

Older workers (1957)

1957

SPRING

MEETING

Older People

AND THE

Industrial Community

THE NATIONAL COMMITTEE ON THE AGING, OF THE

NATIONAL

SOCIAL

WELFARE

ASSEMBLY

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## Reading for Business

### Time to Retire?

What happens when a company, tying in with Federal Social Security, forces a good worker to retire at 65?

"Everybody loses," says G. Hobbs, First National City Bank president and chairman of the committee on the problem.

(N. J. that off a loses it has the fee to past self and

A way in flexible tional Com tion of off welfare age port on emp bulk of this ers Trust Con Labor Statist

ment naturally circumvents the complexities of other policies. Sixty-five, and the worker's out. It's simple, orderly, and seemingly impartial (though it obviously discriminates against the over-65's). It removes the psychological repercussion of a retired worker seeing a fellow worker of the same age older continuing on the job. And it times argued that mandatory proves morale and by opening

## Talk of Older Worker Slipping Is Often Wrong, Study Shows

By HARRY SALSINGER

We are talking our older workers into senility, an educator reported at the spring meeting of the Committee on Aging, which opened at the White House

the older workers and younger workers had produced exactly the same—to the third decimal point. The older workers themselves, though they were both were sick because the plant where they were working had moved and they were unable to find other jobs. With the help of 25 St. Paul businessmen, Larson organized AGE Inc. to give jobs to workers between 50 and 60.

**PROFIT SHOWN**  
a profit-making explained.

Thursday, April 18, 1957 DETROIT FREE PRESS

## WOMEN WOULD BENEFIT Labor Pool Asked For Older People

By WARREN H. STROMBERG  
Free Press Staff Writer

A pool of jobs set aside for older industrial workers was proposed Wednesday by Edward Cushman, vice president of industrial relations at American Motors Corp.

This new approach to economic woes of the elderly was outlined at a dinner sponsored by the Memorial Committee on Aging. The committee is holding a two-day conference on "Older People and the Community."

**UNDER** Cushman said that the normal operation of the seniority system handicapped older workers.

"I am not of seniority," "I am, however, that there is a man value

## MANY ARE ABOVE AVERAGE Study Shows Older

By WARREN H. STROMBERG  
Free Press Staff Writer

Older job seekers aren't less efficient or less productive.

In fact, many of them qualify as more productive than the best and fastest groups of younger workers.

These are the conclusions of an extensive study of employed persons made by the United States Department of Labor.

A summary of the study will be presented Thursday, the second day of a conference of the National Commission on Aging, by Charles E.

The study was made during a period of a year and a half in eight cities.

The study disproves the assumption that older job seekers are gradually less efficient and less productive, Odell said.

MICHIGAN • Port Huron Times Herald

## Sees Brighter Future For

Detroit, April 18 —AP— The future is brighter than the present for older workers, an industrial relations vice president of American Motors Corp. said Wednesday.

Edward L. Cushman told a meeting of the national committee on the aging of the national social welfare assembly here that the outlook for the older worker is better than it has been in the past.

## BOTH SIDES SAVE

## Industry Agog Over 'Flexible Retirement'

Detroit to Host Experts  
On Aging in First Talks

## AS OTHERS SEE Employers Older People

I. FOR one, certainly want to compliment Warren Stromberg on his recent work.



A Report  
of the  
1957  
Spring  
Meeting.

# Older People

AND THE

# Industrial Community:

*Elma Phillipson, Editor.*

THE NATIONAL COMMITTEE  
ON THE AGING  
OF THE  
NATIONAL SOCIAL  
WELFARE ASSEMBLY

THREE HUNDRED FORTY-FIVE EAST FORTY-SIXTH STREET, NEW YORK 17, N. Y.

*National Social Welfare Assembly, 1957*

Addl

ELMA PHILLIPSON, Editor

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## Preface G. WARFIELD HOBBS, 3RD

The older worker's place in industry and the effect of automation have been matters of growing concern across the country. Recognizing this and its immediacy, the Committee on the Aging of the United Community Services of Metropolitan Detroit invited The National Committee on the Aging to hold its 1957 annual spring meeting in their city.

This Conference explored the topic Older People and the Industrial Community from several viewpoints—the individual's ability to produce, the financial protection he should have on retirement, federal legislation affecting the aging and the ways in which states take advantage of this, industry's and labor's concern, community programs to promote the positive well-being of older workers.

*Flexible Retirement*, a book produced by the Committee and published by G. P. Putnam's Sons shortly before the Conference gave valuable background for the discussions. It contains the best available collection reporting actual experience in administering programs of flexible retirement and of adapting jobs to the ability of older workers.

Wide-spread interest in the field of the aging was again evidenced by this Conference, for the 255 participants who registered came from 16 states, the District of Columbia, England and Canada. Business executives, labor leaders, physicians, merchandisers, lawyers, actuaries, professors, nurses, students, librarians, welfare workers, government employees, all took part.

Participants were privileged to visit Carmel Hall, Presbyterian Village, McGregor Center, and the UAW Retired

Workers Activity Centers where they could see the several kinds of facilities one community offers for older people. Volunteers from Presbyterian Village, The Detroit Edison Company and the UAW provided transportation for these guided tours.

The National Committee on the Aging extends its thanks to the many people whose devoted help made this meeting successful. Speakers, presiding officers and discussion leaders were both informing and stimulating in their thoughtful presentations.

The Detroit press, along with the papers throughout Michigan, were generous and accurate in their coverage. Excellent television and radio time was given.

Detroit's Convention and Tourist Bureau gave welcome staff assistance in registration at each session.

Particular appreciation is due the Committee on the Aging of the United Community Services of Metropolitan Detroit of which Robert G. Waylett is Chairman and Mary K. Guiney is Planning Director, and to Geneva Mathiasen, Executive Secretary of The National Committee on the Aging and Clair Laning who handled press and information for the Conference.

The National Committee on the Aging was formally organized in 1950 to further the well-being of people as they grow older. The 1957 spring meeting and these proceedings from that meeting are one part of the ongoing effort toward that goal.

August 13, 1957  
New York, N. Y.

## Preface ROBERT E. BONDY

The National Social Welfare Assembly, the national planning body for social welfare, is proud to have The National Committee on the Aging as an integral, vital part. In its brief period of seven years as an Assembly Committee it has an outstanding record of accomplishments. It has built a solid foundation for many important undertakings in the future. The subject of retirement, and the continued use of older workers is one of the areas in which the groundwork has been so soundly laid.

The accomplishments in the field of retirement and employment that The National Committee on the Aging has chalked up could never have been possible in this time had it not been for the confidence, faith, imagination and high

good leadership of the trustees of the McGregor Fund of Detroit. It was the McGregor Fund that recognized several years ago that this subject was of great importance to all of the people of this country, to management and to those who work. It was the McGregor Fund that gave the first grant which made possible our National Conference on Retirement, and later the grant to make the important study which has resulted in the book, *Flexible Retirement*. We deeply appreciate their confidence, and we salute them.

August 13, 1957  
New York, N. Y.



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# I Opening Session

*Presiding:* G. WARFIELD HOBBS, 3RD

Chairman, The National Committee on the Aging  
Vice President, The First National City Bank of  
New York

## OPENING REMARKS

G. WARFIELD HOBBS, 3RD

The National Committee on the Aging has been operating for some seven years as a standing Committee of the National Social Welfare Assembly of which I have the honor to be a Director and the Treasurer. The achievements of The Committee in this relatively short time have been possible because of the dedicated work of its more than 200 members.

Among the more obvious accomplishments are books, reports of research conducted by The Committee and a film. *Criteria for Retirement* and *Flexible Retirement* were published following studies and conferences financed by the McGregor Fund of Detroit. Results of research and study were issued as a three-section report, *Standards of Care for Older People in Institutions*. The Frederick and Amelia Schimper Foundation gave the funds for this. We also produced *A Place To Live*, which last year won more awards and citations than any other documentary film.

We now stand at a new level of endeavor for we are the proud recipient of a truly generous appropriation by the Ford Foundation. This permits us to expand the work of The Committee for the benefit of all people all over the country.

Basically we are setting up an information and consultation service. Involved is a comprehensive library of pertinent material which will eventually be used for research and as a clearing house of information to avoid duplication of effort. One phase of the program is the utilization of older workers. This question is one of the most dynamic influences on the future economy of the country. Other parts of The Committee's program concern health, housing and community services.

The National Committee on the Aging is the one national group working together and coordinating all of the major elements involved in retirement: the government with its basic layer of services and its social security benefits; management and labor working together on private pension plans and proper retirement procedures; the med-

ical profession, social workers, scientists and educators—all working together toward the goal of making happier and more useful the added years that medical miracles are bringing to us.

So we stand at the threshold of a new big operation. I am certain that with the help of loyal Committee members and others we shall achieve what we seek.

## GREETINGS

OLLIE A. RANDALL

Vice Chairman, The National Committee on the Aging

It is my privilege to welcome you to the Spring Meeting of The National Committee on the Aging.

In this Conference we shall discuss older people and the situations which they face in a complex industrial community. We shall consider ways to provide opportunities for employment and for income maintenance which are vital to the satisfactory solution of the problems which commonly confront all of us as we grow older.

We believe that here in Detroit, a truly great industrial community, we can get the pulse of thinking, of planning, and of action as to how the various elements of our community organization affect older people.

One of our difficulties is the great diversity of interest which must be woven together. As one of the members of the Indiana State Commission on the Aging aptly remarked, "Our interest in this is a many splintered thing." Our diverse interests can, however, by their very diversity provide a strong community if we pull together.

With the joint efforts of business and industry, labor and government, the professions and citizens at large we can build a truly effective community for all people whether in Detroit or elsewhere.

## OLDER PEOPLE IN MICHIGAN

THE HONORABLE G. MENNEN WILLIAMS

Governor, State of Michigan

We are tremendously proud and happy that you chose the Metropolitan City of Detroit for your meeting on the timely topic Older People and the Industrial Community. Here indeed is a crucible in which to try by fire our theories about industry and the older worker.

One of the features of our problems on the aging is that in many areas we have achieved considerable consensus on what ought to be done. Now, it behooves all of us to study further what ought to be done and to do it when there is agreement.

Here in Michigan we have been able to organize the citizenry rather effectively to get those things which they



want to be part of their state and local governmental program.

Some things come slowly. In mental health, for example, it was just two or three years ago that we were able to organize and activate a group who had this problem in mind and who had some idea of how to go about getting a legislative solution. There were many bitter battles with a Legislature that was somewhat reluctant to give for mentally retarded children. During the course of these battles, we were able to organize a citizens group touching all the interests on this. Future battles should be more easily won with their help.

In the field of the aging, in Michigan outstanding groups and individuals have thought, discovered, analyzed. But it has been only recently that we have been able to get together those who can effectuate legislation. This does not mean that we have not met together to discuss the problems on many occasions. But the big thing at the end is to put the answers into action. In this field, a considerable number of the answers are in government.

We are going to try to get the agencies concerned with employment, including labor, management, and government together to review and to come up with immediate, practical answers to end the unfair and unfortunate practice of discriminating against middle aged and older workers, many of whom are still qualified to work. You know that many are anxious to continue working beyond the chronological age when they are compelled to quit although the job has remained steady.

### **Automation Is Here**

Michigan is a good state to test our theories. The age of automation is upon us here and we can get the feeling of what this is going to mean. I personally visited a plant recently to see its effect on employment and productivity.

There was a man working on a lathe who had been told he would have difficulty continuing to work because of arthritis. Under the new automated machinery, the work was taken off his back. He told me that in the old days he could not lift his hands above his head. Now he could very easily, because the machine had taken the back-breaking work off his physical structure.

The last step we saw in the factory that day may not be the ultimate. There in a comparatively short space was one phase of complex machinery that was completing the top of an engine, with no man getting his hands anywhere near either the turning parts or the metal that would become a part of the final product. This in truth was the kind of a Rube Goldberg contraption where a man stood in front of a bank of flashing lights the size of a small table, and merely watched to see whether some telltale light would indicate something wrong with the machinery at a particular point. He didn't do anything about it except call some experts to take care of the situation.

This man had been about at the retirement point. A

warmer climate seemed indicated for half the year because of his arthritis. But now he was able to tend the bank of blinking lights without physical discomfort; and he was able to continue his productive labors.

The field of automation is going to have a tremendous impact upon our whole society. It is deserving of our best efforts and our deepest concern, not only with respect to the aging, but in every other social aspect as well.

### **Michigan Acts**

We must meet the challenge of industry. We must say society is permitting people of middle age to lose their productive capacity at a much earlier period of life than is physically necessary.

We in Michigan are setting up a commission to study and to put into effect some of the solutions to these matters. We believe that government, if it preaches, must practice. Consequently we are asking the State Retirement Board, together with various departments and agencies of government, to work with the Civil Service Commission to see what specific criteria other than chronological age can be set up as a retirement point. Such criteria are illusive. Nonetheless, we are going to work it out.

Our Civil Service Commission has reviewed qualifications to see where people are barred from state employment because of age. We now have an age requirement only where physical stamina is required. Even here we can go forward in setting up other criteria. We should take people into more arduous tasks despite age. Certainly there are individuals with many chronological years who are more active and spry than some younger people. We must find answers to this soon.

The whole thing comes to trying to get into action what we know. We need no more commissions for study alone. We propose to start something like a White House Conference on the problems of the aging, beginning with regional meetings and ending with a central meeting in Lansing, the capitol. This will be an honest effort to sift the problems in all of the communities. Its objective is to give everyone the opportunity to become fully acquainted with the problems and to make it part of the common coin of our everyday experience.

To meet some of these problems we must have legislation. For others, we must convince management or labor that certain things should be done. The easiest way to accomplish these goals is for everybody throughout the entire state to discuss the problems and to think about them. Then when solutions are proposed people will know first, that there is a problem, and second, will be able to judge if the solution is a possible one. We want people to realize that action must be taken rapidly since problems do not improve with neglect.

### **Promise of Automation**

Automation, among other things is going to make this



life a far happier one provided we can order our society in such a way as to make possible the things we know. This is a real challenge to everyone whether they are in government or any part of industry, the professions, labor or elsewhere. In time the agricultural community will be affected as well as the city.

Our results to date may appear so small as to seem ineffectual. But in the long run unless we have broad vision, we will not achieve even small things. I am convinced that the people of this country are ready and able to follow the kind of leadership that will give the answers to the great promises of today.

## 2 Measuring Ability in Older Workers

*Presiding:* WAYNE E. THOMPSON

Study of Occupational Retirement  
Cornell University

### AGING AND PRODUCTIVITY

DR. LEONARD Z. BREEN

Director, Criteria of Aging Project  
University of Chicago

The framework within which this discussion of aging and productivity is set is somewhat different from that conventionally used in industry. The ideas presented, while not new, are interpreted in a new way. There have been many experiments conducted in the United States and elsewhere on the relationship between production and age, as well as between physical ability and age. We can experimentally determine, and many researchers have, that as older persons age, they slow down. However, Birren wrote in *Earning Opportunities for Older Workers* that "before age 60, the effect of aging on occupational skills is practically negligible." I would suggest that even after age 60 it may be negligible within limits which are practically important and appropriate to the industrial context. That is, industrial production is not measured abstractly, but in terms of certain limits determined in the industrial setting and, hence, within the limits of what people define as being a "fair day's work."

How do people define this? Work limits for a day are

not arbitrarily and unilaterally determined, although many persons think they are. Industrial engineering departments within a plant may specify the number of units to be turned out by a given man in a given occupation. Motion and time study measurements for these numbers of units usually are made in an experimental setting and then translated to industrial situations where they are checked for accuracy.

The Western Electric experiments conducted by Elton Mayo and others were studies of the relationship between certain physical and social changes in the industrial setting and productivity. These researchers spent a great deal of time and effort to determine that it was not only the light that was important; it was not the dimension of the work table; it was not the size of the work group. It was the way in which people felt about each other that was important.

This sociological finding which was stumbled upon has come to be almost a cliché among persons interested in industrial organization today. We know that when we become interested in persons at work, by this very interest we change the work situation.

Thus, when we become interested in measuring industrial production, by this very interest we change productivity. As we measure production, then, we need to be at least as much aware of what our own interest is doing to production as in the number of units produced. If we find that older persons produce in a way which is different from younger persons, we need to ask the question, what is the cause of the difference in production—is it really chronological age differences?

### Fair Day's Work

In examining the literature and in analyzing some of the data from our own research project, we have found that older persons do not tend to produce in a pattern very different from younger persons. If we can (and industrial engineering departments usually do) define a "fair day's work" for a "fair day's pay," then we may find that older people will have to work a little bit harder to keep up with that "fair day's work." But this does not mean that they cannot produce a "fair day's work" as long as the limits are determined in such a way as to encompass all workers within the plant.

Differences in productivity then must be understood in terms of the collective judgments of what constitutes a "fair day's work" that are made within and by the individual's "productive environment." In Mayo's studies, there were many important findings that had to do with the relationship between, on the one hand, judgments about what the worker was like and how much "ought to be produced," and, on the other hand, the level of productivity as determined by the worker himself.

If the people in a plant believe the older worker is less productive, as apparently many people do believe, he

probably will become so in response to the social situation within which he finds himself. None of us responds to situations in an abstract way. We respond, not to the objective situations, but in terms of what we believe the situations mean. Therefore, we subject situations to interpretations. We attach meanings to our interpretations and then respond on the basis of what we believe these things mean.

### Conservation Department

Recently we have begun to set up special departments for older workers in some plants, as, for instance in one company, a "conservation department." These superannuation departments presumably are set up to assist the older worker in making an adjustment to his later years. As he begins to approach retirement age, he may find that he is not producing as much as he did earlier. We then place him in a conservation department or put him on some form of limited work. Then we find that this older worker begins to behave like an older worker. He is not producing as much as he did before. He is behaving differently.

By setting up these departments we should expect that production for persons so assigned will decline, and production for persons approaching the age at which they will enter the departments will also begin to decline. We set the framework in such a way as to point out to these people: we expect you to be different, if not now, then perhaps at age 66 or 67; but you do not have to worry. We will take care of you—we will put you in the conservation department.

Those connected with industrial plants that have such departments know that these departments have a special aura about them. People look upon them in a special way. "The lame ducks go into that department. Those are the people that cannot keep up." And the people who go into this department do so reluctantly. These things then tend to reinforce each other.

### Five Studies

There was an interesting study by Blocker, who pointed out that as persons grow older, they begin to change the things they worry about in an industrial setting. They worry less about absenteeism, less about transfer, less about salary. The thing they start to worry about more and more is job performance. Are they going to be able to keep up with the younger workers? Are they going to be able to turn out the work? Their self-conception, which is being generated within this industrial setting, becomes an important determinant of production itself.

In the Temple University study of 1952, some 97 companies, each of which employed a thousand or more persons, were asked to rate older workers in terms of productivity by quantity and quality. They rated 60 per cent of their older workers as being average or above in quan-

tity of production, and 92 per cent as being average or above in quality of production. Breaking this down further, over half the older workers were rated as being above average in quality of production alone; in fact, 70 per cent rated in this classification. Further, 21 per cent are rated somewhat above or considerably above average in terms of quantity of production.

McFarland has studied aging, especially with reference to transportation, investigating many aspects of the functions of truck drivers and airlines pilots. His group has issued two interesting volumes on highway transportation, with special consideration to safety factors in aging. They point out that hearing and vision decline with age; once you reach age 55, both begin to decline somewhat, but the variation between individuals is very large. A person in his middle 80's might have vision and hearing each better than many people in their 40's and 50's.

In the late 1930's, the Works Progress Administration carried on a study of age and production. They studied 1444 skilled workers. In 1939 they issued their report. They showed that if they separated all of their workers into those people whose production was considered excellent and those whose production was considered inferior, the average age of the excellent workers was 47.5, while the average age of the inferior workers was 41 years.

There has been an interesting report issued recently by the United States Department of Labor entitled *Job Performance and Age*. It is their Bulletin Number 1203. This document reports certain measures of the relationship between production and age. There are four basic indicators of performance—output-per-manhour, attendance, separation rates, and injury rates. Separation rates include quits, layoffs, and discharges. One might quarrel with their choice in measuring productivity. Many people disagree, for instance, that attendance, separation rates, and injury rates are themselves direct measures of productivity. But we know that measuring production is a very complex business, and since it is not easy to do, we often must turn to peripheral measures.

In order to get a picture of the total production potential, these four indicators were used to investigate eight different manufacturing establishments in the footwear and men's clothing industry. The most important measure of performance, namely output-per-manhour, was stable for all workers until they reached age 54. At age 55 and beyond they began to decline in output-per-manhour. However, the index computed for output-per-manhour for the 55 and over age group was within 10 per cent of that age group with the highest index of production. Further, when you look at the data carefully, you find that variation in output is extremely large. In fact, the variation in output-per-manhour within a group is greater than the difference between groups, so that you have, for instance, for the group age 55 to 64, many per-



sons who have output-per-manhour rates which are higher than the average of the age group with the highest production records.

### University of Chicago Project

Our research project at the University of Chicago is one which is designed to relate production to physical condition, psychological condition, and to sociological adjustment. In order to carry out this project we have a team consisting of two physicians, two psychologists, an economist, and one sociologist. In this project we have selected 200 persons for careful study. These represent 100 matched pairs of persons, each pair being composed of one man in the 40 to 45 age group and one man in the 60 to 65 age group. Thus we have the pre-retirement person and the person one generation earlier. These persons are matched by a series of factors in an attempt to eliminate those things, except for age, which might vary our findings, such as sex, nativity, education, occupation, income, place of work, race, and religion. Each person is taken into Billings Hospital, which is the research Hospital of the University of Chicago, for one full day, at which time he is given a complete physical and psychological examination.

After we have seen each person for one day at Billings Hospital to collect medical and psychological data, we then go out to the plant and collect the production data. Each of the people in our sample is a person for whom production records have been kept; that is, they are all on measured work, so that we have careful week-by-week records of their productivity for a minimum of one year preceding the time we see them, making possible an analysis of production.

We also collect information by means of a sociological interview with these individuals and with their foremen. We are interested in studying the social climate already noted. To evaluate this, we have asked the individual to make certain judgments about himself as a worker and as an aging person. We have then asked his foreman to rate him in these same senses. Thus we asked each man to place himself on an age scale which shows a continuum from youth through middle age to aged, broken up by seven culturally toned reference points. We ask the respondent to place marks on the scale according to where (a) he would place himself, (b) he would place his two best friends in the plant, (c) he would place his foreman, and (d) he thinks his friends and his foreman would place him. We then go to his foreman and ask the foreman to place himself on the scale and the worker in question. Thus we have a series of cross-perceptions of the way in which people think of themselves and how they believe others think of them. Here we begin to approach this notion of social climate.

We also ask the foreman to rate these individuals in terms of production by asking certain questions such as:

Do you think these people are producing more, less, or the same as all other people in the plant?

Do you think these people are producing more, less, or the same as all other people in their age group?

This gives us a measure of what the foreman thinks of this person, to be compared with the already obtained objective measure of what he actually did produce.

### Production Differences

When we examine these production ratings by the foremen, we find that they think that older people produce less than do younger people, although this differs somewhat by kind of work. As we have studied different kinds of plants, we have also found differences between plants. For instance, as seen by the foremen, there is relatively little age difference in production for people working in highly skilled jobs in a precision plant producing very fine optical goods and very fine precision cameras. There are large age differences in production in a heavy industry plant producing raw steel.

We can contrast this finding of the expectation held by the foremen with the worker's actual production. If we take the objective measures of productivity as we have computed them for week-to-week variations for the one year prior to the inclusion of the worker in the study, we find that for older workers (people from 60 to 65) and for younger workers (40 to 45), each group has a productivity index of 1.35. You have to go to the third decimal place before you find a difference between them.

It is significant to note that while there is a difference expected by the foremen, there is actually an absence of any difference as objectively determined. Society at large tends to think of older persons as being different. Experimentally, it has been shown that older workers do tend to "slow down"; this, in conjunction with the foremen's expectation which is an expression of our societal beliefs, leads us to the general expectation that differences in production do exist. The fact that differences do not exist does not yet change our opinions. We force the differences into existence by various devices for setting older persons apart from younger persons. By defining our expectation of differences, we actually create them.

As we compare younger and older people in terms of productivity, beyond certain ages (i.e., beyond 65)—we begin to find differences in production. This was shown in the Department of Labor study already cited.

This kind of difference, I suggest, is not a result of aging itself, but is a result of the social judgment which we make about aging as an independent phenomenon. We decide what older persons are supposed to be like. By making this decision, we set the industrial climate within which older persons work, and, therefore, change the industrial conditions of employment.

When we study workers in whatever context, the very existence of the study itself creates changes in work. This

has been borne out by many other kinds of studies, some of which I have already noted. It has been demonstrated, for instance, that merely by going out to interview people to find out if and how they are going to vote, you predispose them to vote; that simply by an expression of interest in voters, the probability of voting is increased. The same holds in industry; the very existence of our interest in productivity changes productivity. Unfortunately, we haven't done enough research to know how it will change or how much.

### **Society Sets Conditions**

In summary, the main point is that society in general sets the conditions within which aging itself takes place. Aging is, to a large extent, a sociological phenomenon, and we cannot fully understand the significance of the biological and psychological changes which take place for persons except as related to the societal frame of reference within which they are measured.

I do not argue that there are no physiological changes. I am not arguing that there are no psychological changes. There are important age changes in both. I do think that the one area which has been too much ignored and yet which is important in understanding other kinds of changes has to do with the social framework within which we interpret change.

Industry, as an important aspect of our organized society, and acting as agent of society, defines the work context informally as well as formally. As the work context is defined on an informal basis, there is created the kind of social condition and social judgment within which we understand aging and the impact of aging upon industry.

Thus, if aging is to some extent socially conditioned, then we are not really analyzing the relationship between age and production unless we analyze the social conditions in industry which affect aging.

### **DISCUSSION**

One experiment showed a variety of stereotypes of aging, with physicians believing the largest number, possibly because they see the sick and the deteriorated. College professors believe the least, no doubt because they see older people functioning ably.

There is need to understand the practical limits set for a day's work. These limits will be large and broad, arrived at by compromise between the expectations of industry—the plant—and of the workers on the job. The balance has to make it possible for many workers to fit, thus making room for some adjustment as persons grow older.

Older workers may have the physical capacity to maintain a rate of production but may find the psychological cost too great. In some occupations, the age at which retirement is possible is known to influence this, while in others, the prestige and status factors of continued em-

ployment far outweigh all considerations, even of added income. For example, a group of people at hard manual dirty labor may look forward eagerly to retirement while craftsmen and executives may not. Attitudes on this reflect the whole social pattern of the community. Industry, labor, government, and welfare must join in a major educational effort to change this climate of opinion.

Pre-retirement counseling programs and plans for flexible retirement are desirable aids in individual and community adjustment.

Cultural values also affect attitudes toward productivity and toward retirement. The social climate of 75 years ago gave the older person important roles to fill as the carrier of wisdom, the purveyor of the rituals of society, the farmer and the homemaker. Today kind of work and amount of activity carry certain values in our society.

## **3 Pre-payment of Insurance Effective after Retirement**

*Presiding:* OLLIE A. RANDALL

Vice Chairman, The National Committee on the Aging  
Consultant on Services for the Aging  
Community Service Society of New York

### **PRE-PAID HEALTH INSURANCE**

WILLIAM V. HAUKE

Assistant Actuary, Continental Assurance Company

We in the insurance industry are proud of the tremendous progress that has been made by the American public in accepting the ideas of pre-paid health insurance. Today over 110 million people, about two out of every three, find security in the knowledge that should illness or injury befall them, they would have insurance to fall back on. More than 30 per cent of the entire medical and dental bill of our nation is provided for through voluntary insurance; even a much higher percentage if the free care provided by government to the Armed Forces, the Veterans, the indigent, and the institutionalized are excluded from the total figure of some 10 billion dollars. The last 25 years have seen voluntary health insurance grow from



insignificant beginnings to an essential part of our economy today. The results of this growth are apparent not only in the improved health of the nation, but in the increasing awareness on the part of the public of health and of medical care. Health insurance premiums have taken their rightful place in the American budget, alongside rent, clothing and automobile payments.

Voluntary health insurance is constantly making progress in providing more adequate and more comprehensive coverage for its insureds. The growing trend to major medical insurance is a prime example of that progress. Our industry is constantly seeking ways and means of making its coverages available to more and more people, to greater segments of the population. Plans allowing insurance to be written down to groups of 10 lives, and even less, are a reality today, where five years ago they would have been discarded as impossible. Insurance through welfare funds, trade associations, and professional associations are but a few examples of this extension of coverage to more and more people.

However, as impressive as our overall gains might appear on the surface, they seem to be concentrated within the ranks of the working employee and his family. With regrets, we must admit that substantial progress has not been made in extending our protection beyond retirement to our senior citizens.

Census studies by Brewster and Falk in 1952 report that only one person in four has any sort of hospitalization insurance after age 65. The percentage insured of those people still in the labor force was 44 per cent, not far different from general population figures for adults, but more than twice the rate for the aged outside the labor force. It appears that the problem of inadequate insurance coverage is serious among those older people who, for reasons of age or disability or inclination, are not employed or seeking employment. As you would expect the rate of coverage decreases with age, from one in three and one-half in the age bracket 65 to 69 to less than one in seven in the 75 and over category.

This leads us directly to the question, "Why aren't more of these people covered?" The answer is twofold, (1) the coverage is generally not available, and (2) even if it were, few could afford it.

### More Coverage Needed

We know from various studies of the health status of the aged that the frequency and the severity, and hence the cost, of illness increases rapidly with age after 65. We also know that the availability of premium dollars after retirement decreases sharply with age. The combination of these factors—the sharply rising cost and the sharply decreasing ability to pay—indicates to me that health insurance for retirees must be provided on a basis whereby the cost is wholly or partially prefunded at the time of retirement. This could be accomplished through

a mechanism of level premiums which spread the excess cost after retirement over the entire lifetime of the insured. Preferably, the whole cost of post-retirement coverage might be provided through the accumulation of a fund at retirement sufficient to purchase paid-up benefits for the rest of the individual's life. Both of these methods have been used for years in ordinary life insurance, and more recently, in group life insurance. They have also been the tools through which pensions for our retired population have been, and are being, provided.

Paid-up health insurance would satisfy two essential needs of the retiree in regard to his protection. In the first place, since the cost is completely prefunded, he would have no premiums to meet or to budget for. Second, and more important, he would be guaranteed lifetime coverage which can in no way ever be taken away from him, barring death.

Of course, this type of guaranteed coverage has generally not been available up to now. The main deterrents to its development have been two, (1) the reluctance of the insurance companies to establish a price and to underwrite the guarantees involved in such lifetime health coverage, and (2) the reluctance of the employee, or his employer, or both, to put forth the sums of money which might be required.

### Who Is Responsible

Insurance companies, especially those that are engaged in group insurance, have been doing much experimenting with retired health coverages. For the most part, their efforts have been along the lines of year to year extensions of coverage, always reserving the right to adjust premiums or benefits as the experience develops. Generally, in these experiments, the long range risk of continued protection for the retiree rests either with the employer, if the coverage is through group insurance, or with the insured, if the coverage is through an individual commercial or conversion policy. It is my opinion that the long range risk of continued protection to the retiree should rest in neither of those two places but with the insurer. I believe that the assumption of such risks is a function of our business.

The insurance industry doesn't hesitate to guarantee the retiree lifetime insurance against death through a paid-up life insurance policy. Nor does it hesitate to guarantee the retiree a lifetime income through a paid-up annuity. There is no reason it cannot guarantee, in the same way, lifetime insurance against the expense of medical care.

In many respects, paid-up health insurance for retirees is no different from paid-up life insurance or paid-up pensions. However, in the area of pensions or life insurance, reliable statistics have been developed over the years and the insurer can predict with reasonable certainty the value of the future benefits and, hence the premium to be charged.

Such is not true of health insurance. Those statistics that are available today are nonhomogeneous and unreliable for insurance purposes. Furthermore, there are many other unknowns connected with the determination of an appropriate single premium. Future increases in the rate of hospital confinement, inflationary increases in the cost of hospital extras, change in medical practices especially in regard to the aged, the development and use of new expensive techniques, treatments and drugs, the increased longevity of the aged—all add tremendously to the hazard of establishing a price for paid-up health benefits. Although these obstacles do exist in the determination of an appropriate premium, it is my opinion that they are not insurmountable. Recent developments in individual accident and health insurance indicate that a few companies are now willing to set a price on guaranteed lifetime benefits. I am sure that in the years to come more and more companies will follow suit in this area.

#### **Continental's Plan**

At the end of last year, my company, the Continental Assurance Company, after analyzing the whole problem of retired health coverage designed a single premium paid-up hospital, surgical, medical policy to be used for retired employees and their wives. The consideration around which the policy was constructed was the one word, "guaranteed." The entire premium is completely satisfied at issue and can in no way be increased. The benefits are non-cancellable. In no way, except death, can they be taken from the insured. The benefits are guaranteed to him for the rest of his life.

The plan of benefits which we are offering is of the type commonly found in group plans. The benefits include hospital room and board, extras, a surgical allowance, and in-hospital medical benefits. The amount of the benefits is limited to the amounts under the group plan, with the restrictions that the maximum number of days of confinement be limited to 31 days, extras be limited to \$250, and the in-hospital medical expense be limited to \$3 per call for a maximum of 31 calls in a calendar year. The provisions of the contract are almost identical with those found in group contracts. There is no pre-existing clause, nor any provision for waivers. The only one difference worthy of note is that successive periods of hospital confinement due to the same or related cause will be considered the same period of confinement unless separated by a period of at least one year. The benefits for the spouse will be the same as for the pensioner.

To illustrate the cost of such a policy: for a plan providing a maximum benefit of \$15 per day for hospital room and board (for as long as 31 days); \$200 extras; \$200 maximum surgical schedule and a maximum of \$3 per visit per day for in-hospital doctor's calls (maximum 31 days per year), the single premium for a retiree at age 65 would be \$1249.76. Premiums vary with the type of plan

selected and the ages of the employees. Like annuities, premiums decrease as the ages increase. It is interesting to note the single premium for each retiree is less than that which would be required to provide a modest pension of \$10 per month.

Although it is possible to offer this coverage on an individual basis, we do not. We offer it only as a service to our own group policyholders, to provide them a permanent means of continuing protection on their own retirees.

The major part of the 110 million people insured today for some form of health insurance are so covered under the mechanism of group insurance. These people look to their employment and their employer for the health security which they require while they are actively employed. It is only natural that they will look to their employment and to their employer to provide a means for continuing their protection beyond retirement. Demands for permanent paid-up health benefits can be expected to originate out of these employed groups. It is very likely that in the near future employers will be required not only to arrange for such coverage after retirement but to pay all or a substantial part of the cost.

We in Continental believe that the paid-up approach will be the ultimate answer to the problem of providing coverage for retired employees and their wives. We believe that such a policy provides the guarantees which are essential to the retiree. Upon retirement, he is given a policy, a piece of paper, which the insurer will honor for the rest of his life. The policy will be completely paid for; the retiree has no premiums to meet and he never has to fear premium increases. The policy will be non-cancellable; he knows that his benefits can never be taken away from him. The policy will be an individual contract; the fortunes of the group contract or the fortunes of his former employer cannot affect his security. We believe that such a policy might be acceptable to the employer, since it gives him a method whereby, in a single stroke, he can relieve himself forever of the burden of providing for his pensioners. We believe that the approach would be entirely acceptable to labor, since the plan provides for the employee the type of security for which labor is currently negotiating.

#### **Satisfied Customers**

In the latter part of December, Continental installed its first program of paid-up hospital-surgical insurance for the retirees of one of our Chicago group policyholders. The reaction which this plan received from the public amazed us. Both we and the client received numerous inquiries from other employers of all sizes and shapes, from employee associations, from agents, from brokers, from consultants and from just plain people—all interested in knowing more about our approach to the problem. Within his own shop, the client was surprised and pleased by the tremendous interest shown by his own employees, even



those 20 and 30 years from retirement. Obviously, the public suspects that paid-up health insurance might be the answer to the problem of health care for retirees. I am inclined to agree with them.

## PRE-PAID LIFE INSURANCE

N. E. HORELICK

Second Vice President, The Equitable Life Assurance Society of the United States

In its original concept, group life insurance was intended to provide protection during the working lifetime of the employee. No particular thought was given to continuing this protection after the employee's active employment had ceased. Since contractual pension plans were generally unknown in those early days and retirements were handled informally, this original concept did not create any special problems.

However, as more and more companies began to formalize their pension plans, they began to give thought to formalizing, as well, their group life insurance plans for retired employees. In recent years there has been a demand on the part of unions for the continuation of a death benefit after retirement and a realization on the part of management and unions that the cost of a death benefit for retired employees was becoming an item of some importance in the over-all budget for employee benefit plans.

### Formulas Vary

There is no one formula for determining the amount of life insurance to be continued after retirement that one can point to as being in general use. There are some companies which terminate the insurance at retirement and there are a few which continue the full amount. Both extremes may in time become unsatisfactory; the first because it is socially undesirable and the second because it will in time become too costly.

In collective bargaining the amount continued after retirement is frequently a flat amount, such as \$1000, \$1250 or \$1500. A formula which is not infrequently used is one under which the insurance is gradually reduced commencing at retirement or age 65 by 10 per cent a year until a minimum of 50 per cent is reached. This amount is then retained for life. I regard this formula as desirable. It has the advantage of avoiding a sharp reduction immediately at retirement, and the insurance which is eventually continued is reasonable in amount. The formula may be modified in a number of ways, depending on the degree of liberality desired.

The probable future cost of a particular group life insurance plan depends as much on the formula adopted for continuing the insurance on retired employees as on any other factor. In deciding on the formula to be used, it

is well to keep in mind one simple fact. If \$1000 of insurance is continued on a retired employee, sooner or later a death claim of \$1000 will be paid. The value of this benefit at 65, using two and one-half per cent interest, is \$700 to \$750 for male employees and \$650 to \$700 for female employees, depending on the mortality table used. These figures represent the pure cost of insurance and make no provision for expenses and contingencies.

I will now discuss the more important methods used in funding the cost of insurance on retired employees, suggest their application and draw comparisons between them.

### GROUP TERM INSURANCE

The traditional method which is currently in use in a large majority of the companies and which will probably continue to be used to a greater extent than any other method is one under which the cost of insurance for retired employees is financed through group term premiums. Under this method, the insurance on active and retired employees is combined and generally one monthly premium rate is established for the group as a whole. This method has the virtue of simplicity and economy but, by its very nature, it does not lend itself to funding in advance the cost of insurance for retired employees.

### GROUP PERMANENT INSURANCE

Under this method, level premium insurance is purchased under a group insurance contract. This could be arranged on a whole-life basis or paid-up at 65. The latter arrangement would seem more practical if it is desired to have the insurance fully funded by normal retirement age.

For the group level premium method to operate successfully, it is necessary for the employer to pay a substantial part of the cost. This presents a tax problem for the employees since under Treasury Department regulations, the employer's contribution for any permanent form of life insurance if vested, or at the point of vesting, constitutes additional taxable income to the employee. This problem becomes aggravated at the older ages where the premium is substantial and therefore, the employer's share would be proportionately high. Because of the tax problem and perhaps for other reasons, this method of funding the cost of insurance after retirement has not been used to any extent.

### GROUP TERM AND EMPLOYEE PAID-UP INSURANCE

This method has been used to a limited extent. It is one under which the employee with his own contributions, usually \$1.30 a month per \$1000 of total insurance, purchases small amounts of single premium paid-up insurance from year to year. The employer pays the entire cost of the group term insurance. Under this plan the amount of term insurance with respect to any individual decreases from year to year as the amount of his paid-up insurance

increases; the combined amount remains constant as long as the employee remains in the same insurance class.

This method presents no tax problem because the paid-up insurance is purchased entirely with employee contributions. However, it has rather serious drawbacks:

- (a) Because for many years the aggregate amount of paid-up insurance purchased by all employees will be relatively small, most of the coverage will remain term insurance for which the employer will pay the entire cost.
- (b) Since the employee's contributions must be held down to a reasonable figure for practical considerations, the amount of paid-up insurance at retirement for employees in the middle and older ages when the plan is inaugurated will be relatively small. The result of this is that in order to continue a reasonable amount of insurance after retirement, the amount of insurance purchased by the employee will have to be supplemented by a substantial amount of term insurance, with the subsequent result that the employer is left with about the same problem, at least for many years to come, of having to provide part of the insurance for retired employees on a group term basis.
- (c) The method is probably not adaptable to hourly paid employees where union bargaining is involved. The unions would probably oppose any plan which attempts to transfer the full responsibility to the employees to provide the cost of the insurance after retirement.

#### INSURANCE CONTINUANCE FUND

Finally, there is the method under which the collective character of the group contract is maintained. This method consists of creating a fund under the group policy which on the basis of actuarial estimates would be sufficient to pay for the insurance on retired employees on a term basis. The fund is not unlike the deposit administration arrangement under a group annuity contract and like that arrangement, its sufficiency to provide the insurance is not guaranteed. The method has considerable flexibility and is especially adaptable to the larger companies.

This method of funding the cost of insurance after retirement was incorporated in collective bargaining agreements in the steel industry in 1954 and has been in general use in that industry since then. Some steel companies and other companies have voluntarily adopted this method for their nonunion employees.

#### Opportunity and Responsibility

In conclusion, I would like to say that employers and unions are vitally interested in the problems involved in determining the amounts of insurance to be continued after retirement, and in the methods available for funding the cost of this insurance. Here the insurance companies have a responsibility as well as an opportunity to render professional advice and service.

#### DISCUSSION

When the plan for pre-paid health insurance was begun at Bell & Gossett, the company paid the entire cost on employees with 10 or more years' service, and 25 per cent to 100 per cent for wives, depending on the husband's length of service. This plan was possible because of Bell & Gossett's profit sharing arrangement, under which a man starting with the company at age 30 and earning average income would accumulate about \$40,000 before retirement.

It is possible for an employee leaving the company, or for a retiree, to convert the group to an individual policy, but obviously at considerably higher rates. The plan guarantees a specified amount of benefits, which are not necessarily related to costs in the insured's community.

The plan is meant to provide care for acute illness only. Statistical studies show that 83 per cent of hospital confinements for those over 65 are under 31 days, and that they account for 45 per cent of the days' care given. This appears to indicate that the 17 per cent requiring more than 31 days' hospital care are chronically ill.

At least 90 per cent of all group life contracts have formal, announced arrangements for continuing some part of group insurance after retirement. These vary from very generous to extremely modest. Group life contracts are based on anticipated costs so that if experience is better than expected, dividends are paid at the end of the year.

Examination based on accumulated experience will be needed to determine whether or not pre-paid insurance effective after retirement acts as a deterrent to the employment of older workers. Both management and labor are conscious of the costs of such protection.

## 4 Federal Legislation and State Programs

*Presiding:* DR. WILMA DONAHUE

Chairman, Division of Gerontology  
University of Michigan

#### A REVIEW OF PERTINENT FEDERAL LEGISLATION

WILBUR J. COHEN

School of Social Work, University of Michigan

The 1956 amendments to the social security program were probably the most important amendments since the origi-



nal law of 1935. Some of the proposals that were incorporated in the new legislation took as long as 18 years from the time they were first introduced and considered by Congress to their enactment. This is important to recall as it gives some idea of the persistence and time required to achieve some of these important results.

The 1956 amendments open up new horizons for both public and private agencies concerned with work with older persons. A wide range of provisions enacted by the Congress extends and improves social insurance benefits, public assistance programs, and social services for millions of individuals and families.

The lowering to 62 of the social security retirement age for women has already become effective, and payment of insurance benefits to persons aged 50 and over who are determined to be permanently and totally disabled will begin in July of this year.

These two amendments, enacted by Congress last session after a tremendous controversy, provide an increase in OASI benefits at a rate of \$1 billion a year. When these two provisions mature in a few years so that more people are eligible after having contributed, the net increase for just these two provisions will be \$2 billion a year. This gives some idea of the magnitude of these two particular amendments, which will provide cash income and maintenance for older people and for disabled persons 50 years of age and over.

These two amendments mark another important step in improving our basic nation-wide insurance program as an effective instrument for preventing dependency in older people. The determination of permanent total disability and the provisions regarding referral of these individuals to the state vocational rehabilitation will offer new opportunities for constructive social services in working with medical, rehabilitation and vocational personnel. It will give the states an opportunity for more effective teamwork among the professions and for much needed coordination between public welfare, public health and vocational rehabilitation.

### **Public Assistance Provisions**

Now, with that very brief mention of the insurance provisions, let us turn in more detail to the public assistance provisions, which because of some current developments have a great deal of controversy in them.

The public assistance amendments consist of quite a number of different proposals. They encompass a provision written into the federal law that the states may use as administrative money federal matching money for services for self-support and self-care in the different programs. This is the first time in the federal law that the service concept of providing services to the individuals on assistance has been written into the federal law, which makes it extremely noteworthy.

There are at the present time slightly more than six

million people in the United States who are needy and receiving assistance from state and local agencies, of whom a little over five million are receiving assistance under the four categories which receive federal aid. When we talk about the programs mentioned, we are talking about services and payments that may affect anywhere from five million to six million persons.

In addition to the self-support and self-care provisions written into the law, the Congress took a very significant step which will have the exceedingly long range importance of providing federal funds for medical care to recipients of assistance in the four categories: namely, the aged, blind, dependent children, and the disabled.

While Congress has recognized this in principle since 1950, by setting up a new matching provision popularly called the "six/three" provision, (because it provides federal matching of \$6 per aged person per capita and \$3 per child, of which the federal government will pay one-half) it has set the stage for federal and state financing of medical care, which will greatly improve medical care services for the indigent in these groups.

It will have long range significance, in coordinating and making provision for the medical care of aged persons, of whom there are two and a half million on old age assistance, and many of whom have had inadequate medical care in the past.

### **Medical Care Provisions**

The medical care provisions in the federal law are very broad. There is no definition of medical care in the federal law, which leaves it entirely to each state to determine whether they wish to have comprehensive medical services, including dental, nursing services, and drugs, or whether they wish to select some particular area of medical care for more intensive and preliminary treatment before they engage in a comprehensive program.

This particular amendment is estimated by the federal authorities to involve about \$100 million a year. Perhaps eventually, the \$6 and \$3 will need to be liberalized, since they are inadequate maxima to deal with the medical care problem. This may be one of the most significant medical care amendments which the federal government has adopted in recent years.

This does not take away anything from the significance of the Hill-Burton or public health programs. But it must be remembered that there are a few programs in which the federal government has provided money for actual continuing medical services to people which is not of either a preventive character or related to particular groups for whom the federal government has had responsibility.

### **Self-Support and Self-Care Provisions**

The explicit authorization in the statute for expanding services for self-care for old age assistance beneficiaries and for self-support and self-care of the blind and disabled

should permit the states to make better and more specific arrangements for services to these persons.

Unfortunately, because of the opposition of one particular old age group from California, the words "self-support" were stricken out of the statute for the aged, and it now relates only to self-care. The general theory of that particular group, the McClain group in California, was that if self-support were put into the legislation, it would encourage the states to return these people to employment. They said, "That's bad, we don't want the older people to have to go back to work." We still have difficulty persuading some groups to make employment opportunities available to these older people.

### Other Provisions

Of interest also is the provision for federal funds for training personnel in public assistance. This makes it possible to train more people in the old age assistance programs to render services to the disabled, the blind and to other groups, and to provide courses in universities and in other areas for the training of more specialized personnel.

Finally, and of great importance, federal funds were provided for research and demonstration projects in social security, and in public and private welfare administration. The law authorizes such projects to be undertaken by public or private nonprofit agencies.

The funds are to be available for projects such as those relating to the prevention and reduction of dependency, to effectuating coordination of planning between private and public agencies, and to improving the administration and effectiveness of programs carried on or assisted under the Social Security Act and programs related thereto.

This authorization is extremely broad, and if funds are appropriated for this purpose it should lead to improvements in both public and private programs. This money for the first time permits the use of research funds for private as well as public agencies in areas mentioned.

Taken together, these amendments, when fully effective, will enable both public and private welfare agencies to take a new look at needs and resources, particularly with respect to services and programs for the aged, to emphasize new areas of service that have been neglected, and to chart new goals for all our programs.

From the experience of these amendments will come further improvements and progress in the entire field.

### Problems Ahead

These 1956 amendments, as important as they are to the two and a half million needy aged in the country, and so significant for the future expansion of public welfare throughout the country, are now on the verge of being curtailed before they have the opportunity to become effective because of congressional limitations on appropriations.

The House of Representatives a couple of months ago, acting under the pressure of an economy-minded bloc, has set a limitation on the amount of funds which state welfare departments may use for administration and services.

The Social Security Act provides in its basic law that the states shall receive from the federal government one-half of the cost of administering their programs and services. This new legislation which provided for the expansion of services would have permitted the states to obtain 50 per cent of this cost as a reimbursement from the federal government.

But The House put a dollar limitation on the amount that the states could use for this, both for May and June of this year and for the entire next year. The Senate, responsive to the protests of public welfare agencies, eliminated the restriction for 1957. The House of Representatives, however, passed yesterday special legislation to make a deficiency appropriation available to meet this situation, but again put in a limitation slightly higher on the use of federal funds for state and local administrative services.

To compound the matter still further, the 1958 appropriation bill, the regular appropriation bill for the Department of Health, Education and Welfare, as passed by The House and now pending in The Senate Appropriations Committee provided for a reduction in federal funds of about 10 per cent for state and local administrative and service purposes. This limitation, if enacted for next year, will mean that the states will not be able to put into effect the self-support and self-care provisions for the 1956 amendments, but rather will have to cut below their existing inadequate services.

In addition, The House of Representatives completely eliminated President Eisenhower's recommendations for federal funds to implement the provisions for the training of additional workers in public assistance and for the research and demonstration projects outlined to you earlier. Although I believe that if Congress is informed of the views of the millions of Americans who do not wish to see our needy persons suffer, they will then modify the action of The House of Representatives, nevertheless, in all honesty, I must say to you that great damage has already been done by the limitations written into the bills by The House. State after state has probably had to stop their planning for the implementation of the amendments for next year knowing that there was a possibility that they could not get funds.

It is probably too late now, even if action is favorable on the pending appropriation bills, to implement the service, training and research amendments promptly at the beginning of the next fiscal year on July 1st. In fact, it would be foolhardy for the states to do so without the necessary planning that was in progress when the states, schools, and the private and public welfare agencies learned of the proposed administration cuts.

These recent developments on the appropriations have been cited to illustrate how important it is for us to exercise eternal vigilance in the legislative process. The victory of one session may easily turn into the defeat of another via the appropriations route.

## IMPLEMENTATION BY STATES

ELIZABETH BRECKINRIDGE

Illinois Public Aid Commission

The State of Illinois faces many of the same difficulties being faced throughout the country. Estimates show the assistance needs are \$367 million for the next biennium, but with a fairly active economy bloc, this may be cut to \$300 million. The Illinois Public Aid Commission has proposed a section on services for the aging for which the budget estimate is \$1 million. No funds have yet been appropriated for this.

The Advisory Committee on the Aging, as a start, has developed a small program in geriatric rehabilitation. This uses federal funds for administration and for medical grants. The plan operates in Peoria and in Cook County, following a year's negotiations with local medical societies, the state medical societies, the hospitals and others. Twenty-five new patients a month may be served, selected from old people with medical recommendation for admission to nursing homes or state hospitals. In the first year, 32 people in their 70's and 80's were returned to their own homes. Of these four went off public assistance, and four have jobs, although no emphasis was placed on vocational rehabilitation.

This program costs approximately \$1000 a person for rehabilitation. For those receiving public assistance, the cost for each person was reduced by \$940 over the cost of nursing home care.

### Rehabilitation Project

A second project was started on February 1st with the staff financed by funds available through the U. S. Office of Vocational Rehabilitation for demonstration and research purposes. Matching funds supplied by the state are for administration, office rent and travel. Private funds from a local foundation pay for a medical supervisor who is on the staff of the Peoria Institute of Physical Medicine and Rehabilitation. All other positions are Civil Service. Included are a coordinator, four nursing consultants, two occupational therapy consultants, and office help.

The budget calls for \$58,500 from the U. S. Office of Vocational Rehabilitation, \$7000 from the Forrest Park Foundation, and \$27,300 from the Illinois Public Aid Commission.

The aims of this program are to learn the following: First, what are the rehabilitation needs, including the

needs for vocational rehabilitation, among the patient loads of a selected group of public and private nursing homes.

Second, how far may these needs, once defined, be met by the existing staffs of these homes in cooperation with local physicians, other services in the local community, and the State Division of Vocational Rehabilitation.

Third, what kind of a training program can be developed to provide nursing home staffs with the desirable knowledge of rehabilitation techniques, and to increase their appreciation of the general philosophy of physical and vocational rehabilitation.

Fourth, what kind of teaching materials can be developed for use by other agencies and schools in order to increase the competence of nursing home staffs to share in the vocational and physical rehabilitation program.

In terms of method, the six consultants on June 1st will finish a four months' intensive training period at the Institute of Physical Medicine in Peoria, geared toward the use of rehabilitation in nursing homes and in terms of their two specific professions of nursing and occupational therapy, and toward the non-medical needs of the aging and the services for them.

The six consultants will be allocated in teams to different kinds of nursing homes throughout the state for the next three years, coming back periodically for additional educational work, to talk things over, and to see if they can work out the kind of teaching program that will be effective in the average nursing home. The plan is to work with what is there, in equipment and in staff. The problem is to get our concept over. We will work with the county commissioners in the public homes and the county medical societies so that everybody understands the program.

### Other Plans

The Advisory Committee has also drawn up, not a comprehensive plan but a series of 11 recommendations for the state to use these research, demonstration projects, and the training programs. This plan has been approved by the commission and by the governor. Involved also are the Department of Health, the Department of Labor, and the Department of Welfare, which in our state has supervision of the mental hospitals. The program is drawn and ready to go when we can get the money.

## IMPLEMENTATION BY STATES, *continued*

JEROME KAPLAN\*

Special Assistant on Aging to the Governor of Minnesota

Minnesota was one of the first states to recognize the serious need for services for the aging. The aim was to

\* On leave from his permanent post of group work consultant to the Hennepin County Welfare Board, Minneapolis.



alleviate disabling chronic illness, poverty, boredom, and the feeling that no one really cares—all among the negatives which darken later life rather than allowing the promise of golden years.

In 1951, a 25-man legislative interim commission on aging was set up by the state, with State Representative Teman S. Thompson as chairman. A second interim commission, also under Representative Thompson was appointed in 1953. Early in 1956, Governor Orville L. Freeman appointed a commission under the chairmanship of Richard O. Hanson "to evaluate the studies and information presently available and to come up within 90 days with a specific program of action."

The 1956 commission and Governor Freeman agreed that immediate action was important rather than further study only. The Governor, after consulting his staff, sought the help of the Legislative Advisory Committee which included the Commissioner of Administration, two State Senators, two State Representatives, and himself as chairman. This Committee approved and made available from their discretionary funds an appropriation sufficient for one year, (1) to mobilize state awareness of the situation of the aging, and, (2) to initiate a general program and structure designed to show the feasibility for developing an appropriate legislative, administrative, and community program.

Two developments followed. A Governor's special assistant on aging was appointed, with the assignment of stimulating and coordinating the efforts of all groups concerned with elderly people. And an interdepartmental committee on aging was formed to coordinate the programs of 11 departments and agencies of the Minnesota state government. In addition to the Governor and the Special Assistant, the Committee included representatives from the Department of Education, the Human-Rights Commission, the Department of Business Development, the Civil Service Department, the Department of Conservation, the Fair Employment Practices Commission, the Department of Public Welfare, the Department of Employment Security, the Labor and Industry Department, the Department of Administration, and the Department of Health.

In September, October, and November of last year we held a series of countywide "town" meetings in 53 of the state's 87 counties. At the same time representatives from each county were invited to a November Governor's Conference on Aging. This plan provided a pooling of approaches and suggestions on ways to meet the needs of older people of the state. It was hoped, also, that the county meetings would lead to the formation of local permanent councils on the aging. As of April, 1957, some 10 counties are actively developing such councils.

In September, the Governor appointed a Governor's Citizens Council on Aging, chaired by Walter K. Vivrett, associate professor of architecture at the University of

Minnesota. Mr. Vivrett had been a member of the earlier commissions and was then directing the planning study sponsored by the Louis W. and Maude Hill Family Foundation on housing and living arrangements for the aged. This new council, contrary to earlier ones, was made up exclusively of Twin City area civic representatives and of people from non-state governmental posts, since the Council's immediate assignment was to plan for the November Governor's Conference. Represented on the Council were the Family Service Society of St. Paul, the Minneapolis Health Department, Pillsbury Mills, Inc., Minnesota Farmers Union, Modern Medicine Publications, Hennepin County Welfare Board, the Minneapolis Board of Education, the Amherst Wilder Foundation, the St. Paul Housing and Redevelopment Authority, the St. Paul Trade and Labor Assembly, and a prominent retired attorney.

### **Health Care—A Major Problem**

In Minnesota, the major ailments bothering people 65 and over are heart disease, arthritis and rheumatism, hypertension and arteriosclerosis, vascular lesions. We recognize that every older person with one of these conditions need not be permanently disabled. A coordinated program by private physicians, and centers of physical medicine and rehabilitation can help many.

Adequate and comprehensive nursing home facilities are either in short supply or maldistributed throughout the state. This deprives some patients of needed care and places an undue burden on the general hospitals, and at times forces the utilization of inadequate resources.

The Governor's Commission on the Aging in its final report in June, 1956, recommended that the state establish grants-in-aid to local governmental or nonprofit groups for constructing homes for the aged with infirmity services. Although the appropriate committees of the House approved such a bill, the State Senate Welfare Committee killed it in March, 1957, by a 7-5 committee vote.

The essential over-goal, however, is the positive maintenance of the good health of older people. Early detection of illness is imperative and can best be achieved by regular physical examinations by a physician who has diagnostic laboratory facilities available. Good health is the shared responsibility of the individual, the professions, and the community.

### **Creative Activities—A Major Need**

We know that the well-being of older people depends as much on companionship, creative activity, and enjoyable use of leisure as it does on food, shelter, and clothing. Too often old people are separated from society in general. The resulting feeling of rejection is undoubtedly one of the causes sending elderly people to mental institutions. In Minnesota some 40 per cent of commitments to mental institutions are people 65 and older. Many would not need this care were something else available.

In 1949, the Minneapolis Family and Children's Service began one of the first projects in the country aimed at providing creative activities and companionship for old people living in boarding homes. The U. S. Public Health Service financed this for two years as a test of the assumption that productive leisure time activities retarded or negated oncoming senility. The Council House for Senior Citizens subsequently incorporated the project into its regular program for older people.

Council House for Senior Citizens, Inc., was founded by the Minneapolis Section of the National Council of Jewish Women. It opened in 1952 as a day center for older people. Among the varied activities we find handicrafts, games, volunteer service projects. Following a three-year demonstration period, Council House was turned over to a citywide committee for operation. All kinds of people from all parts of Hennepin County use the House freely. The House states its philosophy thus, "An acceptance of older age as a time for continued activity, new relationships, new interests." Since its origination, community funds from a variety of sources—with primary funds from the Council of Jewish Women—have supported Council House. However, there is a distinct possibility that Council House will become an accepted Community Chest-sponsored agency in 1958.

In the meanwhile, since 1949, the Hennepin County Welfare Board helped to stimulate the development of golden age clubs, camping experiences, and hobby shows. Participants in these activities now range up to 6000.

### Work Is Important, Too

A Minnesota survey in 1953 revealed that 90 per cent of employers generally used 50 as the maximum hiring age for men and 40 for women. Still another study showed that 51 per cent of the hourly wage earners and 65 per cent of the salaried workers can perform satisfactorily at 65. Three-fourths of these wished to continue to work after 65.

A study by the Minnesota State Employment Security Department showed that older workers were 32 per cent of the job applicants and that they received but 15 per cent of the hires. The state employment service has established job counseling as an aid to older workers. According to a federal survey, counseling increases their job chances by 50 per cent.

A. G. E., Inc. (American Geriatric Enterprises), conceived by Dr. Kenneth R. Larson, a St. Paul physician, is a pioneer effort to provide work for older able-bodied men and women. This program has been described elsewhere at this Conference.

### Counseling Helps

Counseling before retirement, and afterwards, helps people make the transition. In its 1956 report, the Commission on the Aging urged, "the State Department of

Public Welfare and each county welfare board should broaden the concept of need beyond economic aid and offer the necessary types of service needed by all older people. To do this a county agent for the aged should be appointed by each county welfare board to encourage needed services involving older people, and not restricted to old age recipients."

The 1957 basic old age organization law, now allows each county welfare board to designate a member of its staff as a community services organizer. In addition, local counties are urged by law to set up citizen councils. Staff service by the welfare board will be related to the citizens council. This is indeed a major shift in philosophy of service by public welfare agencies and is probably the greatest national contribution from the State of Minnesota in the old age field in some years.

### In Conclusion

We in Minnesota are trying to plan for our older people in such a way as to give them the health facilities required and the opportunity to use them, creative recreational outlets, housing suitable to their wishes and needs, job opportunities in keeping with ability, and essential counseling. Above all is the aim to keep life meaningful in a positive manner for our older people so that the later years will truly be golden. To this end, legislative action, administrative responsibility, and local program work closely together.

EDITOR'S NOTE—Mr. Kaplan was unavoidably detained on urgent legislative matters and could not appear on the program. His comments are included in these Proceedings as one more example of how a State goes about caring for its older people. A summary of accomplishments and recommendations, also copies of the "Report of the First Governor's Conference on Aging" are available on request from the State Commissioner of Public Welfare.

### IMPLEMENTATION BY STATES, *continued*

JORDAN J. POPKIN

Director, Michigan Office of Hospital Survey and Construction

Chairman, Michigan State Interdepartmental Committee on Aging

Under the provisions of the Hill-Burton Act the states receive annually two types of funds to assist nonprofit organizations and units of government in the construction of hospital and medical facilities. Under the original provisions of the federal law (technically Part C of the Hill-Burton Act), the states receive a lump-sum grant to assist in the construction of general, mental, chronic disease, and tuberculosis hospitals, and for facilities related to such hospitals, i.e., schools of nursing, and public health centers.

Under the 1954 amendments to the law (technically

Part G of the Hill-Burton Act), which attempted to focus public attention on the field of chronic illness and associated long term care, the states receive four categorical grants to assist in the construction of four special types of facilities: chronic disease hospitals; nursing homes providing skilled nursing care and related medical services; rehabilitation facilities providing an integrated program of medical, psychological, social, and vocational services; and outpatient diagnostic and treatment centers.

The President's budget for the fiscal year 1957-1958 recommended a national appropriation of \$120 million—\$90 million for Part C and \$30 million for Part G. \$1.2 million of the \$120 million is available to public and private agencies for research projects related to hospital and medical facilities. This recommendation is \$3 million less than was appropriated by the Congress for the current fiscal year.

In spite of the current efforts to cut the President's budget, The House Appropriations Committee recommended a total appropriation for the Hill-Burton program of \$120 million—\$87.8 million of Part C, \$21.0 million for Part G, and \$1.2 million for research.

Mr. Cohen has pointed out some of the cuts being made by Congress in federal programs relating to older people. Why was the Hill-Burton program able to withstand the current economy wave when other programs such as public assistance apparently have not? It is because of the strong support given this program by national organizations and individual members of Congress. It would seem that one of the major needs in the field of aging is more effective support in the legislative halls at all levels of government. Although many national and state organizations exist in this field, my impression is that they are largely research oriented and that "lobbying" is not a vital aspect of their program. However, the need now is for action to implement the recommendations which they have made to meet the needs of our older citizens.

#### Four Categories

The types of facilities eligible for Hill-Burton assistance which are most directly related to the needs of older persons are the four categories provided for by the 1954 amendments. Although the law allows Congress to appropriate as much as \$60 million annually for all four categories, only \$21 million has been appropriated each year for the past three years. The following are the total allotments to individual states made for the fiscal years '55, '56, '57:

	<i>Michigan</i>	<i>Illinois</i>	<i>Indiana</i>
Nursing Homes	\$306,000	\$313,000	\$217,000
Rehabilitation Facilities	306,000	313,000	217,000
Chronic Disease Hospitals	441,000	455,000	311,000
Outpatient Centers	441,000	455,000	311,000

What has been done with the funds thus made available and what problems are being encountered in planning for these facilities?

#### Nursing Homes

In the nursing home category Michigan is assisting three county convalescent hospitals, legally known as county medical care facilities. With the exception of a few very good privately operated homes these county facilities represent the highest level of skilled nursing home care in the state and provide the kind and quality of care contemplated by the federal law and regulations. Our office has required that nursing home projects receiving Hill-Burton assistance have programs of physical and diversional therapy, and space and equipment included in the plans. The rural areas of the state have very few skilled nursing homes and in some cases we find the general hospitals in such areas meeting this need. Therefore, rural areas have a generally higher priority and our applicants come from these areas.

Of the three county medical care facilities in Michigan receiving Hill-Burton assistance, the one which we are most excited about is the one which will be attached to a larger regional center hospital with very active physical therapy and occupational therapy departments but operated by the county. Something like \$200,000 will be saved in the cost of construction by not duplicating services now available at the hospital. We hope that placing this facility adjacent to the hospital will build physician and other professional staff interest in the patients and raise even further the quality of service they receive.

Developing the nursing home program has presented some difficult problems.

In the first place what does skilled nursing care mean? The federal law and regulations deliberately left this point vague so that each state could work out its own problems.

#### Nursing Care Defined

There are some 400 institutions in Michigan having convalescent home licenses. However, when one closely examines the service and patients in these homes one finds a very mixed up situation. Some patients in licensed nursing homes appear to need only domiciliary care and some licensed nursing homes are providing essentially only domiciliary services when the patients need nursing and related medical services.

After a preliminary survey of about 15 homes and consultation with nursing people in the state it was decided that for purposes of the Hill-Burton Act the only homes meeting the definition of skilled care would be those in which nursing services are under the full time supervision of registered nurses who are licensed in the State of Michigan. Applying this standard to the 400 licensed nursing homes we found that only 29 per cent meet this definition. However, these contain 52 per cent of the convalescent



beds as the 35 county medical care facilities are included in this group. The remainder provide varying levels of care, from what we are calling skilled convalescent care with services under the supervision of licensed practical nurses, to domiciliary care with services under the supervision of persons with varying degrees of training and experience.

### **Nursing Home Sponsorship**

Another problem in developing the nursing home program relates to sponsorship. Some people in this field say that the provision of nursing home care should be a responsibility of our general hospitals. However, in Michigan we have had only two slight feelers from general hospitals for funds to construct this type of facility. In general, hospitals are not prepared or able to get into this business. In some cases, particularly in rural areas, the hospitals aren't large enough to absorb the convalescent load. For example, one of our projects is a county medical care facility of 105 beds which is almost 50 per cent bigger than the local general hospital. It could be ridiculous to try and append a facility of that size to the present hospital.

While some states are pushing for nursing home projects as parts of general hospitals, in Michigan we are hoping that nursing homes, whether run by general hospitals or just located near them, will work out relationships with hospitals which will see that people get the kind of care they need. Under present arrangements who provides the care seems less important than seeing to it that people are transferred to the place that can give them the services they need.

### **Rehabilitation**

In the field of rehabilitation, Michigan was fortunate in having in planning at the time the amendments were passed the Rehabilitation Institute of Metropolitan Detroit. This \$3 million facility is being built adjacent to Harper Hospital, a large general hospital from which it will purchase central general hospital services, but will be separately administered. Had only rehabilitation money been used to assist the Institute the federal grant would have been but \$200,000. However, the 100 inpatient beds were classified as a chronic disease project and \$300,000 of the chronic disease hospital money granted to it. Thus, the total federal grant using two years' funds for two categories is \$500,000 or about 16 per cent of total costs.

Rehabilitation Center funds in Indiana, Illinois, and Ohio have been used to assist independent centers. Wisconsin has used its funds for a dental rehabilitation center at Marquette University and for one independent facility.

### **Chronic Disease**

To date we have assisted no special chronic disease hospitals and I am beginning to wonder if we ever should.

When you look at what services you want in a chronic disease program, you want everything that is provided by a general hospital minus obstetrics and perhaps pediatrics, plus the addition of rehabilitation therapies. Why couldn't we have in most general hospitals a chronic disease service or program as we have communicable disease programs. This would only require that when a patient is diagnosed as having a chronic condition a certain program or pattern of treatment would go into operation with automatic referral to such services as the medical social service and physical medicine departments.

There are many serious problems in planning facilities for the care of the chronically ill. I am told that there is more variation among the chronically ill patients in terms of their medical needs than there is between the chronically ill and the so-called acutely ill. We are concerned that when we advocate physical therapy in a nursing home we are getting pretty close to a hospital and we wonder if we are right in saying that a nursing home is something different from a hospital. We are also wondering about the relationship of all these special facilities—nursing homes, rehabilitation centers, chronic disease hospitals—to the general hospitals. As I indicated, in some communities in Michigan general hospitals are providing the kind of care that patients would ordinarily get in nursing homes. But since there may be no nursing homes in the community they stay in the hospital, many paid for at general hospital rates by Blue Cross, other insurance, or welfare agencies.

### **State Plan of Construction**

The first appropriation for the 1954 amendments included a one-time grant to each state to be matched dollar for dollar by the state and used for survey and planning activities required to prepare the State Plan of Construction. The State Plan outlines how the state contemplates distributing the federal funds and must be approved by the Surgeon General each year before the state may commit any of the federal funds to a specific project.

Michigan's survey and planning grant was \$67,100. The State Legislature provided an additional \$67,100 and the Office of Hospital Survey and Construction contracted with the University of Michigan School of Public Health for a study to determine the need for facilities for the chronically ill and long-term patient. This will include collecting data on a sample of all long-stay patients (31 days and over) in general hospitals in 1955, and of all patients in licensed nursing homes on a given day during February, 1957. Data collected on each patient will be age, sex, residence, diagnosis, length of stay, source of referral, and place to which discharged. With Dr. Wilma Donahue's help, we are doing a more extensive study in the county medical care facilities. She is now doing a study to determine the rehabilitation potential of patients in Michigan's 35 county medical care facilities.

We hope that when we get through looking at these patients we will have a better basis for saying what is needed for the care of the chronically ill—new facilities and institutions or additional services in existing facilities. Perhaps we should be thinking of a single hospital facility that renders all levels and types of care required by various kinds of cases, acute and long-term.

Although our office is involved in helping people construct buildings, we are getting a little less concerned with building as such and are thinking more in terms of services required in communities to provide adequate health care. Thus we are urging communities to consider whether new or additional buildings are needed to meet their problems or whether in the long run the most efficient and economic way of meeting the needs of the long-term patient may be some rearrangement or expansion of services within present facilities.

#### DISCUSSION

There is lack of clarity on the meaning of administrative costs—that this includes costs of all of the services that make it possible for people to receive assistance, or which help people in such a way as to diminish or remove the need for financial aid.

It is important for people and voluntary organizations to urge support for the 1958 federal appropriations. Legislative action can be secured through organizations working with particular Congressmen, e.g. those with known interest in a given matter, or those from the agency's district or state. Organizations also can make their point of view known by presenting this at hearings. Congressmen should be urged not only to cast their own vote in favor of the legislation, but to urge others to do so also. A way of pin pointing interest is to relate the matter under consideration to a known personal situation of the legislator. This should be comparatively simple with concerns of the aging.

Statesmanship and strategy are essential in exploiting what you can while you can. A good device is to put a retired person into important positions where there is controversy since he may not be as susceptible to pressures. This technique is particularly effective where the medical profession is concerned.

Ideological fears are best broken down through demonstration projects which do not need to be large or expensive. Proving that something works is the strongest argument.

It costs money to maintain human dignity, to promote health, welfare, and happiness, but it also saves money in the long run. We may not be able to make every older person employable, no matter the amount of money spent. But we may make them happier, better able to take care of themselves. This may not show dollar saving, but it may improve family living, ease tensions, and create a happier life.

## 5 Continuing Usefulness in Retirement

*Presiding:* HAZEN PRICE, M.D.

Committee on Aging of the United Community Services of Metropolitan Detroit

Chairman, Geriatrics Section  
Wayne County Medical Society

### SENIOR ACHIEVEMENT, Chicago

FRANK H. CASSELL

Director, Personnel Administration  
Inland Steel Company

Senior Achievement, like many organizations in the field of social welfare, developed out of a spark of an idea, backed up by substantial research, much of it done by Elizabeth Breckenridge and Bernard Friedman of the University of Chicago.

Their first contribution was to get us to think about the meaning of work. The second was quite revealing. During research at our company in East Chicago, Indiana, it was found that the advice counselors were giving workers was not always helpful; in fact, in many cases it was bad. One fairly typical example was advice to go to Florida, Arizona, California for retirement. We learned that 80 per cent of the people who did this found their way back to East Chicago, after having disagreeable experiences away from friends, relatives and home relationships. They returned home without a job and with nothing to do, and sometimes without funds.

This was a substantial contribution from the researchers, for when a proposal was made to me that we encourage our retirees to go to Florida, I was prepared. Out of this and later discussions, came the suggestion for Senior Achievement to be patterned along the line of Junior Achievement.

Another overriding factor was a recent study that indicated there were 781,000 people in the Chicago area over 65 years of age, and that a very substantial number have great difficulty adjusting to retirement.

#### Goals and Objectives

First we deal with men and women who have some skill and ability to work, and who are not in financial need. Usually they are on a pension, either public or private. Second, these are people who do not want to sink to a dependency level. Third, we have discovered through our association with people, a method better than theorizing, that they want to live useful, self-sustaining lives, and

furthermore, that they value their independence highly. That is part of the fundamental philosophy that underlies Senior Achievement.

From the standpoint of society, we view Senior Achievement in these terms. First, it is wrong to lose the skill and knowledge of the people who are retired. Second, people who do not lead useful lives contribute to poor morale in the community through enforced idleness. Third, Senior Achievement and all other similar type organizations encourage experimentation with private solutions to problems. Fourth, Senior Achievement provides a laboratory in which to learn what adjustment to retirement means, and what can be contributed to facilitate such adjustment.

### Operations

Senior Achievement began about two years ago, but it was not until a year ago that we really were in business. We began as an experiment with \$30,000 contributed by major companies from the Chicago area and the Wieboldt Foundation. We have a financial board of top Chicago people for raising funds, and we have an advisory technical board. The director is a Senior Achiever. He is retired, and he has under his direction people who are manufacturing superintendents, foremen, and the like. A staff of salesmen bring in the orders.

We now have two rather large rented areas in operation, and we have a third going into operation soon. Some of our early helpers were leading manufacturers, each of whom made contributions purely on the basis of faith in the idea and the people.

Senior Achievement has the same kind of problems any business organization has, especially in human relations and organization concepts. It is organized as a bona fide business which we expect to be ultimately self-sustaining. This means the contract work we handle for the various companies cannot be done at a loss. We are not aiming to make a profit, but we must keep even.

Another aspect is the way we organize the jobs and place the people so that the work is satisfying, rewarding and meaningful. The intent is for the business to respond to the needs and problems of the people who do the work.

We also gear the work to people's personal and physical requirements. This means a flexible schedule, short work days, and much group work. Some people may work just four hours a day. They select the time of day they want to work. Most do not want a full eight hours five to six days a week.

### Problems

One of the problems we have is balancing cost and efficiency against people's welfare and attitudes. To illustrate, there is a powerful temptation to accept a big order from a company at a low cost, which would mean high speed work. For example, we have just received an order

to manufacture two million ribbon bows for a company. How do you make two million ribbon bows, not lose money and yet not work our people like those in Charlie Chaplin's film, *Modern Times*? We have a feeling the people are not there to do the same amount of work they were doing back in the factory. We have to say frankly that we are going to charge more for the things we produce because we do not expect the speed of younger workers.

### Current Situation

After one full year of operation we are employing 100 people, executives, engineers, shop people, clerks, the whole range. In the first full year we did \$33,000 worth of business. We have equipped both office and plant at two locations, and the third is now being developed with 21 wood and metal working pieces of equipment, power sawing machines, and a modern drafting department.

Senior Achievement has four divisions: Drafting Engineering Department, Packaging Department, Clerical and Office Services, Manufacturing Soft and Hard Goods. There are a thousand or more people on the waiting list for Senior Achievement, but we do not have the capital or the equipment to give them work. We are working on this. We are able to put one person to work for \$420. This compares with an average investment of \$12,000 to \$15,000 and running as high as \$50,000 per person in some industries.

Applicants must be retired. They are screened by physical and mental ability, and for certain hand and finger dexterity. There are no age limits; the forelady of the packaging department is 80; no one under 60 is presently employed.

We have established a research program designed to sort out people according to their interest, ability, preferences, talents and so forth. A group of Chicago companies paid for staff from the University of Chicago to work on this.

### Products

In the last few months we have made 1200 bacon drainers, and have a prospect for 100,000. We have built 1100 wonderful tie-racks selling for \$1.50, \$2.50 and \$2.75. We do cabinet work. We make wood models for a department store of such items as old-fashioned wooden cradles. We discovered some people like to buy wooden cradles that look old and our fellows make them look real old. We make models of shoe shine boxes, and various pieces of experimental furniture for a mail order house. We are also working on a web-testing machine that will cost around \$1750. We make all kinds of toys for the department stores. One is an interesting little magnetic board for visual aid for teaching children how to read and write. A group of the ladies is working on a sewing project for covers for children's play tents.

We have manufactured 7500 frames for the Declaration



of Independence for a retailer in Chicago who is a leader in the sale of home appliances. He is a democratic fellow, who feels so good about America that he gives his customers a framed copy of the Declaration of Independence. He also goes to every naturalization ceremony and presents them to each new citizen.

We have made 1500 easels for one company. We have a contract for 80,000 space boards for another. We do drafting and experimental design for several others. Two of the big steel companies provide a steady flow of drafting work amounting to \$600 a month.

In one of our divisions, we do packaging such as fine candies, for a number of large department stores. These examples suggest the range of projects possible for an organization such as Senior Achievement.

### The Future

Our expansion is continuous and steady. It is limited by two things, availability of capital funds, and the limited amount of managerial talent. The money for capital equipment we expect to raise from private industry.

There is a shortage of available retired talented people who can manage others. Those who were managers who come to us have old methods and old ways of doing things. Sometimes there is conflict between younger men on the advisory board and the older men who want to do things the old way. This is the familiar problem of teaching an old dog new tricks. But we get inspiring stories of men who are learning at a rather late age to become managers.

One of our big jobs is recruiting and developing advisory board personnel with interest and versatility. It is easy to get board people who are willing to work, but less easy to get the kind of people who are able to translate their own experience to usefulness for Senior Achievement.

Another problem is to keep the organization to its objective. We want to keep the organization just even with the board so that its main goal is to provide jobs for older people.

We must avoid centralization of activities. There is a tendency to centralize everything in downtown Chicago. We require outlying Senior Achievement organizations, for it is too great an effort for many older workers to travel by street-car or bus for an hour or an hour and a half to work four hours and then have the return trip to make.

We also must build the enterprises in such a manner as to successfully survive economic fluctuation. We are likely to lose some orders when business goes down, and we must build therefore on a broad business basis rather than having our contracts with one or two or three companies.

The experience so far is most gratifying. We have had an opportunity to learn much more about the occupational and psychological aspects of retirement. We hope that what we have done and what others are doing will stimulate still others to emulation and innovation in this field.

## CLEVELAND SENIOR COUNCIL

MRS. FRANK M. BARRY

Director, Departments on Work with Older Persons  
and the Chronically Ill  
Welfare Federation of Cleveland

About two years ago a 72-year-old gentleman came into my office. "You know, I retired a few years ago as vice president of the X Department Store, and I decided I would set up my own little business. I have an office downtown that does some business counseling. A number of my retired friends drop by to see me. They stop in because they no longer have an office; they sit in mine, and we go to lunch together."

He added, "You know, I am concerned about them. There ought to be some way for this community to put these people into productive use, not only for the good of the community but for their own mental health. Isn't there something we can do in this town?"

At about this same time a young businessman of our Committee on Older People said, "You know, there are some of us younger fellows around here who could really use some advice from older experienced men. Isn't there some way to get the older fellows and the younger fellows together?"

Then a middle-aged lawyer remarked, "I am concerned about some of my clients who are reaching retirement age; they really don't have anything to do."

We called a meeting of some of these people with ideas to talk about whether there was a way by which retired men who had been business executives and professional people, could join in doing something useful for themselves and for the community.

Following this first meeting, we called together a larger group of about 50. They decided to explore the possibilities further and set up a planning committee to think through what kind of people ought to be included, what the purpose of the organization should be, and how it should get under way.

As a consequence, 10 former business leaders in Cleveland sat down for meetings every couple of weeks over a period of several months and I was asked to sit in. Gradually a plan and organization were developed. The name given was Cleveland Senior Council.

This organization was for executives, people who were retired or near retirement, and others who were interested; those who had been in leadership positions in business and industry, and in the professions. Its roster reads a little like Who's Who. Someone dubbed it the Elder Gentlemen Junior League.

Initially, this group set up three program ideas. One was to see if they could do something in personal counseling. The idea at that point was that there were other people like themselves who didn't know where to turn and how to face problems of retirement. A second idea was





The Meeting Gets Under Way with a Press Conference

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G WARFIELD HOBBS, CHAIRMAN NATIONAL COMMITTEE ON AGING  
CARE HOTEL WHITTIER DETROIT

TO THE MEMBERS OF THE NATIONAL COMMITTEE ON AGING, MEETING IN DETROIT,  
I SEND GREETINGS. OUR OLDER CITIZENS ARE A REAL PART OF THE STRENGTH  
OF OUR LAND. BY PLANNING AND WORKING ON THE PROBLEMS OF THE AGING,  
YOUR COMMITTEE IS PERFORMING A NATIONAL SERVICE BY HELPING TO MAKE  
FULL USE OF OUR HUMAN RESOURCES. BEST WISHES FOR YOUR SUCCESS IN  
THIS MOST NECESSARY ENDEAVOR.

DWIGHT D EISENHOWER.





Mr. Hobbs and Miss Randall  
Welcome Governor Williams  
to Open the Conference

# PROCLAMATION

City of Detroit . Executive Office

ALBERT E. COBO  
Mayor

## OLDER WORKERS WEEK

April 15 - 20, 1957

WHEREAS Detroit will host the annual Spring meeting of The National Committee on Aging, April 17 and 18, at the Whittier Hotel, and

WHEREAS The subject of the meeting will be Older People and the Industrial Community, and

WHEREAS Detroit was chosen for this meeting because of its industrial importance and its large number of industrial workers, and

WHEREAS The National Committee will devote its sessions to discussions highly important to the economic and social welfare of older workers, and

WHEREAS The City of Detroit has a continued interest in, and a high realization of, the problems facing its older citizens,

THEREFORE, I, Louis C. Miriani, Acting Mayor, as a salute to older workers of Detroit and in an endeavor to call attention to all citizens the importance of this national meeting and its discussion, hereby proclaim the week beginning April 15, 1957 as OLDER WORKERS WEEK and request that all Detroit give special attention during this period to Older Workers and their problems.



*Louis C. Miriani*  
Acting Mayor





Dr. Breen's Words are Recorded While Mr. Thompson Looks On



Mr. Horelick Studies the Audience and Miss Randall Takes Notes as Mr. Hauke Speaks

Mr. Cohen Presents the Case for Later Discussion by Dr. Donohue, Mr. Popkin, and Mrs. Breckinridge







**Mr. Bondy and Mrs. Mathiasen Welcome Mr. Reuther, the Closing Speaker at the Conference**



**A Thoughtful Panel—Mr. Barkin, Mrs. Coleman, Dr. Lorge, and Mr. Zink, Listen as Mr. Griffin Makes a Point**

**Mr. Hobbs and Members of the Detroit Host Committee—Mr. Crowe, Mrs. Failing, and Mr. Waylett—Enjoy Mr. Cushman's Humor**





that maybe we could help some small business through business counseling, if we were careful not to encroach upon the Department of Commerce or the Small Business Association. The third idea was to serve as a resource panel, primarily to give community service in any way that would seem wise. This has been the major focus of the Senior Council.

At present there are over 150 on the membership list. Dues are \$10 a year and up. The budget is modest. The Council has an office in one of the hotels, a part-time executive secretary and an office secretary.

### **Underlying Philosophy**

Dr. Robert Burns, executive officer of Industrial Relations Center and Professor of Business and Social Science at the University of Chicago, recently stated that, in a nutshell, the problem an executive faces upon retirement is the lack of problems. When we can figure out the meaning work has for us we have taken a real step in retirement planning; substitutes can then be found for such job satisfaction as prestige, companionship and creative endeavor.

In a sense, this has been the thing the Senior Council has been attempting to do, although it was never spelled out this way. Membership on the Senior Council now means something prestigewise in the community. The Council is turned to for more jobs than it has yet been able to fill. Presumably it has the substitute satisfaction of a problem to be solved, of problem jobs to be tackled, and, to a certain extent, creative endeavor.

### **How It Works**

The jobs coming to the Council have ranged from small to large, easy to difficult, short-range to long-range. They may involve one or several members. For example, one member who had been a fund raiser was referred to a local college to advise them on setting up an endowment campaign. Several members were recruited to lead a pre-retirement program for one of the large industries in Cleveland. Several men have served as members of Metro, an organization which advises on county governmental problems. Two counseled a small social agency on business practices. Several conducted a study of the County Auditor's office, which happened to be quite a hot issue in Cleveland at that point. Their report was well accepted, and the recommendations put into effect.

It has been suggested that the proposal of the Lake Erie Watershed Conservancy project have the assistance of the Council. This will be brought to their attention and a committee set up to help study the whole matter, which has major attention in the Cleveland area because of the water problem.

A request from a member of the Board of Trustees of the Bureau of Governmental Research has been received suggesting that the Senior Council create a committee to make a management audit of the Cuyahoga County relief

problem. Such an activity would require an expenditure of funds which the Council does not have. However, this will be discussed.

The County Home for Tubercular Patients has requested the Council to appoint a small committee to review the operational setup, and to suggest improvements. The Polio Ward at City Hospital has asked that we find someone to design a device to turn book pages for the patients in this ward, which means an inventor.

To be discussed at a later meeting is the question of whether we should work on bond issues. The Rotary Club and the Occupational Planning Committee have asked us for assistance in seeking jobs for both boys and girls who have been discharged from correctional schools.

### **There Are Problems**

In other words, there are things that are coming to the Council. Some of the jobs the Council has tackled. Some of the members have been extremely busy and extremely active. There are, however, certain problems which the Council faces. Among these we might mention that so far we have no workable plan to know the interests and abilities of all of the members; consequently some have not been involved in any project.

No project has yet been found which the Council as a whole can tackle, which will give the Council a real entity and a feeling of group accomplishment. There are, as one member put it, too many generals and not enough privates. The responsibilities of officers have not yet been clearly defined. And, when you have been a business executive, with an office and a staff, and suddenly all these are removed, and instead there is a group of executives sitting around a room, it is a little difficult to know how to get some of the projects going.

There are various practical problems to be faced, such as financing, number and types of meetings, absences due to vacations and illness which interrupt continuity of performance. Some of the proposed projects, such as business counseling and personal counseling, have not yet proved workable. Or we have not been able to develop a plan whereby these would not overlap other community agencies. Too, there is the question of whether or not the Senior Council is professionally competent to do all of the jobs referred to it.

### **Questions to Answer**

The successful man faces many adjustment problems on retirement and may need community support. Community committees on aging have a responsibility to consider the needs of such persons as well as others. Yet, we are not entirely sure we have found the way whereby the Senior Council can work effectively. The problem is how to help develop a program that has its own entity, that works independently and yet cooperatively. There is a vast poten-

tial for productive service in persons such as the Senior Council members if we can learn how to utilize them.

The hardheaded businessman is, if the Senior Council members are typical, a person of wit, compassion and helpfulness. One of the most interesting things to me has been the way in which they have been of help to each other. And while they think maybe they have not accomplished a great deal—as a matter of fact, the president said, “I wish you would make the story sound better than it really is,” which I am not doing—I think they do not realize the meaning of their association together.

This business of an association of “bosses” poses a challenging organizational problem. What is the substitute for the “top boss” and the private secretaries, foremen and labor force? We have not found the way to develop this. We are interested in what is happening in other cities. There is a lot more work that needs to be done. We do not feel we have a pattern, necessarily, that should be followed, but we do have an idea. The Senior Council is an idea and is one possibility, whether or not we have found the right organizational structure. The idea is that older people, no matter their occupational background—in this case it happens to be an executive or professional group—have a place to fill in the community.

One of the interesting things is that men, such as represented on the Senior Council, often have difficulty in asking for help of any kind. The problem here is not financial help. But when you have been sought as the president of the Community Fund or the president of the Red Cross, or other civic responsibility, often this has been related not only to your own ability but to the position you held in the business world. And when the business position has been removed you no longer have the community prestige to the same extent. You are put on the shelf by the community, as well as by your own place of work.

Therefore, if we can find a way whereby this leadership potential is used constructively in the community, we will have made great progress.

#### **MORA CLUB, Bethlehem, Pennsylvania**

**GEORGE D. TURNER**

Executive Secretary, The Greater Bethlehem Area  
Community Chest

Bethlehem, Pennsylvania, a city of some 100,000 people, is made up of a metropolitan area of approximately 40 square miles. In the city of Bethlehem we have the executive offices and one of the plants of the Bethlehem Steel Corporation. Altogether they employ about 30,000 people. Our next largest employer has 1200, and the next two, each has between 500 and 700. This makes for an unusual kind of community.

Nine years ago, in 1948, we did some work about older

people, concerned solely with their health. It soon became apparent that there were insufficient convalescent and nursing home services available for either those who could not pay or for the financially independent. In the early years, major emphasis was placed on encouraging the establishment of housekeeping services and nursing, convalescent, or permanent homes, both free and for fees.

We soon realized that some method had to be found for taking care of the idle hours of those in good health. Revealing, and unbelievable, to those of us who reviewed the situation, was the number of men and women in the community who had reached normal retirement age and who were going or had gone through the transition from an active life to one of inactivity, and that the number of persons with good health was far in excess of those whose health was broken.

The first recreational enterprise was a club organized by the Bethlehem Women's Club, which met at the local YWCA. Known as the Friendly Circle, it included both men and women. Subsequently the Salvation Army organized a Golden Age Club, two churches organized a “60 Plus” Club and a Good Neighbor Circle, and the Blind Association had a group known as the Happy Larks.

To coordinate these various undertakings, the result of a wide civic acceptance of the problem, the Council of Social Agencies organized an institute in May of 1953 during which panels in the fields of welfare, health and recreation discussed, and reported to a large meeting of representative citizens.

During the following year we brought about a well-organized program spurred by six sub-committees: community education, employment and retirement, housing and home services, health, recreation and education, and case work and counseling. This work was under the direction of a special project committee of the Council of Social Agencies called the Senior Citizens Committee. This committee continues to this day. The activities are more routine, but the impetus of their on-going interest and concern is being evidenced constantly. One of the situations now being studied is that professional men and women generally are less interested in the various programs, particularly the clubs, than the artisans, especially in the men's groups.

The club idea has flourished, stimulated by concern for better maintenance and entertainment of older people, whether dependent or independent, and with the prevention of dependence and the rehabilitation of our older citizens into various fields of productive activity.

#### **MORA Is Born**

Late in 1954 a group of active men, led by a retired lawyer, decided they wanted to establish a “home” or at least a place which they could call their “home.” Other clubs enumerated above continued to flourish, the members meeting once or twice a week for various kinds of



recreation. Out of the desire for a "home" came the subject of my remarks, namely, the MORA Club of Bethlehem. The four letters reflect the words, "Men of Retirement Age."

Its organization was the direct result of the work of the Senior Citizens Committee of the Bethlehem Community Council. This committee consulted with the YMCA and together there was further study and exploration. A committee of four retired men met with the General Secretary and the Adult Program Director of the YMCA to discuss an appropriate program and to prepare a list of membership candidates. The Chairman of the Adult Program Committee, representing the YMCA Board of Directors, sent letters inviting these men to an exploratory meeting in June 1954.

Fifteen men came to this meeting, chaired by the Adult Program Chairman. The group expressed interest in an organization, named a temporary committee and agreed to hold the first formal meeting in September, 1954. Throughout the summer 10 to 12 men gathered once a week at the YMCA for informal discussion. The list of candidates was enlarged, news stories were carried by the local newspaper, and the local radio station made announcements concerning the club. Thirty-nine men attended the first official meeting in September.

Since then, 379 men have been enrolled. Any retired man is eligible. The age range is from 60 to 88 years of age, with an average of 73.8 years. Today there are 332 on the roll.

The stated purpose of the club is to provide opportunities for its members to meet for fellowship, exchange of ideas, entertainment, educational programs, social activities, and to aid in service projects for the good of the community.

Former occupations of the members include: Bethlehem Steel Company officials, clerks, shop and mill men, railroad employees, government clerks, post office clerks and carriers, businessmen, city officials, educators connected with Lehigh University and the public schools, clergymen, salesmen, printers—almost every type of occupation. All seem to enjoy one another's company; after formal meetings there is always a pleasant and general social get-together.

There is no initiation fee, no fixed dues, and no YMCA membership fee required. Many of the men are YMCA members, however. The group is a YMCA club, housed and staffed by the Y, and its lapel buttons and badges bear the YMCA insignia. An offering box is placed at the door of the meeting room and members make donations as their finances allow, or as they wish. Some of the men have meager pensions or incomes and the club does not want any member to be embarrassed if hard pressed financially. Last week there was a balance on hand of \$112.

All projects and requests for service are screened by the Executive Committee. Standing Committees are Pro-

gram, Membership, Ways and Means, Sick Visitation, Music, and Transportation. Arrangements are made so that anyone with transportation difficulties will be brought to the meeting.

### Activities

The group meets every Wednesday, summer and winter, at 2:00 p.m. A welcoming committee greets the men at the door. Meetings are opened with a prayer by the Chaplain, a retired missionary, or by one of the members designated by him. The invocation is followed by group singing of familiar songs in which the men join with enthusiasm and vigor. Once a month the meeting closes with modest refreshments, providing an excellent opportunity for sociability.

A careful record of names, addresses, phone numbers and birth dates of all members is kept. Birthday anniversaries are publicly recognized at the weekly meetings.

An interesting development is the growing desire of the club to render service to the community. The men stand ready to help any civic organization or project. They do not enter into politics nor do they solicit funds. To date over 7000 man hours have been spent in community service in projects such as a block-to-block survey of the entire city for the Community Chest, listing all business places and the number of employees in each; preparation of workers kits for the Community Chest Campaign; sponsorship of the annual block collection for the Seamen's Institute of Philadelphia with a total of two tons of books and magazines; aid to the Cancer Society, Red Cross and of course, the YMCA. During the Christmas season, 16 men repaired and repainted secondhand toys to be distributed to the children of needy families to brighten their Christmas. Forty thousand copies of the annual report of the local hospital were prepared for mailing.

Other activities include pool, bridge, pinochle and shuffleboard. Members participate after the regular meeting and may also meet on Friday afternoons for additional participation in these activities. Plans are now under way for the organization of a dart baseball league and a singing group.

The most recent undertaking is a cooperative endeavor with the Bethlehem City School District to find about 30 retired men with teaching talent who could qualify as emergency substitutes and assistants to the teachers in our vocational high school. In reply to a questionnaire, 135 members evidenced interest in this. It appears that there will be a sufficient number who can take on this additional worthwhile civic project. This is final evidence of what we consider to be a unique function of the MORA Club, namely, that the men are not primarily interested in their own entertainment and recreation, but want, and actually do meritorious work in the community with no financial remuneration.

### Sample Meeting

One week ago, I attended the weekly meeting of the Club, and one of the items of business was a sincere request that I convey to this meeting their hearty greetings. There were 177 present. The chairman of the Birthday Committee read the names of six members whose birthdays occurred this week, and they all heartily sang the familiar "Happy Birthday" song for their buddies.

There was a moment of meditation for an 88-year-old member who had passed away during the week. The Club chorus, consisting of 15 men, sang a couple of numbers as is their weekly custom, and it certainly was thrilling to listen to the hearty way in which they sang the familiar song, "Stout-Hearted Men."

The Program Committee last week presented a member of the Club who had just completed a six-week Mediterranean cruise. He showed color slides and commented on them.

The meeting closed with the dignified singing by the entire group of the familiar hymn, "Blest Be the Tie that Binds."

Thus it can be seen that the men find fellowship and entertainment for themselves. But more important their morale is lifted by the realization that, although they have retired, they are still useful and are using their talents in doing something for others.

### AMERICAN GERIATRIC ENTERPRISES, St. Paul

KENNETH R. LARSON, M.D.  
President

A. G. E., Inc., which stands for American Geriatric Enterprises, was established and privately financed to create employment for the ever-increasing number of workers in the age bracket 50 to 65, who need and can work, but who cannot obtain employment because of their age. This is a pre-retirement program. We have started in a small way, but we have made a practical beginning at helping to solve a great need.

The idea for AGE came to me because of my concern for some of my older patients whose chief ailment I diagnosed as "unemployment." This had inevitably led to psychosomatic disorders. I learned that I was unable to treat these patients, whose complaints were not due to any organic disturbances but were caused by feelings of insecurity from their inability to obtain employment. Even though they were physically fit and eager to work, they were unable to secure employment because of industrial age barriers.

Many were jobless through no fault of their own, but

because their concerns had failed, consolidated with others, or had been forced to discontinue certain operations because of the obsolescence of their product. One patient in his late 50's had been employed by a gas manufacturing company all of his working life. When natural gas was piped into this area, the company went out of business and he could not find employment elsewhere because of his age. Another had worked for many years for a local meat packing concern which closed their local plant. Another had worked for a wholesale firm which eliminated its grocery business.

### Employment for Employables

Some of the given reasons industry cannot hire the older worker are, cost of retirement and insurance programs, cost of amortization of training, and difficulties with promotions.

I will not go into all the details, but about two and a half years ago I started to interest others in the problem of finding suitable employment for the employable senior citizens of this community.

In order to lay the foundation for AGE, we formed a committee of about 30 industrial leaders and professional people with varied business experiences. With the help of the State Division of Security and Unemployment, we made a study that revealed there were more than 1500 unemployed people in St. Paul and environs between the ages of 50 and 65 (exclusive of Minneapolis and environs). We wanted to include the Senior Achievement range of activities, but we decided that we were shooting for too large an area. We decided to help the men and women between 50 and 65, because this is the group that cannot get help from pensions or Social Security—too old to get jobs, and too young to get aid!

This committee then raised \$1500 to make a survey of the leading industries in St. Paul in order to determine what type of work could be obtained that people in this age bracket could do economically and efficiently. Over a period of three months, we uncovered numerous potential projects, and seven of these were very carefully evaluated.

At the first meeting of the board of directors in August of 1956, we elected officers and appointed committees. We then rented an empty garage, hired several workers, and named as general manager a 72-year-old retired garment manufacturer, and went to work.

The first contracts were for repairing, painting, and stenciling cases for soft drink bottles, and for repairing and building wooden pallets used as platforms in industrial firms. We obtained our first contracts from companies whose executives were on our board of directors, but we emphasize that we keep contracts only because of our ability to meet competitive bids and give them their money's worth. We are able to specialize in quality work because our workers are capable, conscientious, and effi-

cient. They believe "in doing a day's work for a day's pay."

AGE is currently serving several other large local industries on a contract basis covering operations that cannot be performed efficiently in their own plants because of greater overhead and higher paid help. We now have eight contracts with seven different companies, and 14 additional projects are being studied. A constant search is being made for new projects.

### A Profitable Enterprise

We have already built four and one-half boxcar loads of new pallets and repaired two and one-half boxcar loads of old pallets. We have painted, sanded, and stenciled 14,770 beverage cases. We have \$12,000 worth of work lined up that we are working on at the present time. We have bids out for almost \$75,000 worth of additional work.

Ours is not a Community Chest project. We were incorporated as a profit-making concern. We are looking forward to the possibility of making a profit in the not-too-distant future! We were capitalized at \$25,000 and to date have sold about 1200 shares of stock at \$10 a share.

We want projects that require as much hand labor as possible and yet will bring income into the firm. Our equipment is expensive and we are constantly in need of working capital while we are laying the groundwork for a sound business establishment.

At the present time we have 10 employees. The average age is 58 and the range is from 50 to 65. The average employee was out of work nine months before coming to work with us. Forty per cent of the employees were on relief for a period of one month to two years before getting a job. The average employee has two dependents, with a range in age from zero to eight. Fifty per cent of the employees last worked in firms that went out of business—in other words, these are displaced workers.

From a practical point of view and one that every taxpayer will enjoy, during the first six months of their employment, the workers at AGE paid \$1000 to the Federal Government in withholding taxes. During that same period of time, those who would otherwise have been on the relief rolls would have received at least \$3600 in relief payments.

AGE was organized in an attempt to meet the problem of finding suitable employment for the older worker, a problem which is now being recognized on a national scale. The corporate officers and directors are currently contributing their time and effort toward the realization of this goal.

Our organization has attracted national interest and I am happy to show you a film which was taken of AGE by the National Broadcasting Company and televised on Dave Garroway's program, "Today," on March 6th, 1957. . . .  
(Film)

## 6 Industry and the Older Worker

*Presiding:* G. WARFIELD HOBBS, 3RD

Chairman, The National Committee on the Aging  
Vice President, The First National City Bank  
of New York

### INDUSTRY AND THE OLDER WORKER

EDWARD L. CUSHMAN

Vice President in Charge of Industrial Relations  
American Motors Corporation

I am reminded of the old fable about the blind men who having felt different parts of an elephant, each had a distinctly different impression of that animal.

I am told that in this group there are educators, social workers, government employees and union and management officials. Does the status of the older worker in industrial society seem the same to each of us?

This conference can be helpful to all of us in developing a better understanding of the older worker, his aspirations and needs, and the better utilization of his and society's resources in meeting his problems.

Perhaps a discussion of industry and the older worker would be more meaningful against a brief background discussion about the older worker and society generally.

First, in my opinion the greatest need of the older worker is to be more fully integrated into family, economic and community life. More than most, he has a fear of not being wanted or needed. More than most, he has a fear of change. More than most, he is sensitive to rebuffs and frustrations in his search for recognition and security. Although economic security is of basic importance, he cannot be a happy person without proper adjustment to his total world. Any program designed to be helpful to him either during his working years or after retirement, must therefore contribute to his self-respect, his status in society and enable him to continue as a useful person in his home and community.

Second, the older worker does not live in a world apart nor does he desire to do so. His basic problems are best met by meeting the basic problems of society generally. In an economy of full employment, full production and full consumption, the older worker, like workers generally, will be able to make his maximum contribution and derive maximum economic satisfactions. Conversely, in an economy of scarcity, there is greater likelihood for discrimination against older workers and certain other par-

ticipants in the labor force such as the physically handicapped or inexperienced youth.

Third, the more adequate the preparation in earlier years for later life, the more likely will be successful adjustment for older workers. Programs for older workers should begin at the beginning—in early childhood and through the formative years.

Fourth, in a democratic society the basic responsibility for meeting one's needs and the opportunity to do so rest primarily on the individual himself. Any activity, whether governmental or private, intended to be helpful to him should be based on that premise.

### **Special Problems of Older Workers**

What, then, are the special problems of the older worker in industry? It cannot be argued with validity that there is discrimination against the employed worker on the basis of age. Studies of American industry clearly indicate that wages, hours and other conditions of work apply to all workers without age distinction.

The past 20 years has seen the rapid development of formalized seniority rules, particularly in union agreements. These seniority provisions spell out in detail the preference given workers for job assignments and tenure on the basis of length of service with an employer. For the most part these seniority systems have been distinctly helpful in providing for uniform, impartial personnel decisions.

In a relatively limited number of cases, however, these seniority provisions have been an obstacle to utilization of older workers as well as of the physically handicapped and women. Unfortunately, one characteristic of advancing age is decreased physical vigor. Consequently, on some occasions older workers with less seniority must be laid off as unable to do the available work while younger workers with more seniority are retained on jobs that older workers could perform acceptably.

This same condition, on numerous occasions, prevents the hiring of older workers. This comes about quite understandably in that younger workers with seniority under their labor agreement will insist upon the most desirable jobs. In many cases, these are the less arduous jobs. The jobs to be filled from the outside, therefore, tend to be those that are the heavy-duty onerous tasks. In making these comments, I am not attacking the principle of seniority as such. I am, however, pointing out that there are conflicting human values. At the present time in our plants under our union agreements we protect our present employees in their assignment to less physically demanding jobs while at the same time these same seniority provisions prevent the hiring of older workers and others without the physical ability to do the more arduous tasks.

In 1954 and again in 1955 we proposed to the principal union at our largest automotive plant, that we experiment

with changes in our contract which would provide a list of jobs to be removed from the normal operation of the seniority system and reserved for the assignment of older workers, the physically handicapped and women. On both occasions, the union's bargaining committee rejected our suggestion. We still believe that the proposal is worth trying.

### **Encouraging Outlook**

The outlook for employment of older workers appears to be encouraging because of two major factors: (1) the economic outlook is good, indicating that the number of jobs that will have to be filled over the next 15 years will continue to rise, and (2) the composition of our labor force and the number of persons available for work is such that there should be favorable opportunity for employment of older workers.

Earlier this week, the Detroit Free Press quotes Seymour L. Wolfbein, chief of the Division of Manpower and Employment of the Bureau of Labor Statistics, as predicting that there will be 10 million additional jobs created in the next eight years. BLS estimates that four and a half million of these jobs will be filled by those now in the 14 to 24 age group and 500,000 from the 25 to 35 age group, while the remaining five million jobs will be filled by those now over 45 years of age.

The Free Press story does not include another Labor Department forecast—that half of the 10 million new workers will be women.

I am told that Mr. Charles Odell's talk tomorrow will cover the employment outlook for the period ending 1965. For that reason, I will omit further comment on this subject except to point out that the Labor Department reports predict an increase in productivity of 28 per cent to 30 per cent while at the same time forecasting a six per cent reduction in annual hours of work by 1965. Let me emphasize that these are government forecasts, not employer forecasts.

The need for increased productivity is underlined by these forecasts. Ewan Clague, BLS Commissioner, has reported that 1956 saw a slackening of the rate of productivity improvement. It is hoped that the increasing use of automation and other technological improvements will help.

### **Promise of Automation**

I know that in some quarters there is grave concern over automation and its social implications. Much of this concern is based upon an assumption that automation will, like a tidal wave, engulf American industry in the near future, causing great unemployment and dislocation of the work force. This outlook does not appear to be accurate. Rather it appears that automation will affect not only different industries at different times, but different companies in the same industry at different times, and



even different plants in the same corporation at different times. This does not mean that we should not be sensitive to the possible implications of rapid technological change. On the contrary. The record demonstrates that to date there has been satisfactory adjustment to the use of automation in factories and offices. The classic example is the replacement of the hello girl by dial telephones. Not a single employee has been laid off by the telephone company as a result of this type of automation.

The increasing use of automation has much promise for employment of older workers. To a considerable extent, automation replaces the repetitive heavy-duty unskilled jobs with machine power. For the most part, the newly created factory jobs do not involve much training or a high degree of skill.

### Economic Security

What of retired workers? Their economic status has been improved by the general economic health and by the growth of governmental and private economic security systems. The Social Security Act of 1935 established the government's old age and survivors insurance program as well as the unemployment insurance program. In recent years, there has been very rapid growth in private programs for supplementation of government schemes through industrial pension and supplementary unemployment benefit activities.

In fact, it should be pointed out that the most recent study of wages and benefits that I have seen, published by U. S. News and World Report, on October 12, 1956, showed that during the period from 1947 to that date, wages rose by 54 per cent while fringe benefits rose by 133 per cent.

In this connection, I would like to quote Dr. Edwin E. Witte, distinguished economist and principal author of the Social Security Act, in a recent Wayne University talk:

"With all the increase in government, industry and labor and management programs, it is a fundamental part of the American way of life that primary responsibility in preparation for meeting the economic consequences of the many great personal hazards of life rests upon the individual and his family. Social security and private institutions for economic security have not rendered unnecessary or valueless individual initiative, enterprise and thrift. This is clearly demonstrated by the fact that the number and percentage of Americans working, their production, and their savings have all greatly increased since social security has become popular and governmental and private economic security institutions have multiplied. Social security not only is consistent with free enterprise but it is a bulwark for its continuance."

The quest for security is as old as mankind. Like many other human goals, "security" is indefinable because its values are relative, not absolute. If the price of security were loss of freedom, few would desire it. But freedom,

another major human goal, also has relative, not absolute, values. Fortunately, not every human choice involving security and freedom advances one at the expense of the other.

Yet it is true that every decision by management and union to provide for more private social security is at the expense of a possible increase in direct wage payments, removing from the individual his freedom of choice as to how that increase might be spent.

### A Warning Note

Despite our conviction that present private and governmental social security plans are desirable, the more rapid rate of growth of such plans relative to direct wages leads me to issue a *caveat* to which all of us should pay attention. That warning is that management and union agreements with respect to such plans, if continued at the same relative rate of growth, may at some point result in joint labor-management excessive paternalism, as repugnant to employees as was excessive paternalism when practiced solely by employers, however well-intentioned.

It is my understanding that your committee has completed a preliminary study of flexible retirement programs. Although we have given a great deal of study to the question of flexible versus compulsory retirement, I am frank to say that we believe that further study is required before there can be any definitive conclusions.

Compulsory retirement has many advantages. Advance knowledge of impending retirement makes it possible for the individual employee to plan for his post-retirement activities and for the employer to plan for his replacement. One of the problems of flexible retirement sometimes is the tendency of an individual employee to fail to make definite plans for retirement because he believes that his health will continue to be good until the time when it isn't. Another problem of flexible retirement is the charge of favoritism against the employer for continuing one employee while insisting on the retirement of another since the physical or mental impairment of one may not be apparent to him or to others. On the other hand, compulsory retirement is clearly impartial and does not carry with it the stigma for the retired employee of forced retirement due to his personal inability to continue to work successfully.

Another argument for compulsory retirement is that it does open the channels of promotion to younger workers.

There are strong arguments for flexible retirement. Most important of these is that it enables the physically fit employee to continue to make his contribution to society until such time as he is emotionally adjusted to retirement, or is required, for physical reasons, to retire. In other words, flexible retirement makes possible recognition of individual human differences.

There is, of course, reduced cost of pensions if employees continue beyond normal retirement age.

### Preparation Essential

In either case, there is genuine need for preparation for retirement. It is here that there is real opportunity for experimentation. A few companies provide pre-retirement counseling, helping the individual employee determine for himself what his post-retirement program should be. In some cases, this includes helping him find other employment. The most important single goal of such programs, beyond economic security, is to develop genuine interests on the part of the employee. These interests may be recreational such as hunting, fishing, card-playing, in order to make the most use of his leisure time. These interests may be for voluntary community service such as participation in church groups or service clubs. Is there not an area here for greater use by private social agencies of volunteer personnel who have retired from their normal employment?

Moreover, this need for counseling may include such areas as health, housing, personal and family adjustment. Certainly industry has an interest in cooperating with other community groups in developing sound programs for the retired worker. Much has been said about such programs in recent years, but comparatively little has been done. Community committees on aging, representative of all community interests, can do much to mobilize community resources more effectively.

Ours is a dynamic society. The adjustment problems of the aging are more complex in an industrial society. No group in that society is more interested in helping to meet those problems than industry itself.

## 7 Recent Studies

*Presiding:* ROBERT G. WAYLETT

Chairman, Committee on Aging of the United  
Community Services of Metropolitan Detroit

Manager, United States Agencies  
North American Life Assurance Company

### **FLEXIBLE RETIREMENT, A Study made by The National Committee on the Aging**

EDWIN SHIELDS HEWITT  
Partner, Hewitt Associates

In reporting on this book, we will cover the following five points: A Project and a Book. What is Flexible Retirement?

Does it Work? What Are the Problems? Where Do We Go from Here?

First, let us take a look at the book and its contents. You will see that it covers a rather wide range of subjects. Particularly I would draw your attention to the items in the appendix which are a significant contribution to the literature on this subject since they report the actual experiences and the actual processes of some of the major companies that are following the practice of flexible retirement.

It is appropriate to understand the nature of the project by which the contents of this book were developed. The Project on the Criteria for the Continued Employment of Older Workers was conducted by The National Committee on the Aging through a grant from the McGregor Fund of Detroit. The project extended over a period of three years. Its stated objective was to encourage the creation of adequate yardsticks for determining whether or not a worker should continue in employment on the basis of health and ability to produce, and the individual's desire as well as that of the employer.

The project was under the direction of a special advisory committee composed of 18 persons, but ultimately was conducted through the work of four technical subcommittees. These subcommittees were labeled: Job Requirements and Work Performance; Job Modification and Redesign; Preventive Health Maintenance and Rehabilitation; and Administration of Flexible Retirement.

These four committees comprised a total of 76 persons, distributed occupationally: 17 industrial physicians, 32 industrial relations and personnel administrators from industry, two physiologists, six psychologists, seven rehabilitation specialists, five industrial engineers, and seven labor union representatives. This is significant as it shows the process of The National Committee in coordinating the attitudes of all groups in our society.

To give us an understanding of the background of this problem of employment and retirement, let us review some of the major points presented in the Foreword to this book.

First, this problem is one of the great economic and social challenges of our times to business and industry leaders, to organized labor, to government, to the community at large, and to every individual worker.

Second, for many years, the solution to the problem of the older worker seemed to be primarily concerned with the development of pension systems. We have since learned that pensions are not enough. There are other consequences of the problem of retirement such as: loss of earnings and spending power to the economy; loss of productive skills to industry; and loss of work satisfaction to the individual.

Next, in the background of this problem is the fact that any solution must recognize the need for maintaining a productive work force. Certainly there is a loss of pro-

ductivity due to age, but, on the other hand, it is important to understand the wide differences in individuals and their capacities.

And, finally, we are coming to recognize more and more the importance to everyone of the productive utilization of older workers who are able and willing to work and for whom there are jobs.

In reviewing this book, it is appropriate to quote a comment by Dr. Frank J. Sladen, Chairman of the Committee of Trustees of the McGregor Fund who said:

"This volume is an excellently organized record of noteworthy accomplishment. It makes accessible to all business, health, industry, labor, education, and industrial medicine a vivid picture of what is being done—a widespread movement of surprising extent. It is the first substantial answer to this disturbing problem."

### What Is Flexible Retirement?

Simple as this question may seem, it is probably the most difficult to answer. There already exists a vast amount of confusion in the identification by label of various kinds of retirement or pension programs. The terms mandatory, compulsory, automatic, selective, discriminatory, and flexible have been applied to various types of programs. Yet, in many cases, the label does not fit the facts reflected by either the terms of the plan or by the way it is operated. This has tended to distort the many statistics that show up in various studies about the prevalence of so-called compulsory retirement plans.

Unfortunately, perhaps, unavoidably, this confusion of definition is carried into this current study. It would be better if we looked at flexible retirement as a concept rather than as a label for a type of plan.

So in its broadest sense, flexible retirement refers to the determination of the time of retirement on a basis other than chronological age. Thus, it involves an evaluation of the worker and his abilities, and of jobs and their requirements.

According to the definition used in the text, flexible retirement plans are restricted to those which permit the employee to work as long as he wants to, with dismissal only for cause. However, I think I should call your attention to the fact that the context of this study and the supporting illustrations in the text do not hold to this limited definition. Many companies who consider themselves to have flexibility in their retirement practices do not conform to this definition. It might be desirable to eliminate from this definition of flexible retirement the implication that by definition a company forfeits any part in the determination for the time of retirement.

The questions of: first, who can initiate the procedure for continuation of employment; and second, who bears the burden of proof of ability or disability; and third, who makes the ultimate decision—are administrative questions in the operation of the flexible retirement concept.

They probably should not be the deciding factors in the question of whether or not a program has the basic characteristics of flexibility.

In fact, the definition used in the book, being inconsistent with the findings of the Committee, the content of the reports and the illustrations used, implies flexibility in regard to age but rigidity in regard to method of determination.

If the condition of flexible retirement depends on who is to determine retirement, much of the attraction in the concept may be reduced rather than extended. Obviously, the encouragement of a practice which by definition forfeits management's or company's determination of its work force is impractical.

In summarizing, however, the advantages of flexible retirement practices, this book, *Flexible Retirement*, cites the following:

First, the actual economic advantages related to the lower costs of pensions resulting from flexible retirement,

Second, lower absenteeism in the older employee group,

Third, the accumulated skills of those who are retained,

Fourth, improved employee morale in the rest of the work force, and

Fifth, better community and public relations.

So, let us look at flexible retirement in its broadest sense as does the content of this book.

### Does Flexible Retirement Work?

There is substantial evidence in this text that flexible retirement can work, and this book gives many specific illustrations. Yet there are great differences in the provisions and practices of programs successfully operating on a flexible retirement basis. Generalization is difficult. Tailor-made retirement programs are very much the order of the day.

Since flexible retirement involves an evaluation of the worker and his abilities, and of the jobs and their requirements, the characteristics of flexible retirement in practice can be classified as follows: What is measured? How it is measured? Who measures it? When is it measured?

With respect to what is measured, the book cites numerous examples of the different types of factors taken into account. These factors may vary from simple measurements to far more complex types. For example, some companies measure the performance of the individual on the job either objectively or somewhat subjectively. Others attempt to determine the worker's physical and psychological abilities to perform. Another measure which is sometimes used is the individual's illness and absentee record. Other companies use more complex forms of measurement, which entail the utilization of other factors or a combination of these factors.

Closely allied with the question of what is measured is

that of: how is it measured? Here again, the book reports existing practices which vary from relatively simple techniques to quite complex methods of determination.

If factors other than chronological age are used to determine retirement, another dimension in the process of applying flexible policies is the question of who is responsible for retirement. As the book points out, in some companies the line supervisor has primary responsibility for selection. In companies which place emphasis on physical ability to perform the job, the medical department plays a prominent role. In other cases, the personnel department takes primary responsibility, especially under policies which involve transfer or retraining of older workers.

Another dimension in the application of flexible retirement is: when are the measurements applied. Some companies concentrate on the determination as of the individual's normal retirement age and, if further employment results, at periodic intervals thereafter. Another practice is to make at least a preliminary determination some time in advance of the normal retirement age, so as to assist the individual in planning for his retirement and to help the company in planning for replacements. In another instance, the problem of determining ability to continue in the job is not isolated for the older age group but is determined in a similar manner for all employees.

The book indicates the wide diversity in existing practice in these areas of what is measured, how is it measured, who measures it, and when is it measured.

When it is realized that a company's total program of applying flexible retirement is made up of the ways in which these various factors are combined, the possible combinations are innumerable. Each company utilizing flexible policies uses that combination which seems best suited to the particular needs of the company and its groups of workers.

The book concludes that companies which permit employees to work on in accordance with various flexible plans have on the whole "been favorably impressed with their experience."

### What Are the Problems?

First, if not chronological age—what else? We might ask the question: Is it possible to find a substitute for chronological age through some combination of medical and psychological measurements? The book answers the question as follows:

"Perhaps at some further date the results of such examinations will be found to be so closely related to productive capacity that the proponents of these measures can confidently assert their objectivity. In the present stage of development, this is not the case. Work in both the physiological and psychological areas is continuing, but this goal does not seem close to attainment."

Another question we might ask—Is it likely that any

one set of determinants of the desirable time for retirement will evolve from continued development of this flexible retirement concept? Based on the following comments from this book, the answer to the question, will there be one set of determinants developed, would appear to be no.

For example:

There are sharp differences in policy and practice in companies which would seem to have relatively similar operational conditions.

There is a wide variation in employees' attitudes toward retirement.

There are wide variations in individual circumstances.

There are differences in jobs both within companies and industries and between different companies and industries.

There are variations in adaptability to jobs regardless of age, and

There are differences as to employability produced by differing economic conditions.

It is unlikely that there will ever be one single, universally applicable pattern of flexible retirement practices.

The next problem is: How much additional cost can be supported by retaining workers in a non-compulsory retirement program? Obviously the less productivity per worker, the less the economic gain from flexible retirement. At some point it is likely that marginal workers may be retained whose productivity may not justify the difference in cost between retention and retirement. To administer a truly flexible program may put a burden on the placement procedure thus creating costs which cut into any economic gains from pensions and productivity.

Another problem is: Do programs that provide for the retention of older workers by means of job transfer, job reassignment, or job modifications usually meet with union acceptance?

The interpretations and administration of labor contracts in connection with downward wage adjustments and suspensions or changes in seniority rights call for continual give and take between management and unions. The placement of older workers may be very difficult unless the labor agreement sets up rules governing this situation, possibly permitting the older workers to be placed at the bottom in seniority of the new job classification.

The Committee concluded that a sufficiently detailed analysis of all jobs in the company would reveal a wider range of jobs to which men with certain incapacities might be transferred. As far as the worker is concerned, there is probably a need for more recognition of failing capacity and a greater acceptance of downgrading or retraining rather than insistence on remaining at his usual job to the detriment of his health and the interest of the company.

Finally, a problem that we should face is the question: Are seniority rights for older workers an insurmountable



source of difficulty in the administration of flexible retirement policies?

Seniority problems present the greatest difficulty in connection with the administration of flexible retirement plans and the continued employment of older workers.

"It was the conclusion of the Committee that, where favorable labor-management relations exist, the question of seniority rights for older workers has not proved to be an insurmountable source of difficulty in the administration of flexible retirement policies. Through mutual agreement there is considerable flexibility in the interpretation of seniority and other provisions in the contract, reflecting mature approaches on the part of leadership of both union and management." The Committee concludes: "Management and labor have found through experience that when they are willing to accept ability to perform as a criterion of whether a worker can continue on the job, they apparently can come to an agreement in individual cases."

#### Where Do We Go from Here?

The book presents a good case for further expansion of the flexible retirement concept. Obviously, this expansion will come in two ways:

First, further work will be done in improving the application of flexible policies in companies where they are now practiced. This is partially a matter of finding better solutions to the problems we have just mentioned. For example, a definitive study on the attitude of people towards retirement under different conditions remains to be done. There are many other factors upon which additional research is important and the listing of these in the book in itself is a substantial contribution to the subject. There will also be extensions of flexible policies for other groups in these companies. There may be special problems associated with certain groups. For example, with respect to executive personnel, it is more difficult to establish measurements of job performance. In addition, top management persons may be more able to influence the decision because of their personal influence. But, as further experience develops, greater progress will be made.

The second way in which the expansion of flexible policies will be felt is through increasing the number of companies where such policies are applied. We should work toward increasing the awareness of the potential advantages of flexible practices. While certain problems do exist, they are by no means insurmountable. The exploration of administrative devices in the operation of flexible retirement tends to call attention—not to a worker's incapacities which require retirement—but to his capacities which justify retention.

In furthering the expansion of flexible policies, we should not describe flexible retirement in a way that narrows its possible application. Any attempt to set a pattern program or to prescribe limits as to who is responsible for

retirement decisions will inhibit rather than encourage the spread of flexible policies.

This book does a good job in giving help on the "how to do it" question of employers who are interested in practicing flexible retirement. It should also help to arouse the interests of those who fail to utilize older workers through flexible policies merely because they feel that there is no alternative to fixed retirement practices.

The material in this book is ample evidence that there is a growing concern on the part of industry and labor with the subject of retirement and utilization of older workers.

#### STUDIES FROM THE UNITED STATES DEPARTMENT OF LABOR

CHARLES E. ODELL

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The older worker problem in the United States as seen by the United States Department of Labor after a year and a half of research and demonstration projects presents a series of challenging paradoxes.

In a period of mounting skill shortages, and of general shortages of manpower in certain localities and industries, some employers seem to turn their backs on the older job seekers who constitute more than half of the available reservoir of skilled workers and at least a third of the total reservoir of available labor supply.

Although employers generally applaud the stability, reliability, loyalty, and overall performance records of those older workers who are still on their payrolls, many argue that they cannot or should not be expected to hire workers beyond age 40 or 45 or to retain any beyond age 65, because they cannot meet the physical and mental demands of the jobs or because they will unduly increase operating costs.

Although employers generally complain about the increasing direct and indirect costs of social security, unemployment insurance, public assistance, and other benefits that provide income maintenance for middle-aged and older workers who are not employed, some of them do not seem willing to diminish the impact of these costs by hiring or retaining in employment competent older workers, thus reducing the drain on these funds.

To get at the facts and the overall dimensions of the older worker problem, Secretary of Labor James P. Mitchell initiated a Department-wide and nation-wide research and action program in 1954. With funds authorized by the Congress in July 1955, the Department undertook a comprehensive research program on what appeared to be the major difficulties that stand as roadblocks to increased employment opportunities for older workers.

These studies show that some of the difficulties are real and some of them are imagined.

In the category of real difficulties comes the fundamental problem of finding a job appropriate to the older job seeker's skills and experience. Sometimes this requires fundamental adjustments on his part involving a change of firm, a change of industry, a change in earnings level, a change in geographic location and even, perhaps, a change of occupation calling for additional training. Finding a job using his abilities may also require a higher degree of salesmanship by the worker himself or by the placement interviewer or counselor who is trying to help him. Programs to meet these problems, at least in part, are being developed.

### Real and Imagined Difficulties

The imagined difficulties are not so easily defined or disposed of. While they are real in the sense that employers are influenced by them, they often have little or no basis in fact and experience. Often they are, in a word, prejudices.

These imagined difficulties are, first, the notion that all older job seekers are generally less efficient and less productive than younger job seekers; and, second, the idea that the hiring of older job seekers must necessarily increase pension, insurance, and other costs.

An analysis of the characteristics of 160,000 younger and older job seekers in seven major cities showed that the older job seekers are more highly skilled, more stable in terms of job changes and job tenure, and better represented among the higher levels of earnings than younger workers. As might be expected, older job seekers had, on the average, longer duration of unemployment, had completed less years of formal schooling than younger workers and showed a higher incidence to physical disabilities.

The latter two findings point up the need for expanded opportunities for adult education, vocational training and vocational rehabilitation services. It should be pointed out, however, that these seeming disadvantages are often correctable by means of intensification and redirection of existing programs. It should also be noted that they will tend to diminish as the effects of compulsory school attendance laws and expanding vocational rehabilitation services have their effect on those in younger age groups approaching the "mythical older age" of 40 or 45.

Moreover, it should be pointed out that generalization on the brighter side of the picture is no better than generalization on the pessimistic side, and we should constantly keep our minds, our eyes, our systems of appraisal on individual capacities rather than on group generalizations.

### Measuring Performance

The Department's studies during the past year and a half also explored the performance of older workers on

the job. In a pilot study designed to develop objective criteria for the measurement of performance, the Bureau of Labor Statistics surveyed eight clothing and shoe factories employing 2000 piece-rate workers. They found that many men and women 55 or 60 produce more as individuals than the average of the best and fastest groups of younger workers.

Output in these industries seems to vary considerably within age groups and among age groups. The average output per man-hour remained stable right up through age 54; output in the 55 to 64 age group was at least 90 per cent as large as that in any younger group.

The point here, confirmed by other studies done on less scientific and objective bases, is that when an applicant has skill and experience he should not be automatically rejected because of age. Other strong points discovered in the older worker's favor by the Department's studies were that there were no significant differences in absenteeism and safety records among the older and younger workers.

But perhaps the most significant findings were on turnover. An analysis of an estimated two million separations in the seven cities during a full year showed that only 11 in 100 older workers quit their jobs as compared with 30 in 100 younger workers. It is also significant that only four in 100 older workers were discharged from their jobs, compared with seven in 100 younger workers.

### Age Restrictions

Yet the greatest single problem facing the older job seeker is arbitrary age limits set by employers. In five of the seven cities, more than half of all the job orders filed with the employment offices during the month of April 1956, contained maximum hiring ages. In three cities 73 to 79 per cent contained such restrictions. The most frequently specified maximum age was under 45, which occurred on 41 per cent of the openings in the seven cities combined. One-fifth of all the job openings named maximum hiring ages under 35.

Some will argue that this is not a typical picture because the employment services sometimes do not get a representative cross section of employer orders for workers. The pattern is, however, confirmed and amplified by the study of hiring practices of a representative sample of employers in the same seven cities over a full year's period.

Here it was found in the seven cities combined that although older workers comprised 40 per cent of the job seekers, they received only 22 per cent of the hires. While the percentages varied from city to city, the essential relationship between these two items remained about the same—close to two to one in all of the seven cities but Los Angeles, where it was four to three.

Some of this reluctance of employers to hire older workers can be traced to the second imagined difficulty, the

notion that adding older persons to the payroll unduly increases pension and insurance costs. The pension and insurance experts who are consulted on this problem questioned not only the bases for this argument but also the existence of any real problem.

#### **Pension and Insurance Costs**

That it is a common practice, however, is confirmed by the facts collected in the seven cities which show that firms without private pension coverage hired 45 older workers per 100 employed, whereas firms with pension plans hired only 17 older workers per 100 employed. In fairness to the employers with pension plans, it should be pointed out that their record of separations of older workers was much better than those of firms without such coverage. When we eliminated the separations on jobs lasting for less than three months, this advantage among the larger employers and those with pension coverage tended to disappear.

Employers with pension plans in part justify their age restrictive hiring practices on two grounds. First, that it is bad public relations to hire an older worker and retire him on the small pension he can earn in the latter years of his working life; and, second, that the cost of any pension is much greater for an older new employee than a younger one.

The first argument may have been potent in the days prior to the advent of virtually universal social security coverage. But according to the Bureau of Old Age and Survivors' Insurance, the time is approaching, if indeed it has not already arrived, when "men aged 45 to 65 working steadily at present day wages in non-agricultural employment will have earnings sufficient to qualify them for monthly old age insurance benefits averaging \$100 for the entire nation." In addition, their wives, even if they have never worked, will qualify for half the husband's pension when they reach age 65, or for 37.5 per cent at age 62. Thus the growth in benefit amounts and coverage of social security robs the public relations argument of much of its sting since the private pension becomes a supplementary rather than a basic benefit.

It would seem then that the employer who hires an older worker is fulfilling rather than damaging his community or public relations responsibility when he gives the older worker an opportunity to maintain and strengthen his earnings toward social security and his status as a productive citizen. If supplementary benefits can be provided under the private pension plan, so much the better from a public relations point of view. But with social security benefits available now to most older workers, it does not make good public relations sense to deny them employment because their private pension will be small.

With respect to the argument that it costs more to hire older workers because of pension costs, the committee of experts convened by the Department to explore the prob-

lem found that this is not necessarily true under the types of private pensions covering the greatest numbers of workers today. Since under most of these plans the size of pensions paid upon retirement is based on length of service and the size of a worker's earnings in the years just before retirement, pension costs of older workers with relatively shorter service may be no greater than the ultimate cost for younger employees whose pay level may well be increased over the years of their employment.

The committee also found that there is no significant increase in the costs of group life and health and accident insurance in relation to the hiring of older workers, provided that the employer maintains a reasonable balance in the overall age distribution of his employees.

#### **Other Questions**

The Department also reviewed the status of older workers under collective bargaining as well as under health insurance and pension plans. These studies showed that the worker who has grown old in the service of one employer is assured a greater degree of protection on the job and more liberal benefits than his junior. On the other hand, these agreements provide little protection for the older man who has lost his job and must seek a new one. A few contracts contain clauses banning discrimination based on age; some contain provisions for transfers to lighter work; a very few stipulate that a certain percentage of journeymen hired should be above a specified age.

In all its work the Department has been conscious of the special problems confronting older women workers. Generally speaking, there is an increase in the numbers and proportions of older women in employment and seeking work. Flat generalizations about the decline of labor force participation in the older age groups are not correct. The proportions and numbers of older women in the work force has been increasing steadily over the past 20 to 30 years. The decline is in the proportion of men in the age group over 65, and to a small extent in the age group 55 to 64.

In some fields of work, such as clerical, sales, and semi-skilled occupations, there has been a noticeable easing of age restrictions for middle-aged and older women job seekers. But women face special problems, among which are their greater longevity; postponement or interruption of their employment occasioned by home responsibilities; the increase in the incidence of widowhood; the need to supplement family income to keep pace with the rising standard of living.

#### **Several Approaches**

To focus attention on the problems of mature women and to increase employment opportunities for them, the Women's Bureau of the Department has developed a new approach called the Earning Opportunities Forum. These



forums have proved to be a most interesting and gratifying experience. They have offered an opportunity for employers, labor people, and community leaders generally to identify positively with this problem. Once they get up and talk about it in public, even if they want to make qualifying statements about the limits on what they themselves can do, they tend not only to become positive thinkers but they also tend to become positive doers in their own communities. Much is gained from an approach which gets down to the grass roots in this way.

Finally, the Department has conducted a comprehensive study of the counseling and placement needs of older workers in cooperation with seven State Employment Security agencies. These studies show that by intensive counseling, job development, placement, and employer relations activities it is possible to increase substantially the results of placement efforts in behalf of older workers.

These Employment Service studies provide no magic formula that will quickly dissolve the employment problems of the older worker. Rather, they point to the need for intensive interviewing to identify acquired skills, knowledge, and abilities that might be capitalized on vocationally; aptitude tests to discover potential skills that might be developed through training; a series of thorough counseling interviews to establish realistic job goals and plans for achieving them, to overcome negative attitudes, and to prepare the older worker for a constructive job seeking campaign; persistent efforts to develop job opportunities and to reduce or eliminate age specifications; selective placement in jobs suited to abilities and physical capacities; establishment of a system of supervision to insure that the older worker receives the necessary services and equal consideration, on the basis of ability, in selection for and referral to the job openings available; and a concentrated public relations program to change patterns of thinking and hiring policies and practices which bar the older worker. In addition, the studies reveal that there are considerable extra costs in terms of time and personnel involved in providing services of this kind in the public employment service. This is but a brief analysis of the studies made by the Department.

In the operating program, we have moved ahead by asking each state to provide older worker specialists. This was authorized for each state service and about 100 major cities as a result of a decision and policy announcement made by the Secretary of Labor last July. We also are taking the material developed in these studies and incorporating it into a basic manual of operating practice, and in an extensive training program for state employment service personnel in which we are encouraging labor and management participation. In other words, when we train our own people, we invite labor and management to sit in on at least the early stages of the training and to offer constructive comments, criticism and advice on how the overall job can be done.

We hope that this pattern established at the regional level where the training programs are going on will be carried out at state and local levels so that we will be constantly expanding the core of professional and lay people who understand the problem and who are willing to help us in solving it.

## MEANING OF THESE STUDIES

### A Panel Discussion

*Moderator:* DR. IRVING LORGE

Columbia University

There are two points to be made about the significance of these studies which are somewhat more general. The National Committee on the Aging of the National Social Welfare Assembly is a forum. It does not necessarily espouse a position. The very fact that the two books, *Criteria for Retirement* and *Flexible Retirement* were published suggests that we definitely want to open up a topic of social significance, that we want to give all sides a chance to be heard.

The membership of the Committee that produced *Flexible Retirement* was a cross section of people who have an interest in all aspects of the problem. Our speakers are another kind of cross section to give us diverse points of view about an important topic.

It must be recognized that many of the concepts are hidden in a camouflage of words and confused by a mixture of prejudices and stereotypes. One of the objectives for us is to clarify the implications of the terms that are being used. Is the word "flexible" the right one? Is it "retirement" that we are talking about? Is it "social significance" that we are considering? These are the open issues.

## MEANING OF THESE STUDIES TO INDUSTRY

VICTOR M. ZINK

Personnel Research, General Motors Corporation

My comments deal primarily with the area of flexible retirement and are mostly subjective. As a matter of fact, most of the opinions expressed regarding this aging area are subjective in nature. Therefore any information made available through studies such as those reported to us this morning should be carefully considered.

First, however, I would like to mention briefly our practices regarding employment of "older workers." The General Motors policy is a positive one: to hire on the basis of ability to do the job rather than age. Instructions have been issued to the field that there is to be no specification of age in requisitions for new employees.

A high percentage of our working force is age 45 or

over. The sample which we took in Detroit for the Department of Labor showed that a large number of our people were hired at age 45 or over. Moreover, we have very few separations of employees in the over age 45 group, and most of these separations are retirements with pension benefits.

In discussing "flexible retirement" I am on more familiar ground. In fact, until I read the book, *Flexible Retirement*, and heard the presentation this morning, I had been under the illusion that General Motors had a flexible retirement system.

If an employee has 10 years of service, he may retire at any time after age 60 with no consent from the Company. Or the employee and the Company may get together and decide that it would be to their mutual benefit for the employee to retire. Or the Company may retire him without his consent. In these latter two instances, the employee not only gets the normal benefits he would have received at age 65, but also a premium benefit which is payable to him until he reaches age 65 or the age at which he receives Social Security benefits, whichever is earlier. A person who is totally and permanently disabled may also retire with benefits if he has 15 years of credited service. He also receives the premium benefit until he reaches age 65 or becomes eligible for the new federal disability benefits or social security.

At age 65 an employee may retire voluntarily with full benefits, or he can work from 65 to age 68 provided he is still able to do the work and wants to work. At age 68 he is automatically retired unless he wishes to continue working and the Company needs his specific services.

We consider our plan to be flexible for both the employee and the employer, in that it gives the employee an eight-year span, from age 60 to 68, in which to choose his retirement, and it permits the Company to retire its older employees in a fair and orderly fashion. Our "flexible" approach to retirement age was agreed upon with the union on May 29, 1950.

### The Alternatives

There are two alternatives to compulsory retirement at some specific age: (1) employees are retired by the company in accordance with a set of criteria other than age; or (2) the employee works as long as he wishes.

What are the objective criteria by which a company can administer a system of retirement which says this man is able to work and this man is not able to work? Neither the study reported in *Flexible Retirement* nor any other study that I know about establishes these necessary yardsticks. Without these objective, easily understood and easily applied yardsticks, how does a company such as GM with employees in more than a hundred different locations establish retirement procedures which are relatively uniform for all employees? Moreover, a system which says that Joe stays and John goes causes John to

lose status in his community. The community points to John and says, "Look, he can't do the work any longer so they pushed him out." With everyone going out at a certain age, there is no reflection on the ability of either Joe or John; it is the policy of the company; nothing can be done about it.

The second alternative, of course, is to let a man work as long as he wishes with no controls. Under this system the person who should prepare for retirement might never do so; he never plans to retire. Unless there are more jobs than men to fill them, younger men with families, who cannot retire with pension benefits, are without work.

In conclusion, we feel that a "flexible" system such as GM's retains with the employer the right to maintain an efficient work force, encourages the employee to look forward to a period during which he may retire, and gives him an opportunity to choose within that period the time of his actual retirement. We feel it is best for both the employee and the Company.

### MEANING OF THESE STUDIES TO LABOR

SOLOMON BARKIN

Director of Research, Textile Workers Union of America, AFL-CIO

One advantage of having a word as nebulous and uncertain as "flexible" is that each person can turn it to his special advantage, and since it has become honorable, men tie the badge on to any plan they desire.

Mr. Hewitt has objected to the definition in the book. He indicated very properly that the material on current industrial experience does not coincide with its definition. There are few truly flexible plans. The question is, which would you change, the material or the rule? He preferred to change the definition so it would apply to the material.

The book was intended to set up categories to distinguish mandatory, selective and flexible retirement plans. The purpose of the definition was to help us to distinguish plans and to eliminate our current confusion.

Mr. Zink labeled his program flexible. Up to the point of mandatory retirement it is flexible. But beyond that, it is mandatory with a pinch of selection added.

We would benefit greatly, particularly those of us who are advocates of flexible retirement, by adhering to the definition in this book. I would insist that the term "flexible" be applied only to plans which meet the test set forth in the book. We would then have a better platform from which to appeal for a change in practice and to distinguish among plans.

Getting on to a more important phase of this same problem, we must deal with management's responsibility to provide jobs for employable persons desiring work. How shall we meet the costs of maintaining the older population? If, for personal and economic reasons, many

of them are interested in self-support is industry obligated to satisfy such requests?

These challenges have stirred considerable controversy in the past. We have followed, in recent years, the entire process of shifting the personal costs of social changes from the individual to society and particularly, in many cases, to the business enterprise. Thus, for example, we have set up both a federal system of old age security which has created a social cost, and private pension systems supplementing the governmental which have made for specific industrial costs.

Many other individual and personal risks have also been converted into social, governmental or industrial costs so that the individual has more and more protection from the disturbing impacts of the dislocation following on industrial and economic change and personal reverses. We have recognized that it is a small price to pay for acceptance of the process of change itself.

Management in this country has also recognized its obligations in this area. In the late twenties, Mr. Owen Young of General Electric developed the thesis of industry's social responsibility, enunciating the principle that management had duties transcending those of meeting the stockholders' expectations. It had to be concerned with the interests of the employees and the community. Since that time many other forces have arisen which have assured the implementation of this outlook. Collective bargaining has added a whole series of new guides for management's conduct. The government has contributed through laws and administrative orders. The public's heightened interest in industrial behavior generated a pressure which has created a number of additional guides for managerial performance as, for example, the demands on industry to employ the handicapped.

### Full Employment

Probably the most important single new element in the industrial code is the demand that our economic society maintain a condition of high or full employment. At the national level this was translated into the Employment Act of 1946. At the plant, it is expressing itself in programs for guaranteed annual wages, supplementary unemployment benefits, and other contractual benefits. In industry, it has encouraged expansion, new products and plants.

A practical expression of the concept of full employment is the employment of all employable people, including not only the young and the mature but also the older workers, people with varying types of physical difficulties as well as men and women of differing nationalities, races, religions and color. A policy of full employment can be effective only if all discriminatory policies are lifted and the managements apply themselves to the task of economical utilization of the employable people in the community.

The concept of the flexible retirement program presents the challenge to us to devise a system permitting older people who want to be self-supporting to find a place to do so. The responsibility for realizing this goal must fall upon management which has the jobs. Its duty will be to design its operations so as to provide the employment which these people seek. People must not be forced to retire from gainful employment simply because they have attained a specific chronological age. If they desire and are able to work, there should be a place for them in our economy.

### Practical Objective

The significance of the reports which we are now analyzing is that they testify that this goal is not a dream. It is within our reach. The research material being made abundantly available assures us of the practicability of this objective.

The book on flexible retirement is an important step toward establishing the principle of the possibility of continued employment of older people in an industrial plant. The techniques of job design provide us with the tools for realizing this end.

The studies of the United States Department of Labor regarding employment practices again confirm a widely held conclusion, i.e., older people are seldom hired as freely as younger people. John A. Fitch first used the term "old age at forty" in 1911 to describe what has been a recurrent problem ever since. During the twenties the pressing issue was the "scrapheap at forty." We have not since been freed from this practice of discrimination against the older person.

The "scrapheap" persists, along with the prejudices, because we live with older profiles and myths, which must change. The discrimination which the Department of Labor continues to find must be battered down, not only because it is socially undesirable, but also because it is intolerable in a period when employers face shortages of skilled and experienced people.

The report assures us that we can find solutions for these problems. We have only to change the jobs, the methods of introducing people to the job, and training adults and older people for jobs. We shall then open up vast fields for them. The evidence points to the successes of many companies in this area; others can follow in their footsteps. Our training techniques have been improper; we have been instructing the older worker by methods suited for training the young people, and this has proved psychologically unsound and methodologically futile.

We must start with the conviction that we can and must find employment opportunities for older workers. They need the jobs for their mental, emotional and physical health. The nation needs them to increase the national product, reduce the load of the social overhead and minimize the burden of supporting them. Industry needs them



to provide the manpower it so desperately seeks. The wider use of older people must therefore be encouraged as a national policy which serves the interests of all the people.

### Breaking Barriers

In addition to asking management to update its employment policies, we must call upon the engineer who has spent his time, energies and talents on "speed-up" and "stretchouts" to concern himself now with redesign of jobs to make them fit the older people. The training experts must adopt the findings of the experimental psychologists and devise new teaching methods. The personnel officers must learn to handle older people to facilitate their smooth adjustment to new jobs and locations.

Congress has a responsibility of providing adequate funds for employment counselors for older persons. Learning more about the abilities of the individual through the efforts of the counselor, we can break down prejudices among employers and employment agents. These barriers can be surmounted through personal contacts of the counselors. If their numbers are increased this job can be done.

These studies are a significant contribution to our fuller understanding of the problems of flexible retirement. They point out our needs and a course of practical action. We must not minimize the problem which this study highlights—the need of converting management to the use of older persons in industry for the good of the worker, of industry, and of the nation.

### MEANING OF THESE STUDIES TO EMPLOYMENT AGENCIES

MARGUERITE H. COLEMAN

New York State Employment Service

There probably is no group of people more acutely aware of all of the things we do not know and all of the things we should know about older workers—their productivity and their job adjustment—than those of us who are trying to counsel and place them. It is therefore obvious that there is no group who welcomes more eagerly and uses more effectively the research that is done than those of us who are trying to place older workers on jobs.

How much better perhaps it would be if those of us who are in this work could sit back and say to the older workers and to the community, "Well, you see, there is a great deal of research going on. A lot of people are trying to find out what the problems are and what the answers are. After they have determined this, they will give us this information and then we will go ahead and try to counsel and place the older workers."

Unfortunately it cannot operate that way. Those now trying to do the job are doing it at the same time the research is going on, and we know we lack needed basic knowledge.

Up until this point we have been largely in a 'tis and 'taint situation. The employers say, "'Tis so that the older workers produce less. They are less flexible. They cause more problems. They cost us more in pensions and other social insurance." And the counselors and placement people say, "'Taint so." And to a great extent neither one of us has really known what we have been talking about.

We welcome the research that gives us more information on the physical, medical, psychological, sociological problems of aging and their implications for worker output, production, and job adjustment generally. We have already, from the research that has gone before, some of the answers to some of the problems. We have considerable information from the Labor Department studies, from Dr. Lorge's studies, and the study that Dr. Breen is doing. We have put this information to good use.

For example, in our state this year we have been having around-the-state regional conferences of employer and labor representatives on a local basis. The purpose of these meetings is to encourage the local employers, labor representatives, and social agency representatives to analyze their local older worker problem, to get out on the table the reasons why employers are reluctant to hire older workers and the social implications to that community of the sizable number of older people who are unemployed in the kind of economy in which we are now operating.

### Local Adaptation

When the Labor Department studies came out, we highlighted some of the information for use in these meetings. We issued two items. One is called "Jobs After 45—Is There a Problem?" This produces the material Mr. Odell covered on the analysis by age, of 2200 jobs in seven cities. In these conferences, when we reach a discussion of this aspect of the problem, the attitude of the employers frequently has been, "Well, what is all the shooting about? We don't discriminate."

And so our answer generally has been, "Well, perhaps you don't discriminate but somebody does! If in 52 per cent of the jobs analyzed, the employers would not take workers over 55, and at the other extreme in 20 per cent would not take workers over 35, somebody is certainly discriminating."

The second piece of material which our employers have found interesting and which has had considerable discussion is "Highlights of the Pension Costs Study," reproduced in a question and answer form.

Those of us who do the counseling and placement of older workers need to develop better techniques. But these we must develop as we go along. It would be helpful however, if somebody else gathered together the material that we are developing, and analyzed it and published it for us. I say that for several reasons. First, it has been my experience that the practitioners, the people

who are interested in counseling and placement, do not want to stop to analyze what they are doing, synthesize it, and publish it. Whenever we ask our operating people to make studies, their reaction normally is, "I have people to place on jobs, so would you go away and stop bothering me! I want to place the people. I don't want to stop to do the studies!"

Second, I am not at all sure that the practitioners—the counselors and placement people—are necessarily the best qualified people to make the studies, to put the material together, and to publish it. Third, ordinarily we do not have the money to make studies. Money usually is given for counseling and placement.

#### MEANING OF THESE STUDIES TO ACTUARIES

FRANK L. GRIFFIN, JR.

Vice President and Actuary, The Wyatt Company

There is little doubt that these studies are significant, not only in a fact-finding sense but also in stimulating interest in this perplexing question. A continuation of similar studies should have considerable influence, as time goes on, in effecting a gradual evolution of retirement policies.

The purely economic phase of the question of "flexible retirement" consists of two parts. The first concerns the time when a worker should be retired on the basis of his own productivity, which may be defined to occur when he no longer produces enough to justify full pay. The other economic aspect of this question concerns the ability of our economy to support, in the long run, generous pension plans if we retire everyone automatically at an age such as 65.

Flexible retirement should, in practice, work both ways on the age scale, according to personal ability. There are some situations where retirement should take place before the so-called "normal" age of 65, due to the employee's declining health or ability, just as there are many situations where retirement should be postponed in order to retain the services of a valuable employee.

For the good of the economy as a whole, the operation of "flexible retirement" should also be subject to general economic conditions. In good times, very few employees really want to quit at a fixed age, and there is no good economic reason why they should if their capabilities remain high. A period of economic downturn, however, would be a most logical time to compel the retirement of many older employees (exactly counter to the usual "seniority" approach), permitting younger employees with dependents to retain their jobs and purchasing power. Since older employees would have their pensions, total purchasing power would be maintained at its highest possible level and the effects of an economic downturn would be minimized. An important question here is whether the unions would be statesmanlike enough to

permit a modification of the seniority principle with respect to workers beyond the "normal" retirement age, in order to accomplish this stabilizing influence on the economy.

#### A Look Ahead

Looking to the future, with mortality improvements and the gradual extension of life beyond age 65, combined with the present age distribution of our population, we are going to have a rapidly increasing percentage of the population over age 65. This being the case, since pensioners must be clothed, fed and otherwise provided for through the production of the active work force, how will our economy support an ever increasing number of non-productive citizens?

There are two possible solutions to this economic problem—namely: (1) either the greater productivity per man, arising from increased mechanical efficiency, must be channeled in greater degree to these non-productive citizens, rather than swallowed up entirely by higher wages and other current benefits for the active employees; or (2) there must be a trend toward later retirement in order that the percentage of nonproductive citizens does not get out of hand. In the absence of either of these solutions there can be nothing but continued inflation and a worsening of the lot of those who must subsist on fixed incomes.

One final comment on the subject of flexible retirement—the "forgotten man" category of management employees. It seems to be an inescapable fact that it is generally desirable from a company's standpoint to retire top management employees at a relatively uniform age, in order to maintain morale at a high level among the younger members and to enable the company's affairs to be pursued in a vigorous manner. In this area I do not foresee any great change in retirement policy.

#### Further Comment • Mr. Zink

This problem of employment and retirement of the older worker is a lot broader than restrictive legislation and changing Company policies. I would venture that few companies have policies discriminating against older employees. But that does not mean that within those companies there are not thousands of people who believe the older employee is, in general, not as good an employee as the younger.

We can not legislate away these attitudes, and we can not get rid of them by proclaiming a policy from central office that there shall be no such attitudes. It is a broad social problem, a problem of re-education. This picture should be focused on the attitudes concerning aging which are generally prevalent in our whole society. The individuals doing the employing merely reflect these.

There is also an overall employment problem involved, not just a problem of the employment of older workers.

In times of full employment, the older workers have no problems finding a job. But if there are not enough jobs for everyone, and people who can retire with enough income to live on are not retired, what happens to the younger individuals buying a home and supporting a family? I would like to re-emphasize that we are discussing a much broader social and economic problem than the mere cancellation of a mandatory retirement program or of the operation of a policy which says there shall be no discrimination against older workers.

#### Further Comment • Mr. Barkin

Mr. Zink's comment relates to the administrative difficulties arising in connection with the operation of a true flexible retirement program. He overlooks the fact that he is already operating a flexible system. The decisions as to the capacity for work of people under 65 are already being made on a personal basis. The individual applies for early retirement or the management initiates action with respect to him and consequently determines whether or not he should be retired.

There are hundred of companies and plants throughout the country where these individual decisions are constantly being made. Moreover, companies have always been faced with the problem of discharging people for cause. The cause we are confronted with here is the inability to perform a job within the range of acceptable production standards.

Obviously, in the case of an older person you should be slightly more liberal as to the production standards by which you measure him. But fundamentally that is the test and it is one easily applied.

With respect to mandatory retirement provisions for management personnel, the comment was extremely relevant. Those of us who know the history of the mandatory provisions in pension plans know that they originated for management rather than for production classifications of employees. To provide opportunities for new management personnel, it was considered feasible to establish a mandatory retirement provision. The fact of the existence of this practice for management personnel does not make it appropriate for the general run of production and lower levels of professional, supervisory and executive employees. Management personnel, where they have capacities, are rehired after their retirement in all types of consultant and part-time jobs, a practice much more common today than in the past.

One further comment, particularly pertinent to the federal legislation being considered at the present time and to the problem in Detroit, must be made. Many factories in the Detroit area have been closed and people have been displaced. Consequently, the great social challenge is not only to find methods of continuing employment for older workers but also to find and to change the employment practices of newly established plants in order

to assure the absorption of unemployed older people. It is particularly in connection with the establishment of new plants that many of us have argued for the mandatory employment of a minimum proportion of older people. The customary trend among managements of new plants is to hire only younger persons, leaving the older person who was discharged or dismissed, or who is a victim of a closed plant completely scrapped and unable to find regular employment. They should be required to hire a minimum number of older persons.

The problem of the closed plant and distressed economic areas is one of the major challenges to social thinking of our time. We are fortunate that the Congress of the United States is considering that problem, and a healthy solution to that issue may provide an answer to many difficulties facing the older worker.

## 8 Union Concern

*Presiding:* G. WARFIELD HOBBS, 3RD

Chairman, The National Committee on the Aging  
Vice President, The First National City Bank  
of New York

### UNION CONCERN WITH EMPLOYMENT AND RETIREMENT OF OLDER WORKERS

WALTER P. REUTHER

Vice President of AFL-CIO  
President, International Union, UAW

I want to talk about this problem of what we, as members of a free society, can do together to help solve the problems of people so that they can live out their lives with a sense of participation, a sense of value, a sense of belonging. Unfortunately when we look at many of these problems we are overwhelmed by the difficulties. Too often we attempt to solve tomorrow's problems with yesterday's tools.

We are living in a period in which science and technology are giving mankind new tools with which we can create the kind of economic abundance which was undreamed of in any other period in human history. What we need to do is to think in terms of those new problems, in terms of the new dimensions of our new technology; because only as we learn to use the new tools, such as auto-



mation and harnessing of the atom for peaceful uses, will we be able to create the economic base that will make it possible to solve these complex economic and social problems.

We live in a most challenging period in human history and the future is pregnant with potential and total disaster. And yet, at the same time, it has never been brighter with a promise of human progress and human betterment. The same scientific and technical know-how that have enabled man to make the H-Bomb and to achieve the tools of total self-destruction also have given man automation and all of the new tools of economic abundance with which we can solve man's ancient problems of food and clothing, and win the fight against poverty, ignorance and disease. This is really the first time in the history of human civilization that mankind has the tools with which he can master his physical environment. We can do it now.

For untold centuries, the history of the human family has been a struggle between people and nations to divide up economic scarcity. There was not enough food and someone had to go hungry. There was not enough clothing to cover all of the naked backs, and there was not enough material with which to build decent housing for all the peoples of the world. So we struggled to divide up scarcity, each struggling to get his share so that he would not be counted among the have-nots in the world.

### **The Uses of Abundance**

Now that we can solve this problem of feeding and clothing and housing the human family, of taking care of man's basic economic and material needs, we have this challenging opportunity. Instead of struggling to divide up scarcity, we have the glorious opportunity of cooperating in the creating and the sharing of economic abundance. This, in truth, means that we can now begin to devote more time and energy to facilitating man's growth as a social, cultural and spiritual being. If we have the imagination and the good sense to find a socially responsible way of mobilizing the great economic abundance that is now within our grasp, we can solve the problems that plague us. But we can solve them only as we utilize the new tools to their fullest.

The crisis in the world is neither economic, nor military, nor political. It is a moral crisis. It is a reflection of man's growing immorality to man, of his growing inhumanity to himself, which finds its most terrifying expression in the capacity of the H-Bomb to wipe out human life.

In a sense, in America our problems are essentially moral. Look at the problems of the aging. Look at the problems at the federal level, at the state and local community level. Talk to social workers, educators and people who are working in the social sciences, and they will tell you their problems are financial, that budgets are limited, inadequate. They can't get trained manpower. They haven't the tools with which to solve the problems.

The problem is not financial. The problem essentially is moral and the financial problem merely reflects the more fundamental moral crisis in our free society. We have the resources, but we have failed to demonstrate the sense of moral and social responsibility to commit the resources to meet the need. This is why we are in trouble; and we are in trouble at home for the same reasons that we are in trouble in the world.

There are some people who believe that the problems of the world can be solved by getting a bigger H-Bomb than the Russians can build. And when the Russians test a megaton H-Bomb we have to get a bigger one and then they get another bigger one and we follow through with still a bigger one.

But we in the free labor movement of the world believe that the struggle in the world between the forces of freedom and the forces of tyranny, between the forces of communism and the forces of democracy, is not the kind of struggle that you can win with an H-Bomb. This is not a struggle for geography. It is a struggle for the hearts and minds of people. While we need to be strong on the military front, that represents purely the negative aspects of freedom's responsibility. While we must be strong enough to stop the threat of aggression wherever it may raise its ugly head, we need to understand that by that we only buy time and the opportunity that will enable us to take the offensive on the broad economic and social fronts, where hundreds of millions of people in the world are looking to America for the answer to basic human problems.

### **The Measure of a Nation**

If we use this opportunity to provide the kind of moral leadership that demonstrates vision and responsibility for the total needs of all the people, not only in the national community but in the world community, we can win over the forces of tyranny. But we can win only as we commit ourselves to the positive struggle.

The people of the world are not going to judge us by the fact that the Atomic Energy Commission says that we have in stockpile more H-Bombs than the Russians, or that we have a larger megaton bomb, or that our guided missiles have a longer range, or that we flex our economic muscles more efficiently than does the Soviet Union, or that we have the capacity to turn out nine million shiny new automobiles every year and roll hundreds of millions of tons of steel.

These are very impressive economic statistics. But when I was in Asia last year, and later on in North Africa, I talked to people who are looking to America for the answers to their problems. They ask how can you get the wrinkles out of empty bellies and get food in people's stomachs without sacrificing their basic political and spiritual freedom by putting their souls in chains.

This is the question. How can you equate economic

security with political and spiritual freedom and human dignity? How can you solve man's basic material needs and facilitate his growth as a social and cultural and spiritual being?

These people look to America. They will judge us by what is the only true measurement of the greatness of any civilization: not how rich are you in material wealth, not how productive is your economy; but rather by the sense of social and moral responsibility that a society demonstrates in being able to translate material wealth into human values; by being able to reflect technical progress in terms of human progress and human happiness and human dignity. These are the real standards by which you measure the worth of a society, not by the indexes that reflect material wealth.

### Tests to Apply

There are two simple tests of whether or not we as a free people are meeting our basic responsibilities. The first is: What are we doing for our children? Are we providing our children, each of whom is made in the image of God, with the kind of educational opportunity so that each child can grow intellectually and spiritually and culturally, not limited by an inadequate schoolhouse with an underpaid school teacher?

The right of each child to grow and develop should be limited only as God gave it its capacity to grow. We are failing on that front and the world knows we are. In India where the struggle to keep body and soul together goes on eternally, they commit a larger share of their national wealth to the well-being of their children than do we, the richest and most prosperous country in the world. And they know this.

The second area is: What do we do with our old people? What have we done to take the great wealth that is America and to commit an increasing measure of that wealth to insure that people in the autumn of their lives can live out their remaining years in the kind of wholesome, healthy, decent environment where they can have their economic and material needs met adequately. But even more, where they can feel that they still belong and that they are important as human beings within the framework of that free society? How well have we done here?

We have done miserably and we know we have done miserably. It was only a few years back that we began the struggle in the automotive industry to get the beginning of what we thought was a pension program. But there again when we raised our demands in collective bargaining to get workers pensions when they were too old to work and too young to die we were told we can't afford it!

The same people who have no vision and no faith in the greatness of America, in the unlimited capacity of a free nation to make progress, tell us we can't afford education for our children!

### The Cost of Peace

This is not a matter of economics; it is a matter of morality. Does anyone remember any politician or anybody in public life or in industry or labor or any other section of our society who said we could not afford the cost of war? If a man stood in the high places and said we could not afford to defend freedom on the battlefield, they would say he was betraying America. And yet when it comes to dealing with the basic needs and the challenge of peace, somehow men of little faith always stand up in the high places and they always point out that we cannot afford the cost of peace.

We have an all-time high peacetime budget of 71.8 billions of dollars. It is a lot of money. But you need a microscope to find out what portion of that total budget of 71.8 billion dollars is earmarked for the basic needs of people. Most of it goes to pay for past wars and to prepare for future wars. Pray God we never have one, because if there is one thing I think that everybody in the world, regardless of where he may live in terms of the Iron Curtain, can agree on, it is the H-Bomb has made peace an absolute condition of human survival. If we get in an H-Bomb war, there will be no historians around to record who won or who lost. We will all be radioactive ashes.

But if you look at that budget, you will find a microscopic portion is devoted to education, to welfare services, to the needs of the aged. The Free Press this morning had a story about The Senate yesterday passing a bill appropriating \$275 million for grants to the states to help carry the cost of some of their programs for the aged. It said, however, there was a very slim prospect it would be adopted by The House because there is a battle between them as to how much money should be made available.

\$275 million. How much is it? Well, all things are relative, and that is especially true in the realm of economics. The last war cost the American people \$985 million a day. It cost us \$42 million for every hour of every day of every week for 44 months. \$275 million is about six and one-half hours cost of the last war, and yet they are fighting down there whether or not the states should get that money to meet already inadequate programs of assistance to the aged.

The people who say we can't afford these things are trying to solve tomorrow's problems with yesterday's tools. They have not really comprehended the new dimensions of automation, the new dimensions of harnessing the atom to man's peaceful needs. They have not understood the economics of abundance. They are still struggling to divide up scarcity and we ought to be working to create and share abundance.

In the last four years the people of America have lost as a minimum \$65 billion in goods and services that we could have had if we had mobilized the American economy to its fullest.

What could we have done with \$65 billion? We could

have doubled social security payments to the more than nine or ten million people on social security payments. We could have increased by 50 per cent the salaries of school teachers. We could have built two million more homes and wiped out some of the ugly cesspools that we call slums. We could have built hospitals with 400,000 new beds fully equipped. We could have done many, many other things with this \$65 billion.

The tragedy is we go on struggling to divide up scarcity when, if we could learn to cooperate as free people—labor, management, government, all of the other economic groups, in bringing into being the maximum of economic abundance—we could solve and overcome the basic deficits in social welfare and education, and still have much left over for other purposes.

### Horizons Unlimited

And, when you look at the future, we have only scratched the surface. The possibilities of human progress are as unlimited as the creative genius of the free human spirit. There are no horizons beyond which man cannot go. Those of you who have had some contact with automation know that we are just beginning in this new technology.

It is not an extension of the old technology. Automation represents the beginning of the second phase of the industrial revolution because it brings into our technology a new and revolutionary factor. James Watts merely substituted mechanical power for human muscle. Automation brings a new element, the substitution of mechanical judgment for human judgment.

I went to work in the automotive industry 30 years ago this month. When I went to work in the Ford plant they were just winding up with the production of their last Model T, a very simple piece of mechanism compared to a modern automobile. And yet it took more than 24 hours to machine a Model T engine block with thousands of workers and thousands of individual machines involved.

At the new engine plant in Cleveland of the Ford Motor Company, which is already obsolete, although built about three and a half years ago, they take a V-8 engine block—it is fed into the automated machine line by a conveyor belt, and without a human hand touching it, in 14.6 minutes it is completely machined.

### Potential Social Impact

Is that good or is that bad? That is not a decision that an engineer on a drawing board will decide. That is a problem in the field of the social sciences. If we have the good sense to harness these new tools to the needs and the hopes and the aspirations of all the people, then they can help us build that brave new world that the philosophers and the poets and the great men of religion have dreamed about and talked about.

But if we use these tools for narrow, selfish, irrespon-

sible purposes then they will get us in trouble. We have to work within the framework of economic and social policies that will gear these new tools of abundance to the needs of all the people so that we can raise the standards of living of the many rather than inflate the standards of luxury of the few.

I went through that plant and I saw acres of machines. They said, "Mr. Reuther, how are you going to collect dues from all these machines?" They thought that was going to be a very serious problem. And I said, "You know, that isn't what is bothering me. What bothers me is how are you going to sell all these machines automobiles?"

Our problem is simply that we have to find a way to maintain an expanding dynamic balance between greater productive power and greater purchasing power, each time achieving a dynamic balance at a higher economic plateau that enables people to have more of the good things of life, higher living standards and ultimately more leisure so that we can develop into better human beings.

How do we achieve it? As the tools of production become more complex, as they become more productive, their potential social impact is greater. When a simple hoe was the means of agricultural production, if someone who owned the hoe did not use it responsibly or intelligently, it didn't matter too much. He just did not have as much to eat. But when you own a hundred automated factories and there are hundreds of thousands of people who depend upon that factory as their means of livelihood, when whole communities exist with that factory as their economic core, it means that in direct proportion to the greater productivity of the tools, the ownership of those tools must of necessity assume broader social responsibility. The use of these tools has an impact upon our total society.

As the tools of production become more highly complex and more productive, labor and management at the bargaining table will be performing essentially a public function. It will not be private economic arguments between labor and management. They will be working out the economic equation not as narrow economic pressure groups but as functional groups in a society in which they have a joint responsibility to the whole of our society which transcends the more narrow responsibility that each has to its own group.

Only as collective bargaining is approached in this broad concept can it perform the constructive and essential role that it must perform in a developing free society that can use the tools of abundance to meet its basic needs.

### A World Community

In the UAW we have tried to develop a social philosophy which recognizes that we cannot solve our problems in a vacuum; that even though we could be the largest free trade union in the world, we cannot find answers to our problems excepting as we, in cooperation with men and



women of good will in the whole community, work to find answers to the problems of the whole community; that we can make progress only as we help the community to make progress. Ultimately that point of view must prevail not only in the local community and the national community but in the world community. We are learning more every day that every basic democratic and human value that we as free people cherish is essentially indivisible in character. We cannot protect our freedom, we cannot have the things we want excepting as we make them universal so that they can be shared by people everywhere. That is the philosophy that the UAW takes to the bargaining table.

We bring in combination two things that are very important ingredients—economic muscle equated with social morality. Many times people are morally motivated but they haven't any economic leverage. Many times people have great economic leverage but they lack moral motivation. When you can get together economic power and morality and you can use that power with moral purpose, then you can begin to do things that are important. It is in that spirit that we have gone to the bargaining table.

When we took up the fight for pensions in our industry, it was an industry which more properly historically could be characterized as a kind of social jungle in which people were nameless, faceless, clock card numbers with no rights, no privileges and no status. The end product was production, and the concept that production and economic effort was not an end but a means to an end, that people were the end, was foreign to the whole concept in this industry.

### **The Pension Story**

I worked in this industry for a number of years. I worked in it when it was a pretty rough place to work. When a worker got too old to work and too young to die, he did not get retired; he got dumped on the industrial scrap heap. We began to say that workers who had made their contribution, who had carried their share of the world's work, had a right to look forward to living the autumn of their lives with a sense of security and human dignity. We raised that at the bargaining table back in 1943. We got precisely nowhere.

Then we said, "Well, we need to do something to expand our social security structure."

We were told, "Well, go to Washington."

But the very people who refused to cooperate at the bargaining table were in Washington working in the wrong direction. So in 1949 we finally said, "We are going to do it this year or else!"

I remember I brought together a meeting of older workers in the Ford plant in Detroit at Cass Technical High School. You had to be 60 years of age to get in the meeting. Nobody under 60 was allowed. We had about 7000 Ford workers beyond 60. Some of them were 83 years of age. We went out on the end of the limb. We said

we would not sign an agreement without a pension, and we broke ground. We got the beginning. We insisted that the pension be integrated with social security.

But when we were fighting to get that pension, we were told by people in management that it was wrong to provide workers a full measure of security in their old age because it would destroy their self-respect and their independence.

A management representative, a perfectly good person, said to me, "These people should be able to save for a rainy day." Yet at that time, 1949, the average wage in our industry was \$1.50 per hour. One of these corporation executives who told me this was making, if you spread his bonus and his salary on a 40-hour week basis \$332 per hour. But the board of directors of this company knew he could not save on a measly \$332 an hour; so they provided a \$25,000 pension for him.

And I said, "You see, this is why we get in trouble. You cannot go to the bargaining table in a free society and expect to have decent harmonious constructive relationships between free labor and free management if you have double economic and moral standards."

And without begrudging one cent that they get, and not behind their backs, I asked them, "What mental or moral gymnastics do you go through to arrive at the conclusion that if you are making \$1.50 an hour and you are asking for \$100 pension that this is economically unsound and morally wrong, but if you are making \$332 an hour and you are getting \$25,000 pension that is economically sound and morally right?" This has been the basic problem, the double standard of economics.

### **Building a Total Program**

Let me briefly outline some of the things that we have in mind in developing our pension programs. First, we started out by the integration of our privately-negotiated pension plans with the basic social security legislation. This raised some serious doubts. We have a public advisory committee with some of the finest people in America and Canada serving, and some of our friends said, "If you tie social security and private pensions together, you will stymie any further progress in the way of improving the social security legislation, and in effect you will divide America between first class and second class citizens."

We said, "We do not think so. We think that we can use the tremendous economic leverage that we have at the bargaining table to accelerate and facilitate greater progress in terms of legislation, and therefore help everybody."

For 12 years we made no progress. The 1937 social security law lay there unchanged even though the cost of living had gone up and we had greatly depreciated the value of the social security payments.

Yet, within a week after we got the first major break through in Ford where we tied the private pension plans in with the social security, so that the company paid the

difference between what social security gave us and the \$100, Congress acted. We learned this lesson, that the leverage at the bargaining table can be used to accelerate social legislation and thereby extend the benefits to all the people.

Second, we had the fight over compulsory retirement versus optional retirement. I have to report that we have failed to date, but I report in the same breath that we have not stopped fighting. We are going to continue to fight until we change our contract so that retirement will be an optional, not a compulsory matter.

No labor leader or industrial management person ought to be able arbitrarily to tell a worker whether he ought to retire or whether he ought to continue. In a free society this should be a matter of individual choice. We ought to provide the economic wherewithal so that a worker has the economic security to retire at a certain age. Whether he retires or not should be a matter of his individual judgment and not compulsion.

That is all wrong. In the affairs of mankind, in man's relationship to man, we ought to so regulate ourselves to each other that we have as few dogmas as possible, as few rigid approaches with maximum flexibility and tolerance so that the individual can try to make up his own mind as he believes he would like to live his life.

In short, what we have to do is so arrange our own affairs, man's relationship to man, that the laws of God will have a chance to operate properly. If we try to get everything rigidly defined, the whole concept of how a free society should operate has been negated.

Third, we need more adequate pensions so that people retiring will get their just share of the fruits of our developing technology.

We want a cost-of-living adjustment in our pension plans so that when the cost of living goes up, the pensioner is protected. We want medical care more adequately provided for but, frankly, it is more difficult to do it at the bargaining table because you place this disproportionate share of the increased medical cost for retired workers and their families upon a narrow group in our society. That is economically unsound and morally wrong.

The question of medical care needs ought to be approached by modification of our social security legislation. When a worker is eligible for his social security benefits, he automatically should have comprehensive medical care as a part of his social security protection, because when his needs are the greatest, he is least able to pay for expanded medical care.

But let us always remember that meeting man's material needs is the easiest part of the problem. Let us always remember that man does not live by bread alone; that it is not enough to say to a worker, "Okay, you retire next week and you are going to get so many hundred dollars a month. You can pay your rent and you can buy clothing and food and all the other necessities."

The most important problem and the one that we have done the least about is giving the retired worker a sense of still being a whole human being, a sense of belonging, a sense of worth and value as a continuing part of a functioning free society.

### **Training for Retirement**

We must give people the kind of pre-retirement training necessary. We have to work at this at the bargaining table and we have to work at it in the communities so that a worker will look forward to retirement, not with fear and uncertainty, not with a cloud of doubt hanging over his life as he approaches that period. We ought to have him look forward with great expectation to the fact that retirement is a kind of final rewarding jewel in the crown of having lived a constructive, useful, purposeful life.

And yet we are failing. Why does the average worker try to hang on? It is more than economic compulsion. He has no other life. This is his life. If you take away punching a time clock and going to work and don't provide something else to fill that vacuum, then he will wither up and blow away. We have to make retirement the final and glorious chapter of one's life as a useful citizen in a free society. This is an area in which we need to give great attention, time and effort.

Next are the housing needs. Some people believe we ought to have colonies where retired workers get together in the sunshine of Florida or some other state where the Chamber of Commerce is articulate.

We need all kinds of housing. If a worker has dreamed about the waving palms in Florida and he wants to go down there and live in a colony, that is his business. There ought to be such places. But it is not for you and I, labor, management or social workers to say, look, we have figured it out. This is best for you and this is where you are going to live.

Some workers may want to live in their old house, even though it is hard to maintain, because that is where they spent so much of their lives. They ought to have a right to stay in the old house. Some may want to live in a small apartment. There ought to be small apartments available that are built especially to accommodate the needs of retired people. There ought to be small homes in normal neighborhoods. In other words, the housing should not be something that we decide is good for them. We ought to make available all kinds of housing so that each retired worker and his wife can decide where they want to live.

### **A Total Community Program**

Finally, we in the UAW are trying to develop a program that integrates our efforts with the total community effort. We do not want a UAW retired workers program for UAW retired members. We want a community program of which we are an essential part, in which

our retired workers are a part of a total community effort to solve the problems of all the people who have these needs. It is in that spirit that our convention last week adopted a comprehensive program in which we created a new department which will deal exclusively with community programs. We have earmarked special funds that can be spent only at the local level and at the International level for retired workers' programs.

The program provides for the creation of a committee in each local union composed of officers of the local, retired members of the local and members from the education, community service and citizenship committees, so that they can work with the community.

Our locals will be brought together and they will work to stimulate programs in each community in which they are located. We shall have special summer schools and institutes to train more people at the local level to give leadership in this area of community development.

#### **A Retired Worker Center**

We are going to have special publications, and we have authorized the construction of a model retired workers' center, probably in Detroit. This, we hope, will be a pilot experimental project. We think it is time to get the kind of facilities we need to do some basic experimental work. We are a little tired of the retired drop-in-centers in the nooks and corners of our local union halls.

We think it is time to sit down with the people that understand the problems and with the architects to build a model center where a retired worker can come and have some fun, recreation, education in crafts. But more important a place where he can get access to information on his total needs. We want trained social workers there to tell him what facilities in the community are available to help him with his problems.

We want medical advice, not medical care, so that he can be referred to where he can get medical care. We want a psychiatrist because there are tremendous problems of emotional adjustment. You have to help people over the hurdles so that they can make the adjustment.

We want also to do more to teach them how to use their leisure. This is going to be the great challenge of our free society not only as it relates to retired workers. We are soon going to get a short work week. Automation and atomic energy make this a matter of economic justice to the wage earner as well as a matter of economic necessity to our whole economy. We can have a shorter work week and yet higher living standards because the whole history of America's greatness is written in those terms.

We have a higher living standard now than when we had a 16-hour day. Why? Because the tools of abundance that we get from science and technology make it possible. We have to work on this whole leisure problem, to help people to use their leisure creatively and constructively.

Our model center, we hope, will not be a place where retired people are isolated. We hope to have community activities in these centers. We hope to have functions where the children will be, so that retired workers will feel that they are part of the community.

We believe in realistic community programs so that people, as the tools of production enable us to retire earlier, will be able to look forward to this period of retirement with great expectation in which can be realized the rewards of a constructive and productive life.

The problem is going to mount rapidly. In the UAW, we have roughly 70,000 retired workers, and yet our program has only been underway for a couple of years. There are 32,000 more still working over the age of 65. There are 67,000 in the next group between 60 and 64 and there are 95,000 UAW members between the ages of 55 and 59. This is going to skyrocket. What is happening in UAW plants is going to happen in the whole American economy. It is going to get more complex.

#### **The Challenge of Today and Tomorrow**

Let's scrap the tools of yesterday and let's start using today's tools with which we can meet tomorrow's problems. The great challenge of America is not a lack of the resources, or the know-how.

Our problem basically is that we have to find a way to match our scientific and technical and production know-how with comparable human and social and moral know-how. We have everything in the way of material resources. We have the know-how. The question is, are we willing? Do we have the sense of moral conviction and the will together to do this job—free labor, free management, free government, free people working cooperatively in a free society to try to preserve peace and freedom in the world.

I have unlimited faith in people, in freedom. Together we can move mountains. Together we can do what the men of little faith say is impossible. We have built our greatness by doing the impossible. We can meet the problems of the aging. We can work out the economics. We can provide the kind of social environment so that people as they get old can get old gracefully and they can crown the autumn of their lives with the rich rewards of a full life in which human dignity can find new means and new expression.

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## Early Retirement a National Waste

So far, the old jape about the waste of money that applies to the problem of aging and the debates about whether a man should be confronted with compulsory retirement.

It is, everybody talks about it. It does anything about it. It is the subject of compulsory retirement. Have been impressed by what Hobbs said here before the Committee on the Aging, of which I am a member.

Hobbs believes there should be a retirement age, but that 65 is too young. He cites medical statistics that a man of 65 today is as good as dead.

Basically as a man of 50. The economy generally counts by putting a value on a man; that pension plan pays 1 per cent more than the compulsory retirement. And, as many have pointed out, a portion of the population that is on the fringes is on the

Fri., April 19, 1957

The Detroit Times

## UAW Plans Center for Aged

A model retired-workers center, designed for basic research to enable application of the idea on a national level, will be created by the UAW in Detroit, President Walter Reuther said yesterday.

In addressing a conference sponsored here by the National Committee on Aging, Reuther told the 250 businessmen and experts on the aging

the community, not a matter for conflict between labor and management."

The two-day conference yesterday in the V. G. Warfield Hotel, chairman, introduced a luncheon in the room, 8713 E. Jefferson.

he'll retire; by giving a "larger share of the gains made through automation" in higher pensions; said:

new, small houses and apartments for retired workers said:

"These persons must be given a sense of belonging and participation, not

## Williams Addresses Meeting on Aged

The National Committee on the Aging of the National Social Welfare Assembly will meet today and Thursday in the Motor industrial relations. President, will speak at a dinner in the Veterans Memorial Building at 7:30 p. m.

"Flexible retirement" will be discussed at 9:30 a. m. The speaker is Charles E. Odell, of the Labor

MICHIGAN • Flint Journal

## Better Outlook for Older Workers Seen by Cushman

Detroit—AP—The future is brighter than the present for older workers, an industrial relations vice-president of American Motors Corp., said Wednesday.

Edward L. Cushman told a meeting of the National Committee on the Aging

States, and the composition of the labor force, "is such that there should be favorable opportunity for employment of older workers."

Cushman criticized the seniority provision of most union contracts as "an obstruction of older workers as of the physical men and

DETROIT FREE PRESS Tuesday, April 16, 1957 5

## People Prove to Be Good Workers

54. Output in the 55-64 age group was at least 90 per cent as large as that in any other group.

shorter service may be no greater than the ultimate cost

The report points out a need for employers to come when employees query themselves

## Aged Study Planned

By Irmengard Pohrt

A commission to study the problems of the older worker will be appointed soon by Gov. Williams as part of a comprehensive new program in his administration.

organized through the commission he is organizing. He added:

"This will give every one of our citizens a chance to do something about the needs of our senior citizens and to help them prepare for their own retirement years."

of housing at rents they can afford.

• Afford better employment counseling and better opportunities for continued employment by older workers.

• Establish programs for the educational and recreational benefit of those who are retired.

## State Aged Topic of Conference

National authorities on the problems of the aging will converge on Detroit for a two-day meeting beginning Wednesday at the Whittier Hotel.

Gov. Williams will speak on "Older People in Michigan" in the opening session at 2 p. m. Wednesday.

## NATIONAL GROUP ATTACKS PROBLEM

## Aging Issue Grows as Life Extends

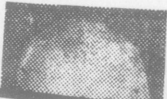
WARREN H. STROMBERG

Free Press Staff Writer

What's all the fuss in Detroit

IT

## Urged to Give People Opportunity



Mathiasen Mrs. Guiney

She is Mrs. Geneva Mathiasen, teacher and a social

"She tells me what to do and say."

She directed the East E. Neighborhood House in Cleveland during the war and was executive secretary for the Governor's Committee on Youth, Ohio. She was on the embassy staff in London, spent three years in England and Switzerland.

Silver-haired Molly Guiney, Detroit's top champion for aging, is executive secretary for the Detroit Metropolitan Committee on Aging and Community Services organization, which came into being

tered a program set up by the Mayor Couzens which permitted retired couples to live in their own homes

## Group to Hold Forum on Aged

The National Committee on Aging will hold a two-day conference in the Whittier Hotel beginning Wednesday.