

Old age - Economic problems
(1960 folder)

Tentative Recommendations based on Regional and Subject
Matter Committee Reports on Population, Social Security, Employment.

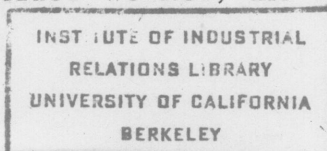
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The growth in numbers and proportions of Michigan's older population has been in keeping with national trends and forecasts. Current estimates indicate that there are about 625,000 persons 65 and over in the state's total population of over 7 3/4 million. By 1975 there will be close to one million persons 65 and over in a total state population of just under 10 million.

In December 1959, there were 478,955 persons 62 years of age or over receiving benefits under the OASI program in Michigan with an average benefit of about \$79.00. At the same time there were about 63,000 old age assistance recipients receiving an average benefit of \$71.44. The remainder of those 65 and over persons in the state, roughly 83,000, were either working full time or were entirely dependent on some source of income other than OASI or OAA. Since the Michigan Employment Security Commission estimates that there are 111,000 persons 65 and over in the labor force (either working or seeking work), it is apparent that some of those drawing OASI or OAA benefits are also working or seeking work to supplement their retirement income.

According to the Michigan Legislative Advisory Council on Aging "40 per cent of Michigan's older couples were unable to maintain a basic standard of living; and 68 per cent of single older men and 77 per cent of single older women were unable to maintain a basic standard of living" in 1957. Compounding the problems raised by these basic facts are such factors as a rising cost of living, increased taxation particularly on basic items such as food, clothing and real property, and the spiraling costs of services, and in particular of drugs, hospital and medical care.

While there is a definite trend in the direction of greater flexibility in policy toward employment and retirement of the older worker, the realities of the labor market



JAN 10 1961

for the older worker remain grim. Continuing high unemployment in the major labor markets of the state, the relative decline in jobs in the hard goods industries and the increasing demand for higher levels of skill and training in the fields where employment opportunities are increasing all tend to militate against increased employment opportunities for the older worker. It is significant too that age becomes a roadblock in the job market long before 65, thereby creating a situation in which far too many workers with family responsibilities are not only unemployed for long periods but are also losing their rights to both adequate social security and pension benefits which accrue to them as a result of their employment. As with health, the use of free time and other aspects of aging, it becomes apparent that the income maintenance and, employment problems of the aging and aged have a long-term preventive aspect which requires that attention be given by society and the individual to the problems of unemployment and underemployment which affect so many of the middle aged who are "too old to work" but too young to retire. It is also apparent that greater attention must be given to the needs of the middle aged and older person for assistance in planning for retirement well in advance of the date of retirement itself.

NEEDS

Three categories of needs were identified by those planning the regional and state conferences and by those who participated:

- 1) The need for more adequate income maintenance programs from public and private sources for those who have already retired, including special help in meeting the increasing costs of medical care.
- 2) The need for increased job opportunities for middle aged and older workers including not only an expanding economy approaching full employment but also public and voluntary services designed to help the aging individual to qualify for work in accordance with the changing demands of a dynamic labor market.
- 3) The need for pre-retirement planning and education programs designed to help the individual to help himself prepare for retirement and to create a community climate in which older people can

retire with a sense of usefulness, dignity and self-respect.
(For recommendations see Section on Education, Recreation
and Free Time)

RECOMMENDATIONS

To fulfill these needs the following specific recommendations have been
made:

I. Income Maintenance

- A. Maximum earnings requirements involved in the so-called "retirement test" should be revised upward to permit social security beneficiaries to supplement their retirement income after careful study as to how this can best be done to benefit those who need such opportunity for supplementation of income without jeopardizing the financial structure of the OASI Trust Fund. (Recent amendments to the Social Security Act should be reviewed to determine whether this recommendation should be revised or eliminated).
- B. Benefits under the OASDI program should be raised, particularly to improve the financial condition of surviving widows and to ensure that benefit levels are at least maintained in line with changes in the cost of living and the increasing productivity of the nation.
- C. The retirement age for eligibility under the OASI program should be reduced so that there is at least consistency for men and women, and, possibly on a selective basis to as low as age 60 in those labor market areas where chronic unemployment among those 60 and over would be alleviated by such a provision.
- D. Positive consideration should be given to providing financial relief to the aging and aged through adoption by the legislature of state and local exemptions on real property taxes and assessments such as are now provided in certain states like Florida and Indiana.
- E. Provisions in the state welfare law and in state and local rules and regulations which arbitrarily limit eligibility for OAS, public welfare and surplus foods on the basis of such factors as residency, liquid assets, income, financial responsibility of adult children, etc., should be re-examined, liberalized, or if possible eliminated.
- F. The Social Security Act should be amended to provide for payment of hospital, nursing home and home nursing costs to beneficiaries under the OASDI program in accordance with the basic principles of the McNamara Bill S. 3503. In the meantime, speedy action should be taken by the State Legislature so that Michigan's "indigent aged" can qualify for the limited medical care provision of the 1960 amendments to the Social Security Act.

II. Employment Opportunities

- A. The State Employment Security Agency should be provided with funds, personnel and the technical tools necessary to expand greatly its job counseling, job development, placement and occupational and labor market information programs in behalf of the older worker (those 40 and over who are unable to find new jobs primarily because of age). Voluntary agencies should also be encouraged to expand their services for the older worker.
- B. The State Legislature should pass a law to eliminate age discriminatory hiring practices in business, industry, commerce and government.
- C. A Statewide Council should be established to plan and coordinate training, retraining and vocational rehabilitation services for the displaced or disabled older workers. The council should be empowered to define the needs for, and recommend adequate appropriations to finance, such training, retraining and rehabilitation programs.
- D. Continuing emphasis should be given by the State Commission on Aging, and appropriate departments of State Government, to study and publicizing of the policies, successful practices and experiences of management, labor, and government in the hiring and utilization of middle aged and older workers. Management and labor, both in private industry and public agencies should be encouraged through institutes, short courses and published materials to improve policies and practices in the hiring and utilization of middle aged and older workers including the development of more flexible hiring and retirement policies, pre-retirement education and counseling, planned savings programs, more adequate vesting of pension plans to increase labor mobility; and small employers, in particular should be encouraged to set up pension programs for employees.