

Old age- Housing and
care

HOUSING AFTER 60

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(HOUSING PAMPHLET 2)

UNITED STEELWORKERS OF AMERICA

□ Pittsburgh, 1961 □

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TIME FOR ACTION

The provision of good and proper housing to meet the increasingly urgent needs of the growing aged and retired population must be one of the next great areas of concern and action, not only on the part of the labor movement, but the American people in general.

Too long our aged and retired families have been neglected. The United Steelworkers of America is proud of its many significant contributions to more adequate public and private pensions. We are equally concerned with assuring the physical well-being of our aged brothers and sisters. This means adequate health care as well as better recreational and cultural facilities.

Perhaps most important for many is the need for decent housing within their means. This pamphlet, devoted to this vital subject, is another demonstration of our continuing efforts to provide a comprehensive program for the aged and retired worker.

The achievement of such a program is high on the list of challenges America must meet as it strives to conquer new frontiers.


PRESIDENT

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Daniel J. Ransohoff

THE AGED IN AMERICA

It's tough to be old. The principal crops of the harvest years are apt to be poor income, poor housing, poor health and constant loneliness.

Many older people are worse off today—even with social security—than they would have been a century ago. When the United States was largely rural, families stayed together. The old folks did farm chores by day and sat by the fireside at night, holding their grandchildren spellbound with tales of Indian times.

The picture has been changed by industrialization, the growth of the cities and the indispensable automobile. Grown children leave the farm for the city, and move from state to state. There is no room for grandparents in small suburban houses or crowded city apartments.

The increase in the number of people past 65 is startling. In 1900 these elderly citizens numbered 3,080,000, or 4.1 percent of the population. In 1960 the figure was 16,600,000, or 9.1 percent of the population. The number of older people has multiplied five times and their percentage has more than doubled since the turn of the century.

Every 30 seconds, day in and day out, a man or woman has a 65th birthday. It has been estimated that of all the people who have reached 65 since the beginning of mankind, 25 percent are alive today.

Thanks to better diet and better control of diseases, the percentage of elderly people will continue to rise. By 1980 there will be about 25,000,000 persons past 65, or 10 percent of the expected population. This estimate may prove conservative.

One fact—often overlooked—is that there are two generations of elderly people: those entering the sixties, and parents or close relatives who have reached the eighties or nineties. One out of every three persons turning 60 has a parent or close relative over 80. By the year 2000, two out of every three persons who reach 60 will have a living parent or older relative.

The condition of the 16,600,000 people past 65 is generally discouraging. Consider these facts:

UNEMPLOYMENT

Only 15 percent have full or part-time jobs; 85 percent are totally unemployed. Since the average person of 65 will live 14 more years, this means that the overwhelming majority has no future except year upon year of idleness.

INCOME

Except for a small percentage who have saved or inherited enough for comfortable living, older people are desperately short



Photo Associates

Median income of single persons past 65: \$1,006.



Daniel J. Ransohoff

Eighty-five percent of the aged are totally unemployed.

of money. The Census Bureau reports these median incomes in 1959 for families with heads of different ages:

14 to 24 years	\$3,865
25 to 34 years	5,524
35 to 44 years	6,141
45 to 54 years	6,137
55 to 64 years	5,439
65 years and over	2,831

The typical family headed by a person over 65 has less than half the income it enjoyed 10 or 15 years earlier. Exactly half of all these older families are below the \$2,831 level—and many are far below. This is particularly true of nonwhites and of families headed by women.

Incomes of single persons past 65 are shockingly low. The median figure in 1959 was \$1,006, just under \$20 a week. Twenty percent had less than \$10 a week.

How much money does a retired couple need for decent living? The Bureau of Labor Statistics made a survey of 20 cities in 1959 and reported that a modest budget ranged from \$2,641 in Houston to \$3,366 in Chicago. The median budget was \$3,075.

And the budget isn't luxurious. It allows \$70 a month for rent, gas, electricity and heat. Food is estimated at about \$16 a week, and alcoholic beverages are limited to 40¢ a week—two beers apiece on Saturday night, if any 10¢ beer is on tap.

Social security payments fall far short of meeting this median budget of \$3,075, or \$256 a month. The average benefit for retired couples is \$120 a month, less than half of what they need.

Most older people have little cash in the savings bank or in the sock under the mattress. Only one out of three had assets of \$2,000 or more in 1959, and 37 percent had less than \$200.

HEALTH

Most people past 65 have health problems. Eight out of ten have one or more chronic illnesses. Although the aged are only 9 percent of the population, they have 40 percent of all heart disease and 55 percent of all limitations due to chronic illness. They require twice as much hospital care as people below 65.

HOUSING PROBLEMS

Two-thirds (67 percent) of the people past 65 live in their own houses. Most of the houses wouldn't turn a real estate agent to poetry if he had to sell them. Although the banker's widow may relax in a beautifully manicured mansion on the hilltop, the rank and file lives in houses that could use fresh paint, new roofs, better plumbing and other improvements.

Seventy-five percent of the dwellings occupied by a household head of 65 or older were valued at less than \$10,000 in 1950. Thirty-six percent were worth less than \$5,000 and 19 percent were rated below \$3,000. Of course prices have gone up since the 1950 census—but many of these houses have gone downhill.

Rented houses and apartments occupied by older people are rarely of top quality. Ninety-three percent of the elderly paid less than \$75 gross rent in 1950, 75 percent paid less than \$50 and 20 percent paid less than \$20.

One in Three Substandard

Census enumerators reported that 66 percent of the owned and rented houses of people over 65 had a private toilet, private bath and hot water, and were not dilapidated. But 25 percent lacked standard plumbing and almost 9 percent was dilapidated. One older person out of every three lives in a substandard house. Many of these substandard houses are hopeless slums, beyond repair.

There is no mystery about the reason why 5,000,000 elderly people are in substandard housing. It's not because they enjoy carrying water from an outdoor faucet in winter, or wading through mud to an outdoor toilet, or mopping up puddles from a leaking roof. They live in bad houses because they can't afford good ones. According to the National Housing Conference, it's



Photo Associates

About 5,000,000 elderly people live in poor housing.

risky to buy a house costing more than $1\frac{1}{2}$ times the family income, or to pay more than 20 percent of the income for rent and utilities. The median income of elderly families is \$2,831. By the NHC rule, a family with that income should not pay more than \$4,246 for a house or more than \$47 for rent and all utilities. Standard private housing at those prices simply does not exist in the United States today.

The older people in good houses have problems, too. Usually the house was purchased many years ago and the mortgage paid off before the family income went into a downward spiral. But with only half of the former income, the old couple is confronted with rising maintenance expense and higher property taxes. Painting and repairs are sidetracked. The old house begins to deteriorate. If the owner decides to sell, the property won't bring a good price.

Selling is often a necessity. An elderly woman left in an 8-room house after her children have married and her husband has died



Photo Associates

Kitchen and toilet of retired workers in Pittsburgh.

Daniel J. Ransohoff



may find housekeeping too much for her strength and maintenance too much for her purse. Or the house may be condemned because it stands within an area chosen for an urban renewal project or a new highway. Or the neighborhood may be changed so radically that living in it becomes intolerable.

So, whether they like it or not, many older people go house-hunting. The experience is apt to be painful. The economy model ranch house at \$12,995 may seem ideal, but even if there's cash for a sizable downpayment and closing costs, lending institutions are reluctant to write a mortgage for an elderly couple with a scanty income.

Not Wanted

If the house-hunters decide on an apartment, they face rebuffs for different reasons. Rental agents look askance at elderly applicants. They are afraid that they will lose young couples if too many old people move into the building. Often the elderly applicants are told that no apartments are available, or the agent may quote a higher rent.

And so the house-hunters generally end up by taking the leftovers—the rundown houses in less desirable neighborhoods.

The only decent housing within the means of most older people is low-rent public housing. Almost every sizable city and hundreds of smaller ones have low-rent housing, where rents are set at a percentage of income instead of being based on the size of the apartment. But public housing does not solve the problem of many aged people. In the first place, there isn't enough to meet the demand. Public housing today shelters less than 1 percent of the nation's aged, although by income standards about 50 percent would qualify for low-rent apartments. Second, the requirements for admission are exacting and are sometimes interpreted too rigidly. Or the only available apartments may be in a project at some distance from the neighborhood where the elderly couple has lived for years and formed friendships with neighbors, church members and shopkeepers. Or, seeking a quiet life, the couple may find their peace disrupted by noisy and undisciplined children in the courtyards and corridors.

How many people of 65 and older have wives or husbands?

As the accompanying table shows, more than two-thirds of the men are married but most of the women are widows:

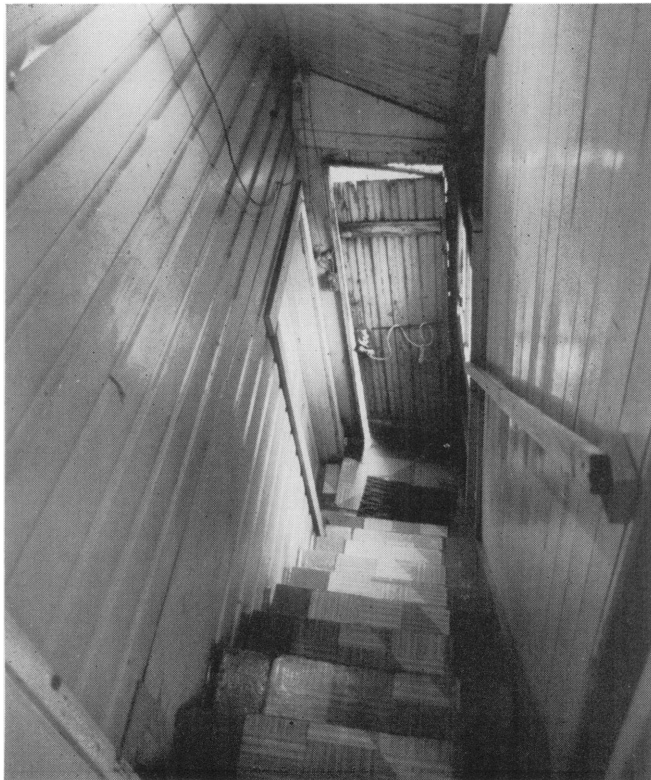
**MARITAL STATUS OF MEN AND WOMEN AGED 65
AND OVER, 1958**

	Men	Women
Percent	100.0	100.0
Single	6.7	7.5
Married	69.4	36.0
Widowed	22.6	55.3
Divorced	1.3	1.2

The living arrangements of older people reflect their marital status. Close to two-thirds of the men live with their wives in their own households, but less than one-third of the women are doing housekeeping for husbands. Only a small percentage of older citizens—less than 6 percent—is in institutions or hotels, rooming houses and residence clubs. The overwhelming majority is in a household of one kind or another. This is apparently the way that most older people want to live.

Entrance to an apartment house where retirees live.

Photo Associates



WHAT'S BEING DONE

For many years the focus in the United States has been on the young. The nation is always ready to lay down its life and its bankroll for its babies.

We have finally awakened, with some timely prodding from the aged themselves, to the fact that older people also merit concern. We are beginning to realize that it isn't good to have 5,000,000 older people in substandard housing.

Government agencies and private organizations have so far taken only the first steps toward meeting the housing needs of the aged. Here is a summary of progress to date:

FEDERAL PROGRAMS

Low-rent public housing. Although many older couples have been tenants from the start of public housing, it was not until 1956 that Congress opened the doors to single persons of 65 and over. The age limit for single persons has since been lowered to 62.

Local housing authorities are now permitted to give first preference to older applicants. This is important, because there isn't enough low-rent housing to meet the demand from low-income families.

Nearly all of the 116,000 older people in public housing have conventional apartments in buildings shared with younger tenants. Recently a number of local housing authorities have built or planned projects designed for the aged. As of September 30, 1961, 46 of these projects with 2,474 apartments had been completed in 42 cities and 96 more projects were under construction. Many others were in the works. Altogether, some 38,000 apartments had been completed or planned. The new construction will

increase the supply of low-rent housing for the aged by more than 50 percent.

Direct federal loans. About half of the older people have incomes too high for low-rent public housing. Yet most of these people cannot afford good private housing. In an effort to provide for them, Congress in 1959 authorized the Housing and Home Finance Agency to lend money at low interest for nonprofit rental housing projects for the elderly. The current rate is $3\frac{3}{8}$ percent. Low interest makes a real difference in rents. Consider an apartment valued at \$12,000, with a 50-year mortgage. The $3\frac{3}{8}$ percent rate would reduce the rent by \$17 a month (as compared with the normal $5\frac{1}{2}$ percent rate).

The low-interest program is known as Section 202. Normal requirements for Section 202 loans are that design and materials be economical, that occupancy of each unit be limited to one or two persons (in exceptional cases, three) and that rents be subject to approval by the federal housing administrator. The sponsor must be an incorporated private nonprofit institution or foundation. The tenants may be single persons of 62 or more, married couples if one has reached 62, or other couples if both have reached 62. Occupancy is limited to persons in the lower middle income brackets.

Labor unions, church groups, cooperatives and other organizations can set up sponsoring corporations to build projects under Section 202. No other federal program for aid to private housing can match this one. As it becomes better known, much larger appropriations will be needed. The program was started with an appropriation of only \$20,000,000, but in 1961 Congress voted an authorization of \$125,000,000. How much of the authorized money is actually appropriated will depend mainly on what the home folks tell their congressmen.

For information on the direct loan program, write or visit the nearest regional office of the Housing and Home Finance Agency. Offices are in New York, Philadelphia, Atlanta, Chicago, Fort Worth, San Francisco and Santurce, P.R.

FHA programs. The Federal Housing Administration, which insures mortgages but does not lend money, has been authorized by Congress to give some assistance to older people. Section 203



*Victoria Plaza Apartments, San Antonio, low-rent public housing
with 185 dwellings for the aged.*

of the 1956 Housing Act permits a person of 62 or older to get FHA insurance when a friend, relative or corporation makes the downpayment. If the purchaser doesn't look like a good mortgage risk, another person may become a cosigner. This arrangement for FHA insurance will make it easier to get a mortgage. But only one elderly family out of seven has enough income to carry a mortgage of around \$10,000.

Section 231 of the 1959 Housing Act provides for FHA insurance of mortgages on construction or rehabilitation of rental housing for the elderly. Public agencies and nonprofit organizations can get 100 percent insurance and profitmaking sponsors 90 percent. The maximum mortgage interest is $5\frac{1}{4}$ percent, plus $\frac{1}{2}$ percent for insurance. Seventeen profitmaking projects and 112 nonprofit enterprises had received insurance commitments

through September 1961, but many more applications are expected as the program becomes better known.

FNMA programs. Mortgage insurance by FHA is useless unless mortgage money can be found, and financial institutions are still skeptical about financing projects for the aged. The Federal National Mortgage Association (part of the Housing and Home Finance Agency) has therefore been authorized to buy FHA-insured mortgages on rental projects and individual houses for the elderly. With this federal backing, sponsors can get private funds for construction. FNMA has set aside \$201,000,000 for purchase of these mortgages.

Information. Each of the federal programs is designed for a different purpose. Not many people know how they work and which is best for a specific problem. Architects and builders have found it hard to follow the various standards and rules.

To develop a set of uniform standards and to act as a central source of information, an Office of Senior Citizen Housing was set up in the Housing and Home Finance Agency, Washington 25, D. C., early in 1961. The new office does not administer any of the federal programs. It does not pass on applications for federal assistance. But it will supply facts and advice to labor unions and other organizations interested in projects for the aged.

STATE PROGRAMS

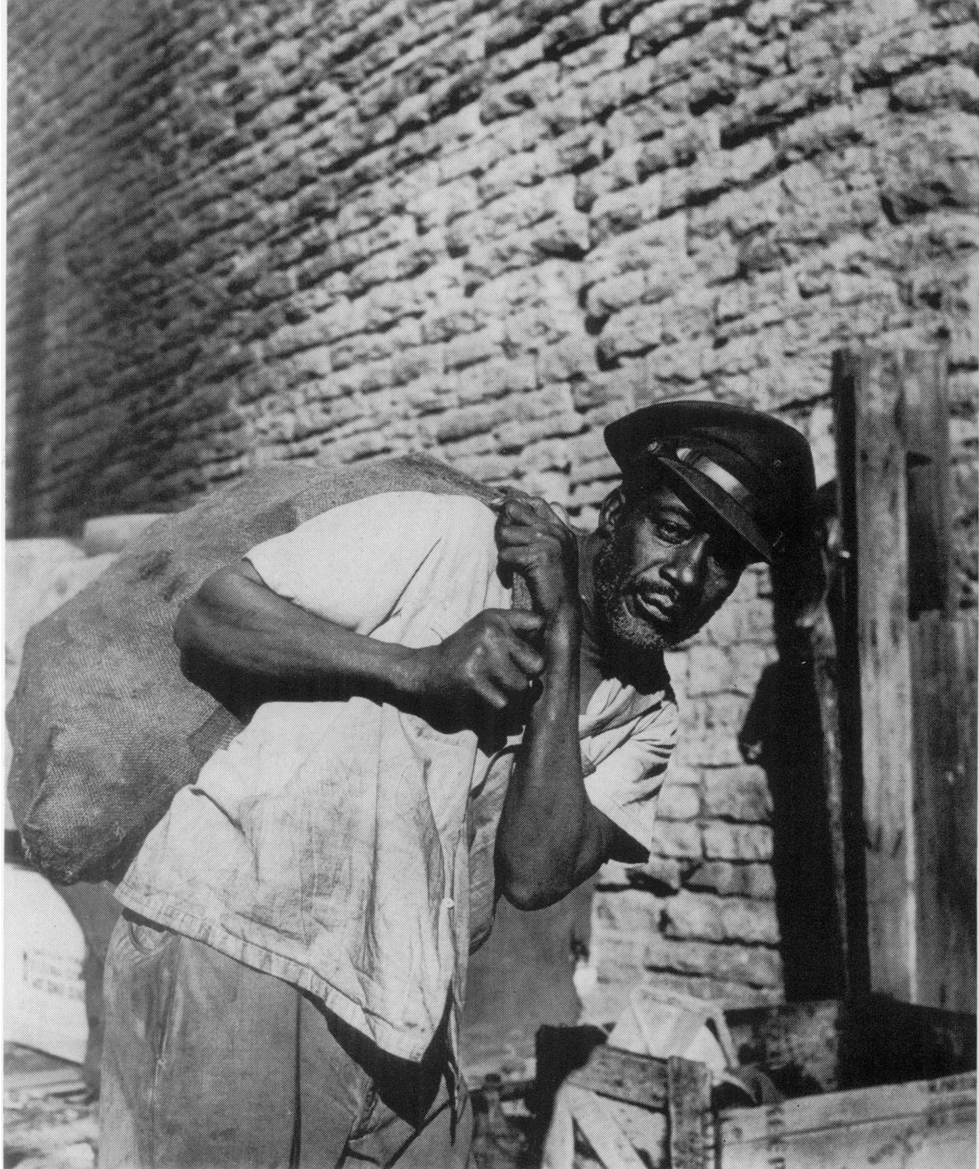
Probably because the federal government was slow to undertake any housing programs for older people, very little has been done by the states. The outstanding exceptions are New York and Massachusetts. As far back as 1944 low-rent apartments in New York City were being earmarked for the aged. In 1951 the New York legislature directed that 5 percent of all future state-aided low-rent housing be set aside for the elderly, and in 1958 the quota was raised to 10 percent. By August 1961, there were 2,775 apartments for older people completed or under construction, with 1,523 in the design stage.

New York's limited profit housing law of 1955 provided low interest, long-term loans and special tax concessions for housing projects for the elderly. Because the law had cumbersome financial restrictions, private developers showed little interest in using



Sun City, Arizona, has private houses for people past 50.





Daniel J. Ransohoff

Most elderly people never outlive the problem of getting enough money for a comfortable existence.

it. The law has since been liberalized and more activity is likely.

Massachusetts set up in 1954 a program of state aid for low-rent housing for older people, to be built by municipalities. The state guarantees payment on bonds to finance the projects, and also contributes an annual subsidy equal to 2½ percent of the total cost. The subsidy continues for 40 years. Close to 3,000 units have been built and more are planned. This venture is not a part of federally aided public housing.

The Connecticut legislature acted in 1959 to provide houses for the elderly. The state borrows money from private investors at a low rate of interest. Funds are then lent to local housing authorities, at the same low rate, for construction of dwellings for the aged. The state contributes each year up to 5 percent of the cost of the houses. As of July 31, 1961, 39 units had been completed and 430 were under construction or planned. The legislature has voted additional funds to build about 300 more units.

PRIVATE BUILDING

During the past 10 years private builders have sold many small houses to retired couples. At first these houses were in ordinary subdivisions. But they appealed to older people because they were new, all on one floor, moderately priced and in a warm climate—such as Florida, Arizona and the southern New Jersey shore.

Discovering a new and lucrative market, builders next planned projects for aged couples primarily or even exclusively. Orange Gardens, near Kissimmee, Florida, has one-story houses with wide doors, electrical outlets that can be reached without stooping, and other features that appeal to older people. A 2-bedroom house sells for \$8,850. Of the 200 families in the first houses built, about two-thirds are retirees and the rest are younger people.

Sun City, Arizona, developed by Del E. Webb on the outskirts of Phoenix, is built around a golf course. Basic prices for 2-bedroom houses range from \$8,750 to \$11,600, with optional extras such as \$300 for an 80-foot lot, \$650 for a double carport and \$600 for air conditioning. Sales are limited to couples of whom at least one spouse has reached 50. The developer has provided a community center with stage and kitchen, a swimming pool and an arts and crafts building.

In addition to individual houses, Sun City offers garden patio apartments with one bedroom at \$8,500 and two bedrooms at \$11,350. Monthly maintenance charges, including taxes, insurance, water, sewer and garden maintenance charges, are estimated at \$30 to \$40.

Developments like Sun City can serve only the top bracket of retirees. Costs would have to come down sharply to be within range of middle bracket people. But these pioneer developments will yield some valuable lessons for the future.

LABOR UNIONS

Although a number of labor unions maintain hospitals, sanitariums or institutional homes for aged single persons, few have built houses for retired couples.

One recent venture is Salhaven, a community of 50 small but well designed houses at Jupiter, Florida. The project was undertaken by the Upholsterers International Union. Rents are \$50 a



How things are in Salhaven, for retired upholsterers.

month, including utilities, for a couple and \$37.50 for individual lodgings. The first dwellings were occupied in 1958 and the remainder was completed in 1961. Space is available for many additional cottages.

Salhaven is no ordinary project. Each group of 14 to 18 houses has a swimming pool. Community facilities include an administration building, a 500-seat auditorium, a lounge and outdoor recreation area, a restaurant, commissary and stores, shops for arts and crafts, two fire engines, a police car and a Cadillac ambulance.

One problem with a project like Salhaven is how many retirees can be happily transplanted from the sidewalks of Chicago to a strange environment and a different way of life. The experts are almost unanimous in saying that older people fare best in their old surroundings. But there is no rule that fits every human being.

The Union Printers Home at Colorado Springs, Colorado, founded in 1892, was a pioneer enterprise of the International Typographical Union. It is a combined hospital, tuberculosis sanitarium and home for the aged, with a capacity of about 400. More than 80 percent of the union members at the home are being treated for illness. All services are free, since the home is financed by a 50¢ monthly assessment on the union's 110,000 members.

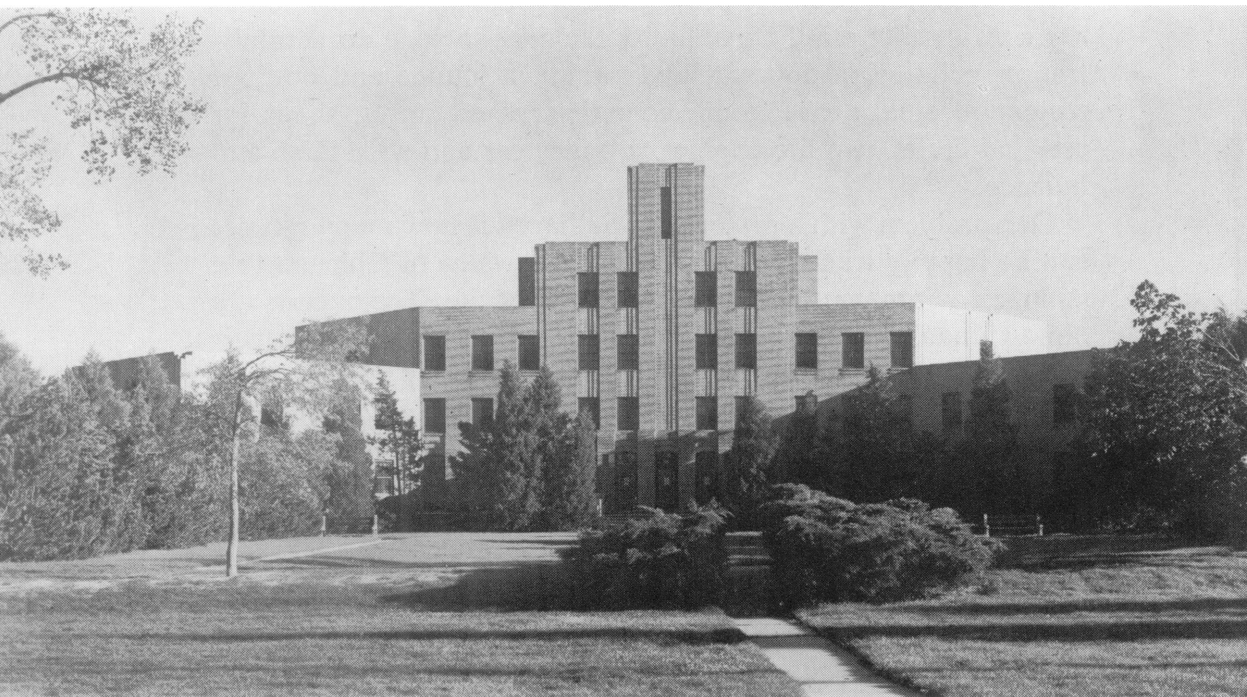
A successful apartment house project was built in Omaha by a teachers' organization, the Omaha Education Association. Working members of the association wanted a cooperatively owned building where they could continue to live after retirement. A 12-story structure with 71 apartments was completed in 1952. Nearly half of the occupants are now retired, and there is a waiting list of 40 to 50 families. A second high-rise building, with 133 apartments of three rooms each and an infirmary, was built by the Omaha teachers for retirees exclusively. Rents are \$70 a month.

ABROAD

Just as European countries built public housing years before the United States did, so have they led the way with housing for the aged. Especially fine projects have been built in the Scandinavian countries.

Denmark has been paying old age pensions since 1891. The

The Union Printers Home sanitorium, at Colorado Springs.





American Swedish News Exchange

Government housing for the aged in Kumla, Sweden.





British Information Service

Bungalows for old people at Bracknell New Town, near London.

current maximum for a couple with no other income is \$810 a year. Age limits are 67 for men and 62 for women.

Since 1937, the Danish government has paid subsidies to local authorities for pensioners' dwellings. About 14,000 persons (6 percent of all old age pensioners) live in these apartments. Copenhagen has built almost 6,000 flats and has planned a total of 8,000. The \$11 monthly rent for a married couple is only one-third of the market rate for a modern apartment of 500 square feet. The operating deficit is divided between the state and the municipalities.

Demand for pensioners' dwellings is much greater than the supply. But some older people prefer to live among younger couples. To meet their needs, the government also pays subsidies to pensioners in ordinary state-supported projects.

OPPORTUNITIES FOR LABOR

Because so little has been done to provide decent houses at prices within reach of retired people, labor unions have a magnificent opportunity for action. The strange thing is that labor, which has been first to push for social reforms in the past, has done almost nothing to get better housing for the aged.

A local union can act both indirectly and directly to get more housing for elderly citizens. Indirect action means pressure on legislators, local officials and various organizations to start more projects. Examples are:

Low-rent public housing. Congress and the local housing authority will pay attention to vigorous demands for expansion of public housing to accommodate more of the aged. So far, the heaviest pressure on Congress has come from the real estate lobby, which wants less public housing instead of more. The result has been that Congress (and the House of Representatives in particular) has held the public housing program to a woeful fraction of what it should be. Labor has the power to change this picture. A local union can get the housing vote record of its state's two senators and the local representative in the House by writing to the Legislative Department, United Steelworkers of America, 1001 Connecticut Avenue NW, Washington 6, D. C., or to the National Housing Conference, 1025 Connecticut Avenue NW, Washington 6, D. C. If the records have been good, send letters of commendation. If the records have been bad, send a small delegation to insist on support for low-rent public housing.

Keep in touch with the executive director of your local hous-

ing authority. He can tell you how to work effectively for more low-rent housing.

Federal loan program. As explained on page 12, the direct loan program under Section 202, with a low interest rate, can save \$17 a month in rent. This experimental program offers the best hope for serving retirees who can't pay the stiff costs of ordinary financing. But it won't be expanded to the size necessary unless the home folks are heard from.

Privately sponsored projects. Religious groups, fraternal organizations and others can qualify as sponsors of small, nonprofit housing projects under Section 202. Some of these organizations don't know yet that they can get low interest loans to build for the aged. Talk to them. Encourage them to investigate. Another good idea is to get persuasive with the bank where the union keeps its funds. A banker will listen attentively when a large depositor talks about the need for lending money to help the aged get good houses.

Tax reductions. The federal government has recognized the financial plight of most people over 65 by granting a \$600 income tax deduction to all of them, rich and poor alike. Why shouldn't local governments reduce taxes on real estate occupied by elderly persons? There's nothing wrong with the idea except lack of a determined effort to carry it out. Local taxes average, roughly, about \$25 a month on good rental housing. A tax cut of one-half or one-third would be a godsend. It would enable many low-income families to move from poor housing into decent housing. And it would not be a serious drain on municipal revenue. Enough pressure on City Hall would get results.

A local union that wants direct action to provide housing for retired members may choose among several alternatives. But no matter what plan looks attractive, the essential first step is to get the facts. A housing committee must know:

1. How many retirees are in the community.
2. How many members are retiring each year.
3. What kind of dwellings the retirees occupy:
Owned? Rented? Condition?
4. What income the retirees have, and what they are spending on housing.

5. How many persons are in the retirees' families.
6. How many retirees are in good health, how many have physical disabilities.
7. How old the retirees are.
8. Where the retirees would like to live: Same house? Same neighborhood? Elsewhere? House, apartment or hotel?

Guesswork is dangerous when making plans for housing. Of course it isn't easy to gather complete information, but hard work is apt to mean the difference between a successful project and a flop. If there is a college in the community, faculty members and students might be interested in making the survey at nominal cost.

When the facts from the survey are analyzed, they will indicate which of these plans might be the best bet:

1. Construction of a Section 202 project of 8 to 50 dwellings, sponsored by a corporation consisting of local union officers and housing committee members.

2. Conversion of a small hotel into housekeeping apartments and single rooms. Many hotel owners, badly hurt by competition from motels, are ready to accept any reasonable offer.

3. Acquisition of a Section 608 private housing project that has been foreclosed by the Federal Housing Administration. Consult the local FHA office about any possibilities.

4. Construction of a cooperative housing project to be occupied by working members as well as retirees. For information on cooperatives, write to the FCH Company, 322 Main Street, Stamford, Connecticut. The FCH Company is a nonprofit organization established by the Foundation for Cooperative Housing to help consumer groups and developers start cooperative projects.

Get a Consultant

One wise investment is a consultant or adviser. The national housing consultant of the United Steelworkers will be glad to suggest how to choose and use a local consultant. A real estate man, banker or architect who cares about people and knows the community can answer hundreds of questions, prevent weeks of delay and probably save scads of money.

A consultant with experience as an appraiser can be of special help to union members who have reached 50 and are wondering about their future. Should they sell the old house or hold on to it? Should they convert the upstairs into a separate apartment for rental? And how much is the property worth?

These are important questions that should be answered long before retirement age. If the union member itches for a new and smaller house out of town, he should buy it while he has more income than he will have at 65. Proceeds from sale of the old house can be used to cut the mortgage to a modest amount or perhaps to pay cash in full.

A local union interested in building a project should remember that people are different. No single housing plan will suit everybody. A cottage in sunny Florida may be the dream of one family, while another cannot imagine leaving the 14th and Market area with its friendly faces and familiar places. Most retired people are happier when they stay in or near their old neighborhoods.

Whenever a housing project for retirees is discussed, somebody proposes that hospital facilities be included. The experts have one answer: Don't. A small hospital is costly and cannot match the service of a large one. If the community hospital isn't big enough, enlarge it. It's much cheaper to add rooms to an existing hospital plant than to duplicate the whole plant.

Houses for the aged at Gentofte, Copenhagen.



WHAT CAN THE RETIRED STEELWORKER AFFORD?

Close to 100,000 members of the United Steelworkers of America are collecting pensions and social security. Their monthly income ranges from about \$175 to \$250. A more exact estimate can be made from these averages, compiled in March 1961, for all union members retired by the United States Steel Corporation:

AVERAGE MONTHLY INCOME OF RETIREES

	Employees retired before 1961	Employees retired after 1960	All retired employees
Company	\$ 69.92	\$ 91.95	\$ 87.63
Social security	104.84	116.74	114.41
Total	<u>174.76</u>	<u>208.69</u>	<u>202.04</u>

Those figures do not include the special lump sum retirement benefit now paid to all workers in the basic steel industry. Equal to three months' full pay, the sum is about \$1,500.

If used for purchase of a house, the retirement benefit will reduce the mortgage and the monthly payments. This possibility will interest builders and bankers who might otherwise be skeptical about selling to an older couple.

How much housing can a retired steelworker afford with an average income of \$202 a month? Not enough to cast a rosy glow over the harvest years. By the established rule that all housing expense (including utilities) should not exceed one-fifth of the income, the retiree can allot only \$40.40 a month. If we figure a minimum allowance of \$23 for utilities and heat (as calculated

by the National Housing Conference), the amount left for rent is exactly \$17.40. Or, if the retiree is still paying off a mortgage, he has the same \$17.40 to cover interest, amortization, taxes, insurance and maintenance.

The only decent dwellings to be had for \$40.40 a month are in low-rent public housing projects. There isn't anything else. There is no prospect of cheap private housing around the corner.

Anybody Here Seen \$10,000?

Aside from public housing, there are four ways for the retired steelworker to live in a good house:

1. By having bought one many years ago and having managed to pay off the mortgage before retirement.
2. By having saved enough money over the years to pay the full price of a suitable house.
3. By supplementing his pension with substantial earnings from part-time work or by drawing on savings.
4. By cutting down on all other expenditures so that one-third or more of income can be used for housing.

Although steelworkers rank among the highest paid in United States industry, few of them can pay off a mortgage or save \$10,000 during the expensive years of child-rearing. The retiree with a hefty bank account is a rare bird. And the outlook for part-time work is gloomy.

Wanted: A Rich Wife

Even when the retiree owns a good house free and clear, he will have trouble with a monthly income of only \$202. Local taxes move in only one direction: up. Sooner or later paint wears away, roofs begin to leak, linoleum starts to crack, furnaces need repairs, plumbing demands attention. A monthly housing budget of only \$40.40 leaves little or nothing for maintenance and repairs. Unless the steelworker has a rich wife or a fat legacy from Uncle Jack, his house will deteriorate and much of his investment will be lost.

The strange truth is that a good house has become a luxury. Experts agree with the AFL-CIO that this nation should produce



American Swedish News Exchange

This aged worker, in Sweden, repairs shoes for the aged.

at least 2,250,000 new houses a year to get rid of slums, replace other losses and provide for new families. We have been building less than half that many. Not because builders have lost interest in making a buck, but simply because two-thirds of the population can't afford a new house at current prices. Since 1890, the general price increase has been 220 percent. But building costs have gone up 500 percent, largely because the cost of materials has soared.

One cheerful fact is that steelworkers' pensions have been going up. Retirees from U. S. Steel in 1960 collected 67 percent more than the average for 1950. If this rate of increase should continue, the retirees of 1971 will average \$344 a month instead of the \$202 of 1961.

AGENDA FOR NOW

After many years of neglect, housing for the aged is finally getting national attention. Housing was one of the main problems tackled at the White House Conference on Aging in January 1961. The conference declared:

“All aging people—regardless of race, creed or national origin—should be adequately housed in a suitable neighborhood, of their choice, and supplied with community facilities, at rents they can afford to pay.”

The conference recommended that the federal government:

1. Expand and liberalize federal mortgage insurance and long-term loans.
2. Organize and conduct a broad research program.
3. Expand and extend the public housing program for the elderly and the new direct loan program (Section 202).

One of the recommendations for local action was “some form of tax abatement” for older people who are hard pressed.

Local Surveys Urged

Altogether the conference recommended more than 30 steps to be taken by government and private organizations. Because there is a great shortage of facts, communities were urged to make surveys of the housing conditions and needs of older persons. Labor unions can take the lead in promoting surveys.

The Kennedy administration and Congress acted in 1961 to increase the supply of housing for the aged.

First, an additional 50,000 low-rent dwellings for elderly couples and single persons were authorized.

Second, the low interest, direct loan program was increased from the original \$50,000,000 to \$125,000,000.

Third, an extra federal subsidy of up to \$120 a year was authorized for elderly families in low-rent housing. This will reduce rents by as much as \$10 a month.

Fourth, the Office of Senior Citizen Housing was established in the Housing and Home Finance Agency to help developers and nonprofit organizations make the best use of federal aids.

These actions will help. But only a small percentage of the aged will get good housing. The 50,000 units of public housing, for example, will accommodate no more than 80,000 persons: less than 2 percent of the 5,000,000 aged in substandard housing.

A Bolder Plan

A bolder and more imaginative approach has been recommended by the National Housing Conference. This organization of citizens, which has long been supported by the United Steelworkers and many other unions, urged in 1961 that Congress provide a fund of \$1,000,000,000 to help build houses for low income and moderate income families who are now excluded from the market. The Housing and Home Finance Agency would lend this money to public agencies, nonprofit organizations and private developers joining in a program directed by HHFA.

The loans would cover the full cost of land and construction and would run for not more than 50 years. The interest rate would be flexible, and so would rents and mortgage payments. If family incomes fell during a depression, rents and mortgage payments would go down, too. There would be no evictions. The government would reduce the interest rate on the loans so the borrowers could pay interest despite their reduced income.

Of course \$1,000,000,000 is not exactly petty cash. But it would be paid back, which is more than can be said for the \$40,000,000,000 required to provide shelter for one citizen on the moon.

Don't Stop with Housing!

When the Senate subcommittee on the aging held hearings around the country in 1959, one witness testified:

“Within the past year seven men retired from our local post office. Since retiring, five of them have died. All seemed content and happy before retiring. Sometimes you wonder.”

Putting retired workers into good housing is no guarantee of

a happy life. People die in good houses as they do in slums. They die faster when they have no purpose for living.

A local union can do a great deal to keep its retired members alive. The first step is to set up a committee on housing for retirees, to work with the USW Committee on Older and Retired Workers (1001 Connecticut Avenue NW, Washington 6, D. C.) and with the USW housing consultant. Of course the committee should include several retirees. They are the experts.

If the committee undertakes a survey of the housing conditions and needs of retirees, many former workers can be recruited to ring doorbells and get the facts needed for a sound plan.

If the local union decides to push for property tax concessions for retirees—and it should—the retirees can be mobilized to bring pressure on City Hall.

It Ain't Necessarily Wicked

Medical expenses often take a big bite out of retirement income. Here again the retirees can help. The American Medical Association has broadcast warnings that any governmental action to provide medical services for low income families is wicked and socialistic. Let the retirees explain to their friends and neighbors that good health is not sinful, even when low income families cannot afford to pay for it. If the doctor is paid with governmental assistance, the retiree will have more money for housing. Nobody gets sick from living in a decent house.

Pressure on Congress from retirees will mean more authorizations for low-rent public housing, more assistance to private housing and larger social security payments. It costs only 4¢ to write a letter to a congressman. Thousands of letters can bring million-dollar results.

Many retired workers want jobs, but after a few fast rejections they see little hope. The local union can literally save lives by working on this problem with employers and with experts in vocational counseling and job retraining.

Retirement should mean a better life, not decay. Any local union that wants retirement to be a good thing can do something. Time spent by active workers will be fully repaid, because most of them will be old themselves someday.



Photo Associates

The harvest years.

Written and designed by Alexander L. Crosby.

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This is the second pamphlet in a series about housing problems for the United Steelworkers of America. Comments and questions may be sent to Roland M. Sawyer, Housing Consultant, United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh 22, Pennsylvania.

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