.1	0.5
Midpoint (Median) Arithmetic Average (Mean)	\$4,441	\$6,426	\$2,725	\$12,243	\$13,500	\$7,367
% Under \$4,000	6.696	9.029	3.772	13.681	14.965	7.533
% Under \$4,000	45.3%	23.0%	62.2%	11.0%	6.9%	31.2%
% Over \$12,000	13.4%	21.9%	3.0%	51.3%	58.2%	17.9%

*Tabulation developed from Table 25, Consumer Income Current Population Reports, P-60, No. 97.

**Age population based on March, 1974 Current Population Reports Estimate.

TABLE IV

FIFTHS OF FAMILIES RANKED BY SIZE OF MONEY
INCOME BY AGE, 1952, 1962, AND 1972

FAMILY INCOME

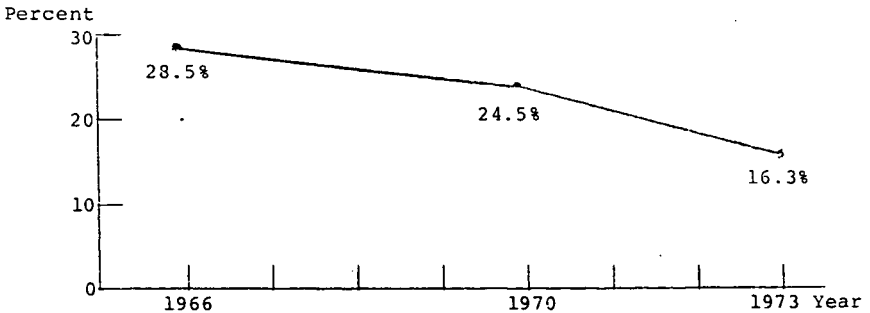
Age of Head in Years	Total			Lowest Fifth			Second Fifth			Third Fifth			Fourth Fifth			Highest Fifth			Top 5 Percent		
	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
14-24	5.2	5.5	7.7	7.1	8.4	13.2	8.0	8.5	12.4	6.0	6.0	7.5	3.7	3.4	3.8	1.3	0.9	1.6	0.3	0.2	0.5
25-34	23.6	19.3	22.0	13.8	13.5	17.1	26.1	21.9	23.7	29.5	26.3	27.7	28.7	22.4	24.5	19.7	12.7	16.8	9.2	7.3	9.4
35-44	23.8	24.4	19.7	15.7	14.8	11.7	22.2	20.8	16.0	25.2	26.7	21.0	28.4	30.8	24.3	27.7	29.3	25.6	24.8	26.7	24.5
45-54	19.8	20.8	20.7	16.1	14.1	11.7	17.0	17.3	14.9	18.6	18.9	19.4	21.0	22.8	25.8	26.5	30.9	31.7	29.7	33.1	36.3
55-64	14.6	15.6	15.9	17.2	14.9	13.5	14.0	14.4	15.3	12.9	14.7	16.4	11.9	14.7	16.0	17.0	19.0	18.4	25.2	22.4	22.6
65 yrs & over	13.0	14.5	14.0	30.1	34.3	32.8	12.7	17.1	17.6	7.8	8.0	7.9	6.4	5.9	5.6	7.9	7.2	5.9	10.9	10.2	6.8

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 90, "Money Income in 1972 of Families and Persons in the United States," U.S. Government Printing Office, Washington, D.C., 1973, p. 40.

We are not suggesting that all of the aged are poor. However, as tables III and IV indicate, 45.3 percent of them have total money income of under \$4,000 per year and older family units tend to be concentrated more in the lower and less in the upper stream of the national income distribution.

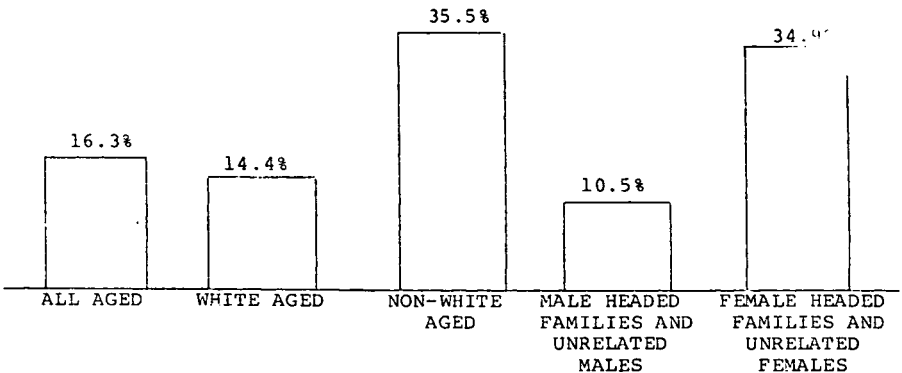
Although recent increases in social security benefits have reduced the number of aged in poverty to under 3.7 million, the incidence of poverty and low income is still substantial. See charts I and II below.

CHART I
PERSONS AGE 65 AND OVER IN POVERTY



Source: U.S. Bureau of the Census

CHART II
AGED POVERTY IN 1973, SELECTED CHARACTERISTICS



Source: U.S. Bureau of the Census

In 1973, 16 percent of the aged were below the defined level of poverty as compared with 11 percent for the total population. Since the aged tend to be low income, they tend to concentrate their spending on necessities. This accounts for the relatively different spending patterns.

Since inflation with respect to necessities has been appreciably higher in recent years, the aged have indeed suffered more than other groups.

Because the existing Consumer Price Index for wage earners and clerical workers is based on the expenditure pattern of the Nation's wage earners, it does not reflect the pattern and price experiences of persons in the aged and low-income category.

Nevertheless, it is being used to measure the extent to which social security, railroad retirement, SSI, and other retirement and welfare benefits are to be adjusted to take account of increased living costs.

Our associations have repeatedly asserted that the use of the existing index for these programs is resulting in a statistically significant understatement of the amount of benefit increases which the aged should receive. We think that the data adequately supports that assertion.

We believe that the Bureau of Labor Statistics should be required by the Congress to determine the need for a separate aged index by constructing such an index and operating over a reasonable period of time. The index should be based on a survey of prices in retail stores where the aged shop and are concentrated.

The price weights should be based upon expenditure patterns which take into account the aged's disproportionately high income expenditure percentages for necessities.

We, therefore, welcome the directive contained in S. 992 to the Secretaries of Labor and HEW to undertake to develop a separate CPI for the elderly.

THE HARD CHOICES FORCED UPON THE AGED BY INFLATION

As indicated before, inflation has been relatively higher with respect to necessities in recent years. Since the aged tend to be disproportionately represented in the lower income group, they tend to devote a disproportionately higher proportion of their budgets to necessities.

Faced with barriers in the labor market, the aged are highly dependent upon automatic cost-of-living adjustments for some relief from inflation. Yet, even the escalators are, as we indicated above, an inadequate means for keeping pace.

The result of the conjunction of relatively low income and relatively high inflation rates for necessities is that the aged are faced with choices between such things as food, fuel, and medical care.

Take, for example, fuel. Since the aged poor who consume less energy than any other age group—including the nonaged poor—are already spending a higher proportion of their budget on energy, higher energy prices in the future will mean even less fuel consumption or smaller budget proportions available for other necessities which compete for a share of their budgets.

ASSOCIATION'S OPPOSITION TO THE IMPOSITION OF ANY ARBITRARY LIMITATIONS ON BENEFIT ADJUSTMENTS

In view of the degree to which the aged are dependent upon the escalators in the income maintenance systems for at least some relief from inflation, we view proposals to impose arbitrary limits on the rates of increase as particularly callous and ill-conceived.

The administration proposed a 5-percent cap which would have been effective with respect to this month's cost-of-living adjustment. The House Budget Committee proposed a 7-percent cap with respect to any adjustment occurring during fiscal 1976.

Although we can appreciate the administration's concern over the rate of growth in income security programs, we also detect an attitude that the aged, who have been the chief beneficiaries of this increased spending, have gotten enough—perhaps even too much.

We point out, however, that in 1966 nearly one-third of the aged were living below the poverty level.

While the increases in social security benefits have reduced the poverty incidences among the aged to about 16 percent, it is important to remember that if an arbitrary ceiling were imposed and the inflation rate exceeded the ceiling, the number of aged in the subpoverty group would once again begin to rise—thereby reversing the progress that has been made.

Our associations wish to commend you, Senator Williams and Senator Church, and other members of the special committee who sponsored the amendment to the Council on Wage and Price Stability Act amendments of 1975 that expressed the Senate's opposition to arbitrary ceilings.

When our associations believe that too much government and consumer spending is causing a "demand-pull" type of inflation, we shall be the first to say so and advocate fiscal restraint. When we believe that excessive wage demands are producing an inflation of the "cost-push" type, again we shall say so.

INFLATION ATTRIBUTED TO ARTIFICIAL ENERGY PRICE SURGE

Although certainly these latter two types of inflation accounted for some of our record total last year, most of it was attributable to the artificial energy price surge and administered pricing practices, that is, the power possessed by some large businesses to boost prices for their products to levels unjustified on the basis of market conditions.

Rather than developing new instruments to deal with this type, however, the administration relied on the macroinstruments of tight money and tight budgets.

While it has had some modest success, that success has come at an unemployment and lost output cost that is simply staggering.

Moreover, the enormous deficit contained in the administration's proposed budget for fiscal 1976 is, by its own admission, wholly a function of the unemployment its policies produced.

People who are unemployed are not paying income taxes. Instead, they are receiving unemployment insurance benefits which count as an expenditure. Certainly, there are more effective ways of dealing with administered price inflation than generating an unemployment rate of 8.5 percent that puts 9 million former taxpayers out of work.

We are particularly outraged that the administration would attempt to hide the budget deficit consequences of the economic policies it has pursued, generating unemployment, by proposing an artificial cap on social security cost-of-living increases.

In conclusion, Mr. Chairman, our associations wish to commend you and Senator Church for introducing the Social Security Cost-of-Living Improvement Act and for your continued vigilance and action on their behalf.

Senator WILLIAMS. Thank you very much, Mrs. Weinlandt, for your excellent statement.

Mrs. WEINLANDT. Thank you.

Senator WILLIAMS. We are honored today to have with us a great friend of our committee, Mayor Hart, who has been with us for a long time. We have, on occasion, been hosted as a committee in his well-administered and fair city.

Mayor Bill Hart; please, come up, Bill, and give us an interim invocation, which is in between the invocation and the benediction.

STATEMENT OF HON. WILLIAM HART, MAYOR OF EAST ORANGE, N.J.

Mayor HART. I had not planned to be here. I had testified in East Orange, and I stopped by one of our seniors' meeting centers, and I said I just must go down.

I want to first say—the things I say are on the record, and, as you and all of us know, you give great service to the seniors all over this country, as well as our other great Senator, Senator Case.

I must say that East Orange has one of the better senior programs of the country, but it is an important, though poor, program, and if our program is a poor program, then other cities must certainly be suffering greatly. So we want to thank you, and those of us who have done so much for the seniors over the years, the workers—they are to be thanked.

East Orange has been reputed as being the place where the meals-on-wheels started some 16- or 17-odd years ago. I do not have proof of that, but we brag about it. Yes, certainly a great deal of help is needed.

I know that those in Newark—those here—need a lot of help, as we do. Certainly money is the answer. A great nation like ours can come up with CETA programs, and other programs, and certainly our most vital asset—human beings—can be given money to live decently, to be transported to places where they wish to serve or be served.

The moneys are available for an increasing military budget, which is only bent on measley destruction, once it is used, then we should certainly put money in our communities to help our citizens.

LEAST COSTLY CITIZENS

Our older citizens cost us the least money: fire protection money, police protection money. They are mostly church people; they are people who shop mostly in our central cities, leaving money to pay taxpayers.

They are people who do not jam our highways or tear them up, whereas we use great money for our highways.

I would just like to ask you, Senator, if you could ask in Washington—if you could project to Washington—to those people, such as you,

I, others who have been fortunate to reach the stages of life who are able to earn \$15,000, \$20,000, \$25,000 per year—I earn \$28,000 and there are many people higher above me—who would just give back 1 percent of our income a year for our older Americans.

Somewhere in this country the people who are making the kind of money we know of should think about turning back 1 percent of that money to people who built this great country—who made it possible for us to have the kinds of jobs we have at the present time. I would certainly like to say in leaving to take the word “senior,” which says “Send Emergency Needs Into Our Region.”

We need the moneys. Then, if I may in closing, our legislature in our State, and I have talked about our State—the same thing is happening in other States. They have these taxes that they have the nerve to call nuisance taxes, which are most unfair to the seniors.

The proper form of tax should come from the income tax, but that goes down the drain, but the nuisance tax will probably pass when it comes to the point of passage, so what is happening to East Orange is happening all over the country. In the old days, going back in history, there was a saying—what is happening today in Trenton—“Our legislature is twiddling while the Governor burns.”

Thank you.

Senator WILLIAMS. Thank you very much, Mayor Hart, for a very comprehensive statement. Your statement is certainly very helpful.

Mayor HART. Thank you.

Senator WILLIAMS. Our next panel of witnesses will come up please.

Mr. Ramon Iglesias, Jersey City; Mrs. Emma Bremer, Hoboken; and Mr. Joseph L. Weinberg, executive director, Jewish Vocational Service of Metropolitan New Jersey, East Orange.

Now, who is first on our panel?

STATEMENT OF RAMON IGLESIAS, JERSEY CITY, TRANSLATED BY RAFAUD BOU

Mr. IGLESIAS. Mi nombre es Ramón Iglesias, resido en Jersey City, N.J.

TRANSLATOR. My name is Ramon Iglesias, and I live in Jersey City, N.J.

Mr. IGLESIAS. Trabajo para el programa CETA Título Nueve en Jersey City asignado a PACO.

TRANSLATOR. I work for the program CETA IX in Jersey City, N.J.

Mr. IGLESIAS. Son muy importantes nuestros trabajos pues aunque nosotros estamos retirados no quiere decir que nos pueden echar a una esquina y olvidarse de nosotros.

TRANSLATOR. Our work is very important. Even if we are retired, it does not mean you can put us in a corner and forget about us.

Mr. IGLESIAS. Todavía habemos muchos de nosotros que estamos activos y nos gustaría dedicarnos a ocupar parte de nuestro tiempo en algo útil y beneficioso para la comunidad.

TRANSLATOR. Many of us are still very active, and we would like to dedicate part of our time in something of utility and benefit for the community.

Mr. IGLESIAS. Esto también nos ayuda mucho pues nuestras pensiones no cubren nuestros gasto y lo que ganamos viene a supplementary nuestras entradas.

TRANSLATOR. Besides that, it would help us to increase our pensions, which are not enough for our expenses. What we could make, could help us to supplement our income.

Mr. IGLESIAS. También quiero decirles que el seguro social nos permite ganarnos tan poco que es completamente irreal y debe de aumentarse, con la inflación rampante que existe hoy día esto no nos da para nada.

TRANSLATOR. Also I want to tell you that social security does not allow us to make too much, and what we make is such a small amount. You must increase it because, with the inflation of today, it does not give us enough.

Mr. IGLESIAS. Especialmente a aquellos que todavía tenemos responsabilidades de monores.

TRANSLATOR. Especially for those who have the responsibility of children.

Mr. IGLESIAS. Es de suma importancia estos trabajos que nosotros hemos obtenido a través de los programas establecidos por el gobierno.

TRANSLATOR. The work that we do receive from the Government programs is very important to us.

DEPLORABLE LIVING CONDITIONS

Mr. IGLESIAS. En mi trabajo yo vengo en contacto con muchos casos los cuales representan las condiciones más deplorables en que una persona puede vivir.

TRANSLATOR. In my work I come into contact with many cases representing the most deplorable conditions in which a person can live.

Mr. IGLESIAS. Por ejemplo, un caso que yo puedo mencionar es el de un compañero de trabajo en visita que le hicieramos encontramos a dicho señor en un estado de moral muy mal.

TRANSLATOR. For example, one case that I can mention is that of a work companion in a visit we found a gentleman in a very bad moral state.

Mr. IGLESIAS. Al entrevistarlo nos enteramos que él se encontraba muy deprimido pues el no quería acogerse al Bienestar Público, solamente le faltaba tres trimestres para acogerse al Seguro Social.

TRANSLATOR. At the time of interview we found that he was very depressed because he did not want to be on social welfare and that he would have to wait 3 months to receive social security.

Mr. IGLESIAS. El quería abandonar el Bienestar Público y acogerse a una pensión, pero podía pues aunque cuenta con 69 años de edad todavía tiene hijos pequeños y el menor sólo cuenta 4 años.

TRANSLATOR. He wanted to abandon social welfare, and to receive a pension, but he could not do it because he was 69 years old, and yet he has small children, and the smallest was 4 years old.

Mr. IGLESIAS. Afortunadamente, lo pudimos emplear en nuestro programa se lo ve mejor y pronto tendrá derecho a su pensión tan merecida y podrá vivir más tranquilo sabiendo que a sus hijos les quedará algo cuando el falte.

TRANSLATOR. Fortunately, we could employ him in our program, and now he looks better. Soon he will have the right to his pension, well merited, and he will be able to live more peaceful, knowing that his children will have something when he is gone.

Mr. IGLESIAS. Los programas de nutrición son completamente esenciales pero solamente si se incluyen las necesidades de la comunidad hispana.

TRANSLATOR. The programs of nutrition are completely essential, but only if they include the necessities of the Spanish community.

Mr. IGLESIAS. Nosotros tenemos problemas unicos tales como el lenguaje, cultura y muy esencial nuestras dietas, de esta manera queremos recordarle que por favor incluyan estas necesidades basicas en cualquier nueva legislación.

TRANSLATOR. We have unique problems because of the language, culture, and our very essential diets, and for this reason we would like to ask you to please include the basic necessities in any new legislation.

CONCLUSION

Mr. IGLESIAS. En conclusión, Senador Williams, quiero decirles señores miembros del Comité que nuestras condiciones en todos los aspectos de nuestras vidas son completamente deplorables.

TRANSLATOR. In conclusion, Senator Williams, I would like to tell the members of the committee that conditions in our lives in all their aspects are completely deplorable.

Mr. IGLESIAS. Necesitamos su ayuda en empleos, viviendas, transportación, nutrición, et cetera.

TRANSLATOR. We need your help in employment, housing, transportation, nutrition, et cetera.

Mr. IGLESIAS. Los envejecientes necesitamos su ayuda, especialmente los hispanos que somos los últimos en todo.

TRANSLATOR. The elderly need your help, especially the Spanish that are last in everything.

Mr. IGLESIAS. No nos releguen a ser ciudadanos de segunda clase, nos queda vida y algo que contribuir para el engrandecimiento de esta nación.

TRANSLATOR. Do not relegate us to being second-class citizens; we have life left and something to contribute to making this Nation better.

Mr. IGLESIAS. Por la atención prestada, que Dios los bendiga, muchas gracias.

TRANSLATOR. For your attention, may God bless you. Thank you.

Senator WILLIAMS. Our next witness is Mrs. Emma Bremer of Hoboken, N.J.

STATEMENT OF EMMA BREMER, HOBOKEN, N.J.

Mrs. BREMER. Mr. Chairman, I work for the National Council on Aging, and I am employed in Hoboken. I would like to say that what we do is very important to the elderly people.

I live in a house with 125 tenants, all senior citizens, and they need help very badly in lots of ways. We do their grocery shopping, we do their errands to the post office, anything that has to be taken out in money orders, we do personal shopping for them, we pay telephone bills, and these are people that come to us. We also go for food stamps for these people, pay rents for them, and I think it is very, very important.

I sometimes see that they have been very sick, and I visit them during the day. I work just 4 hours, but I do everything I can possibly do for them.

There are people that have fallen out of their wheelchairs or had a stroke. We had to get the police to come in and take care of them.

I live in this building and I know what goes on. I think that is about everything I can say that I can do for them.

Senator WILLIAMS. You have been very, very helpful, Mrs. Bremer.

Mrs. BREMER. We also get transportation for people when they have to go back and forth to the hospital, for therapy treatments, or must go to the doctor. There are so many things we do for them.

We go in—if we can help them in any way when they are sick, we go in and help them.

Senator WILLIAMS. It is very refreshing to see when a city is doing so well.

Mrs. BREMER. They are building all over now. They have built the third senior citizen building now, so they are doing a lot for the seniors.

Senator WILLIAMS. Are you familiar with the funding of the program?

Mrs. BREMER. No.

Senator WILLIAMS. Would you consider your program as a CETA program?

Mrs. BREMER. I am a supervisor. In other words, I supervise—I go down in the morning; I work out of the building I am living in.

Senator WILLIAMS. Do you know how the program is funded—where the money comes from?

Mrs. BREMER. Perhaps Mr. Wilson can give you some more information.

Senator WILLIAMS. Well, fine. Thank you very much.

Mrs. BREMER. Thank you.

Senator WILLIAMS. We will now hear from Mr. Joseph L. Weinberg, executive director, Jewish Vocational Service of Metropolitan New Jersey, East Orange.

**STATEMENT OF JOSEPH L. WEINBERG, EXECUTIVE DIRECTOR,
JEWISH VOCATIONAL SERVICE OF METROPOLITAN NEW JERSEY,
EAST ORANGE, N.J.**

Mr. WEINBERG. My name is Joseph L. Weinberg; I am the executive director of the Jewish Vocational Service of Metropolitan New Jersey.

I would like to express my appreciation for the opportunity to testify before your committee on behalf of our agency, which works with the aging in Essex County.

I think you should know, Senator, that I also speak for my colleagues in rehabilitation and in manpower in expressing our appreciation to you on behalf of your work for the group of severely disabled in our population, as well as our aged population.

I think our Jewish vocational service program can be cited, and this is not in our presentation, but I think it important; our program can be cited as an example of cooperation between the public and private sector. That is, voluntary private agencies that have developed some

expertise in the areas of manpower and rehabilitation, and particularly in working with our aged population, with the assistance of public agencies, can do a much better and more expanded job in terms of quality and numbers that can be served. I am talking specifically about our new program, which is the work center on aging, which commenced in November of 1973, with seed money from the New Jersey Division on Aging Office and with the help of the regional people in the Office of Aging. One of the regional people that was helpful is sitting in the audience and I cannot help but mention his name, Dr. Lou Levitch. Dr. Levitch was very helpful in getting our proposal onto the planning board, and helping us with the guidelines.

In addition to the New Jersey Division of Aging, our own Essex Office of Aging was also helpful in putting us into the area plan, and giving us the support money, which has continued to this very day.

This was money previously under title III of The Older Americans Act and, hopefully, we will be going into title VI, purchase of service moneys for the coming year.

A LINK BETWEEN FEDERAL AND STATE AGENCIES

In addition, and I think this is what Congress has been asking for—a linkage of the various Federal and State agencies in a cooperative program of this kind—we have also been getting strong fiscal and technical support from the New Jersey Division of Vocational Rehabilitation under Arthur Sinclair's leadership. This combination of moneys, expertise and technical assistance from these State, regional and county agencies has made a great difference in enabling us to serve our aging population more effectively.

Of all of the testimony given today regarding inflation and its effect on aging in the economic sector, I think it was most eloquently put to us, Senator Williams, by one of our own older workers—we call them our clients—when we asked him: "What does inflation mean to you in terms of your problems?"—this was just last week, knowing we would be testifying today. He said: "Well, just when you begin to think you are learning how to make ends meet, somebody pulls those ends apart!" and that, Senator Williams, has been the problem; because as has been testified here today, when you are on a fixed income and costs go up for food, housing, transportation, and medical care, this makes for a very serious problem for our elderly.

We believe we have made a beginning in the area of meeting the needs of the aging, in terms of the job sector and in the rehabilitation sector, through our work center on aging.

This is a new program, barely 18 months old, and we are dealing here with individuals 55 years of age and older, running up to about 86 years of age.

These are largely individuals who have previously worked, have been forced into retirement or have been retired due to illness or disability, and who want very much to be part of what goes into working, because working has been a way of life for them. Returning to the labor market, however, has been blocked, apart from the high rate of unemployment because of disabilities, isolation in terms of residence, and all of the problems of health, as has been stated by those who preceded me

SOME ELDERLY WANT TO WORK

Based on our short year and a half experience, we can testify as follows, Senator: A significant number of our elderly in our population do want work. They want work whether it be part time or full time. Moreover as is the case with our program, they also want and need professionally supervised sheltered employment; that is, light sedentary employment in a sheltered setting where they can earn supplementary income, which is very important to them.

Work activity supplies meaningful activity, which, for them and those who see work as a way of life, means dignity and a sense of self-fulfillment. In addition, it takes them away from loneliness and isolated residence, back into the community.

They mix socially with their fellows, and it opens the doors to other kinds of needed services. Our work center has also been somewhat unique in attempting to provide linkage to other services, whether it be medical, social, or recreational facilities, and we have linked up with a good number of fine organizations. Mayor Hart mentioned East Orange, and there we have linked up with RSVP and East Orange outreach services. All of these and other services then become available to populations that have been isolated from community services.

We have already placed a number of individuals on jobs, 57 to date, average age about 64, in the regular competitive market. They are doing a job, and we are following up with employers and we are very happy that this has happened.

In addition, those who cannot compete in the regular employment market, are kept on in our program, and we are hoping that additional funding will be made available, or that new legislation such as title XX will make it possible to expand this service and replicate it, not only in other parts of Essex County, but in other parts of the State of New Jersey.

I think in the interest of time I will stop right here.

Senator WILLIAMS. We will have your full statement entered in the record.

It is an excellent program that you have, and we want to make sure that any improvements you see, we know about. The way you have related the program, it is very, very interesting.

Mr. WEINBERG. May I add just one thing. I think that it was stated this morning and we are beginning to see it more and more; we see this program as helping to prevent institutionalization, and also in the process of deinstitutionalization, one very quick case: We just placed on a full-time job through this same program a 64-year-old individual who had been in a mental hospital for 35 years and was just discharged. He has been served intensively in our program for 6 months, and he is now back in the community living and working.

Now, I think the kind of moneys saved the community through this kind of deinstitutionalization and prevention process speaks for itself.

Senator WILLIAMS. Exactly. It certainly does. Thank you very much.

Mr. WEINBERG. Thank you.

[Mr. Weinberg's prepared statement follows:]

PREPARED STATEMENT OF JOSEPH L. WEINBERG

The Jewish Vocational Service of Metropolitan New Jersey has served the employment and vocational needs of its clients for over 35 years. Since 1952, the Jewish Vocational Service has operated rehabilitation workshops for the severely

handicapped. In 1957, the agency entered into a cooperative agreement with the New Jersey Division of Vocational Rehabilitation and since then has been serving persons with multiple disabilities from Essex County and the neighboring communities. In addition to its rehabilitation program, JVS provides individual and group vocational educational, and career counseling, job placement, aptitude and psychological testing to youth and adults. The agency is a certified guidance center of the Veterans' Administration serving veterans, war orphans, and widows.

Throughout its history, the JVS has been called upon by Government agencies to assist in serving the various emergent manpower needs of the community. Among these projects were: From 1966 to 1967, the establishment of a neighborhood youth corps program (COPE) in cooperation with the United Community Fund of Newark, and the U.S. Department of Labor. At the end of the project year, this agency became an independent service; in 1972 through 1974, the agency established a vocational rehabilitation job placement program for severely addicted drug abusers in cooperation with Federal and State rehabilitation agencies and the city of Newark. Currently, this program is now a service of the city and is located in its multiphasic drug treatment center.

WORKSHOPS PROVIDE MEANINGFUL PURPOSE

Most recently, in 1973, the agency expanded its services to older workers to meet the employment and vocational rehabilitation needs of the aging disabled. The agency has always given high priority to serving our older citizens. In 1965, JVS developed and has continued to operate a sheltered workshop for residents of a home for the aged in suburban Essex County (Daughters of Israel Pleasant Valley Home). This workshop, through meaningful remunerative activity has demonstrated that such a program can provide its client residents with a sense of purpose, promote feelings of self-worth with resulting benefits in both mental and physical health. It has added an enriched dimension to the traditional pattern of services to the institutionalized aged.

In December 1971 JVS began intensively to study the needs of the aged poor residing in the housing projects in Newark—Seth Boyden and Otto Kretchner housing projects. This study, conducted by a JVS vocational counselor revealed critical areas of need related to: poor health, sufficient income and inactivity leading to loneliness, boredom, and feelings of social rejection. A substantial number of these people were interested in some work provided the work was accessible and appropriate.

In addition, over the past 20 years, JVS has worked with small numbers of disabled aged in its ongoing rehabilitation workshop program for extended employees. These clients were able to adjust to workshop employment and have been productive on selected subcontract jobs. This activity has prevented or postponed institutionalization.

Going back for a moment—in 1963, at the request of the Jewish Community Federation of Metropolitan New Jersey, a series of studies were made of the needs of a selected group of aged in Newark; 82 percent of this group were living on incomes of less than \$3,000 per year. In the recent report of the U.S. Senate Special Committee on Aging, entitled "Older American Comprehensive Service Amendments of 1973," the following awesome data was revealed:

AWESOME DATA

1. From January of 1969 to August 1972 joblessness for persons over 45 years of age increased by 73 percent.
2. One out of every three unemployed individuals, over 45 years of age, is without work 15 weeks or longer.
3. Individuals 45 years old and over accounted for 21 percent of the total unemployment in the United States in 1973.
4. Compared with the beginning of the 1970's, long-term joblessness has risen by 223 percent for this group.

Last week we learned that 13 percent of the total work-force in New Jersey is unemployed, with 51,000 workers being laid off last month (May 1975) alone. This unemployment, coupled with climbing inflation, most severe in the northern New Jersey metropolitan area, has devastated the ability to survive among our aging citizenry.

With these needs becoming increasingly pronounced over the last several years, the Jewish Vocational Service established a special rehabilitation-employ-

ment program entitled "Work Center on Aging." This facility, located at 67 North Clinton Street, East Orange, N.J., opened its doors in November 1973. The work center on aging is a free, non-sectarian service conducted with the support and cooperation of the Jewish Community Federation of Metropolitan New Jersey, the New Jersey Division of Vocational Rehabilitation, the New Jersey Division on Aging of the Department of Community Affairs, and the Essex County Office on Aging.

This new comprehensive vocational rehabilitation center began with 11 sheltered workshop clients. It is now in full operation with a variety of programs, and to date, has had contact with over five hundred older persons. The center provides comprehensive rehabilitation services, including vocational counseling, workshop services, selected job placement, and extended sheltered employment.

Senior citizens, ranging in age from 55 to 86, are presently in the workshop program, where they are productively employed on sedentary work for which they are paid at rates set in accordance with the U.S. Department of Labor, Wages and Hours Division. A number of those handicapped Aging who have been in this vocational rehabilitation center have moved out into competitive employment as a result of evaluation, work adjustment training, and ongoing vocational counseling and placement services.

In addition to clients who are served in the workshop program, job placement and counseling services are provided to senior citizens who do not require intensive rehabilitation service. Fifty-seven work center applicants to date have been successfully placed on jobs in private industry. Some of these jobs include—clerks, doormen, secretaries, dispatchers, companions, bookkeepers, messengers, light factory workers, coordinators, sales persons, library aides, and interviewers. A total of 215 older adults have been served up to date in the workshop and placement program, with information and referral services provided to an additional 300 senior citizens.

NEEDS OF CLIENTS PROVIDED

Transportation and maintenance subsidies and a minimum-fee, hot meals program are provided to clients of the work center. Medical and social programs are also provided to the workers of the center workshop. Comprehensive eye examinations and flu shots have been given to the elderly clients this year. Other programs for clients include: A college course for credit on consumer education provided tuition-free by the Essex County Community College at the work center. Lecture and slide presentations by: recreational facilities, service organizations, transportation projects, nutrition programs, and others are conducted during the lunch-hour as part of the agency's social group program. The social service coordinator, who arranges these programs has also brought to the work center, social security (SSI) and food stamp personnel to assist clients in applying for these needed services without their having to travel and wait on lines elsewhere. The JVS work center has been designated as a neighborhood food stamp outreach center. Emergency treatment, liaison to community physicians, clinics and hospitals, and Geriatric medical lectures are provided at the center twice weekly by a staff medical consultant.

Some of the many and varied reasons that lead older persons to seek work at the center include: forced retirement, a need for supplemental income, a desire for productive activity, a desire to remain as independent as possible, and a need to escape the depressive affects of loneliness and isolation. The numbers of older people responding to the opportunity for work or work-related activities at the center is a good testimony of the need for such services.

SUMMARY

In summary, the Jewish Vocational Service-Work Center on Aging program offers the aging of our community the following:

Where an older individual, male or female, wants full or part-time employment, the work center helps him assess his readiness and helps him find a job. When an older individual cannot return to competitive employment due to disability or age, the center provides him with extended sheltered employment. Where an older individual has medical, social, or recreational needs, the program attempts to provide those services as part of the work program or make referrals to the many community or government agencies with which we are in constant contact.

In promoting a sense of self-worth, and in enabling an older individual to continue a life-style pattern of productive activity, many cases that heretofore would have regressed requiring total public support, long-term care, or institutionalization have had these alternatives postponed or alleviated. The program has also received, from hospital, referrals, individuals who have been institutionalized for over 35 years and are now out in the community and engaged in meaningful pursuits. Participation in meaningful activity is an essential aspect of life at any age. It certainly should be the choice and right of any aging person as long as he or she is willing or able.

Benjamin Perlmutter is president of the Jewish Vocational Service Board of Directors; Joseph L. Weinberg is executive director of the Jewish Vocational Service.

The Jewish Vocational Service is a member agency of the Jewish Community Federation of Metropolitan New Jersey. It is a beneficiary of the United Jewish Appeal of Metropolitan New Jersey and a member agency of the United Way of Essex and West Hudson.

A recent detailed progress report* of May, 1975 will be furnished upon request.

Senator WILLIAMS. Now we go to the panel from nearby counties, Mrs. Evelyn Frank, president, Union County Senior Citizens Council, and she is accompanied by Richard Fox, Plainfield Housing Authority; Mr. Anthony Anzalone, chairman, Committee on Transportation for Senior Citizens, Central Bergen Chapter, Red Cross.

Also we will hear from Ms. Nancy Baer, a social worker from the Strawberry Hill Senior Citizens Center, and Ms. Hattie Edwards, Perth Amboy.

Now, Evelyn, I mentioned you first. Do you want to lead?

STATEMENT OF EVELYN FRANK, PRESIDENT, UNION COUNTY SENIOR CITIZENS COUNCIL

Mrs. FRANK. Thank you for the invitation to participate in today's hearings and I will attempt to share with you some of the problems of the older person in Union County, specifically in relation to shelter and shelter costs.

Our Senior Citizens Council of Union County has representation from 48 senior groups from 20 municipalities and serves as an advocate for our elderly, working closely with Peter M. Shields, executive director of the Union County Office on Aging.

Union County, according to the 1970 census, has over 81,000 persons 65 and older with 10,306 below the poverty level—poverty level of \$1,749 for a single person and \$2,194 for a couple—which means one out of eight older persons is below the poverty level.

Statistics documents the number, but it does not record the many hardships of the elderly; it does not show the plight of those many just above the poverty level—the lower middle income and middle-income retired person.

This middle-income segment faces uncertainty in the future—increases in property tax, rentals, surtaxes, maintenance costs, service costs, and the potential nightmare if adverse health conditions arise necessitating long-term care.

INFLATION OUTSTRIPS SOCIAL SECURITY BENEFITS

Economic security for the elderly cannot be obtained as long as inflation continues to outstrip social security benefits. Adequate income

*See appendix 1, item 1, p. 1539.

leads the priority list. Then high on the list is shelter and its problems of cost, maintenance, and the nonexistence of shelter choices. Unless property tax relief is provided for the homeowner, he may not be able to remain in the only shelter now available to him.

Money needed for food and medication should not be gobbled up by escalating property taxes. Older people in New Jersey cannot understand why half of their taxes must go to support a school budget at a time in their lives when they are trying to live with dignity on a fixed income.

Property tax relief for homeowner and tenant—one or multiple tenants—could be a homestead exemption plan or a circuit breaker based on income. These are more equitable than a tax deduction. It might even be necessary to establish a tax freeze in order to make secure the benefits gained by homestead exemptions.

The State of New Jersey, at this moment in time, is debating methods of raising revenues which might include a form of property tax relief for homeowners and tenants.

There are numerous State bills and Congress also has a number of bills addressing itself to property tax relief that might reimburse those States providing such relief.

STRETCHING THE DOLLAR

If income is not adequate, methods must be implemented to compensate for the inadequacy and shrinking dollar. We must stretch the dollar. Tenants residing in senior citizens housing, where they pay 25 percent of their income for rent, are stretching their dollar. Persons eligible for food stamps are stretching their dollar.

The potential of a utility stamp would be a way to stretch income. A health security plan would give assistance toward avoiding potential astronomical costs. Even an insignificant discount by a merchant helps stretch a retired person's income.

Since food stamps are on a sliding scale, they can be a viable program to give emergency help in time of inflation. You can increase the buying power of the stamps and give elasticity to the dollar.

The \$1,500 asset limit for food stamps and SSI assistance is unrealistic. Many senior citizens have, through the years, accumulated a little nest egg and they feel discriminated against because they have been frugal.

We try to make people feel that food stamps is not a welfare program yet only if you have depleted your assets to an uncomfortable level can you receive food stamps. Retired people will not use their nest egg for necessities other than for rent or illness.

In Union Township, as a result of a revaluation, home assessments brought some sharp increases in property taxes for some elderly on fixed income. One 84-year-old widow, with social security benefits of \$148.40, must spend another \$3 to file a protest because her taxes went up from \$551 to \$900 on a home purchased back in 1926.

Another widow told me she must wait until the first of the month to have her leaky faucet fixed. Her taxes have been increased by over \$200. Her gas bill is costing her \$5 more each month and her electric bill has doubled to \$16. Our senior citizens housing in Union Township has had its electric bill doubled mostly because of fuel adjustment,

putting it \$16,000 in the hole and increasing the basic rent from \$112 to \$120.

SENIOR CITIZENS APARTMENTS

In 1972, Union Township opened its first senior citizens apartments, a three-story building under section 236 with 155 units.

Today we are in the process of being approved for a second senior citizens housing under the Housing and Community Development Act for approximately 150 to 200 units.

The list of requests for applications number over 1,550. I believe this high figure reflects not only the desire for moving into a senior citizens complex but also exposes the fear of tenants and homeowners as the cost of living spirals upward.

Union County is beginning to provide some transportation for its older population because of the organized efforts of senior citizens to prod their community to earmark moneys needed to operate a minibus obtained under title III.

Two communities have such a program, two more will be receiving theirs, and other communities are beginning to make their requests.

These minibuses can only provide a very limited mobility and there is a need for a program for the disabled and partially disabled older persons.

If the alternatives to nursing homes and homes for the aged are less costly, it would be good business to implement any home supportive services that will enable an individual to remain at home, that is, home health aides, homemakers, day-care centers, shoppers, home-delivered meals, friendly visitors, et cetera.

If these services are covered under title XX of the Social Security Act, we must make sure there are no means test.

TOO LITTLE TOO LATE

We should address ourselves to the total picture facing our retired elderly. Let us not give token and meaningless help. Let us not insist that our proud elderly be grinded down into poverty before giving any assistance. At the pace we are moving, we dread the consequences of too little, too late.

At this time, it is my pleasure to introduce someone from our county—someone from the Plainfield Housing Authority, Richard Fox, who will share with you an innovative program being initiated in Plainfield.

Thank you.

Mr. ORIOL. Mrs. Frank, first, the Senator had to leave for a few minutes, but he asked me to continue. He did not want to interrupt your statement. It seems here that you have a new project, for 150 to 200 units. You already have a waiting list of 10 times the number of units that will be available, and the waiting list is just a limited reflection of the need, because many people are discouraged to even apply, is that so?

Mrs. FRANK. Yes; as I stated, there are some people who might remain in their homes rather than renew their application, if homemakers, if supportive services were there.

Also, the applications cover many who are living in apartments, where the rents are subsidized or even the property tax, if possible, is

reduced. If this were done, it would help them, and they might stay there.

Mr. ORIOL. You find most people would prefer to live in their own homes if they could?

Mrs. FRANK. There are some who need senior citizens housing, and some who would prefer to stay where they are.

Mr. ORIOL. I would just like to ask, the second senior citizens housing project, which is under the Housing Community Development Act—do you have another program that is not here?

Mrs. FRANK. It would have been section 8.

Mr. ORIOL. We would be very interested in following the success that you are having with section 8, that in case there are more questions we could have about it, we would like to know more.

Now one of our purposes at these hearings is not only to describe the problems or to hear about the problems, but also about positive actions that can be taken, to deal at least with part of the problem.

We will now hear from Mr. Anthony Anzalone, chairman, Committee on Transportation for Senior Citizens, Central Bergen chapter, Red Cross.

STATEMENT OF ANTHONY ANZALONE, CHAIRMAN, COMMITTEE ON TRANSPORTATION FOR SENIOR CITIZENS, CENTRAL BERGEN CHAPTER, RED CROSS

Mr. ANZALONE. Thank you, Mr. Chairman. I am Anthony Anzalone, chairman of the Committee on Transportation for Senior Citizens, Central Bergen chapter of the Red Cross.

The plight of the needy, aging residents has been recognized and conferred about by the Bergen County Office on Aging and the American Red Cross chapters in Bergen County, N.J., with special reference to the need of these people of a means of transportation to shopping centers, parks and recreation areas, doctors' offices or hospitals. Thought and discussion have now progressed to a plan of action.

On June 18, 1975, the board of chosen freeholders of the county of Bergen in the State of New Jersey adopted a resolution authorizing the purchase of five minibuses, new 1975 models, for the net delivered price of \$60,964.50.

The buses are intended to provide transportation for needy persons, age 60 years or over, able or disabled on a joint project undertaken by the Bergen County Office on Aging and the American National Red Cross chapters in Bergen County.

The Red Cross chapters are presently engaged, in one of their primary services at no cost to the communities that they serve, in a motor transport service by automobiles manned by volunteers.

Transportation is provided for needy persons to doctors' offices, hospitals, and clinics. The American Red Cross, with its experience in motor transport service and its general humanitarian services, is considered to be the logical choice as an agency capable and willing to administer the minibus transportation service for the elderly.

Bus routes and gathering points will be established in each of the five geographical areas served by the five Red Cross chapters in Bergen County.

MINIBUS SERVICE

In addition to regular stops along established routes, pickups will also be made at homes of disabled persons who are unable to get to bus stops.

Each minibus will be heated and air-conditioned, will seat 9 to 10 passengers and will have room for two wheelchairs. The buses will be equipped with ramps to load and unload the wheelchairs.

An agreement will be entered into between the Red Cross chapters and the board of chosen freeholders of Bergen County, setting forth the respective areas of responsibility of each, along the following basic premises:

The freeholders will be responsible for the purchase and equipment of the minibuses, cost of maintenance, service, and repairs, fuel and oil, insurance, salaries for personnel.

The Red Cross, in cooperation with the Bergen County Department of Transportation, will set bus routes and bus stops; select, train, and supervise drivers; man a possible central communication and administration office; and with the help and cooperation of municipal officials and agencies for the elderly needy, screen and approve persons to be eligible for the minibus transportation, including the issuing of appropriate identification. The buses will be housed at the Red Cross chapters' headquarters.

Present plans contemplate delivery of the buses from 90 to 180 days after the awarding of the contract. In the meantime, the following preparations are being made for this important venture: The aforesaid agreement between the freeholders and the Red Cross is under preparation.

A minibus committee from each Red Cross chapter will be studying and formulating plans for the operation of the service in its area of responsibility—geographical—and a central committee of all five Bergen County Red Cross chapters' committees is proposed to administer the service on a countywide basis.

A JOINT VENTURE

While this will not be an undertaking of the Bergen County Office on Aging, but an operation of the American National Red Cross, the organization of the project is a joint venture of both groups, with the board of chosen freeholders responsible for all the funding for the procurement, maintenance, and operation of the minibuses and the payment of salaries. It is hoped that this project might set a pattern which can be followed in other areas of New Jersey and other States.

Senator WILLIAMS. That is an excellent statement, Mr Anzalone. I know the American Red Cross is increasingly applying all of its talents to the problems and needs of the older people.

Mr. ANZALONE. We have many people working on it, and I am happy to say that I am associated with the central Bergen chapter which serves 30 towns, right through the center of Bergen County.

The other four chapters of the five are also getting underway on this project, and it is most promising.

Senator WILLIAMS. We agree it is most promising.

We thank you very much.

Mr. ANZALONE. Thank you.

Senator WILLIAMS. We will now hear from Ms. Hattie Edwards of Perth Amboy, N.J.

STATEMENT OF HATTIE EDWARDS, PERTH AMBOY, N.J.

Ms. EDWARDS. I am a senior citizen. I was a nurse, and I had a nervous breakdown, and I could not work anymore. So I was recommended from the clinic to go to the senior citizens program on Strawberry Hill, and before I went there, I began to feel that I would never be well, or be a person again.

But in going there, and in meeting people, I was able to, you know, meet people, and learn of things of each other, and I think that the program that we have there is necessary.

Senator WILLIAMS. Well, we thank you very much.

Ms. EDWARDS. Thank you.

Senator WILLIAMS. We will now hear from Ms. Nancy Baer, social worker, Strawberry Hill Senior Citizen Center, Middlesex County, N.J.

STATEMENT OF NANCY BAER, SOCIAL WORKER, STRAWBERRY HILL SENIOR CITIZEN CENTER, MIDDLESEX COUNTY, N.J.

Ms. BAER. I am Nancy Baer.

I would first like to point out that Ms. Edwards is one of our star participants.

She has been very helpful to us. She is one of our best crocheters. We have been watching the crocheted flag up there, because she can crochet anything.

Ms. Edwards is moving out to Ohio sometime this summer to be with her daughter, because they want to keep her close at home now. She was sick this winter a little bit. She has checked out the senior citizens out there. There is a nutrition program and club, et cetera. She wants to go there and be sure to give them some help too.

Strawberry Hill Senior Citizen Center was started in an attempt to postpone or prevent the institutionalization of elderly people. It was to provide the socialization, nutrition, and medical supervision that could keep the senior citizen a part of his community.

There seems to be a tendency on the part of society to assume a lot of things about a person once physical deterioration begins to appear.

Being old is not equivalent to being senile. Some senior citizen clubs have such a busy schedule of events and trips that municipal recreation officials have a hard time keeping up with them. Other seniors continue successful careers or start second careers well into their seventies.

National surveys have shown senior citizens are capable of continued activity in a normal community if they have some special considerations. We do not begrudge the special provisions made for children for their safety and inclusion. For example, we speak slowly and distinctly to a child, why not do so for a person with failing hearing?

The factors of prejudice, physical limitations, psychological dependencies, and financial lacks can all tend to try to restrict a senior's opportunities.

Strawberry Hill and similar centers try to resist these tendencies and provide the special helps that keep seniors more on a par with younger parts of society.

Strawberry Hill Day Center usually has a daily attendance of between 50 and 80. Arts and crafts and a nutrition program that serves a light breakfast, hot lunch, and afternoon snack form the backbone of the programming. Added to this are movies, bingo, dancing, sing-a-longs, speakers, shopping trips, et cetera.

In cooperation with the local vocational school, a weekly visit to the student-run beauty shop made many of the women feel like beauty queens.

CENTER SERVES AS SOCIAL OUTLET

The center population includes a larger number of isolated people than would normally be able to get to such a program. This is possible because a large transportation system is employed to pick them up at their homes. A nurse is available to check blood pressures and health problems, a social worker to counsel and help the participants through the mazes of State, local, and Federal bureaucracies, and a recreational therapist to introduce new crafts and entertainment.

Some members see Strawberry Hill as a social outlet where they can talk a lot, crochet a little, and get a good meal. These are the ones who come once or twice a week, may have their own transportation, and are usually involved in a senior citizen club. They may be a younger, healthier population. They may be having some increase in life problems, but they are not yet drawing on their resource reserve.

Another group has a steadier attendance, perhaps 3 or 4 days a week, with another day being spent at a club meeting. Ill health and increasing isolation are components of their lives. They may be somewhat older or have a longer history of illness. In a subjective sense, these people are the sadder cases since their deterioration can be watched. Cobalt treatments do not produce results; painkillers no longer work; joints freeze up, or one fall curtails a great deal of mobility. This group wants to be active and is to some degree, but outside factors increasingly intervene.

One member who regularly takes cobalt treatments for a spreading cancer went with a group to a Florida vacation, full of all kinds of expectation. Unfortunately, she experienced a drug reaction and was sent to the hospital. Now, she is a friendly, helpful participant with a good sense of humor, who quietly disappears for a week whenever another hospital treatment is necessary.

The last group served by the center perhaps is closer to the stereotype of an old person. This group has physical or mental impairment severe enough to warrant some degree of continued supervision.

Either because of personal circumstances or family financial needs, these members would be all alone if left at home. Several dependent parents of working children have to have transportation timed to coincide with the presence of grandchildren home from school.

SOME NEED CLOSER SUPERVISION

One senile woman who has few obvious physical handicaps was allowed to go to her home without any family present after her first day

at the center. She let herself in the front door with her house key, but had some errand on the back porch. Once there, she lost time and place orientation and knocked for admittance, not realizing it was her own home. Since no one answered, and she could not think of any other place she should go, she stood outside for 2 hours in the October weather before her family came home. Since this incident, one of the abler seniors has been hired to watch over her each afternoon.

One 84-year-old man who lives with his 63-year-old son of diminished capabilities comes to the center every day. Twenty minutes after he arrives, he begins to ask what time he will get home, who will take him, and where does he live. With this annoying obsession, defective body hygiene, and the problems of Paget's disease, various other members watch over him and the staff try to meet his needs.

Strawberry Hill has also helped several people who were referred by mental health agencies. One woman, recently out of Marlborough Hospital, spent her first week at the center incommunicado and refused to take off her coat or respond to any overtures. Today, she is a very quiet but active participant in the crafts program.

NUTRITION A VITAL COMPONENT

The nutrition program is a vital component of the center's attempt to improve the basic conditions of elderly living. Many of the people at the center depend heavily on the breakfast, hot lunch, and snack served at the center for their nourishment. An old Polish artist who attends the center is such a case. He has such severe arthritis that his back has been twisted and bent while his hands have become fairly useless. He lives alone in a small house in the suburbs and would have difficulty purchasing or preparing food. In addition, he periodically reduces or eliminates electricity for his refrigerator so that everything spoils. He gets adequate nourishment only through eating at Strawberry Hill.

There are about as many interesting stories to repeat as there are older citizens. Their needs are legion and in some cases, impossible to satisfy.

Centers like Strawberry Hill can only attempt whatever they can to make sure as much help, stimulation, responsibility, and appreciation are available to seniors as possible. They deserve it.

Senator WILLIAMS. Thank you. We very much appreciated this description of your activity of Strawberry Hill.

I understand that you have been operating over 3 years, and that you are on the declining funding formula basis, so the Strawberry Hill Center is strictly a day center?

Ms. BAER. Yes.

Senator WILLIAMS. It looks to me as though, with a relatively modest budget, we can certainly meet a great need, but you would like to expand and improve, I am sure.

How long have you been there?

Ms. BAER. I have been here since last October, but it is like moving sand. You move it, you move it, and you turn it around, and you have more sand right behind you. It is just the way the economy is going—we are having "instant poor."

Hattie here got an increase of \$25 in social security, so immediately they cut her food stamp benefit, so you do not win.

Senator WILLIAMS. Well, that is one thing we hope we can deal with, by passing this benefit law so it reaches the beneficiary.

There are also some veterans who have received the increase of 8 percent, and they will have reductions in their disability pension.

This is the thing we will try to stop, and if there is a cost-of-living increase, let it reach the people it is supposed to go to.

Ms. BAER. Right.

Senator WILLIAMS. I want to apologize, Mrs. Frank. I was called away on an assignment. The hour is assigned for a radio interview. That is why I walked out in the middle of your statement.

We thank you Ms. Baer.

Ms. BAER. Thank you.

Senator WILLIAMS. We will now hear from Mr. Richard D. Fox, assistant to the director of the Housing Authority of Plainfield, N.J.

Mr. Fox, you are going to be the cap sheet here today. That means the top of something or other.

STATEMENT OF RICHARD D. FOX, ASSISTANT TO THE DIRECTOR, HOUSING AUTHORITY OF PLAINFIELD, N.J.

Mr. Fox. Senator Williams, on behalf of the Housing Authority of Plainfield, I thank you for being invited to discuss the demonstration senior home conversion program.

I also want to express Plainfield's gratitude to you, Senator Williams, for your diligent efforts which made Richmond Towers Senior Citizens Building a reality today. We commend your work which has improved the lives of New Jersey's elderly.

The following is a description of a demonstration senior home conversion grant provided by the Department of Community Affairs, Division on Aging to the Housing Authority of Plainfield. Funds were made possible by the Older Americans Act of 1965, as amended—model project.

HOME CONVERSION PROGRAM

The demonstration senior home conversion program will provide elderly homeowners with a loan to convert their dwellings to include an income-producing unit.

Elderly persons would be able to maintain their homes, and decent housing units would be increased for the aged. The grant includes architectural and administrative assistance. A revolving fund will be established as loan payments accumulate, additional homes will be converted.

An eligible homeowner is defined as 60 years of age or older with a maximum income of \$5,000 or eligibility for State property tax exemptions. The 10-year loan would be noninterest bearing.

The administrative housing moratorium of January 1973 impeded conventional senior citizen housing production programs. However, the need for senior citizen housing continued. Housing professionals sought alternative methods to meet the demand for low-income elderly housing while waiting for section 8 to materialize.

Section 8 at this time is not a proven housing production program. The demonstration program provides another alternative.

Elderly low-income homeowners in the recent inflationary period have been economically burdened by fixed limited incomes and rapidly rising property taxes. Some have been forced to sell their homes because of their inability to pay taxes.

Since there are few or no suitable housing choices for low-income elderly, they must move out of the community, away from family, friends, and familiar surroundings.

The State of New Jersey has recognized that low-income elderly homeowners need some form of property tax relief. Recently, homeowners 65 years of age with incomes under \$5,000 qualified for a \$160 property tax exemption. With property taxes over \$1,000 a year, this exemption is of minimal assistance. Many in this income group are only able to pay their property taxes by limiting other necessities such as food and medical care. This program will defray housing expenses for elderly homeowners by adding an income-producing apartment.

The homeowner will have to be in reasonably good health, both mentally and physically, house in satisfactory repair and suitable for conversion. In addition to giving the homeowner the added income from the rental of the new apartment, it would create a safer, one-floor living unit for the owner and the comfort and security of another person or couple living in the same house. Each house conversion creates an additional housing unit for another elderly individual or couple. This type of loan will preserve existing housing and neighborhoods by enabling the homeowner to maintain his house properly.

This demonstration project is located where a public housing authority exists with section 23 leasing funds. In the future, section 8 existing housing funds would be applicable. It would be preferable, if the housing authority administers both aspects of the project, that is, the conversion of the five homes and the leasing of the new apartments. The housing authority will engage an architect for assistance in selecting appropriate homes, and designing plans needed for the conversions. The Plainfield Housing Authority has available section 23 funds and is a suitable administrative agency.

QUALIFICATIONS FOR LOW-INTEREST LOAN

In order to qualify for this low-interest loan, the homeowner should be 60 years of age or older and have an income of under \$5,000, or be eligible for the \$160 State property tax exemption.

In addition, the homeowner should be able to act as a landlord for the new apartment. The home to be converted should be in reasonably good repair and suitable for a second floor apartment.

The neighborhood should be fairly stable. It would be preferable for the home to be located in a zone that permitted two-family units.

The tax assessor and planning director of Plainfield have both been consulted and feel the program can work. The planning director advised that the program be implemented in an R3, R4, R5, R6, or R7 zone. If any zoning variance is required, it would have a high feasibility of passage because of the unusual hardship of senior citizens, prior nonconforming usage in various zones and minor nature of any necessary variance. The planning director recommended the program not be implemented in commercial and industrial zones.

The tax assessor was consulted regarding possible tax increases resulting from the alteration. Under the city, BB code, the alteration could possibly add a \$1,500 assessment value, resulting in a tax increase of \$60 to \$90 per year.

Although the new second-floor apartment can be rented on the open market, it would be desirable to have elderly tenants who are eligible for public housing and utilize the section 23 Federal leasing program. The sublessor would benefit from the Brooke amendment. Each conversion would be creating housing units for two elderly low-income families because the owner would not be financially forced to sell.

Three exhibits* are enclosed for review, a demonstration budget, apartment operating budget, and conversion costs per unit budget.

COST CATEGORIES

The demonstration budget consists of four cost categories—administrative, \$4,775; architectural, \$5,560; conversion, \$46,965; and contingency, \$2,700—a total of \$60,000.

Five apartment units would be developed at a cost of \$12,000 per apartment. A participant would amortize the non-interest-bearing loan and pay into a revolving fund which would finance additional conversions. When \$12,000 was accumulated in the fund, another unit could be implemented.

Another apartment could be achieved in 2.6 years with five units paying \$4.697 a year. The time would decrease if additional units were developed initially. A 15-unit program of \$180,000 would produce a new apartment every year.

An apartment operating budget was devised to calculate the financial feasibility of the apartment unit. The local housing authority's section 23 lease program will pay \$182 per month to the homeowner and generate \$2.184 a year. Expenses of the homeowner consisting of utilities, taxes, insurance, and amortization would total \$134.34 a month and \$1,613.30 a year. The residual receipts of \$570.70 a year would help defray tax expenditures for the homeowner.

If the loan time was extended, debt service per year would decrease and yearly residual receipts would increase additionally helping the homeowner.

However, it would take longer to build up the revolving fund. The alteration budget is \$9,393 per unit. Compared to new apartment construction cost of approximately \$38,000 per apartment, a considerable savings is realized.

Since costs vary with competitive bidding, an apartment unit may be developed for less than the alteration budget. The housing authority of Plainfield enters into agreements with residents consenting to participate in the program.

The local housing authority will proceed to employ an architect for planning and inspection. Upon finalization of plans, the local housing authority would advertise for bidders, take bids, award contracts, administer construction, and inspect.

The local housing authority will lease the new units from the homeowners with the section 23 program and sublease to a low-income elderly person.

*See p. 1536.

JOINTLY MANAGED PROPERTY

The homeowner and local housing authority would jointly manage the property. The local housing authority would collect rent and directly pay the homeowner. The sublessor's ability to pay rent would be determined by the Brooke amendment, basically a yearly rent of 25 percent of the senior citizen's yearly income.

Should the sublessor's ability to pay decrease, so would the rent. However, the local housing authority would continue to pay the same rental amount to the homeowner. A HUD subsidy finances the difference and insures the program's low-income nature. The sublessor's housing would be guaranteed for the term of the lease. The lease could continue for 15 years, renewable in 5-year intervals. Should the homeowner die, the estate would be obligated to honor the duration of the lease.

A total budget of \$60,000 will provide loans to elderly homeowners to convert their homes to include an income-producing unit. Principle amortization will continue to produce additional apartments. The program's concept is based on the investment multiplier effect of the original grant. After a designated period, the program could be halted and the original \$60,000 returned to the State. The housing authority expects the grant to produce housing as long as the need for senior citizen housing exists.

This program offers a new concept for maintaining neighborhoods and providing decent, safe, and sanitary housing to the low-income elderly of America.

Thank you.

Senator WILLIAMS. Thank you very much, Mr. Fox. That is fine for a city like Plainfield, and we have a lot of cities just like it.

Mr. Fox. Yes; we do. Hopefully, section 8, which has financing problems, could use this tool to constantly recycle the original finance money and cause housing to multiply. The very rare aspect of this program is that it continually turns the original Federal grant back to the State or the Federal Government, which results in cost savings.

Senator WILLIAMS. How far along are you?

CONTRACTS EXECUTED WITH STATE

Mr. Fox. We have just executed all contracts with the State.

We have retained an architect, and we are now surveying the zones to make sure the senior citizens we contact will be in appropriate zones, so we do not waste time, and then when we interview a senior citizen physically capable of contending with the home alterations, we can proceed directly without variances, et cetera.

This will also have a spinoff on the neighborhood, because deteriorating housing in the neighborhood brings down the general housing stock. Eventually the older homeowners leave their houses and the neighborhood declines because nobody reinvests.

With the older homeowner staying there, and with the safety of another person in the home, the neighborhood can stay stable.

Senator WILLIAMS. Give me a street where you would think it would lend itself to the various criteria.

Mr. Fox. Possibly Richmond Street, and other sections with large homes, where senior citizens live or Second Street where you have

some larger, older homes. If they do not have the money to rehabilitate them, they will go downhill, and the neighborhood with them.

There are senior citizens living in the older homes. With \$500 or \$600 extra a year. They can pay taxes and pump some money back into alterations that are necessary for the house or into general repair, such as windows, roofs, and drainage repair. This is all needed to maintain a house, but without it, the neighborhood in general will decline, will slip away into an undesirable neighborhood.

Senator WILLIAMS. Very good.

Mr. Fox. Thank you.

[Documents submitted by Mr. Fox follow:]

EXHIBIT A.—12-MO. DEMONSTRATION BUDGET \$60,000 (SEPT. 1, 1974 TO SEPT. 1, 1975)—5 UNITS

	Per unit	Program
Administrative cost; variance:		
Zoning preparation, survey, application fee.....	\$75	\$375
Audit.....	100	500
Clerical.....	700	3,500
Legal.....	40	200
Advertisements for bidding.....	40	200
Administrative subtotal.....	955	4,775
Architectural cost: Architectural, printing, inspection.....	1,112	5,560
Conversion cost:		
Unit cost.....	9,393	46,965
Contingency.....	540	2,700
Total.....	12,000	60,000
Revolving fund, time required to implement 1-unit, 5-unit program; 2.6 yrs to implement 6th unit.....	12,000	.....

EXHIBIT B.—OPERATING BUDGET FOR UPSTAIRS SENIOR CITIZEN APARTMENT

	Monthly	Yearly
Revenue: LHA sec. 23 leasing program will lease a 1-bedroom unit from senior citizen for \$182 per month (average for program).....	\$282.00	\$2,184.00
Expenditures:		
Utility (heat, \$30; electric, \$7; water, \$5).....	42.00	504.00
Tax (1,500 additional assess valuation under city BB code increases yearly taxes by \$60 to \$90 made \$70.....	5.83	70.00
Insurance (household insurance for additional unit).....	8.33	100.00
Amortization (principal \$9,393 over 10-yr period—no interest).....	78.27	939.30
Total cost.....	134.43	1,613.30
Residual receipts.....	45.57	570.70

EXHIBIT C.—ALTERATION COST PER UNIT

Variance:

Zoning—preparation, survey, application fee.....	\$375
Building permit.....	40
Interim finishes (painting, tiles, floor, doors, etc.).....	1,000
Private entrance or fire escape.....	500
Heating system (zoned).....	500
Domestic hot water system (electric).....	400
Electric service entrance meter and distribution.....	500
New bathroom (three pieces).....	1,638
New kitchen (60-inch counter and sink, electric range, 12-cubic-inch ice box, plumbing, 60-inch counter and cabinets).....	3,000
Interior structures.....	1,440
Total.....	9,393

Senator WILLIAMS. That concludes our hearing. The hearing has been very productive, and the next time we as a committee will be here in New Jersey will be in September.

I want to thank the staff and all of the people that have arrived. It was a very, very constructive hearing, and we now stand adjourned. [Whereupon, the committee was adjourned at 3 p.m.]

A P P E N D I X E S

Appendix 1

MATERIAL SUBMITTED BY INDIVIDUALS AND ORGANIZATIONS

ITEM 1. PROGRESS REPORT—WORK CENTER ON AGING PROGRAM, MAY 1975; SUBMITTED BY JOSEPH L. WEINBERG,* EXECUTIVE DIRECTOR, JEWISH VOCATIONAL SERVICE

The Jewish Vocational Service Work Center on Aging began service to disabled senior citizens on November 12, 1973. The center has a nonsectarian intake policy. Referrals have been received by the intake supervisor from community, State, and local agencies, and from the older individuals themselves who have responded to publicity and other outreach efforts.

An existing former factory building, located at 67 North Clinton Street, East Orange, adjacent to the central JVS office and workshop, was rented for the new work center for the disabled older worker. It required extensive renovations to meet the needs of the proposed program and to comply with the safety and fire regulations as outlined by the safety consultant made available by the region II office of RSA.

This report will highlight the second year of operation, from July 1, 1974, to date. The work center has served a total of 189 older handicapped clients and provided information and referral services to an additional 301 handicapped senior citizens.

During the current year, 32 clients have been enrolled in the work center on aging sheltered workshop program bringing the total to 70 older disabled individuals requiring the total comprehensive services of the workshop. Efforts have been intensified to offer job placement, evaluation, and counseling services to all handicapped senior citizens as well as the severely handicapped to maximize the use of the work center and to individualize the program based on each client's physical and psychological strengths and limitations. Many of the aging disabled enrolled in the program during its first year of operation have remained as extended employees owing to their advanced age and severity of handicaps. However, they have demonstrated an ability to continue in sheltered employment, thereby enabling them to sustain themselves in the community and avert possible institutionalization.

As planned in last year's proposal, an intensive outreach campaign has been conducted to reach as many handicapped senior citizens as possible in our service area. Flyers and letters have been sent to older persons themselves, the clergy, libraries, social security offices, senior centers, hospitals, newspapers, and radio stations. As a result of this increased effort, an additional 99 clients have responded to job placement, evaluation, and counseling service within the past 6 months reporting period, bringing the total number involved in this program to 119 served in the current year.

Despite the depressed labor market, 42 placements of older disabled workers have been made in private industry. Placements which have been made include: doormen, bookkeepers, companions, clerical workers, dispatchers, maintenance men, and drivers. Some special positions were developed with the CETA program. Also, a unique job placement was that of coordinator of a senior citizen program for Essex County.

The disabilities of clients served vary—they include: psychiatric, arteriosclerotic diseases, post-CVA's, arthritic, diabetic, asthmatic, Parkinson's cerebral palsy, and alcoholic. All clients involved in the work center program

*For statement, see p. 1519.

receive ongoing individual and group vocational and personal adjustment counseling by the professional staff.

The scheduling of older disabled workers into the program is flexible, depending upon the needs and limitations of the individual. Prevocational evaluation and workshop services include an assessment of the client's current range of abilities. Prevocational work samples are administered on a selective basis to clients by an evaluator counselor to assess client's strengths and limitations. Older clients have responded well to the work samples. Information relative to their performance has enabled staff to measure physical as well as emotional tolerance. Staff are able to determine the residual skills an older worker has retained. Eye-hand coordination, manual dexterity, perception, finger-dexterity, bimotor coordination, organizational ability, ability to follow instructions, and retention are among the skills and aptitudes that are measured and observed in the pre-voc unit to determine the older worker's fitness for employment. The unit plans to add work samples of the VALPAR system to measure the physical residuals of the aging clients. The Singer work samples added in last year's project have identified audio-visual problems of the aging heretofore not noted. Also, the concrete application of a real-measured work task has broadened our pre-voc evaluation repertoire. The evaluation unit found the Singer system most useful when used as an additional and ancillary tool to our JVS work sample system. Using the JVS system as the core battery for the agency's population, remains the most productive application of an evaluation regimen.

The workshop continues to provide clients with selected light sedentary subcontract work tailored to the group's needs, limitations, and work tolerance. Some clients attend the program 5 full days each week. Others participate 4 to 5 hours daily while still others attend 2 to 3 days per week. Clients are paid by check, biweekly, and are provided with identification cards to a local bank to facilitate check-cashing. Transportation is provided for those clients who cannot travel independently. Of those who do use public transportation, many are provided with part or all of their fare by the agency.

Clients who are accepted into the program are immediately assigned to a vocational counselor who continually sees the client in private counseling interviews which focus on their adjustment in the work center, personal adjustment problems, retraining, choice of vocation and job selection. The counselor also initiates referrals to the work center's social service coordinator or to other agencies where appropriate. The entire professional staff has established and continues to maintain contact with private and State social service agencies, and is in daily touch with the local offices of the New Jersey State Division of Vocational Rehabilitation.

The work center job-developer counselor visits and telephones employers and has developed positions for handicapped older workers. Included in job development are suggestions to employers on how to create part-time job slots. The job-developer counselor arranges client employment interviews and provides job placement services which include information regarding location and conditions of work and followup. Some older clients have been participating in group counseling to aid them in readying themselves for employment. The JVS is currently negotiating with the manpower office of East Orange to obtain two part-time job-developer aides to assist in the work center's employment program. These positions would be funded under CETA. It is planned that two work center clients, who are older residents of East Orange, would be hired by the program under this act.

As stated in the project objectives, the work center on aging has enriched its vocational program with essential ancillary services and vital linkage to community services. This can be summarized in the following four areas:

ANCILLARY SERVICES

In the past project year, many important services in the areas of health, welfare, and education were brought to the work center thus eliminating extra travel, waiting time and expense for those clients who would have to seek out such aid on their own. Equally important, such services were made available to clients who were unaware of their existence and consequently would not have sought them out. Services offered at the work center include the following:

(a) *Medical*: The work center medical consultant continues to see clients on an individual basis and conducts client seminars relating to the aging process—

e.g., personal hygiene, dietary habits, and methods of preventing illness most common to the senior citizen. The agency's psychiatric consultant has also been employed as necessary.

(1) *Flu shots*: In cooperation with the East Orange Health Department, the agency medical consultant administered free flu shots to all clients who needed the vaccine as well as to younger clients in the agency's rehabilitation program.

(2) *Eye examinations*: Under the auspices of the New Jersey Commission for the Blind, comprehensive eye examinations were given free of charge by an ophthalmologist and a medical team from the aforementioned State agency.

(b) *Transportation*: The work center continues to aid clients in their travel to and from the agency facility. Vehicles of the agency pick up and deliver those clients who cannot ambulate well enough to travel on public transportation. Those clients who do travel independently are given transportation subsidies by the agency on a daily basis. Recently, the nonemergency transportation service of Newark was made available to center clients. This service, for the aged disabled, transports Newark residents to areas within the city as well as throughout the county to nonemergency senior programs.

(c) *Nutrition*: A minimum fee, meals-on-wheels hot-lunch program continues to be available to all clients of the center.

(d) *Social security*: Administrative staff of the social security office made client presentations and answered questions on how the new supplemental security income program benefits center clients. Such presentations are made periodically at the agency by the social security personnel.

(e) *Food stamps*: Representatives of the Essex County Welfare Board discussed the food stamp program and registered those clients at the center who were eligible.

(f) *Recreation*: The work center continues to have a mutual referral relationship to local senior recreational programs and "Y's." Of special interest, the Essex County Park Commission staff made an audio-visual presentation to work center clients showing recreational activities available to senior citizens of the area.

(g) *Education*:

(1) The Essex County Community College is conducting a course in consumer economics twice weekly at the center for program clients, tuition-free. Three college credits will be given to each client who completes the course.

(2) Attorneys from the Essex County Legal Services for Seniors conducted a legal seminar for clients at the center. Clients were informed of current legislation that is beneficial to seniors and were encouraged to seek the services of this free legal advocacy unit.

OUTREACH

(a) *To the public*:

(1) Flyers describing the work center's program to older disabled are routinely posted in public services such as: social security offices, public libraries, churches, synagogues, "Y's," etc.

(2) Recently, the East Orange senior citizen letter and the local chamber of commerce newsletter each published a descriptive invitation to the work center services of JVS.

(3) Radio announcements have been broadcasted periodically on the local New Jersey station, WVNJ, giving a telephone number to call for service to seniors.

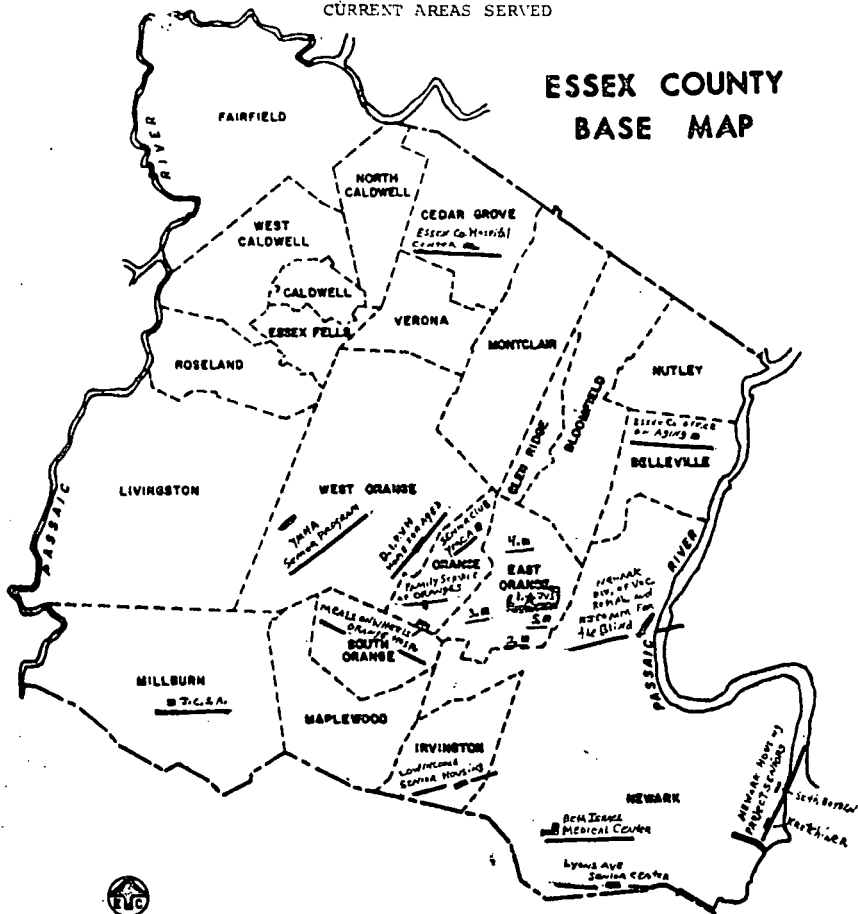
(b) *To the agencies*:

(1) Essex County Office on Aging: The JVS work center staff will be actively involved in maintaining an information booth at the second annual countywide senior citizens' jamboree. The event, held in a large convention area, is intended to present to the senior community of Essex County, the many services offered to the aging population. The Essex County Office on Aging has recently published a countywide directory of services to the aging in which the JVS work center on aging program is described.

JEWISH VOCATIONAL SERVICE - WORK CENTER ON AGING

CURRENT AREAS SERVED

ESSEX COUNTY
BASE MAP



ESSEX COUNTY DEPARTMENT OF PLANNING - ECONOMIC DEVELOPMENT - CONSERVATION

FOR EAST ORANGE:

- | | |
|----------------------------------|----------------------------------|
| 1. J.V.S. - Work Center on Aging | 4. N. J. Div. of Voc. Rehab. |
| 2. Senior Citizen Outreach | 5. Essex Co. Mental Health Asso. |
| 3. R.S.V.P. | |

(2) The East Orange senior citizens' outreach program continues to maintain a working liaison with the work center. Recently, the outreach staff re-visited the JVS program to stimulate referrals.

(3) The retired senior volunteer program (RSVP), has had several staff vacancies filled by the JVS placement service in the past year. A mutual client referral relationship continues to exist.

COMMUNITY RELATIONSHIPS

The JVS staff has widened its linkage to other vital community services including:

(a) *The New Jersey Division of Vocational Rehabilitation*: The center staff maintains a close working relationship with the various local offices of the State DVR resulting in continuing referrals of disabled clients, aged 55 and over. Conversely, walk-in clients of the center, have been referred to the State agency when they are in need of such services.

(b) *The Comprehensive Employment Training Act (CETA)*: Cooperative working relationships have been formed with several area CETA programs. The JVS board of directors has approved a plan whereby several jobs to employ aged disabled clients at the agency will be created with funds from the East Orange CETA program. A 75-year-old work center client has been placed in a senior center in Newark under that city's CETA funds.

(c) *The Newark Beth Israel Medical Center*: Partial hospitalization program has entered into a cooperative service relationship with the agency. This new facility will offer day hospital treatment in its mental health center for the catchment area of South Newark, Hillside, and Irvington, N.J. A mutual referral system is being set up which could benefit a handicapped aging client who would, heretofore, have had to require full-term hospitalization and possible institutionalization.

ITEM 2. REPORT AND ATTACHMENT OF ESSEX COUNTY SENIOR CITIZEN PUBLIC HEARINGS, BY ESSEX COUNTY OFFICE ON AGING; SUBMITTED BY DONALD M. PAYNE*

The Essex County Office on Aging is responsible for the planning and development of senior services in Essex County. The office is required to submit yearly an area plan with an audit of the resources available and recommendations for programs to be funded from the Older Americans Act. In attempting to fulfill this mandate, five public hearings were held during the week of September 23-27, 1974, in the municipalities of Newark, Irvington, Bloomfield, Verona, and Orange to provide an opportunity for senior citizens, agency directors, municipal officials and any other interested persons to express the needs of the approximately 150,000 Essex County seniors.

Notices were sent to newspapers for publication, to senior citizen club representatives, agency directors, municipal officials, and the 1,500 names on the office's mailing list. More than 100 seniors, agency directors, and municipal officials from throughout Essex County testified during the course of the hearings. Also approximately 500 interested persons attended the hearings with almost half being at the opening Newark hearing. Press coverage by both local and county-wide newspapers indicated a continued interest and concern for the plight of our older generation.

The testimony revealed that the need area of transportation was the most important priority area. The secondary most important areas were in no particular order: finances, housing, outreach, recreation, nutrition, information and referral services, homemakers, security, medical services, and the establishment of municipal offices on aging. Priority areas were similar for seniors in both the urban and suburban sections of Essex County.

Repeated testimony documented that transportation with escort was the key supportive service necessary for seniors to take advantage of available community resources. At every level of service personal contact seemed as important as the actual delivery of that service.

These needs corresponded with results obtained from a senior citizen need survey at the senior citizen jamboree, and several other senior surveys recently

*For statement, see p. 1485.

completed in municipalities throughout Essex County. Last year, the Essex County Office on Aging had established, based upon similar documentation, the areas of transportation and health services, as priorities for the 1974 areawide aging plan.

In 1974, the Essex County Office on Aging was allocated approximately \$300,000 in Older Americans' Act funds for services to the county's seniors. These funds have been subsequently awarded to municipalities and nonprofit agencies for programs including meals-on-wheels, transportation, legal services, health clinics, employment, outreach, telephone reassurance, and information and referral.

In 1975 the office expects to receive approximately \$300,000 for services to the county's seniors with at least \$100,000 allocated for Newark. As a result of these hearings, however, it is really obvious that the amount of funds available is totally inadequate.

The Essex County Office on Aging intends to respond in one way to this critical situation by requesting that additional State and Federal funds be made available for the 1975 Essex area aging plan. Additional sources of funds on both the local, State and Federal level will be necessary so that Essex's seniors have the critical services so desperately needed at this present time.

On the local level municipalities will have to assume a greater responsibility for the financing and developing of senior services locally. An example in point was the testimony from the town of Belleville that approximately \$60,000 had been budgeted this year for needed services for its seniors.

The office on aging intends to use the testimony from these public hearings in the decisionmaking process of which senior programs will be recommended for 1975 Older Americans' Act funding. The office on aging feels that the public hearings were extremely enlightening and successful in documenting the critical needs of our county's seniors. The value of the testimony in the planning process for 1975 will be significant. The office is faced with, however, the selection of programs for Older Americans Act funds based, not on merit and need, but budgetary limitations.

The synopsis of 1974 programs funded by the Essex County Office on Aging, from Older Americans Act moneys, is being attached for your information.

[Attachment]

ESSEX COUNTY SENIOR CITIZEN NEED SURVEY—\$8,000

Sponsoring Agency: Essex County Section of the National Council of Jewish Women, Inc.

Purpose: To document the needs of the elderly in Essex County for program planning purposes and educating the public (government officials, agency directors, the citizenry, etc.).

Contact: Ms. Eva Sano, telephone 376-2864.

R.S.V.P. TRANSPORTATION PROGRAM—\$5,000

Sponsoring Agency: Essex County Section of the National Council of Jewish Women, Inc.

Purpose: To provide volunteer opportunities for seniors in hospitals, agencies, etc. The request is for funding a full-time driver for transporting the many seniors who would like to volunteer their time but are unable to do so because of transportation problems.

Contact: Mr. Neal C. Clarke, telephone 376-2864.

JEWISH VOCATION SERVICE WORK CENTER ON AGING—\$35,000

(Continued project, second-year funding)

Sponsoring Agency: Jewish Vocation Service.

Purpose: To provide poor older disabled workers with proper medical care, social service support and job training so that they may return to work and society.

Contact: Ms. Claudia Fogel, telephone 674-2415.

ESSEX COUNTY SENIOR CITIZEN EMPLOYMENT BUREAU—\$15,000

Sponsoring Agency: Essex County Board of Chosen Freeholders.

Purpose: To provide seniors job placement for part-time and full-time employment and to educate the public on the advantages of having older workers.
 Contact: Mr. Bernard J. Gallagher, telephone 751-6050.

SENIOR CITIZEN LEGAL SERVICES PROGRAM—\$24,000

Sponsoring Agency: Essex County Legal Services.

Purpose: To educate seniors on their legal rights, to encourage them to utilize the available legal resources and to identify problems common to all older persons with the objective of remedial litigation or preparing appropriate legislation.

Contact: Mr. Robert Millman, telephone 672-3838.

MT. CARMEL GUILD TRANSPORTATION PROGRAM—\$8,500

Sponsoring Agency: Mt. Carmel Guild.

Purpose: To provide transportation for blind seniors throughout the county to the special social and recreational programs presently available at the Mt. Carmel Guild Center.

Contact: Mr. John Mulvihill, telephone 624-2405.

SENIOR CARE PROJECT—\$35,000

Sponsoring Agency: Hospital Center at Orange.

Purpose: To arrange for the provision of ongoing medical care and/or periodic physical examinations and to provide social service followup on any social and/or economic problems.

Contact: Mrs. Sarah Zelfhof, telephone 678-1100.

MEALS-ON-WHEELS OF ORANGE—\$5,000

Sponsoring Agency: Meals-on-Wheels of Orange, Inc., in cooperation with the Hospital Center at Orange.

Purpose: To deliver, 5 days a week, one hot and two cold nutritious meals for seniors who are unable, because of kitchen facilities, physical handicap, etc., to cook for themselves. The reason for funding is for an outreach worker to identify and enroll needy seniors in the program and for the purchase of a heating unit to keep the meals hotter.

Contact: Ms. Sally Hellring, telephone 675-6715.

PROJECT SAFETY LINE—\$21,000

Sponsoring Agency: Family Service of West Essex and Family and Children Services of Montclair and Glen Ridge.

Purpose: To provide prearranged telephone calls to seniors whose isolation and/or precarious physical or mental condition merits this preventive concern; also a senior hotline that would provide seniors information and referral on available services, resources, etc., with an active followup to insure the delivery of those needed services.

Contact: Mr. Don Smith, telephone 783-4252.

SENIOR TRANSPORTATION PROGRAMS

Purpose: To provide transportation for seniors to shopping districts, recreation centers, medical facilities, etc. The program is a cooperative effort with the office on aging providing the funds for the purchase of a van and the municipality assuming all other costs in the operation of the program.

Sponsoring Agency:

Belleville—Contact Commissioner Vincent T. Strumolo, telephone 759-9100, 759-2832.....	\$8, 500
Orange—Contact Ms. Lucille DeGrocchio, telephone 678-0100.....	8, 500
Montclair—Contact Mr. Perry Doerr, telephone 744-1400.....	8, 500
West Orange—Contact Mr. Bob Hilsen, telephone 736-1500.....	8, 500
Irvington—Contact Mr. Edward Pomerantz, telephone 372-2100....	10, 000
Bloomfield—Contact Mr. Robert Carter, telephone 743-4400.....	8, 500
Verona—Contact Mr. Erich Mortenson, telephone 857-1664.....	8, 500
South Orange—Contact Mrs. Myrill Nicholls, telephone 762-6000....	8, 500

IRVINGTON SENIOR HEALTH CLINIC

Sponsoring Agency: Town of Irvington (Health Department).

Purpose: To continue and expand the existing one day a week senior health clinic that offers health guidance, counseling, screening and preventive services, information and referral.

Contact: Mr. Joseph Wright, telephone 372-2100.

WEST ORANGE SENIOR HEALTH CENTER—\$10,000

Sponsoring Agency: Town of West Orange (Health Department).

Purpose: To bring as many seniors as possible into the health care system, to screen patients, to provide health education and counseling and to follow up patients as part of the senior care project of the Hospital Center at Orange.

Contact: Mr. Robert Hilsen, telephone 736-1500.

ORANGE HEALTH CENTER—\$12,500

Sponsoring Agency: Town of Orange (Health Department).

Purpose: To bring as many seniors as possible into the health care system, to screen patients, to provide health education and counseling and to follow up patients as part of the senior care project of the hospital center at Orange. The funding requested will be for a full time public health nurse with the municipality assuming the responsibility for the operation and furnishing of the facility.

Contact: Mr. Leonard A. Vena, telephone 678-0100.

VAILSBURG SENIOR TRANSPORTATION PROGRAM—\$8,500

Sponsoring Agency: Unified Vailsburg Service Organization.

Purpose: To provide transportation for seniors to shopping districts, recreation centers, parks, hospitals, doctor's offices, etc. This program is a cooperative effort with the office on aging providing the funds for the purchase of the 12 passenger van and the applicant agency contributing the costs of personnel, gas, maintenance, and insurance, etc.

Contact: Mr. Steven Block, telephone 374-2000.

EAST ORANGE OUTREACH PROGRAM—\$35,000

(Continuing project, third-year funding)

Sponsoring Agency: City of East Orange.

Purpose: Through the use of senior paraprofessionals to conduct outreach services to the seniors of East Orange, to provide transportation, information and referral, and advocacy.

Contact: Mrs. Janet Baker, telephone 674-4480.

STATE FUNDED PROGRAMS FOR 1974—TITLE III

NEWARK

Seth Boyden Transportation Project—\$20,000

Sponsoring Agency: Temple Beth Shalom of Livingston, N.J., 193 East Mount Pleasant Avenue.

Purpose: To provide transportation for seniors to medical facilities, recreation programs, shopping districts, etc.

Contact: Mr. Sol Nagel, telephone 992-3600.

Newark Day Care Senior Nutrition Project—\$20,000

Sponsoring Agency: Newark Day Center, 41 Hill Street, Newark.

Purpose: To provide a well-balanced meal 5 days a week, nutrition education and information on shopping, preparation of food and making a good choice of foods.

Contact: Mrs. Corneida Lovell, telephone 643-5710.

Rutgers School of Social Works, Social Action Center Surrogate Family and Outreach Projects of Newark—\$150,000

Sponsoring Agency: Rutgers School of Social Works, Social Action Center, New Brunswick, N.J.

Purpose: With the cooperation of two agencies, Friendly Fuld and North Ward Center, the project will provide transportation services, access to special equipment, direct services and/or access to services, contact with social welfare agencies, social and recreational activities and general advocacy services.

Family Surrogate Project (Central Ward), 71 Boyd Street, Newark: Contact Mr. Conrad Graves, telephone 243-1704.

North Ward Educational & Cultural Center, 346 Mt. Prospect Ave., Newark: Contact Mrs. Fran Aduabato, telephone 481-0415.

MAPLEWOOD

Municipal Transportation Program—\$8,500

Sponsoring Agency: Town of Maplewood.

Purpose: To provide transportation for seniors to shopping districts, recreation centers, medical facilities, etc.

Contact Mr. David Carew, telephone 763-4202.

MONTCLAIR

North Essex YWCA, 60+Multi-Purpose Center—\$50,000

Sponsoring Agency: Montclair-North Essex YWCA, 159 Glenridge Avenue, Montclair.

Purpose: To provide information and referral, transportation, counselling and outreach, employment services and a broad range of activities responsive to the needs of the elderly.

Contact: Mrs. Margaret Tobin, telephone 746-5400.

PREVIOUSLY FUNDED PROGRAMS FOR 1974—ESSEX COUNTY NUTRITION PROJECTS, TITLE VII

Purpose: To provide a nutritionally balanced hot meal in a congregate setting with supportive social services weekdays to the elderly. The sites, by regulation must be located in census tracts of high density, low-income seniors. There isn't any means test, and qualifications for attending the project are broad.

Sponsoring Agency: City of Newark.

Sites now open: Steven Crane Village, Seth Boyden Court, Scudder Homes, Central Presbyterian Church, Ironbound Boys Club.

Contact: Mr. Charles Rowe, telephone 624-2166.

Sponsoring Agency: Town of Irvington.

Site now open: First Presbyterian Church.

Contact: Mr. Frank Tetto, telephone 372-2100.

Sponsoring Agency: Union Baptist Church of Montclair, Inc., Midland Avenue and Portland Place.

Sites now open: Union Baptist Church, Montclair YWCA, East Orange—Fellowship Circle.

Contact: Rev. Maxwell, telephone 746-3270.

ESSEX COUNTY SENIOR CITIZEN DATA, 1970 CENSUS

Essex County has the largest number of senior citizens of any New Jersey county.

Total population in Essex County	929, 986
Population aged 60 or over	143, 600
Percentage	15
Aged 60 or over:	
Male	59, 998
Female	84, 602
Racial composition of population aged 60, or over:	
Negro	20, 282
Spanish language	641
Population aged 60, or over, with income below poverty level	23, 762
Percentage	14

There are approximately 80,000 households with persons 60-plus with approximately 55 percent of these renters and 45 percent owners. Statistics show dramatically that the average senior renter is paying rent greater than 25 percent of their total income.

Also, approximately 5 percent of Essex County's population aged 60 or over reside as an inmate of an institution or in group quarters (nursing homes, boarding homes, etc.) 10 percent approximately belong to senior citizen clubs and organizations.

POPULATION STATISTICS

Community	Total population	Population 60 and over	60 plus below poverty
Belleville Town.....	34,643	5,076	522
Bloomfield Town.....	52,029	9,555	1,157
Caldwell Boro.....	8,719	1,778	292
Cedar Grove Township.....	15,582	3,026	108
East Orange City.....	75,421	14,842	2,423
Essex Fells Boro.....	2,541	414	9
Fairfield Boro.....	6,731	537	65
Glen Ridge Boro.....	8,518	1,357	68
Irvington Town.....	59,743	15,148	2,647
Livingston Township.....	30,127	2,621	62
Maplewood Township.....	24,932	5,040	453
Millburn Township.....	21,307	4,016	236
Montclair Town.....	44,043	8,956	1,271
Newark City.....	382,417	44,578	11,441
North Caldwell Boro.....	6,425	533	42
Nutley Town.....	32,099	5,027	446
Orange City.....	32,566	6,107	1,161
Roseland Boro.....	4,453	461	23
South Orange Village.....	16,471	3,217	283
Verona Boro.....	15,067	2,661	272
West Caldwell Boro.....	11,887	1,288	80
West Orange Town.....	43,715	7,362	672
Total, Essex County.....	929,986	143,600	23,762

Source: From 1970 U.S. census.

ITEM 3. STATEMENT OF HON. BRENDAN T. BYRNE, GOVERNOR, STATE OF NEW JERSEY

Mr. Chairman, thank you for permitting us this opportunity to tell you a few things about the aging situation in New Jersey.

New Jersey is proud of its past record in examining the situation and needs of its seniors. We were the first State to establish a full-time division on aging in State government. We were in business some 7 or 8 years before the Federal Administration on Aging, and a number of concepts and programs that the Administration on Aging has developed across the country originated in our division. The present area agency concept is the latest New Jersey innovation picked up by AOA.

First, I would like to speak briefly about three broad areas which affect strongly the lives of our seniors. I would like to begin by emphasizing that our current national economic picture has caused severe hardships for many of New Jersey's elderly. I am sure that other States face a similar dilemma.

An increasing number of New Jersey's aged residents are becoming more dependent on social security benefits, supplementary security income, food stamps, and other public assistance programs. The aged population of the State is presently estimated to be at least 800,000, of which approximately 84 percent is receiving social security payments.

As you are probably aware, the low-income elderly are faced with a higher rate of inflation than the average CPI (Consumer Price Index) family during the current inflationary period because they spend a larger proportion of their budgets on necessities—food, fuel, housing, medical expenses—which have recently experienced higher rates of inflation than other items in the index. We must also consider that such factors as rigid habits, dental deficiency, limited

mobility, general poor health, combine with high inflation to make it difficult for the aged to "shop around," "economize" or substitute lower cost, lower quality food for their present purchases.

These factors are further compounded by middle-income consumers who are now dramatically increasing the price of traditionally low-cost foods by increasing the demand for them. A few examples will illustrate how rapidly the prices of these heretofore "cheap foods" have risen: frying chicken up 244 percent; potatoes 252 percent; pork sausage 209 percent. On the other hand, beef and veal—typically middle-class foods—climbed only 75 percent during the last year. The major result of these drastic price increases in food commonly purchased by the aged and the poor is decreased consumption, particularly of foods which are vital to sustaining good health. The cost of food consumed away from home has risen even more sharply than supermarket prices, severely hurting those aged who lack the facilities or capability to cook for themselves.

In addition to food costs, fuel, utilities, and housing costs are mounting at a frightening rate. We find that one-fourth of all homeowners over the age of 62 have incomes of less than \$4,000, hardly sufficient to cover 90 percent increases in fuel and electricity, rising property taxes and spiraling food costs. Aged renters are not immune from the effect of inflation. Landlords traditionally pass on to their tenants the rising costs of fuel and electricity by either or both of two means—reduced service or increased rents. This situation should not be tolerated for any of our citizens, least of all our elderly.

New Jersey has researched the possibility of a State program of utility stamps or utility rate reductions for the low-income senior citizen. Yet, financially strapped State governments simply cannot afford to undertake a utility stamp plan. Nor can relief be accomplished by rate restructuring; middle-class citizens are already up in arms over increases in utility rates and industry threatens to leave the State if their rates are further increased.

Action must be taken at the Federal level. It is good that experiments with utility stamps are being conducted in several cities, but stronger action is needed. Rates continue to rapidly increase. While we have had two very mild winters, we cannot expect this to continue. If action is not taken soon, low-income senior citizens will find themselves simply unable to pay for gas, electricity and fuel oil.

Finally, many of our elderly who are seeking employment in an attempt to lift themselves from this economic crisis face a hopeless situation. Discrimination against employment of the aged has long been a problem and with New Jersey's seasonably adjusted unemployment rate at 13 percent, the highest in years, there is little relief in sight. Often unskilled and with low levels of education, they are the "last hired and first fired." If they are black or Hispanic—a minority within the aged minority—they face double jeopardy.*

In brief, an analysis if the relative impact of inflation on aged couples in the State, based on the distribution of their budget expenditures, indicates that the elderly in New Jersey experienced at least 23 to 28 percent more inflation than the typical CPI family from August 1973 to August 1974. Rapid price increases, accompanied by inadequate compensation for losses in real income, has placed serious constraints on the budgets of the aged. It is impossible to determine what kinds of individual tradeoffs senior citizens have been forced to make in their budgets among medical care, housing, heat, and food.

I strongly urge that Federal increases in SSI benefits, to compensate recipients for increases in the cost of living, should be passed on by the State in order to compensate them for decreases in real income. New Jersey did not pass on the latest Federal increase in SSI benefits to the recipients because it would have had to bear the full expense of the increase. Some incentive should be included in Federal legislation to encourage the States to pass on cost-of-living increases to beneficiaries.

Furthermore, social security and SSI benefits should be adjusted more often so that benefits keep pace with the rapid rise in the cost of living. Since lags in cost-of-living increases are inherent in the current system, general funds should be appropriated in public assistance payments during periods of rapid inflation.

Next there is health care. Costs are rising faster than the income of seniors, and many of them no longer seek medical attention until their debilities are acute. This is a self-defeating attempt at economy for both the senior and the

*Many of the above statistics are taken from "Impact of Inflation on the Aged Poor in New Jersey," Melinda Green, Woodrow Wilson School, Princeton University.

community. By postponing a medical check-up or treatment the senior is gambling with his life. Can our society really accept this as a condition of life for our aging? Also, by waiting until the crisis stage for treatment the senior then needs to be institutionalized which is the most expensive of all treatments.

We need a national health care program for all people with special safeguards to take care of the particular needs of the poor and the aging. We urge your attention in this direction.

The third broad area of need is adequate housing. Since there simply are not sufficient resources available in municipalities or in States to meet the housing needs of seniors, and since housing and individual income are so closely related, this must be a problem for Federal attention.

Look at our housing situation in New Jersey. The latest figures we have are from 1973. The total low-rent publically supported housing units available then, and there has been few new units built since, is 15,619. Under construction are 4,355 units. In the planning stage at this present date are 9,474 units. This, assuming all planned units will be built, gives us a total of 29,448 units. The State agency on aging estimates the present need for low to moderate income housing units for seniors in 1975 to 1980 is 101,103. This leaves us over 70,000 units short.

We need a vastly expanded building program and we need an adequately funded program of home maintenance and home services to enable our seniors to remain as long as possible in their present environment. Along these same lines, I have directed my staff to convene an interdepartmental working group to study alternatives to nursing homes and other forms of long term institutional care. I expect this group to make recommendations as to how we can alter Federal and State regulations to provide greater incentives for community based care. With the current series of crises and scandals surrounding nursing homes in many states, it is reasonable to expect that the Federal government will take direct action on this issue.

The monetary, health care and housing needs of our aged population goes far beyond the purposes of the Older Americans Act, but they are major problems you must address.

We realize that much of what we are talking about are not problems of just the aging, but are problems of the total society. Adequate, affordable housing is a problem for all adults. So is medical care, employment and transportation. In time, I know we can expect national approaches seeking solutions in these areas, and they will be welcome. But time is one of the most limited resources of our seniors. They need help now and the quickest way to provide that help, and the easiest to administer and most economical, is to increase direct money payments through the social security and supplemental security income programs.

Incomes substitute programs, such as medicare and food stamps, always arrive too late with too little. They are more costly and less efficient, more confusing and harder to achieve, and often more demeaning for the applicant to work through than a simple direct increase in income. We hope you take this situation into consideration when you are working on legislation for our seniors.

We appreciate this opportunity to make this statement and thank you for your attention. It would not be proper to stop here, however, without saying how much we appreciate what Congress has done for seniors in the past 3 years. You have responded generously to problems that were long unrecognized and untreated, and your efforts have taken us a long way forward in establishing a body of professionals in aging capable of meeting the demands of today's society.

We are especially proud that you, Senator Williams, have been a leader and prime mover in upgrading the status of our seniors, and we offer you and your staff a special thanks for your understanding and increasing cooperation.

ITEM 4. STATEMENT OF ROBERT NOTTE, EXECUTIVE DIRECTOR NEWARK REDEVELOPMENT AND HOUSING AUTHORITY

In Newark, a city with massive problems and urgent concerns, one of the most pressing is the welfare of its older citizens.

The concern with and about the elderly is natural: most of us, sooner or later, will reach that stage in our lifecycle when we will be referred to as "senior

citizens." But the urgency of our concern with the elderly stems directly from two major causes:

1. Changed and changing family patterns in America, and
2. A rapidly increasing number of older citizens as a proportion of the total population of this country.

The predominant family pattern today is the nuclear family, composed of parents and their children; there is no longer the physical room or social desire for grandparents or older uncles and aunts within the household. The elderly have lost their value as transmitters of culture and as economic assets. Increasingly they have to depend upon themselves and as they grow older their dependence is shifted more and more upon public institutions.

That the number of elderly is growing compounds the problem, especially for the public institutions, of having to provide for the many needs of the elderly with inadequate resources and imprecise goals.

In this century, between 1900 and 1970, the number of those who are 65 or over increased from 3 million to over 20 million, while their percentage increased from 4 percent to 10 percent of the total population.

In Newark the 1970 U.S. census figures indicate that of 382,000 residents, over 30,000 were 65 years or older; of these 30 percent had an annual income below the poverty level of \$1,669.

The physical needs of the elderly are basic and must be met. Housing, health, nutrition, and security are the most obvious and, as such, the most urgently needed. The satisfaction of physical needs, however, is only one side of the coin. More than anything else, we are social beings. We, as people live in a world of attitudes and values dictated by our culture and our social environment. It is within this environment that our human physical, social, and psychic needs must be met.

Newark has attempted to deal with the housing needs of the elderly within the low-rent public housing program. To date the Newark Redevelopment and Housing Authority has succeeded in placing over half of the city's elderly poor in subsidized housing, an achievement that is quite remarkable. Nevertheless, there remain a great many below or very close to the poverty level still in need of adequate housing facilities. There are as an example, over 3,000 applications for public housing from senior citizens on hand at the NRHA. Furthermore, as the population ages, the proportion of elderly poor is most certain to increase. In an effort, therefore, to meet the present and future demand, additional new housing and the rehabilitation of existing housing must be vigorously pursued.

Nationally, whereas those under 65 pay about 23 percent of their income for "housing," the elderly pay 35 percent (except in public housing). For the aged person paying rent the situation is critical. Not only are the elderly faced with rent increases, as are those whose income is not fixed, but in many cases the elderly pay more for less: 6 million older persons live in dilapidated or sub-standard housing and almost 2 million live in units without even the basic plumbing facilities. It seems clear that additional government subsidized housing for the elderly is needed.

There is a continuing need for substantial increases in the stock of safe, suitable housing for older people and residential services which maintain independent living and prevent their institutionalization. A growing number of older Americans have a special housing problem, the solution of which requires a top level priority. Under the 1974 Housing and Community Development Act there is not a sufficient funding resource to meet the existing need for housing the elderly; the revised section 202 program of direct loans for construction of senior citizen housing, when fully implemented may be a partial solution. However, to deal with the housing problem head on, new special grant programs must be designed and adequately funded which incorporate an intelligent approach to fulfilling the multifaceted housing, social and health requirements of the elderly.

Numerous studies, crime reports and voiced concerns of the elderly living in public housing clearly indicates that the subject of crime and physical security is of paramount importance to the aged. Most recently the Newark high impact anticrime team found that in public housing elderly residents are especially victimized by the young. The matter of providing security, in terms of funding security program, as well as making capital improvements to dwellings where the elderly reside in order to render them more secure, is of critical importance.

Health care costs are increasing much faster than the economy as a whole since controls were removed in 1974. Because older persons are characterized by more disability, see physicians more often, and have twice as many hospital stays that

last twice as long as younger individuals, the unprecedented increases in the cost of health care are overwhelming burden on the elderly.

One of the major concerns voiced by Newark's elderly deals with the fact that as SSI recipients they also receive medicaid; however, as soon as they become eligible for social security they lose the many free and varied benefits of medicaid to receive a much more limited benefit: Medicare. Whereas under medicaid dental care, medical care, eyeglasses, prescriptions, and a host of social services are provided free of cost, as social security recipients the elderly are isolated from all the social services provided by the county, all they receive is a periodic check in the mail.

It is not logical to separate health care from sound nutrition; and it is in the area of nutrition, coupled with the social needs of the elderly that the greatest good in the shortest time at a relatively lowest cost can be achieved.

In public housing in Newark there are about 5,000 elderly persons, most of whom live on a subsistence level, many are seriously malnourished, most are lonely, insecure and isolated from one another. (See attached chart.) It is my strong belief that a vastly expanded program whose primary objective would be to serve hot meals to the senior citizens, once each day in a congregate setting, would effectively deal with many of the daily concerns of the elderly poor. Such a program would offer better nutrition, leading to better health; the elderly would be provided an opportunity to socialize with their own peers, in a secure setting, thus enriching their lives and sharing their experiences. Most important, this would be an opportunity for them to meet and establish surrogate kinship ties and thus fill the one great longing many elderly share, a longing for relatives.

Social services for the elderly represent a wide variety of provisions, ranging from counseling to homemaker aides. Perhaps the most important aspect of social service delivery, however, is the senior center—a meeting place for the elderly as well as the coordinating unit for specific services. Unlike these elderly who are financially able to remain active in social organizations, the elderly poor are often isolated not only from such activities, but also from one another. To enrich their lives, to help them be more intellectually and physically active, the elderly, as all of us, must be provided an opportunity to engage in stimulating activities. Thus, not only must senior centers be established and fully maintained, but transportation for the elderly resident must be provided to facilitate their participation in the many community activities.

Institutionalization is dreaded by the elderly, as it is by most of us, and enormously costly to the Federal and State governments. Any program designed to support the senior citizen as an independent resident of his or, more likely, her community, is a worthwhile program.

Thus, certainly for public housing residents in Newark, such programs as daily hot meals in a congregate environment, a strengthened and upgraded home health program, an expanded nutritional counseling and aid program, transportation to and from shopping, socializing and entertainment and vastly expanded social services programs, would be most effective in keeping the elderly from being institutionalized.

DEFINITION OF NEWARK'S ELDERLY POPULATION—GENERAL CHARACTERISTICS

	Number	Percent
Total elderly population.....	30,082	100.0
Sex:		
Male.....	12,860	42.7
Female.....	17,609	57.3
Race:		
White.....	20,580	68.4
Black.....	8,369	27.8
Spanish.....	1,053	3.5
Employment:		
Employed.....	4,793	15.9
Unemployed.....	25,209	84.1
Income:		
Below poverty level.....	9,299	30.5
Family heads.....	1,895	6.2
Unrelated individuals.....	6,032	20.0
Others.....	1,372	4.7
Housing:		
Currently in elderly public housing.....	4,938	16.4
	2,990	9.9

Sources: U.S. Bureau of Census, "Census of Population," 1970 NHA tenant statistics, printout, February, 1975.

Appendix 2

LETTERS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. LETTER FROM JAMES D. HEALY, DIRECTOR, OFFICE OF MANPOWER, JERSEY CITY, N.J.; TO SENATOR HARRISON A. WILLIAMS, JR., DATED JUNE 27, 1975

DEAR CHAIRPERSON: In regards to the Special Committee on Aging title IX hearings, please accept this letter as testimony and endorsement of the senior community service project (Title IX of the Older Americans Comprehensive Services Amendments of 1973, Public Law 93-29).

The city of Jersey City has welcomed the title IX program and CETA, as prime sponsor, and is appreciative of the opportunity to expand the scope of manpower services in Jersey City.

Jersey City has the second highest percentage of senior citizens in the Nation, and the largest population of senior citizens in the State of New Jersey.

An increasing need has developed for employing senior citizens in Jersey City. The overall unemployment rate has risen from 4.8 percent in 1970 to 18 percent in 1975, and workers over age 55 comprise 19.5 percent of all the unemployed in Jersey City.

CETA at this time is able to fund only 75 subsidized senior citizen job slots. The 25 title IX job slots enable CETA to provide 100 senior citizens with part-time employment. Jersey City CETA is unique in the operating of its own senior subsidized job program, along side of a title IX funding slot for slot (as stated in the Jersey City CETA proposal for extended and expanded title IX funding for 1975-76).

The Jersey City Office of Manpower is deeply concerned about the availability of future funding for senior citizen employment programs. In a recessive economy employment is nearly closed to the older worker, inflation is leaping ahead of Social Security raises and public assistance is rejected as an unacceptable alternative by most senior citizens. Poverty and wasted talent cannot become the norm for our older population.

It is hoped that the title IX program can be extended and expanded, and come closer to meeting the needs of the community.

Sincerely,

JAMES D. HEALY.

ITEM 2. LETTER FROM NEAL C. CLARKE, EXECUTIVE DIRECTOR, RETIRED SENIOR VOLUNTEER PROGRAM OF ESSEX COUNTY; TO SENATOR HARRISON A. WILLIAMS, JR., DATED JULY 2, 1975

DEAR SENATOR WILLIAMS: Unfortunately we were not informed of the Senate hearing being conducted in Newark and, as a result, we were unable to take part. I would, however, like to share with you some experiences and suggestions with reference to the elderly in Essex County.

Since RSVP is one of two countywide agencies serving the elderly, we are very often called upon for assistance in helping senior citizens. For example, one of our volunteers receives \$130 a month in social security payment. She has two savings accounts, one containing \$1,400 and the other \$240. As a result, she is not eligible for SSI or food stamps. This woman has glaucoma, cataracts, diabetes, and an ulcerated bunion. She needs shoes and must draw from her savings for them. She will not close out her savings in order to collect food stamps or SSI because she feels it is dishonest, so she will slowly deteriorate and in all probability die leaving \$1,640 to her heirs.

In another instance we received a call from a woman who is sick with fear because of her apartment location and the rent increases. She receives \$93 a month in social security and \$112 a month SSI. Her rent has increased \$35 a month over the past 2 years and another increase is coming. She currently pays \$156.84

a month with heat included. It cost 20¢ to purchase a money order and 10¢ to mail her rent payment. Her electric is \$6 a month since she stopped using her television. She makes toast on the gas range since it is cheaper than the electric. She pays \$1.40 a month for gas. She has a phone (two-party, limited service) and if she doesn't call her doctor or her sister, it costs \$5.70 a month. She has a stomach ulcer and weighs 85 pounds. She takes vitamins and medication for her ulcer. Some days she can't get out to buy food and she won't accept food stamps because she doesn't want charity.

She didn't really call for help—only to ask there wasn't some source to help people stay alive on their own. She is living on \$8.69 a week and will get no increase in payments in New Jersey.

The last experience I want to share was called in to us by a professional mover. It seems he performed a moving job for a 76-year-old widow who had rented an uninsulated attic in Newark. When he and his men moved her furnishings into the third floor attic they could barely breathe from the heat. There was no plumbing and only one electrical outlet. He asked if she had air conditioning and she asked him to be quiet since the landlord might hear him and he was only charging her \$160 a month. She then sat on her sofa and wept saying, "Nothing is right since my husband has been gone." In this situation I called legal services in Orange but the process of getting her proper housing is slow and she is still there.

It seems that the money being spent is serving only a small minority of the elderly in Essex County. The same people are aware of what is available and how to take advantage of it, i.e., nutrition, health clinics, transportation, etc. Yet those with the greatest need are not aware, or are afraid to take advantage of the programs. They either feel too proud or fear their landlord will hike their rent in the event they receive any additional benefits.

With all the funding there still is no provision for sufficient outreach mechanisms to find the isolated and help them once and for all. We are all attempting to reach as many as possible through the media and word of mouth which again does not get to the isolated.

At the same time I cannot help but wonder what means are being taken to alter our social attitude toward aging. We should be following the steps of the women by having primary education make adjustments to teach that older people are not feeble and to be discarded at age 65. If we grow older with a respect and understanding of the aging process, it will be less costly to us all in the future.

Sincerely,

NEAL C. CLARKE.

ITEM 3. LETTER FROM E. NORMAN WILSON, JR., EXECUTIVE DIRECTOR, HOBOKEN ORGANIZATION AGAINST POVERTY AND ECONOMIC STRESS (HOPES, INC.); TO SENATOR HARRISON A. WILLIAMS, JR., DATED JULY 16, 1975

DEAR SENATOR WILLIAMS: I was glad to participate in the hearing pertaining to older Americans and the problems the current economic situation has caused them. In regard to your request for additional information on the Hopes older worker program, I hope the following information will be of help.

Hopes, Inc., is a private, nonprofit corporation funded by Community Services Administration, formally OEO. The source of the money for the employment of older workers effective as of July 1, 1975, is Title IX of the Older Americans Act by way of the National Council on Aging. We have been granted a 15-week contract from July 1, 1975, to October 10, 1975, to continue the senior citizen work program. There is funding for 40 older workers. As of June 30, 1975, we had 52 workers; therefore, we must cut the work force by 10 to 12 workers.

Since we were one of the first senior citizen employment programs in Hoboken, we would like to continue to sponsor the older workers program and see it greatly expanded as the senior citizen population grows. Currently in the city of Hoboken there are 10,000 senior citizens out of a total population of 45,000 people and their needs are many, their resources little. Without these programs the lives of many seniors would be bleak indeed. Why America does not tap this great resource of experience and talent is a mystery that confounds reason.

In closing, I wish to thank you for the opportunity to present my views and to commend you for your concern and action on behalf of older Americans.

Very truly yours,

E. NORMAN WILSON, Jr.

ITEM 4. LETTER FROM THOMAS E. HAMILTON, EXECUTIVE DIRECTOR, COUNTY OF MIDDLESEX OFFICE ON AGING; TO SENATOR HARRISON A. WILLIAMS, JR., DATED JULY 25, 1975

DEAR SENATOR WILLIAMS: In response to your letter of June 23 requesting a statement on the housing, transportation, health, and food concerns of the Elderly in Middlesex County, I submit the following.

You are aware of my feelings regarding the solution to the housing problems of the elderly. I continue to believe that the answer to the housing needs of the elderly is a crash program designed to supply housing suited to their unique needs. A massive program of housing allowances would create lucrative profits for landlords who would not be forced to provide the design principles of special planning, security, location, and management proven by research and experience to be necessary ingredients in successful housing for the elderly. Strong building guidelines are required as well as adequate funding.

A tremendous need for senior housing continues in Middlesex County. The greatest proportion of all information and referral calls to our office continue to be those concerned with housing. Our county projects have up to a 5-year waiting period. It is also difficult to obtain a bed in an accredited nursing home most of which have waiting lists of three months. Seniors on Medicaid find it increasingly difficult to obtain placement.

In lieu of senior housing, our seniors are forced to live in apartments and homes which reflect the high cost of living in Middlesex County. Let me cite two cases. In one of our municipalities without a rent control board, a couple living on \$445 per month had the following rent increases: April \$215, May \$235, and June \$250. In another case a woman who originally rented an apartment with her brother at a rate of \$115 per month had it increased to \$200. She has lived alone since his death and at the time of the rent increase received \$222.41 monthly income including social security and a small private pension. All efforts to obtain alternative housing for her have failed. She is attempting to live on the July social security increase so that she can continue to live in safety.

In this time of economic depression and spiraling inflation, the monthly rents and value of houses have not decreased in Middlesex County. One of the largest realtors in the county has stated that housing valued at \$25,000 or below does not really exist in this area where property values are such that the appraisal value of any home at \$25,000 or less is exceedingly rare. Therefore, our seniors are unable to qualify for government programs because the value of their home is directly determined by the inflated economic standards of our country.

Since the housing moratorium, a new project in Highland Park has been approved. It will contain 100 units when ready for occupancy next year. However, the tenancy committee has received over two hundred applications in advance of any ground breaking. In North Brunswick, a UAW project has been unable to proceed because of continued obstacles, the latest being citizen opposition to the project in their suburban setting. This same dispute exists in several other municipalities. By the way, the disputed location offered the elements of convenience to shopping, transportation, community integration, and safety. Not one additional project within our county has progressed to the site location stage.

The county is progressing in the areas of transportation for the elderly. A new countywide transportation for the blind, disabled, and elderly will begin operation September 1. Residents of the entire county will have access to transportation.

The food programs are also expanding. However, thousands more seniors are in need of the nutritional, psychological, and social aspects which these programs offer.

Our senior citizens clinic at Roosevelt Hospital continues to serve an increasing number of seniors. To date 3,455 have been enrolled in the program. However, 56,000 seniors are eligible for the program of complete physical examination and battery of tests, followup, and medication dispensation on a no charge or sliding fee scale. The clinic is working at capacity.

New Jersey has the second highest median income per family of four in the Nation. The median State income is \$15,744. This standard is reflected in each facet of life with which your committee is concerned and you can see from the preceding that the life of our seniors is made increasingly difficult by these economic facts of life.

In summary, I would suggest that the social security payments reflect the cost of living and standard of living for specific geographical areas. The seniors dependent on social security payments are not capable of mobility and find themselves locked into an economy which drains their income through the high costs of life essentials. In all honesty, I must state that the social security system of determining payments does not adequately reflect the financial tragedy of seniors who reside in an area such as Middlesex County.

Sincerely,

THOMAS E. HAMILTON.

Appendix 3

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing, a form was made available by the chairman to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

If there had been time for everyone to speak at the hearing on "Future Directions in Social Security," in Newark, N.J., on June 30, 1975, I would have said:

The following replies were received:

WILLIAM VONROTH, NUTLEY, N.J.

Why only 11 percent increase since 1972? Federal employees, military, and civilians received 20.4 from January 1974 to January 1975. Why—even though the same Consumer Price Index did the same computing? Why all the talk about shortages in the social security fund? There are three people working and paying into the fund for only one person retiring. Why is there no action on bill S. 388 (Senator Church of Idaho) to remove social security from the Department of Health, Education, and Welfare? Three working wage earners or self-employed, together with industry, are paying 33 percent of \$14,200 for each social security recipient. Yes the Government doesn't pay a cent. Two cents from each dollar received are used for administration costs—yet we are dictated to by the administration. Why don't we receive our money in the month when it is due? Twenty-six other countries pay pensions before the month starts. Fund benefits will adjust if it becomes necessary.

LENA V. PEART, NEWARK, N.J.

Sorry I did not have the chance to say "howdy-do" to you. We the senior citizens, really enjoyed having you. Thanks very much for what you have done for us. May God bless you, and long may you live.

EDNA GRAY, NEWARK, N.J.

Can't something be done to stop the housing authority from raising our rent for senior citizens every time we get a raise in social security—with no improvements in property or help, as police protection or janitorial services?

MARTHA WEBB, NEWARK, N.J.

I hope the rent will not go up on the housing. Before, the rent went up without any notices of any kind. Some of the people who paid the higher rent—they made them give it back to them. Then 30-day notices were given. I am hoping this won't happen this time.