

Older workers (1958) ✓

How to Achieve a Better Balanced
Labor Force By Removing
**AGE BARRIERS
TO EMPLOYMENT**

**PROCEEDINGS
OF THE
Older Worker
Conference**

1958

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Department of Labor and Industry



PROCEEDINGS

How To Achieve a Better Balanced
Labor Force by Removing

AGE BARRIERS TO EMPLOYMENT

Older Worker Conference

Sponsored by

Commonwealth of Pennsylvania
Department of Labor and Industry

William L. Batt, Jr., *Secretary*

MAY 15, 16, 1958

BENJAMIN FRANKLIN HOTEL

Philadelphia, Pennsylvania

(Including an overall summary of the conference.)

Bureau of Employment Security

John F. Adams, Ph.D.

Executive Director

Advisory Board on Prob-

lems of Older Workers

Harold W. Williams

Executive Director

FOREWORD

These proceedings are being made available as a public service by the Pennsylvania Department of Labor and Industry. They have been prepared through cooperation of the Bureau of Employment Security and the Advisory Board on Problems of Older Workers.

It is believed that the entire proceedings will be of interest to those who attended the conference, as well as to other serious students of the subject, who were not able to attend. Up-to-date and complete information on the whole problem of age barriers to employment, viewed from many different aspects, is contained within these pages.

The complete presentations of all the speakers and panel members are included in these proceedings. In some cases, written manuscripts prepared in advance have been used. In others, the presentations were taken from the transcript of the proceedings. Where this was done, the transcripts were reviewed by the speakers and minor editorial changes were made to improve clarity, correct grammar and eliminate conversational interpolations that were not pertinent to the subject. The viewpoints expressed by the speakers are their own, and are not necessarily to be construed as representative of the official policy of the Commonwealth of Pennsylvania.

In the interest of brevity, the discussion following the panel presentations has been summarized by the editor. For some panel meetings, the summary of the discussion is lengthy, generally because the speakers spoke briefly and there was a long and pertinent discussion. In others, the summary is short because the nature of the subject required lengthy presentations by the panelists. Some of the points developed during discussion periods have been omitted by the editor because they duplicate material covered in one or more of the other panels.

For the busy reader who cannot afford the time to read the proceedings in their entirety, a complete summary of the conference has been prepared and may be found at the beginning of the text. Extra copies of this summary are available for broader distribution. Requests for such copies, as well as requests for copies of the entire proceedings should be addressed to:

ADVISORY BOARD ON PROBLEMS OF OLDER WORKERS

Department of Labor and Industry

HARRISBURG, PENNSYLVANIA

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CONFERENCE SUMMARY

How to Achieve a Better Balanced
Labor Force by Removing

AGE BARRIERS TO EMPLOYMENT

Summary of the Proceedings of the
Older Worker Conference

Sponsored by

**Commonwealth of Pennsylvania
Department of Labor and Industry**

William L. Batt, Jr., Secretary

MAY 15, 16, 1958

**BENJAMIN FRANKLIN HOTEL
Philadelphia, Pennsylvania**

*Bureau of Employment Security
John F. Adams, Ph.D.
Executive Director*

*Advisory Board on Prob-
lems of Older Workers
Harold W. Williams
Executive Director*



EDITOR'S NOTE

This summary of the proceedings of the older worker conference sponsored by the Pennsylvania Department of Labor and Industry in Philadelphia on May 15 and 16, 1958, has been prepared to make it easy for a busy person to acquaint himself with what was said at the conference.

The summary has been included with the complete proceedings. In addition, extra copies of the summary have been printed to gain a broader distribution than would have been possible with the complete publication.

The chronological order of panel meetings has not been followed in preparing the summary. Instead, we have tried to group the material into three general classifications: the dimensions of the problem, the current situation in four key types of work and factors affecting the solution of the problem, both positively and negatively.

It is inevitable in a summary of this type that the verbatim remarks of the various speakers and panelists will be used. Originally, we planned to identify these remarks in footnotes and references to the complete proceedings. However, since the purpose of the summary is to provide an easy-to-read condensation of the subject matter of the conference, it was decided to eliminate footnotes and other references.

To avoid the charge of plagiarism, let it be noted here that nothing in the following summary is original. All of it was said, at one time or another, during the crowded two days which marked the conference.

Persons who have received only the summary and who wish to secure copies of the complete proceedings should address requests to:

Advisory Board on Problems of Older Workers
Department of Labor and Industry
Harrisburg, Pennsylvania

Conference Summary

How to Achieve a Better Balanced Labor Force by Removing AGE BARRIERS TO EMPLOYMENT

THE OLDER WORKER PROBLEM

Modern society now has the means at its command to add greatly to the years of human existence and to enrich the quality and vitality of the years added to the life span. Scientific research is revealing secrets of fabulous importance concerning the inner reaches of the body and the mind.

We are already reaping the harvest of this work. The length of life remaining at birth in classical Greece was probably less than 25 years of age. By 1900 it had increased to 45. Today it is 70. Eminent medical authorities say that the human machine is engineered to live up to 125 years, if in good health. They believe that the average life span of an individual born 15 to 25 years from now may well be close to 90 years.

We know, too, that time is not a true measure of an individual's age. Some people are young at 85. Others are old at 40. More significant is a person's biological age. Work is now under way at the Lankenau Hospital in Philadelphia to develop criteria by which an individual's biological age can be measured.

One major consequence of scientific advance in the field of health is that we have become a maturing population. More than ever before, people are living past 65. Fifty years ago, only four out of ten born could expect to see their 65th birthday. Today, two out of three will reach that milestone.

The death rate has been cut in half in the past 50 years. During the last 25 years the mortality records

of representative life insurance companies show decreases of as much as 30 points on the American experience table.

More than eight per cent of the population in 1957, or 14,749,000 persons were 65 years of age or over. By 1970, persons 65 years of age or over will number about 20,000,000. By 1980, 25 or 30 million persons, perhaps better than 10% of the population, will be past 65 years of age.

Problem Begins at Middle Age

But the problem of arbitrary age barriers to employment begins for some people at age 40—or whenever an individual is able and willing to work and is denied an opportunity to do so solely because of his chronological age. And the number of middle-aged individuals is also increasing rapidly. Since 1900 the proportion of persons 45 years of age or over has increased from 18% to 29% of the total population. The number of persons in the crucial age bracket for employment, 45 to 64, increased by 17% in the 1945-1955 decade, and it will increase by another 17% in the 1955-1965 decade.

The problem in Philadelphia looms larger than the national problem. The 1950 census showed that of every 1000 persons in Philadelphia, 386 were 40 years of age or over. The national average is only 353 out of 1000.

The three great concerns of a maturing population are health, income and what to do; and age barriers to

employment contribute to each of these concerns. The inability of older people to attain an adequate income is noticeable as early as age 40, and is largely due to arbitrary and unreasonable age barriers to employment. In a work-centered society like our own, people who can't find jobs feel useless and don't know what to do. This, in turn, creates many problems in the health field.

Social Costs

When we exclude older people from continued employment we reduce the proportion of producers to consumers and thus cause reduced standards of living, restricted earning power, increased inflationary pressures and higher taxes. Five out of eight older people are not now in the labor force. Men aged 45 or over outside the labor force today who want to work could raise our gross national product by \$12 billion. This contribution would go far to meet the total annual cost of all programs to maintain the aged.

The whipsaw effect of rising life expectancy and declining worklife has added greatly to the average number of years spent in retirement and, consequently, to the costs of retirement programs. If we could reverse this process, say, for instance, by moving the retirement age from 65 to 68, annual annuity premiums set aside beginning at age 35 could be reduced by about 25%.

Yet, the most important cost of age barriers to employment is the cost to human welfare. Most individuals need to work to maintain their dignity and self respect. As one example of this, in many of the chronically-depressed areas of Pennsylvania, the older male worker cannot get work but his wife can. Serious family stresses are caused when the wife puts on overalls and the husband puts on an apron.

The extra unemployment caused by

denying older workers a chance to qualify for job openings leads to increased social costs in terms of public assistance and relief programs, as well as all the other welfare programs associated with families who lose their sources of income.

Barriers to Success

There are many barriers to success in reducing age barriers to employment. One is the belief by many employers that older workers are not physically able to withstand the pace of business. Another is the belief that older workers can't produce as much as younger men. Still another belief holds that older workers are harder to supervise or train. Many employers believe that increased pension costs and costs of other fringe benefits are bound to go up unless control on hiring above certain age limits are introduced.

Other barriers to employment of older workers are harder to break than these mistaken assumptions by those doing the hiring. Many unemployed older workers in Pennsylvania are associated with declining industries, such as the railroads or the coal mines. These workers possess obsolete skills and cannot compete successfully for jobs, even where there is no discrimination.

A national recession or the continued existence of pockets of unemployment in depressed areas is bound to accentuate problems of older workers. Experience has proved that older workers find it easier to get jobs when full employment rules.

While many union policies serve to protect older workers by insisting on adherence to seniority rules or even, in some cases, by requiring the employment of a certain proportion of older workers to younger workers, some union policies, it is claimed, have the opposite effect. Insistence on compulsory retirement may be one. Some employers claim that re-

fusal to modify rigid rules to allow downgrading of older employes when the work becomes too demanding makes them leery of hiring older workers for fear they will be stuck with an unproductive employe in a very short time. On the whole, however, most union policies protect the job rights of older workers and, in balance, contribute more to the solution of the problem than to its causes.

A Brighter Side

On the brighter side is the estimate of the composition of the labor force in the coming years. By 1965, we will need an additional 10,000,000 workers in the labor force, and roughly half of them will have to come from the over 45 group. There will not be enough younger workers to go around, and older workers will have more opportunities to find work. Of the 10,000,000 additional workers, a large number will come from the under 25 group of whom many will be students, in and out of the labor force. Employers may be just as well advised to invest in training a mature individual of 45 or 50 than in one under 25 who may not yet have decided on his career.

Another factor on the bright side is the changing occupational structure, shifting in the direction of jobs stressing brains, maturity, judgment, rather than physical strength.

The older worker himself will change in the coming years. The average educational level of the man 55 to 64 was 7.7 years in 1940, 8.6 years in 1957. In 1975, it is expected to be almost 12 years. Inability to handle English fluently, often a serious factor in employment for the older worker today, will virtually disappear in the next 20 years as a handicap to older workers.

Increasingly better coverage by union-management job security provisions will protect a greater proportion of older workers in recessions.

The present recession has seen unemployment rates for older workers increasing at a lower rate than those for younger workers.

A Lasting Problem

Despite these favorable factors, there will always be a problem connected with employment for older workers because the basic cause is rooted in prejudice, thoughtlessness, stereotyped thinking and the tendency to judge people by the group rather than the individual.

In our dynamic economy, plants are constantly shifting locations and businesses are often disbanded or reorganized. Actions such as these strike hardest at the older worker because he has more roots in the community, and he finds it harder to transplant himself.

Thus, the problem of removing age barriers to employment so that our unemployed can compete for jobs on the basis of ability and without artificial limitations due to chronological age is an important one. And it receives vigorous and continuing attention from State government.

The Bureau of Employment Security provides special counseling and placement services. The Advisory Board on Problems of Older Workers sponsors research, education, demonstration and community action programs. The Fair Employment Practice Commission enforces the Pennsylvania Fair Employment Practice Act, which forbids hiring discrimination against persons age 40 to 62. The Bureau of Rehabilitation helps handicapped older workers.

All this work is carried on in the State on a nonpartisan basis. The conference itself has been planned and carried out as one aspect of a continuing educational program. Publication of the proceedings of the conference is another part of the educational program.

THE SITUATION IN FOUR CRITICAL OCCUPATIONS

A more detailed view of the problems encountered in trying to remove age barriers to employment can be found in an analysis of the situation regarding older workers in four critical occupations—manufacturing, retailing, service industries and office and professional occupations.

Manufacturing

Recent research sponsored by the U. S. Department of Labor into the productivity of workers related to age levels revealed the following results. First, the difference in productivity between various age groups was very small, but that the variations in productivity among individuals within the same age group were very large. In other words, what counted in establishing a worker's productivity was more likely to be something other than age. In manufacturing, the influence of age on the productivity of labor is far less important than many other individual characteristics. Thus, hiring policies should insist on evaluation of workers on an individual basis. Establishing arbitrary age limits for jobs closes out from consideration large proportions of workers who can be expected to meet and exceed the average productivity of the work force.

Arbitrary hiring rules result in discrimination against older workers in many manufacturing industries. Even arbitrary hiring rules which apparently have nothing to do with age sometimes serve to discriminate against older workers. These would include physical and education requirements which are more rigid than necessary.

It is the man himself that counts, not some stereotyped conception of his age group. Moreover, chronological age is not related to physical or biological age. Persons with ex-

perience in manufacturing know many instances of workers of advanced age whose physical strength and agility far exceed that of younger persons.

In one instance a new company was started with a work force recruited under a policy of not hiring anyone over 25 years of age. Turnover was high. Productivity was low. The firm had to adopt a policy of hiring on an individual basis. Today, the president says that he will never again go back to a policy of hiring only younger people, but will hire on the basis of the individual's ability to produce.

In order to place more older workers in manufacturing jobs, it will be necessary first to counsel the individual and help him see and appraise his abilities as well as his limitations. Then, it will be necessary to convince the employer (not only the policy-maker, but also the people who make the hiring decisions—the front-line supervisor and employment manager). This will require two approaches, generalized education and research and “selling” the individual older worker looking for a job. In this last phase, it is better to have someone else “sell” him on the basis of his real ability for the job in question.

Retailing

Retailing encompasses a large total number of jobs and the number is growing. In the Pittsburgh area, the number of employees in the retail trade amounted to 115,000 in 1952. By 1957, it was 122,800. Twenty-three percent of the total work force in the Delaware Valley is engaged in retailing, which includes food and oil retailing.

Department store retailing encompasses a wide variety of jobs. There are those involved in buying and selling goods and there are the jobs which provide customers' services,

such as delivery, janitorial, managerial and the like. There are jobs involved in managing the money and charge accounts. There are advertising and publicity jobs. And there are personnel jobs as well.

Retailing is a particularly good field for the employment of older workers. In most positions, only a short training period is involved. Certain clerical categories require only a small amount of physical exertion. Little previous experience or skill is really required although it is often requested by the employer. A job applicant with a good personal appearance and sales personality can readily be placed in retail occupations.

Surveys made by employers reveal that older persons tend to do a better job selling because they have more familiarity with the products and their intended use. Older salespersons have a better attitude toward the customer and exhibit more patience in serving them. Older customers like to be served by older clerks, especially in furniture and housewares. Even in departments like dress and sportswear, supervisors prefer to hire older salespersons.

Since many older persons, especially those over 65, are often interested in part-time work, the retail field, with its rush seasons and peak days, is particularly interested in part-time workers. The gradual extension of retailing into the suburbs has created a new demand for older workers, often married women whose children have grown up.

One company makes a practice of calling its retired workers back to work during special sales and busy seasons.

Most older workers in a large department store will be found in one of these categories: markers, wrappers, cashiers, packers, checkers, carriers, sales personnel, warehouse stockmen, office workers, telephone operators and supervisors.

Older workers are a tradition with many retail businesses. A survey of six large department stores in the Pittsburgh metropolitan area revealed that more than half the work force is 45 years of age or better in every store. In one store the percentage was 75%.

Nor do department stores face great difficulties training older workers. While they tend to be slower than younger workers in handling figures and filling out forms, they usually handle them more accurately. Older workers learn merchandising information more readily than younger workers.

One difficulty in employing older workers by retail stores is their ineligibility for certain fringe benefits. It is important that older workers be counseled to this effect prior to their acceptance of employment.

Service Industries

Two types of service industries offer good prospects for employment of older workers. One is the repair industry, such as repair of appliances, automobiles and the like. The other is personal services, such as laundries, restaurants, domestic services and the like. While the national trend is in the direction of decreased employment in manufacturing, there is increased employment in service industries.

In the field of personal services, a distinction needs to be made between highly skilled or licensed occupations and those requiring little skill. In the skilled service occupations, such as barbering, beauty culture and the like, older persons tend to retain their jobs, but it is extremely difficult for untrained older persons to acquire the necessary skills. However, there are many jobs in other areas encompassed under this field which require little experience. Such jobs could be companions, housekeepers, domestics,

guards, elevator operators, cashiers, porters and the like.

Many such jobs, as well as many jobs in restaurants, laundries and hotels have been traditionally lower-paid, which is one reason why employers are less rigid in applying unreasonable qualification standards for new employees. Low pay often results in higher turnover, and there are consequently more openings to be filled with better opportunities to place older workers.

However, it would be a mistake to assume that low pay is the only or even the primary reason why employers in personal service industries often prefer older employees. In the hotel industry, they tend to have a more courteous attitude toward guests. Younger people tend to be more brusque, less anxious to serve. Older people have a better sense of what it means to be hospitable, and this is an extremely important subject to employers in the hotel and restaurant industry.

There is a similar attitude toward older workers on the part of many employers in the laundry and dry cleaning industry. The attitude of the laundry driver is important to the housewife, and an older driver often is preferred. The dexterity required in laundry production work is not particularly difficult for older persons, and older workers often do a better job in folding and inspecting.

However, these attitudes toward older workers are not possessed by all employers in laundry or dry cleaning. Many employers do not realize the advantages which would accrue to them by removing age barriers to employment, and there is definite room for a good and strong educational campaign in that direction. More aggressive efforts to place older workers in this field might pay off.

One major problem in placing older workers in personal service occupations is the reluctance of many

older workers to consider such jobs because they are considered menial. Some workers feel that there would be a social stigma attached to employment in a service industry.

In the repair service field, it might be possible to train older workers who have become too old to keep up with the production line in the repair of the appliance or equipment which they have been manufacturing.

Office and Professional Occupations

In general, the office and professional occupations offer good opportunities for older workers *who are already employed*. But, except for public employment (such as teaching), it is often difficult for unemployed older workers to find employment except at entrance levels.

The practice in what might be considered a typical firm employing large numbers of office and professional workers is to promote from within. Experienced professional and career-type employees over 35 years of age are hired only when there is no one available to promote, who is already employed.

The situation in public employment, as for instance, teaching, is different and qualified older workers can be hired up to 63 in Philadelphia.

The experience with already-employed older workers is favorable. One personnel director for a large insurance company reports that they work hard, have a good influence on younger workers, display an excellent attitude toward the company, are more productive and have better attendance records. School administrators also report a preference for older teachers and older school clerical workers for substantially the same reasons.

These experiences point up a good opportunity for smaller companies which are unable to promote from within. Such companies need not de-

vote valuable resources to expensive training programs if they concentrate on hiring experienced older workers.

SOME WAYS TO RAISE AGE BARRIERS

There are several areas which offer hope for the lifting, at least in part, of upper age restrictions in hiring. One might be the development of more information on pension plans. Another might be distribution of more information on the trivial extra cost involved in fringe benefits for older workers. Better counseling, better placement programs, better testing for older workers are other possibilities. Legal prohibitions have been applied to the problem. Training and retraining programs may be needed. Organized community resources may be brought to bear on the problem. Retirement practices can be changed. More effective use may be made of what industrial medicine has learned.

Pension Costs

The cost to the employer of granting pension rights to an older worker has often been cited by many employers as a reason for their inability to hire older workers. However, the only reason for thinking that such discrimination does exist because of pension funds is the statement of the employer, and there is some ground to suspect that it is in the nature of a socially acceptable excuse rather than a fundamental reason.

Various approaches have been tried to see whether there is any correlation between the existence of a pension plan and a hiring pattern discriminatory on account of age, but they have not proved satisfactory. The Advisory Board on Problems of Older Workers is trying still another ap-

proach with no guarantee of success.

However, if you assume that employers do discriminate against older workers because of pension plans, the next question might deal with whether or not they have valid grounds for so doing. For instance, many plans of the so-called money purchase type call for a fixed contribution from the employer and a variable pension benefit depending upon the amount of money which has been contributed to the account of the employee. It seems clear that there is no reason why an employer with such a plan should discriminate against older workers.

Where the benefit is fixed and the amount the employer contributes varies with the age of the individual, it costs more to provide each dollar benefit for an older person than for a younger one. For example, each dollar of benefit at age 65 costs three times as much at age 45 than at 25, seven times as much at age 55 than at 25 and 16 times as much at age 60.

There are offsetting factors. Increasing longevity is one. It has been estimated that increasing longevity will increase the cost of a pension plan by about five percent every ten years. Younger persons will live longer than older persons and hence, spend more years in retirement. Thus, they will receive more total dollar benefits from a pension plan.

The trend toward higher benefits, arising out of increasing prices, will also mean more total dollar benefits for the younger person. So will higher wages for the younger worker. These have been combined in one actuarial study which shows that the annual cost for a benefit based on so much per month for each year of service would actually work out to be less for a person 60 years of age than for one 25.

Despite these offsetting factors,

there still remains the problem of the actual increase in purchasing a fixed benefit for an older worker. There are several ways of coping with this problem. One excludes the older worker from the pension plan. Many companies do this, and this is not considered heartless, because the individual will still be eligible for Old Age Insurance benefits. However, the trend is away from this, and where the workers are organized, the union may object.

Another way of meeting the problem is to lower benefits for older workers. There are various ways of doing this. For instance, reducing the benefit by $1\frac{1}{3}\%$ for each year the age of entry is above 40, with a maximum reduction of 25%, will just about reduce the premium to a level cost.

The pension subcommittee of the Advisory Board on Problems of Older Workers is now investigating a third approach which indicates that adherence to a hiring pattern roughly comparable to the age distribution of unemployed older workers will not increase pension costs. For instance, a certain percentage of newly-hired employees may be under 25, another percentage between 25 and 34, another between 35 and 44, another over 45, and so on. Maintaining this percentage of new hires will not increase the cost of providing pensions. However, management must get used to the idea of thinking in terms of average cost rather than the individual cost when any one employee is hired.

Another method of coping with this problem, which has often been mentioned, is that of vesting pension rights with the employee so that he can take his pension credits with him when he leaves a firm and either apply them to the pension plan in his new place of employment or save

them until he retires. The big stumbling block is the greatly-increased cost to the employer. A recent University of Pennsylvania study indicated that this cost varies greatly, depending on the amount of turnover. One company studied employed 1600 persons, and a five-year vesting provision (i. e. after the employee had been with the company five years, the amount of money in his pension account accrued to him if he left before retirement) would have cost the company 181% more. Even a 20-year vesting provision would have cost 132% more. Another firm with 20,000 employees would have had to pay up to 388% more to allow vesting provisions.

The cost is much smaller in companies with smaller turnover. One company with 4,000 employees could have installed a 10-year vesting provision for only 10% additional.

There is some feeling that perhaps the problem of pension costs will not be so acute with regard to the older worker in the coming years. This is because unions are beginning to think about getting away from the fixed benefit formula with its rigidities into benefits which are more related to years of service. Thus, it will not cost more to hire an older worker under the types of plans now being considered.

There is also an approach which gives part of the advantages of vesting and tailors the benefit to years of service. A percentage of earnings which would fit the cost of productivity (where compensation is based on productivity) is set aside. All considerations of age, are thereby excluded. By coupling this with a provision which allows transfer of credits from one employer to another within an industry, a certain amount of mobility is achieved.

Other Fringe Benefits

In addition to advancing the excuse that increased pension costs make it too expensive to hire older workers, some employers have offered the reason that if they hired older workers, they would suffer a competitive disadvantage because the costs of other fringe benefits such as group life and health and accident insurance would increase. Such benefits have become an important part of employer-employee relationships in recent years, and their extension may be expected. However, their effect on the cost of doing business when older workers are hired is imaginary.

Group casualty insurance rates for accidental death or dismemberment, wage loss occurring as a result of a nonoccupational disability or hospital medical and surgical expenses arising out of a nonoccupational illness or accident involve very low outlays on the part of the employer. These outlays are further reduced by substantial employee contributions, dividend and premium rate credits which accrue to the employer in virtually all instances even though the plan includes employee contributions, and, in a profitable year, by deduction for income tax purposes.

Premiums for such insurance are generally determined without direct regard to age, and in the final analysis the cost is determined by the loss experience of the individual employer. Numerous special studies have failed to uncover any evidence that this experience is substantially higher with regard to older workers. Claims for health and accident benefits tend to be slightly higher in frequency and duration for older workers, but when plans include dependents and maternity benefits the premium cost and experience loss will probably be lower for older workers.

Group life insurance premium

rates are based directly on the age and will vary with age and, in some cases, salary levels. However, the rates are so small as to border on the infinitesimal. For instance, if ten 30-year old workers were replaced by ten 50-year old workers in a 100-man work force, the average age of the work force would be increased by only two years. Assuming that each of the employees was entitled to \$2000 of group life insurance, and that the average age was increased from 45 to 47, the increase in premium cost would be a small fraction of one cent an hour. This fraction would be further reduced by dividends, premium rate credits, income tax deductions and employee contributions.

Workmen's Compensation

The picture is substantially the same in workmen's compensation costs. Premiums are determined in the first place by the rated hazards of the occupation covered. Casualty insurance companies have consistently avoided giving any consideration to age in establishing workmen's compensation insurance premium rates.

In the Commonwealth of Pennsylvania in 1956 the work injury incidence rate was 19.81 for older workers as compared with a 21.07 rate for younger workers. However, the average amount of compensation per employed worker was \$6.24 for older workers, which was \$1.84 more than the \$4.40 average for younger workers. It should be emphasized that other factors affect costs more directly and extensively than age. For instance the hazards in mining and quarrying are much greater than average, and proportionally, there are more older workers employed in these occupations. When average compensation payments are computed for all industries excluding quarrying

and mining, the difference was lowered to \$0.64 per employed worker.

This is only one example. If other measures could be taken to equate older and younger workers with occupational hazards, it seems clearly possible that older workers might be found to have the better record.

Besides, individual employers have it within their capacity to reduce workmen's compensation costs by expanded safety and rehabilitation programs which would go far beyond any reduction which might be achieved by discriminating against older workers.

Unemployment Compensation

While some employers are quick to advance arguments which tend to indicate that hiring older employees would advance their costs, they overlook other costs which could be lowered by such action. Chief among these is the cost of unemployment compensation.

A study which would give some of the answers on this question has been undertaken by the Pennsylvania Bureau of Employment Security for the Advisory Board on Problems of Older Workers. While results are not yet conclusive, it appears that a very substantial proportion of firms covered by the unemployment compensation law could reap unemployment compensation tax savings if older workers experienced no more extended unemployment than younger workers. These tax savings would offset, in whole or in part, any such added fringe benefit costs which might be incurred in hiring older workers.

Counseling and Placement

But there is more to the problem of older workers than to convince employers that pension costs and fringe benefit costs are relatively un-

important in deciding whether or not to hire an individual worker. Extensive placement efforts and intensive counseling are highly important.

In an effort to learn more about this aspect of the older worker program, funds were secured from the U. S. Department of Labor to hire two older worker specialists and 12 older worker counselors in the Philadelphia area and to establish the Philadelphia pilot placement and counseling project. The project was designed to give intensive special counseling and placement services to a representative sample of older workers. However, it was not a random sample and there was a distinct bias in favor of persons who might benefit from counseling.

One thing which was learned from this project was that it was possible, by intensive effort, to place older workers, even in a period of depression. Out of 1609 applicants in the experimental group between November 1, 1957 and May 1, 1958, 580 placements were made. This compares with only 50 placements made for 7609 older applicants who received no special services. Placing the older workers in the experimental group was admittedly difficult and costly, and it is questionable whether the community would believe that this service should be provided to all regardless of cost.

Another conclusion to be drawn from the survey is that older workers are individuals and that stereotyped conclusions about them, or even highly generalized opinions, are dangerous. Stereotyped occupations which have been traditionally set aside for older workers—such as watchmen, time-keeper, matron, baby-sitter—are unnecessary. Many employers will accept qualifications regardless of age. The problem is to get more to do so.

Older workers need considerable

help in self-evaluation. Many need training, and there is much which can be done in this area. They resisted tests and interest check lists, and for good reason, since most of these are designed for younger people. Better tools are needed to help the counselor and the older worker appraise his potentials. These are particularly important for older workers whose potentials are so often unfairly appraised on the basis of age alone. Despite this importance, most of the tools now used are only valid for younger workers.

There is considerable doubt that intensive counseling, placement and testing services could solve the "older worker problem" by themselves even if the money and techniques to establish such services were available. Certainly, the situation revealed by the Philadelphia pilot project shows that individuals over 40 who do not get intensified counseling have very little opportunity in a recession to find work through a public employment office. These considerations emphasize that many aspects of the inability of older persons to find jobs are beyond the ability of the employment counselor to influence. Nevertheless, his contribution is potentially very great and will be even larger when more counselors and better tools are available.

It is important, too, that public employment offices and counselors do more job development work—that is, actually go out and try to develop a job opening for an older worker by calling various employers known to have frequent need for good employees.

It is interesting to note that the percentage of total placements represented by older workers in public employment offices has increased throughout the Nation and throughout Pennsylvania. From July 1957 to March 1958 the national figures rose

from 18.2% to 21%, and in Pennsylvania, it increased from 17.9% to 23.5%, an even greater jump.

Legal Aspects

One way of doing something about removing age barriers to employment is to make discrimination in hiring on account of age illegal. Pennsylvania has done this by adding age to its Fair Employment Practice Law. Age is defined as between 40 and 62.

Since the passage of this law on October 27, 1955, there have been only 109 instances of age discrimination on which the Fair Employment Practice Commission has acted. Of these, 80 had to do with violations of the law in advertising for preferred age groups. Improper language in advertising and on application blanks has now largely been eliminated. Twenty-nine complaints came from individuals who charged that they could not secure employment because of age. In one case discrimination was found and adjusted. In 12 cases, no discrimination was found. Jurisdiction was lacking in eight. Complaints were withdrawn in four, and four are still under investigation.

The law has been useful in clearing up advertising which discriminates on account of age. It has also liberalized hiring policies with respect to public agencies, as for instance, the Philadelphia school system which used to limit hiring to those under 55, and now has extended that age to 63.

With these exceptions, it cannot be proved that this law has been effective, but at least it has not proved harmful. The small number of complaints received by the commission have not served to distract the commission from its obligations to enforce the law respecting discrimination against racial and religious

groups. In view of the existence of the Advisory Board on Problems of Older Workers and the close working relations between the staff of the board and the commission, educational programs on behalf of older workers have been left largely to the board, while the commission has been free to conduct educational programs on the employment of members of minority groups.

Other States having anti-discrimination laws in the matter of age and with enforcement provisions are Massachusetts, Louisiana, Colorado, Rhode Island and New York. However, Colorado and Louisiana do not implement their laws on the subject.

Training and Retraining

One of the greatest untapped fields for securing more employment for older workers lies in training programs. It is generally agreed by most students of the problem that there is nothing inherently difficult about training older people for most jobs. It is important, however, that the older worker himself be properly motivated through counseling and, if possible, reasonable assurance of employment.

Some of the jobs for which there is a continuous demand are lumber inspectors, dry-kiln operators, truck-driving, industrial chemists, laboratory technicians, draftsmen, electronics technicians, repairmen of all types including electrical, mechanical, heating, ventilating, air conditioning, office machines, automotive, diesel, aircraft, radio, television and farm machinery, sales, warehousemen and other distributive occupation workers, wood and metal pattern-makers, welders, sheet metal workers, electricians, carpenters, plumbers, tool and die makers, wood and metal finishers, printers, beauticians, practical nurses and secretarial workers.

Persons who are trained and skilled in these fields are seldom out of work.

But there are limited facilities and programs available for the purpose of training and retraining the older worker. It is suggested that there be Federal and State aid for the expansion of these facilities and for the establishment of imaginative training programs. Financial assistance for the older worker in training is needed. If there are not enough older workers to support a full training class, other adult students should be permitted.

A junior college program which includes vocational, technical and academic work is an important aspect of a continuing training program for older as well as younger workers.

Employers can do much to train older employed workers to make them eligible for skills essential in the future and to qualify them for work when their present jobs are affected by technological changes and advancements. Employers are beginning to include older workers in their apprenticeship programs. Classroom and on-the-job training is also available, and at least one employer has an educational assistance program under which tuition charges are paid for employees who take college degree programs on their own time.

What Communities Can Do

Local community agencies have an important role in helping to improve the economic climate for older persons and can contribute a great deal in a supplementary role to the public employment offices. This contribution can be divided into two parts. First, there is the sponsorship of the general educational program so that employers and supervisors are constantly kept aware of the importance of

removing age barriers to employment. This is a highly important task.

A second important role for community agencies is to supplement the job placement services of the public employment office by working with the employment counselor and placement officer to develop jobs for older workers. Fraternal and social organizations can help, too, by employing older workers themselves and by using their own organizational machinery to help find jobs for unemployed older workers from their own membership rolls.

Industrial Medicine

The industrial physician is a key individual in helping to remove age barriers to employment and achieve fuller utilization of the skills of older workers. He knows that age is not a good criterion of a man's ability to work at a job, but unfortunately, all too few employers heed the counsel of their industrial physicians on this subject, and many do not have industrial medicine departments.

Industrial medicine has proved that the worker past 40 years of age is in most cases the equal of the younger worker in efficiency and productivity. It has demonstrated that he is a more stable and dependable member of the work force. New technological achievements give it in large measure the capability of preserving even further the health of the older worker, maintaining his skills and keeping him a self-supporting citizen.

Industry would be well-advised to set up procedures for systematic observation of the worker's performance so that there may be early detection of a decline in the ability to carry on the usual occupation. If such observation confirms such a decline, vocational and mental preparation

should be started toward an occupation which will not tax or aggravate the disability.

A vital first step is agreement between personnel and medical department policies in a reconsideration of the status of the older worker.

Retirement

Despite the apparent contradiction of longer life expectancy and fewer years in the work force, the trend is toward compulsory retirement. For people who are unprepared for such retirement and unable to find fulfillment during their retirement years, being forced to leave one's job can be a crushing blow.

In times of recession when younger men are out of work, many older workers undergo intense pressure to retire and make way for the new generation.

A possible solution by one union (the Upholsterers International Union) is to create a model retirement village in Florida for people in reasonably good health. Another possible solution for executives is part-time work, as envisioned by Mr. Walter Fuller, who attempts to supply businesses with part-time consultative services from retired executives.

There is still considerable disagreement on whether compulsory retirement is advisable. Some say it is unfair, that many people are still highly productive at age 65. Others say that it is better to have a fixed age to point to, the better to prepare for retirement.

One suggestion is to establish better criteria for retirement, based on adequate gerontological investigation taking into account the worker's physical ability, mental attitude and environmental situation. But this is admittedly far from present-day realization.

Conclusion

The problems faced by older workers are indeed complex. There are no easy answers. Yet, there can be common agreement on many aspects. For instance, it can be agreed that something needs to be done. It can be agreed that a stereotyped approach to the older worker is unfair, unrealistic and unprofitable, that each person has a right to be employed in terms of his individual ability and not under arbitrary age limitations. Most people, but not all, would agree that compulsory retirement at a fixed

arbitrary age is not fair to the individual, however necessary or convenient it may be to industry. And most would agree that biological age is a better measure of how old a person is than chronological age.

Within these areas of agreement it is possible to do much in many different fields to help remove age barriers to employment. The task ahead is to begin to work in all areas where there is an opportunity to do something constructive about this problem.

WELCOME

HONORABLE RICHARDSON DILWORTH, *Mayor of Philadelphia*

It is a real pleasure to welcome to the City of Philadelphia another conference on the employment of older people.

The importance of this subject can hardly be exaggerated. The portion of population in the older age group is steadily increasing. At the same time, with increased life expectancy, an ever increasing proportion of older persons are willing and able to work but are unable to find jobs. This means that more and more of the burden of supporting these citizens falls on the community at large, on the Federal and State governments and on the young workers who will individually support their elders.

The present time, when the depression has thrown an appalling number of workers on the unemployment and public assistance rolls may appear to some to be a poor one to increase the chances of older men and women to be retained in their jobs and to be hired. This however, is a narrow and short-run view. Efforts for increasing the employability of older workers must be a long-term effort, the results of which may not be felt until, hopefully, this depression is over.

Nobody, however, is helped by hiring an older worker instead of a younger one. What is needed is a national policy which will increase the purchasing power of the lower income groups and will gradually put ever more people back on the payrolls. It will be when we have fulfilled again the promises of the

full employment act that we will reap the full benefits of opening up employment opportunities for the older people by increasing our total labor force and thus our ability to produce goods and services and our standards of living.

It is therefore particularly gratifying that the Governor of the State has set up a committee on the aging and that the Department of Labor established a state-wide program of research, education, and community organization for better economic opportunities. I have read with great interest the survey made in Philadelphia by the Bureau of Employment Security and Temple University more than a year ago and have found its conclusions most interesting. Clearly, this is an area where information is badly lacking and where we need a great deal more knowledge than we have today.

Convincing Employers

The question is whose responsibility is the increasing of employment opportunities. Clearly, the stimulation for any such program must come from the State employment offices. But they cannot provide the jobs. Until and unless the various employers are thoroughly convinced that the basic consideration in the employment of older people should be the capacity and competence of the individual to do the job, it will be impossible to even approach a solution to this problem. The City of Philadelphia is, I think leading

the way as an employer in not only opening its merit system almost irrespective of age (up to 70), but also in being flexible in its retirement policy by permitting the personnel director to extend employment even after age 70 if health and ability warrant it. Employers in cooperation with their collective bargaining agents should seriously review existing private pension planning with a view to reconstituting them so that they are not prejudicial to the hiring of workers over the age of 40. The consideration of the ability of the individual to continue to do his job in a satisfactory manner irrespective of his age is essential. Thus the employer, as well as the community at large, can best benefit from the long term experience and wisdom acquired by these workers over a lifetime.

Discrimination in any form is abhorrent to me, not only in the racial field, but also in the discrimination against older workers. Some help can be given in this regard by widespread education towards general acceptance of the older worker as an important and valuable part of the total labor force. Education in this field is more important than using the kind of "stick" which the Fair Employment Practices Act seems to provide. In the racial field our Human Relations Commission is a good example of how education and persuasion can be used to the best advantage.

Counseling Needed

However, even with the greatest willingness on the part of employers to give all the breaks to the older worker—and by the way I am time and again shocked by having to consider a young man of 45 as "older"—the older worker needs a great deal of job counseling and often training for jobs which are more adapted to

his physical abilities. I am therefore particularly pleased that a pilot project in the field of counseling and placement has been carried on in Philadelphia by the Commonwealth of Pennsylvania for several months and I am eager to hear about the results of this study.

Let me say that a few of the states have done an outstanding job in the field of improving the lot of the aging worker. In the east, New York and New Jersey along with our own Commonwealth have spent a great deal of time and effort on this subject. This is as it should be, as the problem of placement, by state and Federal laws, is placed jointly on those two arms of government. Beyond the city's activity as an employer, I have always felt that there is very little which local government can accomplish in the field of improving employment opportunities. As far as research is concerned, the Federal government (particularly the many-volumed study of the Senate Labor Committee) has done its share. But as far as actual stimulation of this kind of activity is concerned, states have up to now had to carry the main burden and in some cases, such as ours, have done a remarkable job. Beyond that it is a matter of the individual employer in being willing to hire the aging; of unions to permit them to do so; and of community agencies to help the older worker adapt himself to what is needed in this field.

Some of the most important activities in this field are public conferences such as this one. I also understand that our Senior Citizens Week a year ago did a lot to stimulate community action. I therefore hope that this conference, as well as the distribution of your proceedings to a wide variety of your citizens, will have splendid results.

REMARKS

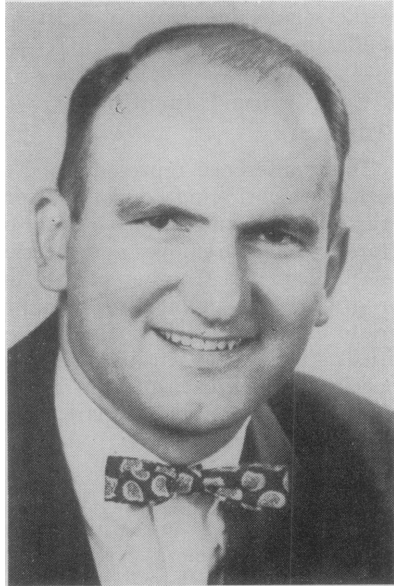
HONORABLE WILLIAM L. BATT, JR., *Secretary of Labor and Industry*

Ladies and gentlemen, it is a great pleasure to welcome you to this conference on age barriers to employment, on behalf of the Government of the Commonwealth of Pennsylvania and the Department of Labor and Industry. We have an interesting program planned, and I, for one, am looking forward to it with a good deal of interest.

The problem of removing age barriers to employment so that our unemployed can compete for jobs on the basis of ability and without artificial limitations due to chronological age, is one which is receiving continued and vigorous attention from your State Government. I know that Governor Leader has expressed his own deep personal interest in solving this problem. Within the Department of Labor and Industry, we are proud of the work we are doing within the Bureau of Employment Security and through the efforts of the Advisory Board on Problems of Older Workers. This work has the full support of everybody in the Department.

The Bureau of Employment Security, as many of you may know, has provided special counseling and placement services for older workers for many years now. It has co-sponsored and participated in previous older worker conferences in the State. Specially-designated older worker counselors are on the job in virtually all of the Bureau's local offices throughout the Commonwealth.

The Advisory Board on Problems of Older Workers is a relative newcomer to the scene. Created by Act No. 475 of the General Assembly in



Secretary Batt

1956, the Board has assembled a small staff, and is sponsoring a program which has four major aspects, research, education, demonstration and community action. The membership of the Board is bi-partisan.

Two other agencies within the Department of Labor and Industry help remove age barriers to employment. One is the Fair Employment Practice Commission, which enforces the Fair Employment Practice Act forbidding discrimination in hiring because of, among other things, age. It is illegal in the Commonwealth of Pennsylvania to refuse to hire a person, age 40 to 62, because of age.

Another important agency is the Bureau of Rehabilitation, which

technically comes under the State Board of Vocational Education rather than the Department, but it is housed in our building in Harrisburg, and I am also the Executive Officer for Vocational Rehabilitation, and it is in the family, so to speak. I know that the Bureau does the best job in the whole country of helping older workers suffering from a vocational handicap.

A Continuing Educational Program

This conference represents one aspect of a continuing educational program planned and carried out by the State to help remove age barriers to employment. Another part to this program is the publication of appropriate literature. The pamphlet entitled, "Breaking Through the Age Barrier," which each of you received when you registered is a part of this education program.

Another very distinctive part of our education program is the work with community groups which is just now getting underway by the staff of the Advisory Board. This staff seeks to help communities establish a method for expressing a continuing community concern for the economic welfare of its older workers. The staff also makes itself available to talk to interested community organizations. It will welcome invitations to do so.

Research Projects

We are also proud of our research projects into matters affecting age barriers to employment. This conference represents the means by which much of this research may be presented to and discussed by the public. Our Philadelphia Pilot Project comes under this heading. Here we have tried to demonstrate how older workers can be successfully placed. A report on this project will

be made in Panel Number 6 this afternoon. We are very grateful to the Federal Bureau of Employment Security for the funds to carry on this counseling experiment, as well as to the Philadelphia District Office of the Pennsylvania Bureau of Employment Security, which actually carried it out.

We have also established research on the problems of pension costs and how they affect the employment of older workers. A special pension subcommittee of the Advisory Board on Problems of Older Workers is supervising this research. Some of the outstanding pension, trust and insurance experts in the State have graciously consented to serve on this committee without remuneration. You will hear a report on this in Panel Number 1 this afternoon.

Additional research on the cost of other fringe benefits such as workmen's compensation, group life insurance, and health insurance has also been carried on by the research staff of the Pennsylvania Bureau of Employment Security. A report on this research will be presented in Panel Number 5 this afternoon.

Only One of Many Programs

All this work, and this conference as well, are concrete evidences of the very substantial program we are carrying out in the Commonwealth of Pennsylvania on behalf of unemployed older workers. It is, of course, only one of many State programs to improve the economic lot of all our people, programs such as industrial development, job development, rehabilitation, "hire-the-handicapped," youth counseling, unemployment compensation, and so on. We are proud of our programs and we are constantly trying to improve them.

This conference is not the end of our older worker program, but it is more in the nature of a beginning. We hope to move on from here, not

only to improve the economic climate for older workers in Philadelphia, but also in other parts of the Commonwealth—in Pittsburgh, in Harrisburg, in Reading, Erie, Allentown and so on.

We know these problems will not be solved easily, but we propose to

work at them as intelligently and as vigorously as we can. We think that we can make a real dent in them by honest, intelligent and unrelenting toil, and we expect to do just that. We earnestly solicit your cooperation in working with us toward eventual success.

REMARKS

HARRY A. COCHRAN, *Dean*, School of Business and Public Administration, Temple University

Slightly over three and one-half years ago, I stood on the platform of a hotel in Philadelphia a few blocks from here and declared the third joint conference on the problem of making a living while growing old adjourned. That conference was sponsored jointly by the Bureau of Economic Research of the Temple University School of Business and Public Administration and the Bureau of Economic Security of the Pennsylvania Department of Labor and Industry. That was the third such conference held in successive years under such joint sponsorship.

It is a privilege indeed to have the opportunity this morning to look back over the years that have passed since the last conference and to note with satisfaction the progress we have made in establishing permanent programs to help remove age barriers to employment since then. I need only refer to the establishment of the Advisory Board on Problems of Older Workers as one of the milestones in that path, and I am glad to see that this conference is a joint product of the Advisory Board on Problems of Older Workers and the Bureau of Employment Security.

Each of the past conferences on this subject made its own distinctive contribution to the advancement of

knowledge on this very serious problem. I need only take a quick glance at the program to know that this conference will be no exception to that general rule.

It is good that we are continuing this work. It is good to know that the problem of making a living while growing old will continue to receive the intelligent, serious and dedicated attention that is evident from your attendance here today and from this very fine program that is in store for you.

My role this morning, I suppose, is that of the baton-carrier or torch-bearer. We, at Temple, have no direct role in sponsorship of this conference, as we have had in the past, but I am glad to note that many of our staff will be participating in the conference in an active role. As one who presided over the adjournment of the last conference, I turn the torch over to you, Mr. Chairman, to carry on this struggle toward the eradication of an important social and economic problem.

Important Business

In so doing I want to express to all of you here today a very cordial greeting for my own part and on behalf of all who did so much to advance this program in our Com-

monwealth. You are here on important business today. You are here to deal with a problem which goes directly to the core purposes of our society and our economy. You are here to help alleviate a trouble that goes as deep as any trouble could possibly go—because it affects the ability of a man to sustain himself and his family with the necessities of life.

I deeply hope your thoughts and deliberations in the next two days will be crowned with success. I hope that we can come together again three years hence—or sooner—and look

back once more with some pride at what was accomplished here in Philadelphia in May 15 and 16, 1958.

On behalf of all of us at Temple University; on behalf of all who worked so long and so devotedly at past conferences; I welcome you to Philadelphia and to this conference on how to achieve a better balanced labor force by removing age barriers to employment. I am certain that within the next thirty hours you will have advanced our knowledge considerably in this important aspect of modern life.

OLDER WORKERS ARE YOUNGER LONGER

EDWARD L. BORTZ, M.D., F.A.C.P., LL.D., Sc.D., *Chief,*
Medical Service, Lankenau Hospital

It is an honor, deeply appreciated, to appear on this program. The conference topic is congenial to my major professional interest, the health, happiness and welfare of our older, mature citizens.

There can be no doubt that today we are at the turning point in the creation of a society in search for a satisfying and more meaningful existence for each of us, our families and our Nation. It must be admitted that there are disturbing, deep dissatisfactions among our aging fellow citizens. Much of this is due to the fact that, even in the face of national prosperity, vigorous productive power and vast national wealth, too many of us are indifferent to the outmoded customs and practices which apply to workers in the upper age brackets. Lack of appreciation of the qualities resulting from experience, the accumulation of knowledge and know-how which only the mature working man can acquire, acts as a road-block in keeping these workers in productive activities.



Dr. Bortz

There are heartening signs on the horizon as indicated by this meeting. The public is alert to the need for elimination of restrictive employment practices which discriminate against the man who wants to continue his useful work.

The sovereign benefits of medical science coupled with more sanitary

living conditions are reflected in a longer life span. This statement must be clarified. For example, in certain parts of China, India, Russia and Africa average duration of life has not increased. Modern society now has the means at its command to greatly add, not only to the years of human existence, but of far greater significance is the fact that the quality, the vitality of living can be enriched. This is the promise of the atomic age.

Life Span Can Be Doubled

Exciting experiments on lower animals indicate that their life span can just about be doubled, and their vitality, sexual potency and sociability can be extended. Preliminary work on humans indicates that body energy, alertness and general interest in living can be preserved far into the later years of life.

About ten years ago we interviewed one hundred individuals between 65 and 95 years of age. We asked them to tell us their most essential needs. We also consulted six nationally known authorities in social customs, that is, sociologists.

The first basic desire was for good health; the second, interesting work; the third, companionship; the fourth, security and, finally, a sense of dignity, a kind of fulfillment in living a rounded life. If one analyzes the status of every citizen over 65 in these terms, a fairly accurate idea of the over-all challenge to society to attain satisfaction in these broad fundamental requirements can be obtained.

Concerning Health

The health and well being of Pennsylvania's older workers is a matter of first importance. A great amount of useful information is available about health maintenance, much of

which is not being applied. In fact, the time has come when society should re-orient its customs and thinking. For too long, we have been sickness-oriented. We think in terms of illness and fear of deterioration. This is necessary. But, now we need to take on a new interest in positive health. For there are means available to eliminate many troublesome disorders.

Insufficient attention has been focused on health maintenance. Until recently, the medical profession has been concerned mostly with the love life of germs, the minutiae of diseased organs.

In the light of the nuclear age our great hospitals must now enlarge their services to the public.

The Lankenau Hospital has followed this new development. It has a health museum and a full-time staff carrying on a vigorous program of health education for the public. The response of the community to this new activity has been most gratifying.

In addition, with a grant from the Health Department of our Commonwealth, a research program to study the health of workers in various industries is now in full swing at Lankenau. This project is under the direction of a brilliant Norwegian scientist, Dr. Kaare Rodahl, with a staff of qualified investigators. We are studying the relationship of health to work performance and the human problems in modern industry. We are investigating the working environment and job satisfactions. You see, this is a project of great importance which is being supported by our own Commonwealth, encouraged by our distinguished Governor George M. Leader.

We hope to come up with an index of aging. That is, we want to develop criteria of practical value in determining an individual's true age, that

is, his biological, rather than his time or chronological age. There is a vast difference.

The Meaning of Work

Pennsylvania has occasionally been called the workshop of our Nation. Its huge national resources, large industries and variety of contributions to national security have been solidly supported by a manpower which is for our Commonwealth, a priceless asset.

At the present time, we are in the midst of a tremendous scientific, social and cultural transformation. Should it be called a revolution? Or perhaps, more accurately, an evolution. Consider for a moment, the sharp crystallization of new, vast and awesome problems created by the atomic bomb. This was the result of scientific research. Meanwhile, research is revealing new insight into nature, the basic fabric and stuff of the world in which we live. Man is exploring the outer reaches; he is planning, in ten years, probably, his summer vacation on the Moon—or Mars—or Venus.

At the same time, scientific research is revealing secrets of fabulous importance concerning the inner reaches of the human body and mind. Man has in the past hundred years won great mastery over his external environment. Now he has come in the mid-twentieth century, face to face, with his inner self. He knows well how to sustain and nourish his physical body. But what about his other needs?

What about man's daily activities? And how will he spend the added years of his extended life span?

You see, here we come face to face with the meaning of work. What satisfaction, what need is there for a man to continue gainful employment?

Immediately, many questions arise; chief among them is the necessity of income for support of family. But, in addition, there is a vital essential that satisfying and productive activity be continued. For when a man retires from life, life retires from him.

Implications of Retirement

Retirement means many things to many people. Benjamin Franklin retired at forty so he might increase his activities in other pursuits. George Washington retired three times, the first when he was twenty-eight years of age. In each period of retirement he became neurotic and depressed. Each time when a national emergency forced him into active service for the young Nation his ill health and depressed spirit disappeared.

Much attention is now being centered on retirement problems. It is most necessary that retirement shock be prevented. As a physician, I have seen many men look happily and unsuspectingly to future freedom of activity and, later become the victims of despair and loneliness which accelerated their aging deterioration.

Science is adding years to life. I believe that within a quarter of a century there will be many individuals living beyond the hundred year milestone. What will be the content of these added years, first, for the individual and second, for society? These broad issues, it strikes me, are the reason for this important meeting today.

In addition to health and energy maintenance the other primary need for each person in his extended mature years is an all-absorbing motive; an objective with social usefulness to which he can dedicate himself. Personally, I feel this is the heart of maturity, when the place of the older individual in tomorrow's society is considered. Society must find new

outlets for mature older workers to utilize, if their large numbers are not to submerge the fiscal resources of the Nation. But, to keep them happy and contented, older people require satisfying activity that will help them to continue their independence. A national policy which encourages our senior citizens to look to the state, rather than to themselves and their families, for essential services may well become the farewell rather than the welfare state.

In a brilliant essay, Dr. Otto Pollak, of the Wharton School, University of Pennsylvania, has discussed the positive experiences of retirement and the necessity for meaningful continuation of interests in work, service and recreational activities. Failures in retirement must be analyzed and where possible, their causes corrected.

Companionship

Social bonds established among workers, friends, social groups and other contacts are increasingly important in the later mature years. The elderly isolate is usually a forlorn, unhappy person. At times it is well to be alone. But, as a rule, the sympathetic, warm bonds of affection and friendship are, more than ever, necessary in the later years.

The family is the basic unit of society. Within the glow of the family circle should be found those wholesome, sustaining intangibles that color each member of the family. Here, ideals should be fostered and sustained. Here, basic values should be formulated.

It is said that in today's highly mechanized, industrial, high speed society, the family unit has deteriorated. Its bonds have been weakened. Convincing evidence that this is true, is shown by the two common and tragic disorders of modern society;

first, juvenile delinquency, a national disgrace; second, indifference to the human needs of our aging fellowmen. Yet in these two groups, those beginning life and those in the autumn twilight years, reside the Nation's most priceless resources. They are only potential and must now be developed. The family today must assume its basic role to foster the qualities which give life its greatest meaning in the higher years.

Concerning Security

In our analysis of statements the basic needs from one hundred older citizens they placed health, work and companionship above security. Apparently, these factors bear on income maintenance and are closely interrelated. The strong society is characterized by high productivity, a large working force and a minimum of idle and ill oldsters.

Much can be done to maintain good health. One important essential is, as stated before, activity of a type that gives a sense of satisfaction, and of belonging. Certain common types of illness are created by suggestion. It is human to want to escape unpleasant reality, at times. A certain austerity is common experience at one time or another, for each one of us. Customs which discourage activity, physical and mental, contribute to malaise and boredom. These observations are preludes to subsequent illness. The time has arrived when new ways of meeting financial needs of older citizens must be explored. Experiments in various kinds of insurance, health and medical services are indicated.

Let me point out that there are few statistics available today that will stand up before critical inspection. Even those concerning the number of senior citizens and their health and

financial status are questionable. For the total picture is changing.

New techniques in medicine's search for control of many serious diseases promise better health for older workers.

Improved methods for insuring against various hazards are being studied.

It is possible to measure these various problems at the community level. That is where the first move to solve them is indicated. The variety and large differences in the population and industry of the communities within the state necessitate a flexibility of plan and program that would take into account the particular needs of each locality. An over-all blanket plan that fails to recognize this basic fact will prove wasteful and unworkable. There is no short cut solution in sight. It will take long study and much experimentation to find the happy answer. One might say that since sickness is so expensive, more attention should be directed to its prevention. Should we not now begin to emphasize positive health and its maintenance? This is a point which Pollak raises in his pioneer studies on retirement. If the forerunners of disease are known, they should be publicized. Physical and mental fitness can ward off many man-made maladies.

Positive Health

Health is a personal state of physical, mental and social well being.

It cannot be purchased.

It depends on a person's willingness to follow certain simple basic rules to keep the body as a whole in good function and balance. This is known medically as homeostasis. It is also dynamic. Health can only be maintained by constant care of one's body and mind. A doctor's services can be engaged for treatment of an illness. There are specialists of all

kinds. Hospital service for illness can be purchased.

No doctor, no hospital can confer on any individual a state of healthy well being.

Health cannot be purchased.

Health modes of living should be intensively taught in every school in the Nation. Its precepts should bless every home in the Nation. If this simple fact were accepted, a vast amount of man-made ill health, disease and deterioration would be promptly eliminated.

Positive health is not primarily a problem for doctors, nurses and hospitals. Flabby bodies, dull minds, frustrations and personal incompatibilities bring about physical ineffectiveness and cause mental conflict which drive individuals into doctor's offices. The issue, therefore, is to bring these conditions frankly out into the open. In the last, the final analysis each individual and his family cannot escape responsibility for his own destiny, his own health in the broadest sense.

Why does medicine oppose compulsory health insurance?

First, it has little to do with health. It is a sly, clever attempt to obtain tax funds by an emotional appeal using sickness (the promise of medical and hospital care) as the come-on. Second, it is taxation, not insurance. Third, it is entirely too expensive.

American medicine will cooperate with Government and labor in every possible way to bring about a high level of positive health for the American people.

What is wrong with socialized medicine (compulsory health insurance)?

One can draw up a most attractive plan, on paper, whereby every man, woman and child in the nation can get all the medical service he wants twenty-four hours a day, three hundred and sixty-five days a year.

On paper, one can make an attractive plea, also for communism and other isms even for anarchism, the no-government social order.

The great error is that all these visionary suggestions disregard the human element.

The something-for-nothing promise is a long known political promise. Someone must pay the bill. In a contractual relationship which is fair to all parties, the responsibility is equal for all contributors.

In so-called health insurance, the individual, employer and Government contribute a small sum; the obligation on the doctor is unlimited. This is an unfair contract.

Expenses can be kept down by control of inflation, elimination of feather bedding and insistence that each man earn his pay.

Sound health is a personal matter. You can will yourself healthy; you can, by your own wishing, make yourself sick. The will to live or the wish

to die precede all other assets (conditions) in presuming health or enduring disease. You cannot legislate health; you can never be able to legislate. You can have the advice and aid of a physician, hospital or nursing home, but your personal, positive incentive to stay healthy or, if ill, repair your health, is for you to decide. These are the basic facts.

A Decalogue of Health for Senior Citizens

There are ten basic needs of mature individuals for good health. These are:

1. *A Balanced Diet.* The older the individual the more lean proteins such as meat, fish and fowl are required.

Adequate amounts of vitamins and fluid are essential. There should be moderate restriction of the total calories especially for those overweight. Less fat is required in the diet for the higher years. *Super-nutrition does not create super-men.*



THE OPENING SESSION

2. *Elimination of Waste Products.* Body cleanliness requires adequate elimination through the bowels, kidneys, skin and lungs. Deep breathing at periodic intervals eliminates waste gases.

3. *Rest.* Adequate rest of the body and mind every twenty-four hour period. *Sleep is a blessed thing.*

4. *Recreation.* Optimum living requires interesting and specific recreational pursuits.

5. *A Sense of Humor.* The balance wheel of modern living; the best antidote for tension.

6. *Avoidance of the Consuming Fires of Anger, Hate and Jealousy.* These virulent poisons oft-times are the forerunners of high blood pressure and stroke. *Tension leads to personal ineffectiveness.*

7. *Companionship.* There is no margin of reserve so effective as the loyalty of family and friends.

8. *Maintenance of a Sense of Pride in One's Job.*

9. *Participation in Community Affairs.* Senior citizens should exercise leadership in community activities.

10. *Keep an Open Mind.* To grow in knowledge, experience and wisdom each day contributes to personal maturity. *The Zest of Living is at the Growing Edge.*

A Maturing Population

Our distinguished Governor has stimulated an air of breezy inquisitiveness and concern for the older workers of our State. This attitude has encouraged action throughout the Commonwealth. The ultimate goal is to foster means to enlarge the ways for earning a livelihood for every one of our senior citizens. We are a

maturing population. Individual responsibility, each for his own destiny will strengthen our national power. We know that Pennsylvania, the birthplace of our national heritage, has produced high leadership in national affairs. Many assets with important implications for the health and welfare of our older workers are known and should be publicized. I am thinking of common essentials; diet, rest, work, and recreation, happiness and love. You will agree with me; there are too many man-made diseases.

A Progressive Program for Pennsylvania

Pennsylvania is already showing superb leadership in analyzing the broad and complex problem of human aging. The Advisory Board on Problems of Older Workers has been steadily working as a unit of the Department of Labor and Industry.

It is important to establish priorities in the field of aging. These are clearly identified by the topics to be discussed in the various panel meetings.

As a physician deeply attracted to the human side of aging, I hope it will be possible to expand our studies on energy maintenance, the relationship of health to work performance at various ages, and finally to find out more about the motivation of individuals as they reach the summit years. We want to learn more about fitness to meet the demands of modern society as older individuals. You must admit, this is important. Whether we like it or not, time is marching on and we are all growing into that period of mature living where each one of us hope to experience a sense of having been an active participant in the glorious event of growing old gracefully.

Luncheon Meeting, May 15

HOW AGE BARRIERS TO EMPLOYMENT HURT EVERYBODY

ROBERT A. RENNIE, Ph.D., *Vice President-Research,*
Nationwide Insurance Companies

A great author, Alexander Pope, once wrote that "the proper study of mankind is man." As I see it, the study of man is the guiding principle of this Older Worker Conference. We are concerned here with the complex problems of a maturing population. Specifically, we must deal with the serious age barriers to employment so that more of our people can look forward with pleasant anticipation to the longer life created by advances in science and medicine.

You are all familiar with the profound changes in the age structure of the population in this country. Today, more than ever before, people are living to be 65 and older. Fifty years ago, only 4 out of 10 of those born could expect to see their 65th birthday; now two out of three may reach that milestone. The death rate has been cut almost in half in this period of fifty years.

In 1900, slightly more than 3 million persons, or 1 in 25, were aged 65 and over. Today, those aged 65 and over total 15 million, or 1 out of 12. Thus, while total population was increasing about $1\frac{1}{3}$ times during this period, persons 65 and over were increasing five-fold.

And age 65 is by no means the stopping place. Of those aged 65 and over, about 60 per cent are over 70, and one in three are aged 75 or older. Women outnumber men in those age brackets by a wide margin.

The increase in the proportion of



Dr. Rennie

persons 45 years of age and over is equally significant. Since 1900, the proportion of persons 45 years of age and over has increased from 18 to 29 per cent of the total population.

Trends Will Continue

For the future, it is expected that these trends will continue. By 1970, persons 65 and over may number about 20 million, and those over 45 years of age are estimated to increase to 64 million. They will then constitute nearly half of all persons over 20 years of age. Women 45 years and older may exceed men in these age brackets by almost 5 million by 1970 and women aged 65 and over, by almost 3 million.

The fact that more people are living longer potentially holds great promise for our human and economic welfare. Social problems do arise, however, because of the growing gap between the total life span of these people and the expected span of working life.

The proportion of the older population in the labor force has been declining for many decades, but the trend was accelerated during the depression. This decline has been wholly among men, the proportion of men 45 and over in the labor force dropping from about 87 per cent in 1890 to 75% today. Among men 65 years of age and over, the drop has been from 68% in 1890 to 36% today. A majority of those 65 or over in the labor force are under age 70.

The decreasing importance of agriculture and self-employment which offer work opportunities for older people is responsible in part for these trends. On the other hand, the practice of industry and commerce to retire employees at a fixed age has accentuated the trend as these sectors account for more of the available jobs in the economy.

The difficulties are by no means limited to the evils of compulsory retirement. The principal reason for the decreasing employment of older people is the arbitrary hiring policies of industry. The majority of employers apply some age restrictions in hiring workers. Often these limits are set at relatively young ages. Even when companies have no explicit hiring policies, studies have found that older workers are excluded at some point in the hiring process.

The main arguments which employers use in excluding older workers are often based upon unfounded assumptions and biases regarding their vitality, flexibility and capacity. The alleged decline in physical and mental capacity of older workers and their undesirable effect

upon pension plans are cited most frequently as reasons for not hiring such workers. But no investigation as yet has proved that they are significant factors in job performance or costs of operation.

Nonetheless, these unfounded beliefs have caused widespread discrimination against older workers. Even during the years of prosperity, older workers made up a relatively large part of the unemployed, and they tended to remain unemployed much longer than younger workers.

It is true that certain physical attributes—perception and speed—may decline with advancing age. But certainly, there is no decline in intelligence. The range of individual differences in human capacity and achievement at every age is many times larger than the year-to-year age decline. In certain cases, it often occurs that the essential characteristics of youth in strength, speed and precision are found to be relatively preserved even at advanced age. Conversely, the relative lack of these same qualities appears even in youth.

The years of a man's age give no reliable measure of his probable capacity. The more the work assignment involves the need for experience and considered judgment, the more resistant it is to psycho-physical age deterioration. The accumulation of information and the exercise of the functions of intelligence, together with controlled organization of emotional attitudes, makes possible the development of human wisdom. This is the characteristic prerogative and contribution of well-preserved age. It is a faculty sorely needed by most business organizations.

There is no critical age line beyond which psychological production ceases. Again, it is the individual personality and not the age that sets the final limit. In most types of work, accumulated experience adds more effectiveness than do maximal speed

or mere physical strength. Chronological aging does not necessarily bear upon the excellence of a man's performance on the job.

The Costs of Age Barriers to Employment

Even if the contribution of older workers did decrease with age, this nation can ill afford to lose their services at this critical time in world history. As Sumner Slichter has pointed out, "The community's need for more employment among the older workers is a permanent one, and it will become greater as time goes on and as the proportion of older persons in the population increases."

There are at least four ways in which age barriers hurt everybody. They indicate the kinds of costs which society suffers from employment barriers and from the evil consequences which result from arbitrary hiring policies. For purposes of discussion, I have classified them as (a) social costs, (b) financial costs, (c) economic costs, and (d) costs in terms of human welfare. Let us examine each in turn.

Social Costs of Age Barriers to Employment

If we exclude older people from continued employment, we as a nation face the future losses which such actions will bring. It cuts down the proportion of producers to consumers. The results are reduced standards of living, restricted earning power, increased inflationary pressures, and higher taxes. When older workers cannot find employment opportunities, the balance of dependent and productive workers is upset.

Peter Drucker has pointed out in his book, *America's Next Twenty Years*, that this country faces a paradox. There are going to be more

people, and hence more job opportunities, but not more people to fill the jobs. While the population is increasing one-fifth in the next ten years, the population actually available for work will increase only by 6 per cent. And in the next twenty years, total population will increase by two-fifths, but total hours worked by only 10 per cent.

Stated in Drucker's words, "Today every American at work supports himself (or herself) and one-and-a-half other people besides. Twenty years from now every American at work should produce enough to support, at today's standard of living, himself and three-and-a-half other people. . . . To achieve this—hardly an ambitious goal—productivity will, however, have to increase 40 per cent in the next ten years; it will have to be almost doubled in the next twenty years." (pp. 11-12)

Continued employment of older workers would make a great contribution toward this task. We know, for example, that 5 out of 8 older people not now in the labor force are able to do some work, at least part time. I believe that there are probably the equivalent of two million men aged 45 and over who today are outside the labor force, but who would prefer to have continued work. Their employment would raise our gross national product by some \$12 billion. Such a contribution would go far toward meeting the total annual cost of all programs to maintain the aged, particularly as it would remove many of these people from pension rolls.

Financial Costs of Age Barriers to Employment

Age barriers to employment have forced many people to retire much earlier in life than they would on a voluntary basis. Surveys among

the beneficiaries of OASI indicate that less than 5 per cent of the workers in good health who have retired had done so because they wanted to. The result has been pressure for larger pensions and increasing burdens on public assistance.

The whipsaw effect of rising life expectancy and declining worklife has increased greatly the years of retirement. The result is a sharp increase in the costs of retirement programs. If the age barriers to employment could be reduced, it would reduce the cost of pensions both by increasing the period over which pension costs are paid for and by shortening the duration of retirement.

For example, if the retirement age limit could be moved up from 65 to 68, the annual annuity premiums to be set aside beginning at age 35 would be reduced by about 25%. As the older people become a larger percentage of the population, it is particularly important that we try to find employment opportunities for older people. Otherwise, the financial burdens of retirement plans and public assistance programs will become oppressive to the younger workers.

A rough measure of the potential cost of pension programs indicates the need to find continued employment of older workers. If we were to retire all persons arbitrarily at age 65 and provide them with a modest pension of \$100 per month, the cost would be almost \$25 billion by 1975. This would represent a real cost of \$500 per year for each productive worker under 65 at that time. Admittedly, this example of arbitrary retirement is unrealistic, but it does illustrate the need to create a more flexible retirement system which will

permit the older worker to find employment opportunities as long as he is willing and able to work.

Economic Costs of Age Barriers to Employment

There is another serious implication arising from the age barriers to employment. It deals with the effect upon our economic and social institutions of the pension fund accumulations which are required to justify our compulsory retirement policies.

Dorrance Bronson has shown that if half the persons in the labor force expected retirement at age 65 on a pension of \$100 per month in addition to Social Security, a total reserve of more than \$200 billion would be necessary to fund completely such pensions. The magnitude of this figure is clear when it is recalled that the total national wealth of the United States in 1946 including consumer goods, subsoil assets, and military assets has been estimated at about \$700 billion. Thus, the pension reserves needed to meet these conditions would be equal to more than one-fourth of the total wealth of the country.¹

Vito Natrella of the staff of the Securities and Exchange Commission estimates that at the end of 1956 public and private pension and retirement funds amounted to \$74.2 billion, \$28.9 billion in private funds and \$45.3 billion in government funds. Assets during the year rose by almost \$7 billion.

The future growth projections are significant. It is estimated that by 1965, approximately 30 per cent of all personal savings will be in the

¹"Implications of Pension Fund Accumulation," Vito Natrella, Paper presented at the American Statistical Association Annual Meeting, September 10, 1957, p. 1.

form of private pension funds. Furthermore, it is expected that private self-administered funds will absorb over one-third of all new corporate security issues by 1965.

What does this mean for the economy? Adolph Berle has presented one viewpoint. Because the pension trust funds provide much of the new equity financing of corporation, he says that they are slowly "chewing up" control of those corporations:

"This will mean that if the pension trusts continue to take the good equities as they have been doing, they may well have the prevailing control-stockholding position and the capacity to make it absolute. . . . The private property system in production, which began with our great-grandfather's farm and forge, has almost vanished in the vast area of American economy dominated by this system. Instead we have something which differs from the Russian or socialist system mainly in its philosophical content. Under a pure socialist or Communist system, in theory, every worker has an old-age pension at the end of his labors. We are developing the same thing by 'socializing' property without a revolution. It is one of our most amazing achievements. Whether one likes it or not depends on ones' philosophy."¹

Like it or not, the problem of transferring retirement income rights successfully through time under private plans involves the ownership of common stock. The only practical way to minimize the accumulation of large aggregates of common stock in pension trusts is to prolong the work-

ing lifetime of older workers. This consideration, it seems to me, should strongly influence the attitudes of management toward the employment of older workers.

In the final analysis, it is not the financial nor the economic considerations which are decisive in our employment policies. The crucial cost of age barriers to employment is the cost to human welfare.

Costs in Terms of Human Welfare Resulting from Age Barriers to Employment

Man has certain basic needs underlying all phases of his life which we must understand and must try to meet if we are to have a vital, growing economy. Man needs to belong—to be part of a group, because out of this relationship he reaps assurance and a sense of mental and emotional security. For most people, the opportunity to engage in useful work as long as they are able to be productive provides them with this sense of belonging and participation.

Furthermore, man has a need for accomplishment, for self-esteem, for acceptance, for creativity and for personal security. These are universal needs and apply to all ages. For most of their adult lives, men have found the satisfaction of many of these needs in their personal work situations. When age barriers to employment are raised, they tend to undermine some of the unique values of our culture. They often destroy the pride and self-esteem of the people who are hurt. To destroy a person's self-esteem is literally to destroy the person himself.

The solution to this problem of

¹ A. A. Berle, Jr., "Freedom and the Corporation," *Saturday Review*, January 18, 1958, pp. 40-44, 62-64.

age barriers lies in a flexible program which combines the opportunity for selective employment of people who are willing and able to work with voluntary retirement plans which provide an acceptable standard of living for those who choose this alternative.

The members of this conference can

contribute much toward this solution. By sharing your wisdom and experience, you can help solve many of the problems of older people arising out of irrational barriers to employment, premature retirement, insufficient income, and inadequate medical care.

Panel 1

**OLDER WORKERS AND THE COST OF
FRINGE BENEFITS I (PENSIONS)**

*Chairman, J. MILTON NEALE, Vice-President, Girard Trust
Corn Exchange Bank*

Many persons state that the cost of funded pension plans makes it too expensive for employers to hire older workers. In this meeting, Dr. Dan M. McGill, who is serving as chairman of a special subcommittee of the Advisory Board on Problems of Older Workers, presented the preliminary results of some actuarial studies into this problem. The other panelist commented on Dr. McGill's paper.

**DAN M. MCGILL, Ph.D., *Executive Director, S. S. Huebner
Foundation for Insurance Education, University of Pennsylvania***

My remarks today should not be interpreted as being an official report of the Pensions Subcommittee of the Advisory Board on Problems of Older Workers. I am speaking in an individual capacity, although I will make some references to the work of the committee and what we are hoping to do.

Our committee has two broad purposes. One is to throw whatever light we can on the problem of discrimination against the older worker because of pensions and to determine whether or not there is a problem. The second objective is to see what can be done about designing pension plans so as to minimize the impact of age on the cost of these plans.

My talk has three sub-divisions. One is the magnitude of the problem. The second is the impact of age on the cost of the pension plan. The third is the method of coping with the problem.

I do not think anyone would deny that there is discrimination against the older worker in industry. I am not at all sure there is a substantial amount of discrimination because of the pension plan. That is a part of the problem of this special committee. It is very difficult to prove one way or the other.

There are four ways in which you can attempt to measure the amount of discrimination on account of the cost of pension plans. The first is to examine the stated personnel policy of the company. In Pennsylvania, that is no longer a factor. As you know, it is illegal in Pennsylvania to refuse to hire a person over age 40 for any reason, but it has not always been thus. In 1953, at this same type of conference, I reported on the results of a survey by Temple University on this matter of discrimination, and a substantial number of employers admitted that they had a

personnel policy of discriminating against the older worker because of pension cost.

People feel this is the least reliable method of measuring discrimination, because it has always seemed to be a rather sophisticated reason to refuse to hire an older worker. It was, and is, a way to cover up the real reason and, in many cases where the employer says that he was discriminating because of pension plan, it turned out that he had no pension plan.

A second approach is to analyze the age distribution of new hirings, as between companies with a pension plan and those without such a plan. That has been done by several groups and, rather recently, was done by the Bureau of Employment Security of the Commonwealth of Pennsylvania. It does indicate substantial degree of discrimination in that a much higher percentage of persons over age 40 and 45 are employed currently, or are being hired currently by plants without pension plans, than those with pension plans.

The difficulty with this approach is that the pension factor cannot be isolated. There may be other factors that help to explain the difference. These surveys ignore the fact that the company without a formal pension plan, but with a method of dealing with superannuated workers, has the same problem as the company with a formal pension plan. In other words, if the company does make some financial provision for the superannuated worker outside a formal pension plan, it should have the same attitude toward employing the older worker as a company with a formal plan. We are not attaching too much weight to the surveys of this sort.

A third approach to measurement is through the age distribution of new entrants in the pension plan as com-

pared to new hirings in industry. One of the most comprehensive studies was one which I made in connection with the 1953 conference on the problems of the older worker. It involved a comparison of age distribution of new hirings of manufacturing industries in 1950, as tabulated by the Bureau of Census, as compared to the age of new entrants into pension plans underwritten by the Metropolitan Life Insurance Company in 1952. I will admit these figures may seem a little out of date to you, but they are the best available at this time.

There were almost 37,000 new entrants into the pension plans underwritten by the Metropolitan. The analysis of age distribution revealed that in 1952, 17.4% of the personnel who were hired in manufacturing industries were over 45, whereas only 11.8% of the persons who entered pension plans insured by Metropolitan were above 45. On their face, these figures suggest substantial discrimination, although not as much as one might expect. However, when the figures were broken down as between 45 and 54, and 55 and 64, it turned out almost all the discrimination was taking place between 55 and 64. The percentage of new entrants in the manufacturing industries, over 45 and under 55 was 10.3% whereas in the pension plans it was 9.2%, very little difference. On the other hand, 7.1% of the new hirings in manufacturing industries were above 55, while only 2.6% were above that age in the pension plans. You cannot arrive at any definite conclusion on the basis of this evidence, because of the minimum service requirement which you will find in most pension plans. So, I would say, that this still leaves us in some doubt as to whether there is real discrimination on the basis of pensions.

The fourth and last way to measure discrimination is the method which our subcommittee is now considering. I cannot report on the results of it. I merely tell you that we are going to do it, and I think it probably eliminates the objection to many of these other methods. We hope to analyze the age distribution of entrants into pension plans during the first five years or after the plan was established as compared to the age distribution in the year before the plan was established.

Many of the variables will be neutralized because we will be dealing with the same company. It will be a question of comparing hirings before the company had a pension plan with hirings after the pension plan was established. We hope to have the cooperation of the largest insurance companies in tabulating this information. It will be a very large study involving many employees and, if we can get trustee pension plans, we will also use that information. I hope that it will establish whether or not the existence of a pension plan makes it unlikely that a company will hire an older worker.

However, there is a more important point. We need to analyze whether or not there should be a problem as opposed to the question as to whether there is. In this connection we need to distinguish between types of pension plans. For instance, one type has a fixed contribution. That is called the money purchase plan. The contribution is fixed and the minimum benefit is variable.

There is no reason why an employer with a money purchase plan should discriminate against an older worker on the basis of pension cost, because age is not a factor at all. Yet, there is evidence in the surveys that the employers with money-purchase plans are discriminating because of pensions. This is completely illogical.

Fixed Benefit Plans

In the fixed benefit type of plan, which is the more common one, a measurable monetary liability is created with each pension promise. Inasmuch as the benefit is to be paid at a so-called normal retirement age, typically 65, it will cost more to provide each dollar benefit for an older person than for a younger person. There are three factors which increase the cost of fixed dollar benefits: the greater probability of survival to retirement age; the greater probability of persistency (in other words, the turnover factor does not operate to the same extent); and loss of interest.

Just to give you an idea of how important these factors are, we will take a \$10.00 a month benefit at age 65. If you hire a person aged 25, the level annual cost would be \$16.00. With a person 35 it would be \$26.00; with a person 45 it would be \$47.00; with a person 55 it would be \$115.00; and with a person 65, it would be \$257.00. In relative terms, it costs three times as much to provide a dollar benefit for a person age 45 as one 25, seven times as much for a person 55, and sixteen times as much at age 65 as at 25. This is, of course, the heart of the problem.

Offsetting Factors

There are factors which tend to offset the higher cost per dollar. I want to mention them just for the sake of completeness.

First, there is increasing longevity. There are factors operating which are lengthening the life expectancy of the population. Thus, if an employer should hire a person 55, who will retire ten years later, he will have a shorter life expectancy than a person who is hired at 25, who will have the benefit of 40 more years improvement in general mortality. When

the latter person retires, he may live two or three years more than the person who is 55.

Ray Peterson of the Equitable predicts that the increasing longevity will increase the aggregate cost of the pension plan about 5% every ten years, so the difference in cost could amount to 20% if you are comparing a person 25 to 35 with one who is now 55.

A second factor is the trend toward higher benefits, arising out of increasing prices. The best explanation I have seen of this is one that was prepared by Henry Blagden, Actuary of the Prudential Insurance Company. He assumed that there would be a normal progression of salary increases from, say age 25 to 65, but, in addition, he assumed there would be a 2% increase in wages and salaries over the next 30 or 40 years with recognition of the productivity factor. He combined those two factors and worked out the level annual cost that would be involved for a person age 25, 35, 45, five-year-age levels, on up to 60, and the results are amazing. He finds that for a person 25, the level annual cost for a benefit of \$2.00 a month for each year of service, would be \$145.00; for a person 45 it would be \$185.00; for a person 55 it would be \$183.00 and for a person 60, \$144.00.

You can see what is happening here. The older persons are getting a smaller benefit, because you are calculating an increasing amount for wages per year of service. For the younger person you are increasing that potential benefit by 2% a year. You actually come out with a cost that is almost level. I am not making any claims for the absolute accuracy of these exhibits; only that they are factors that have the effect of decreasing the cost.

The third offsetting factor is very difficult to measure. We certainly have more turnover among the younger workers, and you will have to set aside less money to retire those persons than an older person who is very likely to remain with you longer. Loss of productivity would be involved, so it is merely a statement that those cost factors should be taken into account in evaluating this problem.

Possible Solutions

One thing that you can do about all this is to exclude older workers from the pension plan. You may think that this is no solution at all. Twenty-five years ago that would be considered very heartless, but with the Social Security system covering at least 90% of the workers today, and with the average benefits increasing each year, it is not entirely inconceivable that an employer will be willing to employ a person over 45 or 55, and say, "We will give you a job but will not permit you to participate in the pension plan. If you will be willing to work without pension benefits, we will be delighted to have you." And I think many older people, if they had a choice, would be willing to take the job without participating in the pension plan.

The second approach would be through the inclusion of the older worker in the plan, but with an adjustment of the benefit. As a minimum, the benefit should be varied by years of service. That automatically provides a smaller benefit for the older worker but does not meet the entire problem because each dollar of benefit is going to cost more. However, you are at least providing him with dollar benefits proportionate to his service.

The problem of increasing cost per dollar of benefit can be dealt with in

two ways. One would be to use the money purchase approach for persons over a particular age. It might be that over age 50 or perhaps over age 40, a definite benefit would not be provided but the employer would set aside for the benefits of the worker a sum of money equal to the annual average cost per employee covered under the pension plan. That would not increase the cost to the employer at all, as it would just automatically provide a smaller benefit to the employee.

The other technique would be to reduce the benefit. That would be analogous to the practice under group term life insurance of reducing the benefit after the worker reaches a specified age, typically 60. The cost remains the same. Mr. Blagden of the Prudential Insurance Company recommends reducing the benefits. He does not recommend it as a universal solution to the problem, but pointed out that if the benefit is reduced by $1\frac{2}{3}\%$ for each year the age at entry is above 40, with maximum reduction of 25%, the cost per employee will tend to remain approximately level.

Hiring Patterns

A technique which the special committee on the impact of pension costs is now studying deals with adherence to a hiring pattern that will maintain the average cost per employee. This is very complicated. We employed an actuarial consulting firm to make this study for us, and with different assumptions as to types of benefit formulas, to determine what would be the pattern of hiring that would have to be followed in order to stabilize the cost per employee.

There are two extremes in this pattern. One would be a benefit formula with a fixed benefit for an employee, regardless of his salary and

regardless of his years of service; that is, a flat benefit per employee. I doubt that there is any such plan in existence. This is more of a hypothetical plan than an actual plan.

The actuarial firm worked out a pattern that would maintain the average cost per employee. It is very interesting. This is the way that it looks by five-year age intervals: 19% of the hirings should be between 20 and 25, 16% should be 25 to 29, 16% from 30 to 34, 16% from 35 to 39, 14% from 40 to 44, 9% from 45 to 49, 9% from 50 to 60. Now, adding those up, 18% of the persons would have been over 45, or could be over 45, and still the average cost per employee would not increase.

In the study that I made of the average distribution of the new hirings in industries in 1950, 17.8% of persons over 45 were hired in manufacturing industries in general. So, if an employer should follow the same pattern that is followed in manufacturing industries, generally, he would not increase his pension cost, even though he did take his share of persons over 45.

We recognize this as a rather novel approach, because usually the company thinks in terms of an individual. The personnel director interviewing a person 50 or 55, assuming that he is conscious of this increase in pension cost, will be thinking, "What will this person add to our pension cost? He will be retiring in ten or fifteen years and cost us a lot of money." Whereas, under this plan, the company could take its pro rata share of persons at all age levels, even in their sixties, and it will not increase its average cost at all.

A Practical Formula

A more practical benefit formula

that could be used would be one that would provide a specified dollar benefit per year service. This first one I mentioned was one that provided a flat benefit without regard to compensation or service. This would be a flat benefit per month, for each year of service, with a minimum period of service of ten years not related to compensation. These analyses of the actuaries indicate that with such a benefit formula the distribution could be almost a straight line. In other words, you can hire only 11.3 percent-age of the total hirings from 20 to 24 and 10.9% at 60 to 64. You can take almost the same percentage of people at all possible ages, from 20 on up to 65, and you would still have an average cost per employee per pension plan. Actually, using that type of benefit formula, the average cost per employee should decline with age.

The intention of the sub-committee is that, in addition to other findings that we will make in our publication, we will set forth various benefit formulas and demonstrate what can be the hiring pattern under these benefit formulas, without increasing the average cost per employee. Employers can then see the overall effect, rather than the influence of one specific individual. That may be a very worthwhile approach.

Vesting

The last thing I want to present has to do with vesting. You have all heard a lot about vesting, and you know that the big problem with vesting is the cost. What the employer has to give up when he puts a vesting provision in his plan is the credit he gets from the turnover of persons leaving before retirement age. This is the principal factor which has stopped employers from incorporating vesting provisions in their pension plans.

In the published studies of the cost of vesting, there is a lot of speculation about what vesting might cost. About two years ago one of the graduate students of the University of Pennsylvania made a study of turnover and attempted to determine how much vesting provisions of different types would cost. This individual studied 19 companies. The companies ranged in size from 20,000 employees down to 100. The median size was 2,500. For insured plans, the withdrawal credits arising out of the cancellation of annuities were analyzed by age, sex and length of service, which was broken down into intervals of five years, over ten, over fifteen, and over twenty. For uninsured plans, accrued pension credits were priced on the basis of the actuarial assumption used in the plan and the same type of analysis was performed. The results of this study have never been published in full. Here is a summary of the figures.

To begin with, six generalizations may be made: (1) there is a very great difference among the companies; (2) there is great variation within the same company over a period of years; (3) the cost of vesting declines with the length of service; (4) the cost of vesting is greater for females than for males; (5) turnover is greater among younger employees; and finally, (6) turnover among the smaller companies is lower than among the larger companies. Just to give you an idea of vesting provisions of different types, let's begin with a firm that had 3,000 employees. This percentage is expressed as a percentage of both the normal cost and the past service cost. If this firm had put in a five-year vesting provision during the four-year period studied, it would have cost 96 percent more than if a vesting provision had not been put in. In other words, it

would have almost doubled the pension cost. The firm could have used a ten-year vesting provision at cost of 80%, and a fifteen-year provision at a cost of 70%. Even with a twenty-year vesting provision it would have cost 57% more. In a firm of 1,600 employees, the percentage was 181% for 5 years, 165% for 10 years, 152% for 15 years and 132% for 20 years.

Here is a case of a firm of 4,000 employees, and this is a percentage only of the combined-normal and past service cost. It would cost 18% for 5 years, 10% for 10 years, only 5% for 15 years, and for 20 years only 2%. This is the lowest of any firm surveyed. That firm could have had a twenty-year vesting provision at the cost of only 2% more than the cost without vesting.

Now, the other extreme is a firm that has 20,000 employees. That firm had such a high turnover—an automobile parts manufacturer—during this period, 1950 through 1954, that the extra cost amounted to 388% for 5 years, 180% for 10 years, 106%

for 15 years, and even a 20-year vesting provision would cost 47% more.

The investigator came to the conclusion that companies were so different on the matter of turnover, and there was such variation among the years as to the cost. In other words, we cannot say that on the basis of these 19 companies here is the average cost. But I do think he has given us evidence that we have never had before; that, even though there are various other problems connected with vesting, administrative ones, for example, the big problem is still that of cost. Once the employers can reconcile themselves to giving up the withdrawal credits arising out of the turnover, the practice of vesting will spread.

I do not know when the results of our subcommittee's investigation will be available but we hope it will be by Fall. It is a big problem. No one has attempted to minimize it. And we hope that we will be able to provide some recommendations that will help to solve it.

JOHN J. DIENNO, JR., ESQ., *Member*, AFL-CIO Committee on Pensions

Since I am neither an insurance expert nor an actuary, and since all my experience in this field has been in the area of negotiating health and welfare and pension programs, perhaps I can give you some insight, from the point of view of the labor unions, into the development of the problem outlined by Dr. McGill.

I quite agree with Dr. McGill that the impact of pension cost on hiring

practices is somewhat in evidence. I don't know whether there is a problem for this isolated reason, or whether such a reason is just a very insignificant part of a general reluctance on the part of companies to employ older workers. How much of it is attributable to pension costs we do not know. I know that, in my own experience, in negotiating labor contracts with employers, I have

never heard any comment expressed about the costs of pensions in connection with older workers. On the contrary, I have heard great concern expressed over the wage levels to be paid older and superannuated workers. Whether this represents the general and basic feeling, or whether, even subconsciously, there is some concern about pension costs, I am not sure that we will ever find out. In any case, as Dr. McGill has pointed out, it is now illegal to refuse to employ an older worker, in Pennsylvania, if that refusal is based solely on increased or higher costs of pensions.

Move Away from Fixed Benefits

Now, so far as the impact of pension costs on this problem is concerned, Dr. McGill mentioned that the fixed benefit type of plan created the greater burden, and there is no question about that. But I would like to raise the possibility that perhaps this type of plan is going out of existence. We know that some of the early plans negotiated between companies and unions provided for fixed benefits. Following the creation of such plans, other developments occurred providing for the range that Dr. McGill has outlined.

On our AFL-CIO Committee level a great deal of discussion has been devoted to the past approach of labor toward negotiating benefits only, without any other participation in the development of the program, or any responsibility to evaluate cost factors and other provisions of a pension program.

It appears to me, from any discussions on this level, that those unions that do have fixed benefit plans, and which have developed them on the basis of negotiating benefits only, seemed to express a desire to move

away from this approach. The reason is very simple. They do not know anything about the operation of the program. They know very little about its costs. They know very little about withdrawals. They know very little about what additional deposits must be made by the companies from year to year based on the developing experience.

Because of this, they are in a somewhat inadequate position to argue persuasively on an increase in benefits. To combat this, there seems to be a developing feeling that they ought to know everything possible concerning the program.

This may cause an entire reevaluation. And there is also some feeling that they ought to get away from fixed benefit plans, and get into those which provide varied benefits, depending on years of service, and so forth. This may indicate that the problem which is really focalized in the fixed benefit plan may tend to become less important as the years move on. Since this is the most expensive pension cost-wise per older employee, we may be overly concerned about a problem we had five or seven years ago.

More Benefits to Come

In a discussion of methods of coping with the problem, Dr. McGill mentioned the solution of excluding the older worker from pension coverage. While it is a possible solution, it does not appear to me to be a realistic one. If you trace the current development for making provision for older workers in industry, both in negotiated plans and in those where the employees of a company are not represented by a union, I think you will find a growing tendency to provide greater, not less, benefits for older workers.

Take, for example, the present development of providing for insurance coverage beyond retirement. Now, admittedly, insurance costs, as they affect older workers, are much, much more expensive and higher than pension costs. Yet, we find today, this development of providing paid up life insurance policies, some with reducing amounts of insurance for various years past retirement, but, in any case, providing a benefit for older workers beyond retirement. Here is a benefit which is being provided once they are out of the employ of the company entirely, and a benefit which is far more costly than the pension benefit.

Does it seem reasonable, therefore, for us to assume that pension costs must be tailored in such a way as to exclude the older worker? I don't think so. And I think, aside from that, that it perhaps is a very wishful thought, because I doubt if the unions could accomplish it, even if they gave it their initial support. Workers are looking for more social protection—not less.

Adherence to a hiring pattern in order to maintain the average cost per employee also seems to be not too realistic. It would be burdensome to carry out and, certainly, would require very constant affirmative efforts on the part of company personnel managers to implement. I am sure that we all appreciate, from our day to day experience in these matters, that this kind of cost coordination, this kind of detailed attention to a very small portion of the overall picture, would be expecting something from personnel directors and managers which isn't there.

Other Business Needs Important

Aside from that, doesn't it seem that companies are going to be more guided in their selection of personnel by the needs of the business, their

productivity requirements and the skills necessary for that business to function efficiently? If it happens that this combination of qualities is to be found in an older worker, doesn't it seem reasonable to expect that hiring would have to take place, in spite of what the age distribution might dictate in terms of pension costs? So I think that, here, too, we are not on a realistic level and we have a solution that, perhaps, is not too feasible.

Now, universal vesting. Of course, vesting always sounds very attractive except to the people who have to pay for it, and then it is very much less attractive. Look at the range of our negotiated programs which account for the coverage of a large segment of American workers. You will find that vesting is provided in very few plans. Where it is provided, invariably there goes along with it a contributory feature where employees share in the costs.

Contributory Plans

This brings us to another consideration, and that is, that the American labor movement, at least, seems to be moving away from contributory plans. Now, if we had a provision in our law, such as Canada, concerning vesting, which requires vesting at a certain age and with a certain minimum of years of service, then, of course, our plans would have to be tailored to the requirements of the law. But we have no such provision. There seems to be no indication that one will be developed or enacted, and it seems that the type of program to be developed is going to remain largely with the parties. By the parties, I mean, with employers, the unions and the insurance and actuarial experts. And such programs are going to be devised on the basis of the needs as the parties themselves recognize them.

Now, it seems to me, that the most feasible solution to this problem, if there is one, is for us to develop plans that will not discriminate against the older workers by excluding them because we are, by that means, only attempting to solve this problem by creating a discrimination we have set out to remedy. We may get the older worker into employment, but is that sufficient if, at the terminal point of that employment, there is provided no benefit for retirement? So that, it seems to me, our energies must be directed to those plans which determine benefits on the basis of years of service, on the basis of earnings and, perhaps, also those plans which determine contributions on a similar basis.

A Desirable Approach

I note that Dr. McGill said that he did not know of any such plan that would accomplish the most desirable features of each of those approaches which he outlined. Well, I think I know of a type of plan that does it to a large degree, and there are several of this type in existence. That is a plan which does give part of the advantage of vesting in terms of giving the employee mobility without providing vesting, as such, and also keeps cost to a minimum, and tailors the benefit to actual years of service.

I am thinking of an approach such as a percentage of the employee's earnings as the measure of the contributions, or cents per hour for each hour worked, which, of course, seems less desirable. In either case, the contribution, the cost to provide a pension, is measured in terms of the earnings of the employee. Now, we know that older workers are slower; there comes a point at which their peak efficiency, which they demonstrated in younger years, tapers off.

By the same token, their earnings are going to be less, and, therefore, pension costs on their behalf will be less.

In many areas in industry today, we have wage compensation plans which are geared to productivity, incentive plans, piece work plans, bonus production plans, and so forth. In such cases, therefore, the cost would be measured against a percentage of earnings, or some fixed cost per employee, for so many hours work. At the same time, benefits could be similarly determined. Benefits could be determined on the basis of a percentage of accumulated annual earnings over the period of service, say, ten, fifteen, twenty, twenty-five years. Such a plan, on an industry basis, would also permit employees to move from one employer to another in the same industry without loss of pension credits. This is what I mean by a provision that has some of the advantages of the universal vesting plan. Although there is no vesting of money as such, there is an accumulation of service and dollar credit which is carried on up to the time of retirement.

I know of a few plans of this nature covering a few industries and I feel that our approach ought to be directed toward this type of solution. I don't pretend that this type of plan is necessarily an ideal solution, but I do believe that it represents a desirable approach. I think that it is up to the actuaries and the insurance representatives to be resourceful enough to provide us with a plan that will accomplish the purposes we desire. That is to provide benefits on some variable basis measured by years of service and earnings and yet keep the cost as low as possible so that this claim that older workers cannot be hired because of the increased costs of pensions to the company could not be validly advanced.

HIGHLIGHTS OF THE DISCUSSION

The Chairman pointed out that there are quite a few pension plans which do not make it more costly for employers to hire older workers but that it is difficult, complicated and costly to change the many defective plans still in existence.

It was observed from the floor that many companies having pension plans might be expected to have other policies requiring applicants for jobs to pass physical examinations, and that these examinations would serve

to make it more difficult for some employees to be hired.

Another question from the floor inquired as to the feasibility of removing the restriction on a person earning \$1,200 in a year from participation in Social Security old age benefits. It was pointed out that it would cost a billion dollars a year to pay benefits to all persons over 65 years of age still working, and that this would raise the cost by about a third.

POPULATION TRENDS AND SOCIAL POLICY

Chairman, THOMAS A. MCNAMARA, *District Manager,* District No. 2, Bureau of Employment Security, Allentown

The changing composition of our population, especially the growing number of older people, is highly significant. This composition was analyzed as it affects the country as a whole, as well as its effect in the Greater Philadelphia area. The implications of this trend were discussed.

RAYMOND D. LARSON, *Chief,* Employment and Labor Force Analysis Branch, Bureau of Labor Statistics, U. S. Department of Labor

My talk is in a sense going to be optimistic because I am going to look at the changes in the composition of the labor force as they affect the older worker, and I think for the next ten years or so there are some optimistic signs that should make it easier for the older workers to hold their place in the labor market.

We all know that the best cure for the problems of older workers or any groups that have a hard time getting and holding jobs is prosperity. This applies with equal force to Negro workers, handicapped workers, women, and so on.

Two excellent examples of this occurred during World War II and the Korean war. You remember back in World War II, when unemployment was down to an average of less than a million even the older worker was welcome in the job market. This, of course, was mainly due to the fact that there was a general shortage of workers. But there was another factor operating, too. The younger workers with whom the older workers would normally compete for jobs were being

pulled out by the millions and put into the Armed Forces.

The same thing happened during the Korean war. Again the situation became more favorable for the older worker, not only because of manpower shortage, but also because the men between 25 and 35 were being taken into the Armed Forces.

Probably an even better example is the experience of older women during the entire postwar period. As you know, millions of older women have entered the labor force since 1945 and 1946, and they have found jobs, and have been able to hold on to their jobs. One of the chief reasons for this has been the shortage of younger women who were born during the 1930's, and we are all familiar with the story of the short baby crop of that decade. Older women, having a smaller group of younger women to compete with, have been successful in finding and holding jobs.

There are other factors, too. Marriage and particularly birth rates have been very high, so that the younger women have been dropping

out of the labor force more rapidly. This, of course, increases the shortage of young women and provides opportunities for older women.

One other factor that I have to touch on is that by this time employers are beginning to recognize that when they hire an older woman they will be able to retain her for ten, fifteen, twenty years, but in hiring a young woman it is almost a 90% chance that you are going to lose her in three or four years.

I think I have demonstrated that the labor force composition has a lot to do with the prospects for the older worker. He is successful to a greater degree when his competition falls off. Now let us look at the future in those terms.

Favorable Future

Dr. Rennie mentioned this morning and Tom McNamara mentioned again, that between 1955 and 1965 there will be an additional ten million workers in the labor market. Roughly half of them will be workers over 45; and the other half will be workers under 25, with no significant change in the in-between group, the age range from 25 to 44.

This is favorable, again, for the older worker because the group with which the older worker competes most directly—and I am speaking mainly of men here—is not the youngsters that are coming into the labor force, many of whom hold part-time or marginal jobs. They are more directly competitive with the central age group 25 to 44 years of age, which is not going to be expanding.

We are going to have to increase our production of goods and services and we are going to have enough workers with which to do it. Qualitatively, however, the ten million additional workers expected isn't really ten million full-time workers. A very

large proportion—half of them—are workers under 25 who characteristically work on a part-year, or part-time basis, and who are in and out of the labor force. Employers are not going to invest in this kind of worker to give him the training necessary for handling expensive machines, nor are they going to permit them to do work which requires a good deal of judgment. They would, it seems to me, be better advised to train a man of even 45 or 50 than they would be to try to train a youngster unless they are reasonably certain that he will stay with them for many years. This young group, of course, is the one that is going to expand very rapidly and could possibly be more competitive with the workers over 65 who have retired or lost their regular jobs with the companies for which they have worked for many years. They are often forced to go into the labor market to look for whatever jobs they can find to supplement their income.

Occupations Changing

Another labor force factor which is helpful to the older worker is the change in the occupational structure. As most of you are aware, the occupational structure in the United States has been shifting upward. It has been for many years. The professional, clerical and white collar groups are growing more rapidly and will continue to grow more rapidly than will the unskilled groups. Since the occupational structure is shifting upward, putting a stress on brains, judgment and maturity rather than on physical strength, I believe that this is a favorable factor for older workers.

The older worker himself, of course, is not remaining the same. The older workers of today are quite different from those of yesterday, and those of tomorrow will be quite dif-

ferent from those of today. One respect in which the older worker is changing is that his educational level is rising. Back in 1940 the average educational attainment of the man from 55 to 64 was about 7.7 years in school, a rather low level. This is easy to understand. This man was educated in the early 1900's when there were fewer opportunities for education. Many of them dropped out at the fifth and sixth grade. Between 1940 and 1957 the average number of years of school completed for men 55 to 64 years of age increased to 8.6 years, and we expect by 1975 that it will be almost 12 years. This will place the older worker of that time in a much more favorable competitive position than he is today and certainly better off than he was a number of years ago.

One of the other handicaps that older workers have had particularly in the past—and I am keenly aware of it because I came from a small town in the upper peninsula of Michigan, a mining town, where 80% to 90% of the population was foreign born—was that of language. I remember what a handicap the inability to speak and write English was. Many of these men, regardless of their potential, couldn't handle the English language and therefore couldn't be put into skilled and responsible positions, and certainly not in supervisory positions. This picture has changed very rapidly in recent years and it will continue to change. By 1975 the proportion of the people who are going to be held back in their competition for certain kinds of jobs because of a language barrier is going to be very much diminished. This will be another favorable factor for the older worker.

Seniority Helpful

A third factor, one which has sprung up in the last twenty years,

is that older workers are, as each year goes by, getting increasingly better coverage by union-management job security provisions. Seniority counts for more. I remember during the depression, when there was very little of this, the older workers were laid off along with the younger workers, and many of them were left along the wayside. As we move into the future a higher proportion of our older workers are going to be protected by union-management job security provisions.

I must indicate at this point that during the present recession this has been a factor favoring older workers. If you have been following the Census Bureau and Labor Department figures on the characteristics of the unemployed, you have noticed that the rate of unemployment among older workers has increased less than has the rate increase among younger men. This we believe to be due almost entirely to the fact that they have a higher degree of job seniority than the younger workers. I do not mean to imply by this that once they do become laid off and they don't have this seniority that it won't be much more difficult for them to find jobs.

Problem Will Remain

I would like to underscore what I have just said. I have pointed out some long-range population and labor force trends, trends in education, and so on, which I believe will favor the older worker. I want to underscore the fact that I am not implying that this will solve the older worker problem. We are going to have the older worker problem with us I suppose as long as any of us in this room live. You don't eradicate prejudice, ignorance, thoughtlessness, the tendency of human beings to judge people by the group rather than the individual overnight. These will be with us for a long time to come.

Moreover, ours is a dynamic, flexible economy. Plants are shifting locations. They are changing their products. Sometimes a large corporation decides it doesn't want to manufacture here any more and has a good reason to move to some other part of the country. This kind of action strikes with particular force at the older worker. The young worker for many reasons is better equipped to pack up his belongings, even if he has a family, and to move on to the new location, but the older worker is much more reluctant to do so. He has a heavier investment in the community and in the education of his children. He has his home nearly paid for and it would be more difficult for him to finance a new one. Moreover, a fellow that is 50 or 55 may be setting himself up in his old home

town as the place for retirement, something the younger worker doesn't have in mind at all. Then if he has no assured job—if the plant closes for example, instead of shifting to another part of the country and he loses his job—it is quite obvious why he has a reluctance to move on to a new community and to start again.

This sort of factor and the prejudices that I mentioned—the ignorance and the thoughtlessness—will continue for a great many years. I therefore feel that you, who are working on and developing action programs to assist the older worker, have a long range problem. No matter how hard you work you are not going to have the problem solved in four or five years. It is going to go on for many, many years.

LEONARD A. DRAKE, *Executive Director*, Economics and Taxation Council, Chamber of Commerce of Greater Philadelphia

The U. S. Census of 1950 showed that there are 386 residents of Philadelphia out of each 1,000 who are 40 years of age or older. This compares with a national average of only 353 per 1,000. These figures provide evidence that our city has more of an "older worker" problem than you are likely to find in other parts of the United States.

As indicated in Chart I the 40-plus group in our seven suburban counties (362 per 1,000 residents) is also higher than the national average. Obviously, a goodly number of elder citizens in Greater Philadelphia do *not* retire to Florida and California. Many of them, however, do retire but many others want and need to

work. This over-65 worker group is one of our conference problems here today. The other is the 40 or 45 to 65 group—where all too often the job seeker hears the refrain "Sorry, but you are too old for us." Incidentally, one reason for the older-than-average age composition in the Philadelphia area is the influx of workers from the South and from the anthracite district during World War II. There was a tendency to leave children "back home," and in the case of the anthracite district there is still considerable weekend commuting back to the family homesteads in Scranton, Wilkes-Barre, Hazleton, etc.

There is a most interesting wave or rather trough of the depression "un-

born" going through our population statistics. Marriages were late and children scarce during the depression "30's." The scarce baby of 1933 is 25 years old today. He or she has generally found it easy to get a good paying job in recent years.

Chart II illustrates how the young worker group of 18 to 24 in 1945 actually shrank 10% by 1955. These youngest workers in 1955 were born from 1931 to 1937. They became (in the lower of the two diagrams) a part of the basic trained work force of the nation, namely those from age 25 to 44. It is of great interest and significance that this hard core of American workers will actually shrink 1% from 1955 to 1965 due to that baby shortage in the 30's.

Here also we see before us, in the decade from the mid 50's to the mid 60's, the unfolding of "The Battle of the Ages." Those numerous World War II babies of the early 40's and post-war babies of the late 40's will be entering the labor market in increasing numbers in the years immediately ahead, but not in overwhelming figures until after 1965.

In the meantime, because we now live longer on the average, there will be a substantial 17% increase in the number of those from 45 to 64 years of age and a 23% rise for those 65 years and over. Both the very young and those very well along in years will have to take up the slack for the lack of growth currently in the hard core of the labor force, namely from age 25 to 44. Thus, the immediate outlook is favorable for the older worker, barring continued business recession. However, after 1965 the labor market will become flooded with young workers and a lot of the displaced workers or older workers seeking employment may be considerably worse off than they are today.

More Older Workers Needed

The 1955 and 1965 picture in labor force terms is shown in Chart III. Whereas in 1955 some 455 out of each 1,000 workers were 25 to 44 years old, this middle group will drop to 402 per 1,000 by 1965. The older age groups and particularly the very young will be the gainers. These Department of Commerce estimates are based on labor market participation characteristics of 1955 remaining basically unchanged over the 10-year period. Of course, the relatively favorable current job outlook for the older worker, based on population patterns, may prove in individual cases to be no offset to other factors of an adverse nature. Right now there is the business recession, and at all times there are management rules and union rules which mitigate against the older unemployed worker—and at times, let us be frank to say, the unemployed person is to blame for his own plight.

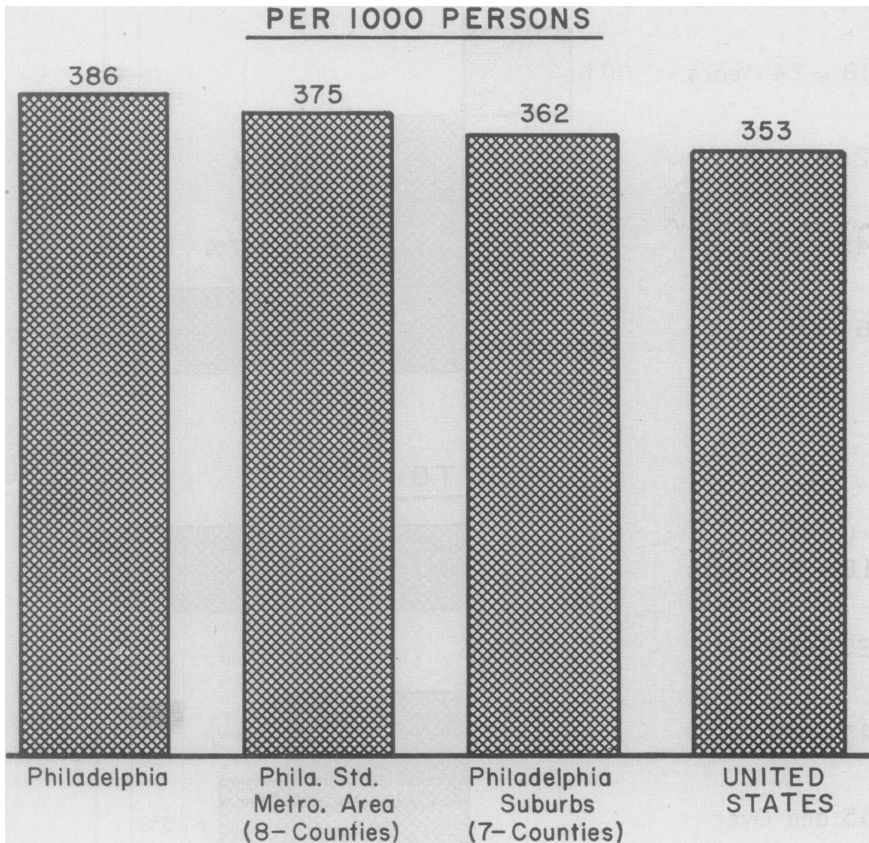
Some people are "old" at 50, others not till in their 70's, if then. It is failure to realize this fact that, I think, causes most of our "older worker" problem. A man prematurely aged should, if he so desires, be permitted to do a part-time or lower-output job. But cooperation of management and union labor is needed in cases of this sort.

We all know of rigidities in the present system. Some companies, large ones particularly, promote only from within. Many, if not most firms, rigidly retire a man at 65 even though he may have 10 years of mental and physical vigor left. Few firms will hire part-time workers.

Labor unions have done wonders in protecting seniority, and yet this very protection leads to questionable rigidities. A man who, due to his own physical failings, can do only a 50%

Chart I

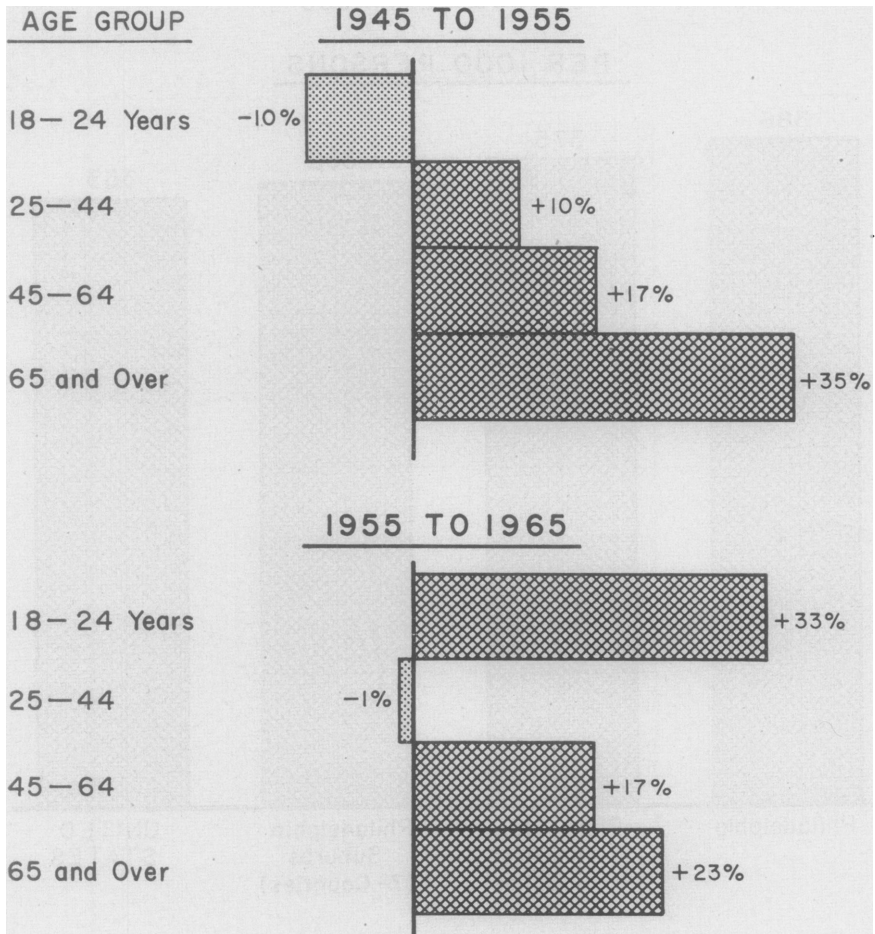
**POPULATION
40 YEARS OF AGE AND OVER
CENSUS YEAR 1950**



*Chamber of Commerce
of Greater Philadelphia*

*Source: U. S. Department of Commerce
1950 Census of Population*

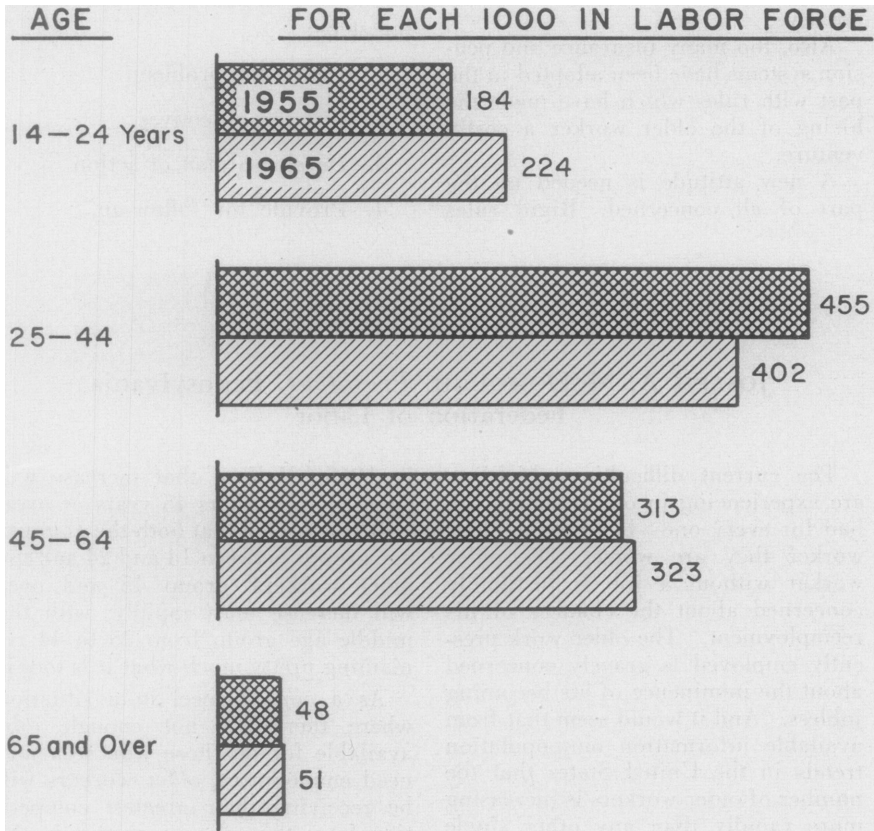
CHANGE IN AGE COMPOSITION OF ADULT POPULATION UNITED STATES



*Chamber of Commerce
of Greater Philadelphia*

Source: U.S. Department of Labor

LABOR FORCE BY AGE DISTRIBUTION UNITED STATES



*Chamber of Commerce
of Greater Philadelphia*

Source: U.S. Department of Commerce

job is often retained on at a 100% pay—or fired rather than downgraded in pay scale. Most companies working under rigid union rules are fearful of getting loaded down with older workers.

Finally, the older worker when unemployed too often lacks the initiative and imagination to adjust to circumstances. He will not train for work in a new field. He resists downgrading of salary even when physical disability makes such downgrading imperative.

Also, too many insurance and pension systems have been adopted in the past with rules which have made the hiring of the older worker a costly venture.

A new attitude is needed on the part of all concerned. Rigid rules

should be modified to allow for the exceptional case. If the labor union leader, the employer and the older worker will put their heads together in mutual appreciation of the problem . . . the solutions will certainly show up. But a bit of “give” on the part of all three interests is a “must.”

In undertaking to convert this new attitude into action, it is suggested that the Pennsylvania Department of Labor and Industry take the following steps:

1. Define the problem
2. List the objectives
3. Develop a plan of action
4. Provide for follow-up.

JOSEPH A. McDONOUGH, *President*, Pennsylvania Federation of Labor

The current difficulties which we are experiencing in our economy are bad for every one—but for the older worker they are worse. The older worker without a job is justifiably concerned about the chances of his reemployment. The older work presently employed is gravely concerned about the imminence of his becoming jobless. And it would seem that from available information on population trends in the United States that the number of older workers is increasing more rapidly than any other single group.

Let us look for a moment at some of these trends in America's population growth. By 1965 it is expected that our population will exceed 193,000,000. The labor force is expected to increase by approximately ten million from almost 69,000,000 in 1955 to a little more than 79,000,000

in 1965. Half of that increase will come from workers 45 years or over.

It is expected that both the younger age groups between 14 and 24 and the older workers' group 45 and over will increase most rapidly, with the middle age group from 25 to 44 remaining pretty much what it is today.

As a consequence, in a situation where there are not enough jobs available for all those who seek and need employment, older workers will be receiving their greatest competition from the younger groups in the labor force rather than the middle group because it is the younger group, which having a greater increase than the middle group, will contain relatively more unemployed workers or new workers entering the labor force in search of employment.

Women will be a larger part of the

labor force by 1965 than they were in 1955, and here again the increase will be greater for the older group.

It therefore becomes painfully clear that the decrease in job opportunities, whether caused by automation or by economic recession, coupled with the traditional attitude on the part of those who determine the hiring practices of American industry in business, together add up to a dismal prospect for the continued employment of older men and women above 45.

Job Performance

Are older workers less deserving or less useful from management's point of view?

Let us examine three aspects of job performance, namely, attendance, output per man hour and continuity of service. The U. S. Department of Labor in collaboration with State agencies has, during the past year, examined and evaluated these three criteria as they apply to older workers in an effort to determine what kind of workers these men and women over 45 really are.

Without belaboring the point or boring you with many statistics, I would like to share with you some of the conclusions.

With respect to attendance, there were no basic differences discovered which would mark the older workers, better or worse than younger workers. It would appear that the prevailing notion that there are significant differences in attendance rates which would favor the younger worker is without foundation.

Where continuous employment (namely reliability, responsibility and concern for the job) was examined, the proportion of workers who remained on the job definitely favored the older worker. The continuity rate

generally increased with age excepting of course for the oldest age groups, that is 65 years or older which is, of course, that group which is affected by retirement. With respect to the relationship between age and productivity or man-hour output, the conclusions were generally more complicated. While it appeared that in the several industries studied by the U. S. Department of Labor, there was a rise in productivity from the under 25 age group to the 25-34 age group there is a gradual decline for age groups above 34. However, the decline and efficiency was very slight for the age group of 45 to 54 over the age group of 25-34.

It should be pointed out that these findings involve group averages and in that connection their value or significance is limited. It is significant that substantial portions of workers in the older age groups can out-perform the average worker in the younger age group. Even among those aged 55 to 64, about one-third rated higher in efficiency and productivity than the average for the 35-44 group. This is the age which is considered to be the prime of life.

More Unemployment

In studies made by the Bureau of Employment Security in seven metropolitan areas—one being the Philadelphia area—the capacities of older workers included greater resources in skills, experience and reliability which the over 45 group had to offer. Incidence of job turnover were lower among the older group. Voluntary quits (which of course does not include retirement) were less than half as frequent among older workers as compared to such incidence among workers under 35 years. The problems which confront older workers who seek employment are very real as both the studies made by the U. S.

Department of Labor and the Bureau of Employment Security reveal. The seven-area study to which I have referred reveals that workers over 45 have longer and more frequent periods of unemployment on the one hand while they face greater difficulty than younger workers in finding employment.

I was stunned by a realization of this problem when I read that while older workers comprise about 40% of applicants for jobs, only 22% of the jobs were filled by these older workers during the period covered by this report. The present crisis in employment serves well to demonstrate how critical our situation could become should the recession develop into a full-blown depression and should the period of wide-spread unemployment become prolonged. It seems to me that public interest and welfare demands a clear cut policy.

Social Cost High

Brushing aside such mundane considerations as the human problems of older workers and approaching this matter in terms of narrow self-interest on the part of the nation's business, it becomes frightening to consider the impact upon our national economy when the purchasing power of such a large group declines almost to the vanishing point. It is even more alarming when one considers the cost to society as a whole of maintaining older workers as wards of society, particularly since the rate of increase of older people is twice that of the total population.

In terms of maintaining America's position in a free world which is now being so vigorously challenged by the Iron Curtain countries and the areas which they control, we can ill-afford to lose the production which the older workers group are responsible for at

a time when the productivity of the free world must be increased.

Indeed, from the point of view of preserving the continuity and health of our own economy as well as protecting and improving the welfare of a free world challenged by totalitarian countries, it is vital that we safeguard the integrity of older workers as a useful and necessary segment of American life.

I submit that the human and social aspects implicit in these problems confronting older workers are plain enough not to require further discussion at this point.

How shall we deal with this problem?

Firstly, it occurs to me that understanding on the part of those who are responsible for hiring is clearly indicated. The fact that studies reveal that there are more older workers looking for jobs than those who get them is a clear indication that what is wrong is not the older worker but the attitude of those who hire.

More Work Needed

In those employment services which have made special efforts on behalf of older workers, the ratio of older workers who were hired was increased significantly. It is clear that the more attention is paid to these problems, the greater and more striking will be the results.

In this connection, understanding by the proprietors of industry and business of the value to older workers on their payrolls is one of the goals and objectives which we need to set. Without a doubt legislation properly drawn and administered can serve well to deter and perhaps eliminate unreasoning and blind prejudice against the hiring of older workers. Parenthetically, I might add this prej-

udice against older workers seems to rear its ugly head, particularly at those times when the employer appears to have a greater choice between employing a younger worker and an older one.

The changes in our economy and our technology are clearly a significant factor in the growing problems of older workers. While the older worker, as studies have revealed, possesses greater skill than the younger worker, that skill is born of experience rather than schooling. The younger worker and in particular those who will enter the labor market in the next decade will undoubtedly have an advantage in that their education and schooling will better prepare them for present day technological demands. It appears that older workers must be given an opportunity to acquire new skills and new training in order to meet the demands of rapidly changing industrial and business techniques.

This becomes a far greater problem when one considers the present day inadequacies of our education and training programs especially where their availability for adults and older workers is considered.

Beyond a doubt, these facilities will not come of themselves. They necessarily must be created by legislation and community effort. In this regard, it appears that both the business and industry community as well as the trade union movement share a great responsibility for initiative, imagination and courageous determination.

Finally, it may be necessary to provide financial assistance not only for rehabilitation and retraining, but for relocation. Where workers find that their jobs have disappeared it may be necessary to provide opportunities for relocating and transferring workers and their families. Undoubtedly, older workers will find this prospect not only more formidable but more difficult to manage from a financial point of view. The Government and the community have a clear responsibility here.

In short, self interest must dictate that older workers not only have a right to security in their employment but that such a security in employment is necessary to the survival and growth of our economy, our society, our community and our Nation.

HIGHLIGHTS OF THE DISCUSSION

Many unions follow a policy of protecting the older worker by requiring employers to employ one older worker for every so many younger workers. This is justified on the theory that, especially in construction trades requiring physical strength, older workers cannot compete successfully with younger workers and therefore require special protection.

One suggestion for helping in the overall problem is to train younger or middle-aged workers in more than one trade or skill, and thereby multi-

ply their chances for employment in the event their present jobs are abolished or become obsolescent.

A question as to the ability of middle-aged workers to absorb necessary training to broaden their skills brought forth the general agreement that older workers can be taught new skills.

The importance of a full employment program was emphasized, since older workers are able to find jobs more easily under conditions of full employment.

Panel No. 3

EMPLOYMENT OF OLDER WORKERS IN MANUFACTURING

Chairman, W. T. PIPER, President, Piper Aircraft Corporation

What are the obstacles to employment of older workers or the opportunities for employment of older workers in manufacturing industries as distinct from other occupations? What do we know about the productivity of older workers in manufacturing?

JEROME A. MARK, *Chief, Special Studies, Division of Productivity and Technological Developments, Bureau of Labor Statistics, U. S. Department of Labor*

We know there are many factors which contribute to the difficulties older men and women face in securing and retaining employment. It is indeed the purpose of this conference to examine these factors and perhaps foster ways to overcome them. But among them, and certainly one of the most important, is the rather widespread belief that the productivity and overall job performance of older workers in general is inferior to that of younger workers. Numerous studies have consistently shown that this belief is one of the reasons most frequently cited by employers for failing to hire older workers.

In order to test the validity of these views, at least in a small area within manufacturing, the Bureau of Labor Statistics recently completed a study of the relationship between on-the-job performance and age among workers in several large establishments manufacturing men's footwear and household furniture. This study was part of a general program undertaken by

the Department of Labor to investigate the problems confronting older workers through exploring their status on the job, under collective bargaining agreements, and health, insurance and pension plans, and the role of improved counseling and placement programs in assisting them. Before presenting the findings, I would like to describe briefly the nature of the study and the concepts employed.

There are several ways in which information on comparative performance of individuals of different ages can be obtained, but, for the most part, there have been three general types of studies conducted. First, there have been laboratory experimental type studies in which specific individual characteristics are examined in relation to age under laboratory conditions. Second, there have been opinion type surveys requesting employers and supervisors to evaluate the relative performance of older and younger workers, and finally, there have been, to a much lesser extent,

on-the-job studies of comparative job performance of older and younger workers.

The laboratory studies have been quite extensive and generally have dealt with specific physical and psychological characteristics in relation to age. These studies are very useful for examining the aging process (that is the development and deterioration of specific attributes), but they are of limited applicability to actual job situations since they can hardly take into account the complex interactions of physical, psychological, and environmental conditions.

There is a good deal of material available on the results of opinion surveys, and the scope of these surveys has been quite extensive. Unfortunately, because of the subjective nature of the data obtained, it is difficult to develop standardized criteria for evaluating such data.

Objective Studies

On-the-job studies based on plant records have the advantage of being objective, and reflecting the results of all factors which enter into a job situation. They do, however, present other difficulties. For adequate analysis they require records by age for a substantial number of employees

engaged in similar jobs. They also require, for the study of output, jobs in which the pace is largely determined by the workers themselves. Consequently, the scope of these surveys is somewhat limited, even though they do seem most useful for evaluating the comparative performance of employees. It was this latter type of study which we conducted.

Productivity and attendance were two of the indicators selected for comparing age groups in our study. These were selected because they were considered important, because they afforded objective measures, and because they were directly available from plant records.

In measuring an individual's output per man-hour, a necessary step is to reduce to common units the various items on which he works. Because of this, average straight-time piecework earnings per hour worked were used as a measure of an individual's output per man-hour. As a result, it was necessary to limit the investigation to industries with incentive systems of payment. This restriction imposes some limitations on the coverage and representativeness of the data. For the performance of pieceworkers may not be representative of all production workers.

TABLE 1. Indexes of output per man-hour for incentive workers in 15 men's footwear establishments, by sex and age group

(Age group 35-44 = 100)

Age group	Men			Women		
	Number of workers	Index	Coefficient of variation (percent)	Number of workers	Index	Coefficient of variation (percent)
Under 25	98	93.8	17.9	111	94.4	17.1
25-34	278	100.3	16.3	292	102.8	17.5
35-44	484	100.0	13.8	589	100.0	15.2
45-54	460	97.7	14.1	534	98.8	15.6
55-64	322	92.5	14.5	219	94.1	13.1
65 and over . . .	75	81.1	16.6	34	88.0	20.7

Some of the factors influencing the productivity of pieceworkers may differ from those affecting the productivity of all workers. I am referring particularly to the case where piece-rate jobs may place greater emphasis on speed, dexterity, and other characteristics which are related to aging. If this is so, then data based on the performance of pieceworkers might show older workers in a less favorable light than would be the case if other output measures had been available. Also, pieceworkers are generally semi-skilled, for skilled craftsmen and unskilled workers are generally paid by the hour. Despite these restrictions, since the bulk of production workers are on semiskilled type jobs, many of which are covered by piecework plans, the findings of this study are useful in illustrating age-output relationships for an important group of workers.

Attendance Measured

Attendance, the second indicator, was defined as the ratio of days worked to days scheduled. Attendance, rather than absenteeism, was selected because the proportion of scheduled time an employee is on the

job is more realistic for analysis than the proportion of time he is off. Small differences in absenteeism rates tend to exaggerate the relative differences in the performance of workers. For example, an employee who was absent 2 days in 100 scheduled work-days cannot realistically be considered twice as dependable as a worker absent 4 days in 100. It was not necessary in the case of attendance to restrict the analysis to workers paid according to an incentive system. Consequently, the findings refer to all workers in the plants studied.

For this study, 15 large establishments manufacturing men's footwear and 11 manufacturing household furniture were examined. Output data were included for over 5,100 workers and attendance data for almost 10,000. The plants were located in various sections of the country. These particular industries were selected for study because they showed a distribution of men and women workers throughout all age groups which was similar to that found in manufacturing as a whole, and because they employ incentive systems of payment on a wide scale.

I will not go into the statistical

TABLE 2. Indexes of output per man-hour for incentive workers in 11 household furniture establishments, by sex and age group

(Age group 35-44 = 100)

Age group	Men			Women		
	Number of workers	Index	Coefficient of variation (percent)	Number of workers	Index	Coefficient of variation (percent)
Under 25	214	98.5	16.3	22	101.4	18.8
25-34	436	101.5	15.1	79	107.4	19.4
35-44	372	100.0	11.8	97	100.0	17.8
45-54	218	96.1	11.0	63	98.7	16.0
55-64	96	94.5	11.8	33	85.6	18.6
65 and over . . .	20	93.6	11.6	1	(¹)	(¹)

¹ Fewer than 5 observations were considered insufficient for deriving the indexes.

TABLE 3. Indexes of attendance for production workers in 5 men's footwear establishments, by sex and age group

(Age group 35-44 = 100)

Age group	Men		Women	
	Number of workers	Index	Number of workers	Index
Under 25	251	99.8	206	100.5
25-34	381	99.9	420	101.0
35-44	447	100.0	724	100.0
45-54	530	100.1	804	101.2
55-64	442	99.9	396	101.2
65 and over	125	99.7	54	101.2

procedures at this time, except to say that for output per man-hour direct comparisons were limited to workers of the same sex who were regular operators performing the same job or series of operations in the same plant. Within these operating groups each worker was classified into 1 of 6 age groups and his output per man-hour was compared to the average output per man-hour of the 35-44 age group. In order to obtain results which represented a larger number of individuals these groups were combined by appropriate procedures into classes in which the effect of factors other than age was believed to be fairly uniform for all age groups.¹ It was felt that by these techniques the influence of factors other than age would be eliminated or at least minimized.

Findings

What did we find after going through these procedures? With respect to output per man-hour, as can be seen in table 1, a pattern does emerge showing the productivity of men and of women rising from the under 25 age group to the 35-44 age

group with a gradual decline for subsequent age groups which is somewhat more marked for the 55-64 age group. However, the difference between age groups are, for the most part, small, and with only one exception, they are within 8 percentage points of the 35-44 age group. This was the case for both the footwear and the furniture industries.

These same patterns resulted for workers classified by type of operation and by pay level. For example, both machine operators and hand operators exhibited similar rises from the under 25 through the 35-44 age group with gradual declines for the subsequent age group, as did workers in higher paid jobs as distinguished from workers in lower paid jobs. Again, this was true for both men and women.

But it must be remembered that these observations refer to the average indexes of the age groups. This information, although useful, is by no means the whole story. For a better picture, it is necessary to learn whether the productivity of individuals in each age group are close to

¹ A more detailed description of the methods and procedures can be found in Bulletin 1223, "Comparative Job Performance by Age: Large Plants in the Men's Footwear and Household Furniture Industries."

the group average, or whether the individual scores are widely dispersed. If they conform closely, then differences between the averages of two groups, even though small, would cover most of the workers. If, on the other hand, they were widely dispersed, then substantial proportions of workers in a low productivity age group could equal or exceed the scores of many workers in another high productivity age group. The measure used to provide this information was the coefficient of variation which indicates the degree of concentration or scatter of the individual scores.

What did these variability measures show? First of all, the variability for age groups did not reveal any consistent tendency to vary with age. But, of more importance, they showed that within each age group individual variability was quite large, with many individuals performing far above and far below the group averages. In fact, variations in the output of persons in the same age group were greater than differences in the average output per man-hour between age brackets. Consequently, substantial proportions of workers in the older age groups perform better

than the average for younger groups. For example, from this wide variability, as illustrated in the chart, 47 percent of the women aged 45-54 in both industries have higher scores than the 35-44 age group average. Even in the 55-64 age group, in most cases about one-third of the workers perform better than the average for the 35-44 age group.

No Difference in Attendance

With regard to attendance, the data obtained would seem to refute any ideas that there are striking differences between age groups. As can be seen in the attendance table, differences in attendance rates between one age group and another were extremely small. In the footwear plants the indexes varied by less than 1 percent for men and 1.2 percent for women, and in the furniture plants by less than 4 percent for both. As far as individual differences were concerned in this case the individual rates showed remarkable consistency so that individual differences played no role in the comparison. The absence of any differences in the averages suggests that age as a factor relating to a worker's attendance can be ignored. Incidentally, for attend-

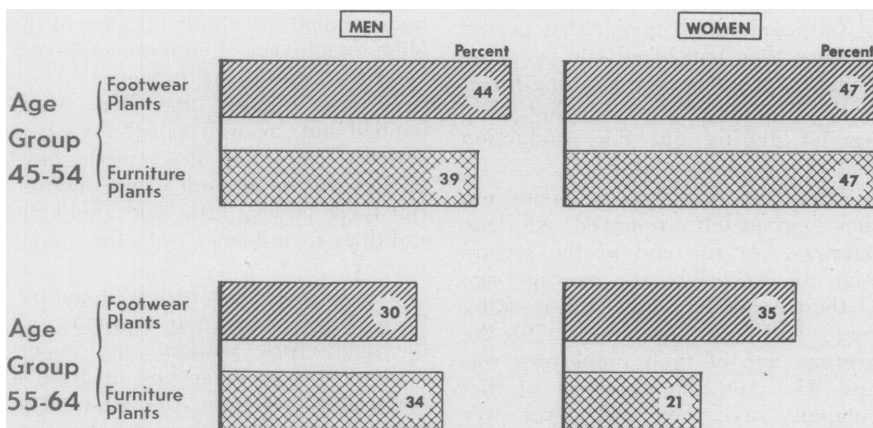
TABLE 4. Indexes of attendance for production workers in 11 household furniture establishments, by sex and age group

(Age group 35-44 = 100)

Age group	Men		Women	
	Number of workers	Index	Number of workers	Index
Under 25	562	101.3	54	99.9
25-34	1,122	102.4	140	98.9
35-44	1,010	100.0	197	100.0
45-54	770	100.9	148	99.8
55-64	433	101.5	71	97.6
65 and over	149	98.6	4	(¹)

¹ Fewer than 5 observations were considered insufficient for deriving the indexes.

**PERCENT OF WORKERS AGE 45 AND OVER WITH OUTPUT PER MAN-HOUR
GREATER THAN THE AVERAGE FOR AGE GROUP 35-44**



ance, workers were classified according to methods of payment, length of service, and occupational pay levels. No age-attendance patterns emerged for any of these groups either.

What do these results imply? If they are indicative of what we might expect in manufacturing they show that the influence of age is far less important than the many other individual characteristics which go to make up an employee's total contri-

bution. As far as productivity is concerned, more than anything else these findings support the need for policies which require evaluations of workers in hiring and placement on an individual basis. Establishing arbitrary age limits for jobs, even where job content is clearly defined, closes out considerable proportions of workers who can be expected to meet and exceed the productivity of younger workers.

FRANK R. RITTER, *District Representative*, United Steel Workers of America, Chester

I could sum up all my remarks by saying "Amen" to the conclusions that were drawn by Mr. Mark. However, I would like to tell you a story of two men that started a company a little over five years ago in the New York Metropolitan area, to manufacture structural steel parts.

These fellows started out with a brand new building, new machinery

and equipment, and a new working force. They had five experienced supervisors to start with. All the rest were completely new at the job.

At the end of a six-month period of time, they had recruited a working force of a little over 50 employees. However, they had adopted the policy of not hiring an employee over twenty-five years old. They said, "We are

a new company, we want a new crew and a new group of people that will grow with the company."

Well, at the end of one year of operation, they had a working force of 65 people, and during that period of time, they had hired 185 people—to get 65 people on the working force. And for some reason or other, they weren't getting out the production that they had anticipated.

After that first year of operation, they completely removed all age barriers. At the end of the second year of operation, the average age of their employees—and the working force had only grown to 70—the average age of their employees was now 45. And the president of that company says, "We will never ever again go back to the policy of hiring younger people. We will hire them on the basis of the individual employee's ability to produce."

His conclusions were these: that not only is the older worker a more stable employee, but he has a stabilizing influence on the younger employee; that the younger employee, although he may be stronger and physically able to produce more without the stabilizing influence of the older employee in the plant, he is apt to have a bad absentee record, he is careless with his work, he doesn't care whether school keeps or not. More, there is normally a great deal of horseplay, and as a consequence,

the employer doesn't get the production that he should get.

I have found, in some eighteen years' experience as a union representative, that our relationships with management are stable because of the older employee. Younger employees need that stabilizing influence. I notice these charts that Mr. Mark handed out, as well as all the other surveys that have been made have to do with the amount of production. But there is very little said about the stabilizing influence of the older worker.

You take a group of boys together, to a camp or out on a picnic, all by themselves, without any supervision from an older boy or from a counsellor, and they run wild. And believe me, you get the same situation in a plant. So while we need the younger people, we need the older people as well.

I am inclined to agree wholeheartedly with all of the reports and all of the surveys. I notice that the State has put out a very good booklet, "Breaking Through the Age Barrier." I had occasion to read this, and it is very good. There are a number of other such booklets put out by the U. S. Department of Labor, as well as the State Department of Labor. And they all come to the same conclusion—that the employers of America are missing a big bet when they set an age limit in their employment practices.

I. K. KESSLER, *Manager, Management Engineering, Radio Corporation of America, Camden*

I have a list of objections to hiring older workers. Let me read some of them. This summarizes the reasons most frequently given by employers for keeping older men and women out of the work force; a desire to maintain a low-cost economy; a need for workers who can keep up a high-

pressure pace; a need for workers who can keep new ideas generating through an organization; a need for promotions from within, to develop a career system; the need to give youth a chance; the allegedly higher cost of workmen's compensation, group insurance and pension plans;

lack of profit in training older men for new jobs when they would in any event work for the firm for only a few years; innumerable prejudices ranging from "supervisors don't like to have older workers under them" to "old folks are too slow to have them around here."

I think we have to be realistic and face up to the fact that there are legitimate objections, and some illegitimate. Each of these objections must be answered, and I believe that answers such as the answer to the productivity question are being developed. There are studies to show, for example, that while it is true that the cost of fringe benefits for older workers is slightly higher, the amount is not significant.

However, the point is that the people responsible for policy in industry must be acquainted with these facts, not just the professionals and specialists and the people who in any event would have been interested. This is the first sell—the general sell.

But all of the generalizations in the world are meaningless when it comes to "selling" the individual worker on the job. By and large, our problem in the employment of older workers is not the retention of older workers in industry. The seniority systems established under most union contracts effectively maintain most older workers in their jobs, and if they are forced out of employment because of physical disability, then the problem isn't basically one of age but one of inability to perform that kind of work. In most well-run organizations—contrary to the belief of many—there is a conscience in most companies—the older worker is retained even where there is no union to represent him.

So the real problem is getting the worker the job. We come face to face with the problem of what do

you do in the case of the individual worker? We must have pre-conditioning of employers to the contribution the older worker can make, but the big problem is selling the individual man on the job.

Attitude of Workers

I think we have got to improve our conditioning of the man so that he himself is amenable to taking a different kind of job than he has had before, so that he himself has the proper attitude toward the new job, and is willing to accept re-training.

Further, we need some technique for selling the individual to the man who makes the decisions on hiring. Now, I am distinguishing between the policy levels and the hiring levels. It is all very well and good for the policy of the company to state, "We will not discriminate for age, religion or nationality." It is the enforcement, the application of the policy that is the critical test, and by and large, the enforcement is done at the employment office level and at the supervisor level—the people who interview and screen—the people who make the ultimate decision. It is at this point that the big job has to be done.

The technique that is used by Forty Plus, I think, is effective—having someone else sell the individual, reviewing the case and matching the individual with the particular job, because you don't hire on a generalization and we don't sell on a generalization.

I could continue, but I won't. If you have questions, we will discuss them. However, I do want to leave the one point with you—that we must sell twice. We must sell generally on the policy level, and then most important, we have to sell the individual for the job to the people who have the voice in the hiring program.

HIGHLIGHTS OF THE DISCUSSION

Mr. Mark was asked why the U. S. Department of Labor chose two industries paying relatively low wage rates and employing large percentages of older people for its productivity study. He replied that this was necessary in order to find a piece-work industry employing enough older people to furnish the necessary data.

Mr. Kessler was asked why companies do not employ more older workers. He replied that it is necessary to be realistic; that an employer who is confronted with two individuals will make his selection on the basis of the man who will do the most for the company. Given a situation where two men are equally unskilled on a job to be done, and where one is advanced in age and has physical disabilities, most people would select the individual with greater vigor, with the greatest potential for future employment.

But, he continued, the main problem lies in the discovery of the capability—skills that the older worker has to offer. We should look at what he will contribute to an organization and devise ways and means of bringing this to the attention of those who do the decision-making.

A speaker from the floor raised the point that it is necessary to raise the retirement age in order to promote the employment of older persons. This would keep older workers in the

work force longer and make it possible for employers to train persons at age 45 or 50. There was a general discussion of the advisability of forced retirement, with most persons agreeing that forced retirement at an arbitrary age is unfair, but that it is sometimes difficult to decide on an individual basis when an individual is no longer qualified to hold his job.

Another speaker pointed out that where there is real ability or a scarce skill, older workers seldom have problems finding employment. The real problem, said Mr. Kessler in response to this, is how to find employment for an individual who has no distinctive contribution to make in the way of specific skills. We can retrain him or perhaps focus upon whatever skill he has. Thus, a program for the employment of older workers should emphasize two major aspects. One is generalized education to offset stereotyped thinking and misconceptions. The other is to do an individual counseling and selling job on behalf of specific job applicants.

Mr. Mark agreed that a large part of the job is to remove arbitrariness and generalization in hiring policy. There is a tendency to establish a set limit, to blanket everybody, without regard for individual capabilities. This tendency needs to be offset by educational programs.

Panel No. 4

EMPLOYMENT OF OLDER WORKERS IN RETAILING

Chairman, WILLIAM H. TINSMAN, District Manager, District No. 4, Bureau of Employment Security, Williamsport

What are the obstacles to employment of older workers or the opportunities for employment of older workers in retailing as distinct from other occupations? What do we know about the work performance of older workers in retailing?

GEORGE S. MCGILL, *District Manager, District No. 7, Bureau of Employment Security, Pittsburgh*

At some time during this conference almost every participant will make similar statements. Among these will be comments on the seven myths about the older worker. These would include statements that older workers are more accident prone; older workers can't get along well with other employees; older workers are absent from the job more than younger employees; senior employees can't produce as much as younger workers; older workers turn out inferior work; and there is a large labor turnover among them. While these are myths, they are the reasons why many older workers have difficulty in finding suitable employment. I only repeat them here because these reasons for not hiring older workers are not valid, and are not based on fact.

It has been proved that older workers, and certainly those in the 45 year age bracket, (1) still retain their ability; (2) are not absent from work because of illness, and are not more accident prone, than the younger worker; (3) their attendance is good; (4)

their attitude is good and they are dependable; and (5) health insurance cost may be the same, but are no higher for these workers. All these facts point toward the possibilities of good productivity among older workers and should help to convince the employer to use ability as the logical guide in hiring.

How old is the older worker? 25? 30? 35? 40? 45? If 45 is the age at which individuals become older workers, then within the next decade, 50% of our adult population must be classified as "older workers." This points out the need for studies to be made and for community action in a united effort on the part of management, the union, the government and social agencies to cooperate toward a solution of this problem. Some of the factors to be considered are that the health and life span of individuals have been improved by medical science, enabling men and women to work longer; labor-saving machines have cut out much need for physical labor. Employers should be encouraged not to measure a man's ability

against a fixed age rule. So workers should be hired on the basis of ability and not by age. Physical requirements for a job should be estimated on a reasonable basis and not demand physical abilities which are not needed. This is especially true in our day of modern machinery and equipment. Let us emphasize to employers the consideration of establishing a policy that workers will be hired and retained regardless of age as long as they are able and willing to perform assigned duties. The important factor often overlooked by employers is that young men and women, working with an older person who is skilled and experienced, can gain know-how and training which they would otherwise not acquire.

The facts that I have just presented affect all older workers. This panel, however, is concerned principally with the older worker in retail trade.

Employment Gains in Retailing

In the Pittsburgh labor market area, the number of employees in the retail trade has steadily increased during the past 5 years. In January, 1952 they totaled 115,000; by January, 1957 the number of persons engaged in retail trade went up by 6.8%, or to 122,800. Despite the recession prevailing in January of this year, retail trade continued to show an increase. The monthly average also shows an increase between 1952 and 1957 of 2.7%.

There are various reasons why retail trade is a particularly good area of employment for older workers. In most positions only a short training period is involved. The light physical exertion required in clerical categories is particularly adaptable to the older worker. Good working conditions and hours usually prevail in most retail shops, although some smaller ones are known for long hours and low pay rates. While the

salary range may be better in some types of stores than in others, and in some locations, if the new salary rate of \$1.00 per hour is upheld, the pay rate will be more attractive in retail work. Another consideration in hiring the older worker in retail spots is that little previous experience or skill is really required, although it is often requested by the employer. A job applicant who has a good personal appearance and sales personality can be readily placed without experience in retail occupations.

The opinion has been expressed by employers that the productivity of clerks diminished when they passed the age of 35 years. However, surveys and studies made by employers and personnel managers uncovered these facts. (1) Younger people are not more dynamic and aggressive in their sales approach than the older clerks. (2) The absentee rate of the younger worker is not less, and may be greater than that of workers over 35 years of age. (3) Most important was the disclosure that the older worker had a much better attitude toward customers, gave them more consideration and had more patience in serving them. (4) Since our population trend shows that an increase in the number of older persons will predominate in the next ten years, it can be concluded that there will be more older customers, and the survey showed that the older customer likes to be served by an older clerk. This is particularly true in such departments as draperies, furniture, housewares and even yard goods. The customer feels that younger persons do not have sufficient experience in homemaking or enough background and knowledge about this type of merchandise to understand what the customer wants.

Part-Time Employees Used

The use of part-time employees is particularly adapted to retail trade.



A TYPICAL PANEL SESSION

In the Pittsburgh area the percentage of part-time workers has increased from 15% up to 35%. However, there is a question as to whether this is profitable to the store, because customers often like to be served by the same clerk and this is not always possible with part-time employees who work different days and hours. But it is definite that customers like to be served by more mature women in certain departments, and the more mature woman is often a part-time worker. A part-time worker is not covered by health, welfare, pension and other fringe benefits.

Shopping centers have established the practice of hiring married women who live nearby and these usually are over 35 and may be classified as older workers. However, the rate of pay for part-time workers is mostly low in these centers, especially in such establishments as specialty shops, drug stores, hardware stores, bakeries, etc.

We must give some consideration to the employer's argument that if he hires a person 55 years of age or over, the maximum time the employer

can expect to secure from this person's work-life is 10 or 12 years. If he hires a young person of 20 he can expect to get at least 40 years. Even with turnover, the employer claims he can spread his costs over a longer period of time, because there are always young people available for replacement. The employer believes, despite all studies and surveys, that it is less costly for him to hire a younger person than one over 45. We must strive by education and patience to convince him that chronological age is not the only factor affecting an individual's productivity.

Older Workers Employed

A survey of five large department stores and one large women's specialty shop in the Pittsburgh metropolitan area definitely indicates that the worker over 45 years of age has a responsible place in the field of retail trade and is an asset to the company. This statement is upheld by information made available to us through the cooperation of these stores. The number of persons over 45 years of age varies from nearly

75% of the staff, down to 50% of the total number of employees in all stores. Several of the large stores do not keep a record of employees by age but the estimate that 50% or better of the staff in Pittsburgh department stores is over 45 can be accepted as accurate. This 50% average also prevails in other metropolitan areas such as Chicago. Locally, only one of the stores has a pension plan at present which makes retirement compulsory at age 65. However, this company recalls its retired sales staff to work during special sales and busy seasons. One store has a man of 85 who actually sells men's clothing every day. Another store has accepted referrals from our office of applicants to work as "extras" who are in their 70's. A recent applicant had just left the employ of one store at the age of 72.

When we think of retail trade we are apt to picture only retail sales clerks. However, the range of occupations is far greater, and is not restricted to selling. Since January, 1958, the Pittsburgh offices of the employment service have placed ap-

plicants over 45 as typists, cashiers, secretaries, and clerk-stenographers in such retail shops as furniture stores, variety stores and clothing stores in addition to the large department stores. Of course, salespersons are placed regularly for full-time, part-time and seasonal work.

Other occupations in retail establishments filled by our Pittsburgh offices by applicants over 45 years of age are counter girl, pantry girl, boot-black, porter, wrapper, packer, upholsterer, watchman and janitor.

Conclusion

It is safe to assume that no retail firm, large or small, is going to maintain people on its payroll who do not contribute toward its profit. Business is business, and neither a philanthropy nor a charity. It can, therefore, be concluded that if five large department stores have an accumulated total of more than 50% of their personnel in the age bracket over 45 years, and are staying in business in a highly competitive field, there can be no question of the productivity of the older worker in retail trade.

MILDRED K. BROWN, *Assistant Training Director, Lit Brothers*

I would like competitively (you see, I have to remain in character) to mention in response to Mr. McGill's statistics on Pittsburgh that in a very recent study conducted in the Delaware Valley area we estimated the employment figure of the retail worker in the Delaware Valley to be 23%. I think, however, before we begin consideration of the individual department store aspect of retailing you should be made to realize that this statistical quotation embraces retail-

ing of oil and foods as well as of dry goods.

I was asked to treat three levels of the subject of the older worker in retailing: productivity, increased productivity and the actual engagement of the worker. I have attempted to stay within that format.

Productivity

In treating the subject of productivity we must immediately clarify for ourselves how the retail employer

looks at productivity. The retail employer must look at productivity in terms of the various occupations which are embraced in his retail firm. If he considers the productivity of the sales person he obviously looks for sales volume. If he looks at productivity in terms of the office worker, he concerns himself with the volume of accurately performed paper work. If he looks at the productivity of the elevator operator, he considers the number of trips that the operator makes each day.

If he looks at productivity for the protection investigator, he will consider productivity measured in terms of the number of apprehensions that investigator may make in a given day. He measures the effectiveness of his waitresses by the number of customers they satisfactorily serve in any given day. For the stock men, he counts the number of tanks they unload. For his warehousemen, he measures productivity in terms of the number of trucks they may unload; the mail clerks' productivity—how many letters do they sort in a day?; the telephone operators—how many calls do they make or answer in a day?

For the tailors he may measure productivity in terms of the number of suits pressed or altered.

This will give you some idea of the range of occupations within the modern major retailing organization.

Many Kinds of Jobs

Too often the public thinks of jobs in retailing as just those in sales work or buying. Therefore, too often productivity in retailing would be assumed to be a question of volume productivity in just sales. It is impossible to discuss either employment qualifications or productivity of em-

ployees, without first determining that our audience is aware that when we speak of retailing as an occupational field we speak of many jobs and many kinds of jobs.

Let us review the many fields within the field of retailing. You have in front of you a rough handout. Even though rough, it will point up to you the fact that within the one single field of retailing we have actually five major fields.

We have the field of merchandising. Primarily, merchandising as a division in the retail organization is responsible for the buying and selling of the goods.

Secondly, we have the management division in the retail firm. The management division is responsible for providing the customer services and operations in the firm.

Thirdly, we have the control or finance division. This is the division of the retail firm which concerns itself with the incoming and outgoing monies of the firm.

Fourthly, we have publicity, advertising and promotion. This is the division of the store that concerns itself as a responsibility with preserving the audience we already have as customers, and developing new and increasingly large audiences of customers.

Fifthly, we have the personnel division. The principle responsibilities of the personnel division are recruiting, selecting, hiring, placing, training, developing and promoting of employees.

Specifically, these are some of the jobs which people in a large retailing organization may do. In merchandising we have our top executives, known as merchandise managers. Below

them are the buyers; below them, assistant buyers; below them, sales people, stock people, unit control clerks, fashion coordinators, the comparison office—to name only a few.

In management we have the greatest variety, the most non-selective assembly of jobs. We have elevator operators, engineers, painters, carpenters, service staff personnel, heads of bureaus of adjustment, and so on.

In the control division we have controllers, accountants, bookkeepers, comptometer operators, clerks, hand bookkeepers, cashiers.

In advertising and promotion jobs fall into three categories: copywriters, artists, and production personnel. However, these three categories are implemented by many people at clerical level.

In the personnel division we find, again, a variety of jobs—certainly your personnel director, your assistants, your supervisors, but also clericals working in the records rooms, the personnel of the medical centers, the specially trained recreational personnel in charge of employee activities, interviewers, and professional trainers.

Measuring Production

Next, then, let us look at what might be considered as production measures for each of a few of the jobs which have been used as illustrations of the variety of occupations within our field. A buyer's productivity is measured unquestionably by his volume. A salesperson's productivity is measured primarily in terms of volume, but also in terms of customer satisfaction.

In the management division, the elevator operator's productivity is measured how? Just in terms of how many trips he makes each day?, or also in terms of his treatment of the

consumer public?; the kind of information he finds it possible to give from his own knowledge of the organization to the inquiring customer?

In the control division the premium is on accuracy since we deal with the monies of the organization, but accuracy also may have many phases. In accuracy in relation to figures we find it is extremely important to consider the human element in determining the productivity of an individual control worker—whether that worker works on a machine or by hand. Distractions, work influences, disruptions and interruptions all figure in the productivity measure.

In advertising we have one major measure of productivity for the whole advertising group. How effective are their ads? How much business do they pull into the organization? But we have measures within the measure. If we consider the artist, the artist's productivity is measured in terms of whether or not he can meet his deadlines and meet them to specifications; whether or not upon meeting his deadlines and meeting his specifications any of his work has to be done over again.

In copywriting the principle measure of productivity has to do with how much knowledge the copywriter has been able to dig up for himself about the product he describes in his copy.

Now let us give some consideration to what the retail employers believe contributes most to increased productivity by employed personnel, and perhaps some thought to what retail employers provide as means by which productivity can be increased:

1. Stabilized attendance.
2. Promptness in arriving for work, returning from lunch, turning in reports, records, and work.
3. Sound health of body and mind.

4. Conformity to rules, regulations, systems, procedures laid down by the company.

5. Consistent courtesy in all relationships both with customers and fellow employees.

6. Active interest in the company, what it tries to achieve and the problems it experiences in doing its job as a company.

7. Alertness to new and better ways of doing a job and passing on suggestions for improvements.

8. Loyalty to the company and extending understanding to the projects it attempts and the changes it makes.

9. Learning from many sources as much as possible about the business, its importance, and the techniques and procedures it engenders.

10. Feeling a responsibility for doing a job well and for assisting fellow employees to carry out their jobs in a responsible manner.

How does the retail employer propose to increase productivity? Retail employers, like industrialists, provide on-the-job training and formal training for co-workers who are genuinely interested in their jobs and in learning better ways to execute their responsibilities. As illustrations I would cite technical training, training in machine work, training in interviewing, training in telephone techniques, training in merchandise information and the techniques of salesmanship, training in the location of different departments, training in the services offered by the company, developmental training, training in speech, training in grooming, training in the techniques of supervision, training in teaching methods, training in problem solving.

The retail employer offers also rating programs and reviews, work

supervision and counseling programs, activities programs and welfare work, medical programs for its employee group.

It has long been established that employees who avail themselves of opportunities to become trained and educated in a chosen field of work can increase their productivity and thereby their value to their employer.

The Older Worker

Now let us look at the older worker within this framework. Historically, the older worker is a tradition in retailing. Companies like Lit Brothers point with pride to more than 500 older workers, employees with a minimum of 25 years of service who are still with the company, and almost 200 others who have been retired by the company.

Most older workers now employed by Lit Brothers are in these categories or job classifications:

Markers, people who mark our merchandise—men and women;

Wrappers and cashiers—men and women;

Packers, the personnel who pack the merchandise that leaves the store by our delivery services—principally men;

Checkers, the people who check in the goods we receive from our manufacturers and vendors and allocate it properly (departmentally) for marking—principally men;

Carriers, the group of people who pick up our merchandise and carry it by wheeled vehicle to our delivery and central wrapping rooms for packing and distribution to our customers—men;

Sales personnel—both men and women;

Warehouse stockmen—men;

Office workers—men and women;

Telephone operators — entirely women;

Supervisors, in many departments — both men and women.

Regular employees and contingent employees — contingent being the name we give to people we use when, where, as and if we need them—are both included in this listing.

Age Not A Factor

As applicants for employment, older workers receive the same consideration as younger persons. Age is not a factor which militates against the applicant's chance for employment. There can be little doubt that as businessmen employers must recognize responsibility to employees on the basis of the individual's past contribution to the productivity of the organization, as well as to the present capacity or future potential productivity. It would be unfair were this not an important consideration.

When an employer hires an older worker he is meeting a responsibility to our society for assisting in the problem of providing employment for an important age group and one that is increasing in size. It is not to be expected, therefore, that he will extend to these new employees the same program of benefits that his organization provides for those who come into employment in their young, strong or more vigorous years and who have given much of the fruits of those years to the success of the organization. The older workers seeking employment should expect to find a difference in "fringes" and in general benefits provisions.

The maturity and judgment resulting from a history of work experience in an occupational field may serve the older worker well in seeking new placement after the time that the

firm or firms in which he has invested his early years can retain him.

Let us look at a few illustrations of this in the Lit Brothers organization with a few older workers who have joined forces with us in very recent months:

A protection investigator hired not long after he was retired by the Philadelphia Police Department;

A mail room supervisor hired after retirement from military life;

Branch store department managers, several in this case: women, whose families have grown and married;

Branch store department managers —men, who have opened their own businesses and sold them;

Branch store department managers —men and women who have been retail buyers but who have retired from the much greater responsibility of that type of occupation.

A philatelist who spent his young years as a collector and in self-employment, who now runs our stamp department as a salaried employee;

Salesmen and saleswomen who have returned to the selling field after trying other careers during their younger years.

In summary, then, insofar as older workers may favorably compare with younger employees in those aspects of a job performance which I outlined earlier, which the retail employer considers contribute toward general productivity, the climate of the retailing business is as cordial to an older worker as to a younger worker.

It is not necessary to dwell on why the retail employer should hire more older workers. It is sufficient perhaps to indicate only that he *does* hire them. Increasing numbers of part-time workers used for "short hours" during the normal retail business day in the past ten to fifteen years has

made it possible for many more older workers to come realistically into the labor market for the retailer.

Jobs in Suburbs

Expansion of department store services into suburban communities has also opened a *new* market for the hiring of older workers in their home communities, for transportation, restaurant facilities, and so forth, pose a minimum problem.

Development of more and more varied customer services has provided job openings which older workers have adequately filled:

Nurses—we use them in our medical centers and as first-aid experts in our branch stores;

Women to operate checkrooms;

Increasing numbers of restaurants and cafeterias in stores have provided work for waitresses, bus boys and bus girls, dietitians, and kitchen personnel.

Expanded telephone sales services have given more work to women trained and experienced early in their lives in the technique of switch-board operation.

Growing amounts of office and clerical detail work has created more

routine office work and jobs which are capably filled by older workers in many cases.

Benefits Less

Older workers should be counseled not to seek or to expect the same benefits programs as younger workers. They should know from their earlier lives and experiences the exact contribution they can make in a very specific sense to the particular kind of business in which they are seeking employment. Their presentation of themselves as prospective employees should not hint of any expectation of sympathy or welfare. A citizen of increased years can bring wisdom, tolerance, judgment and an attitude of acceptance to the job he seeks. This is the edge he can give to himself in competing with those in the labor market who are young in years and in these attributes. The older worker must recognize these contributions he is equipped to make. He must study the most positive and the most constructive manner in which he can interpret these qualities as a direct contribution uniquely his to make to the productivity of the firm in which he seeks his placement.

HIGHLIGHTS OF THE DISCUSSION

The Chairman asked Mrs. Brown if supervisors of sales personnel are influenced by age in rating potential employees. She answered, and this was supported from the floor, that supervisors of sales personnel tend to prefer older people, primarily because customers prefer to be waited upon by mature individuals. This was true in sportswear and dress departments as well as in home furnishings and hardware.

In response to a question about the training potential of older workers,

Mrs. Brown reported that it had been her experience that the older worker handles figures sometimes more slowly than the younger worker, but that they usually handle them more accurately or at least as accurately. Older workers have found it difficult to do block printing in filling out sales slips since they went to school when the emphasis was on cursive handwriting. This handicap can be avoided by eliminating the requirement for printing sales slips.

In terms of learning sales informa-

tion, the older worker is more likely to surpass the younger worker because he has a greater range of experience with the merchandise.

Mrs. Brown was asked what her experience had been when older workers were hired and placed in a group of younger workers. She replied that the problem was not one of age, but of general human relations. It could happen with a younger person coming into a group of older workers. A lot would depend on whether the group saw the new person as a threat. In every case it depends on the individual persons involved. Sometimes, older workers try to mother younger workers. Many times the younger workers will "adopt" the older worker and defend him. Where the people involved are tolerant and broad-minded and experienced in living and working with people, there is no problem of age. Where they are not, there may be problems regardless of age.

In response to another question on turnover, Mrs. Brown said that as a

unionized organization, her company's employees had seniority status, and this created lower turnover for older employees. However, she pointed out that older worker is generally not a problem in terms of attendance or dependability. He is prompter about arriving in the morning, or returning from lunch and relief periods.

In response to a question about the value of old-time employees, both Mr. McGill and Mrs. Brown emphasized the tremendous value to a retail organization of salespersons whom customers have come to know and trust.

Mrs. Brown was asked when older persons should be counseled not to expect the same fringe benefits as younger workers in retailing. She stated that this was done when the application form is being reviewed by the interviewer. She also emphasized that many decisions as to the older workers' entitlements to fringe benefits were made in conjunction with the union.

OLDER WORKERS AND THE COST OF FRINGE BENEFITS II

(Group Life Insurance, Health and Accident Insurance, Workmen's Compensation and Unemployment Insurance) *Chairman*,
FRANK P. MAGUIRE, Ph.D., *District Manager*, District No. 10,
Bureau of Employment Security, East Stroudsburg

As they do in the case of funded pension plans, many persons believe that when employers hire older workers, the cost of fringe benefits becomes excessively high. Irvin F. O. Wingear, Director of Research and Statistics, Bureau of Employment Security, presented the results of research prepared under his direction on this subject for the Advisory Board on Problems of Older Workers. The other panelists commented on Mr. Wingear's paper.

IRVIN F. O. WINGEARD, *Director*, Research and Statistics,
Bureau of Employment Security

Many employers have maintained that the hiring of older workers would put their firms at a competitive disadvantage with other firms in the same industry, because of the increased operating costs which would result from higher workmen's compensation and group life, health and accident insurance premiums.

This argument, however impressive it may sound, appears to have no substantiation in fact. On careful analysis this proposition does not hold water. The whole premise takes on the guise of an ingenious rationalization of discriminatory hiring policies and practices against older workers which were adopted for much less authentic reasons.

In order that there will be no misunderstanding about whom we mean when we talk of older workers in this

paper, let us make that point clear from the outset. We are not limiting the term "older workers" to cover only those senior citizens of 60 or 65 years of age and above. For the purpose of this discussion, we are concerned primarily with the vast number of mature workers who are 40 or 45 years old and older but under 65 years of age. One of the major difficulties of the older worker problem seems to arise from the confusion existing as to the concept of what constitutes an older worker. Perhaps the use of the term "mature worker" in place of "older worker" would go a long way toward correcting this confusion.

There is a further point that may need clarification. It is simply that, when we speak of employers hiring older workers, we do not imply that

employers should hire older workers merely out of charity. What we do mean is that older workers should be considered for employment equally with younger workers and should be hired strictly on the basis of ability in accordance with objective and realistic selection and placement techniques, including preemployment physical examinations where appropriate. In other words, chronological age in itself should not serve as a basis for the selection of employees because any age restriction on hiring must necessarily be arbitrary and artificial and will bar the employment of many otherwise highly able and desirable employees. Selection of employees on the basis of merit without any regard to age is most certainly good business, and in the over-all long-term view of a firm's operations it will undoubtedly contribute much more to profitable operations than any conceivable savings on "fringe" benefit and workmen's compensation costs.

Employee "Fringe" Benefits

An important development in employer-employee relations in recent years has been the tremendous, widespread growth in group life, health and accident insurance employee benefit plans. These benefits along with private pensions have come to be commonly known as the employee "fringe" benefit package.

Every indicator points to further rapid extension and growth in employee "fringe" benefits in the years ahead. In a long, long view of the future, it seems fairly certain that the complete "fringe" benefit package will eventually be extended to cover virtually the entire labor force, and that the benefit provisions will be substantially expanded and liberalized to the point where nearly all workers and their families will be adequately protected against all vicissitudes of life from "cradle to grave." Whether

this ultimate goal is achieved under private or public authorship, or a combination of both, remains to be seen.

With this sort of perspective on the present and future importance of "fringe" benefits, the significance of any detrimental influence which "fringe" benefits may have on the older worker problem—whether real or fancied—becomes of paramount consequence to the problem.

Group life, health and accident insurance benefits have become extremely popular with both employers and employees. This popularity undoubtedly stems from the fact that such benefits are very attractive to the employee and his family, but cost the employer relatively little. These benefits are not very costly for employers to provide because (1) they are essentially short-term risks and the risks are widely diffused, (2) on the average they involve relatively small liabilities, because most employees do not have major accidents or illnesses and few die before they retire, (3) the employee frequently makes a substantial contribution towards the cost, especially where dependents are covered, (4) dividends and premium rate credits are virtually always credited to the employer, even though the plan includes employee contributions, and (5) the employer's net outlay is further reduced to 48 cents on the dollar at current tax rates by reason of the fact that his contributions are deductible as a business expense for income tax purposes.

The possibility of conducting special research studies to determine the effects that hiring older workers actually would have on employers' group life, health and accident insurance costs was discussed with competent actuarial consultants in the employee benefit field. They advised that group life insurance costs comparatively so little that it could not

possibly be a real deterrent to the hiring of older workers. They also advised that group health and accident insurance costs are also relatively minor, and that there is a lack of sufficient documentation of actuarial experience concerning such benefit plans to permit an actuarial determination of costs by age. Surely, if the experts in the field have not yet been able to determine the effect of age on such benefit costs, an individual employer cannot now be in any better position to do so.

Health and Accident Insurance

The health and accident segment of the employee "fringe" benefit package may provide employees with protection against one or more of the following three types of hazard: (1) accidental death and dismemberment; (2) wage loss occurring as the result of nonoccupational sickness and accident disabilities; and (3) hospital, surgical and medical expenses arising out of nonoccupational sickness and accident disabilities.

Group casualty insurance premiums for protection against these risks are generally determined without direct regard to age. If age were an important factor in meeting the expenses of the liabilities actually incurred for these hazards, it is reasonable to assume that casualty insurance companies would incorporate age as a direct factor in establishing their group premium rates.

In the final analysis, the cost of such protection depends upon the loss experience of the individual employer. In this connection numerous special studies have found that older workers have lower accident and sickness frequency rates than younger workers, but that their resulting disabilities are, on the average, more prolonged. However, this greater severity of older worker disability tends to be offset by the lower frequency of disability for older workers.

Claims for health and accident benefits for older workers covered under such plans tends to be somewhat higher in frequency and duration than for younger covered workers. However, when such plans include dependents and maternity benefits, as a growing large number of plans do, both the premium cost and experience loss will probably be lower for older workers because of their having fewer dependents and a lower maternity incidence. Employers with plans that do not now include dependents and maternity benefits would do well to consider that in the future all plans will probably include such benefits.

Group health and accident insurance costs will run no higher for a newly hired older worker than for an older worker who has grown old in the service of the firm. For that matter, the chances are heavily in favor of appreciably lower costs for a newly hired older worker because he will in all probability have a superior health and accident record and longer life expectancy as a result of having passed the firm's pre-employment physical, educational, mental, personal and experience standards for selection and placement. Some members of the existing work force would not do as well.

Group Life Insurance

Group life insurance is probably the most common type of private employee benefit in existence. It provides protection in the form of cash death benefits to beneficiaries in the event of the death of covered employees. The life insurance benefits may be a flat amount for all workers, or an amount graduated according to earnings, length of service, occupation, etc. Virtually all group life insurance is low-cost renewable term insurance.

Group life insurance premium rates are based directly on the age structure

of the whole group of covered workers. The total initial annual premium cost is actually the sum of the individual annual premiums for all covered workers, plus an over-all loading charge. The individual premiums are based on the amount of insurance in force for the individual worker and the specific premium rate applicable to the specific attained age of the worker. The rates advance with each additional year of attained age.

The total annual premium cost will increase only when the weighted average annual premium rate increases. The weighted average rate is derived by dividing the total annual premium cost by the total amount of insurance in force for all covered workers. This produces an average of the specific premium rates for each age weighted (multiplied) by the amount of insurance in force for all workers of that age. Thus, the weighted average rate depends not only on the age distribution and the average age of the workers, but also, on the amount of insurance in force for all workers at each age. When life insurance benefits are graduated on the basis of such variables as earnings, length of service, occupation, etc., an increase in the average age of the workers will not necessarily mean an increase in the average annual premium rate.

Normal labor turnover, involving the replacement of workers quitting, retiring, dying and being dismissed, generally keeps the average age of an employer's work force fairly stable. The addition of an older worker will usually be counterbalanced by the death or retirement of another older worker or by the hiring of a younger worker. However, even when such offsetting does not take place, the hiring of an older worker will not greatly effect the average age of the work force.

For example, if ten 30-year old workers were replaced by ten 50-year old workers in a 100-man work force, the average age of the work force would be increased by only 2 years. Assuming that each of the 100 employees was entitled to \$2,000 of group life insurance, and that the average age of the workers was increased from 45 to 47 years, this would mean an increase in premium cost of only a small fraction of one cent an hour. Dividends, premium rate credits, income tax deductions, and employee contributions would cut this gross increase in cost to an infinitesimal net additional outlay per hour by the employer.

One further point is the fact that group life insurance rates are no higher for a newly hired older worker than for any other employee of the same age.

Workmen's Compensation

From the evidence available, there appears to be little justification for the assumption that the hiring of older workers has any appreciable effect in raising employers' workmen's compensation costs.

In the first place employers' workmen's compensation insurance premiums are determined on the basis of the rated hazards of the occupations covered. Age is not a factor. As a matter of fact, casualty insurance companies have consistently avoided giving any consideration to age in establishing workmen's compensation insurance premium rates.

In the final analysis, because of experience rating and dividends, workmen's compensation costs are generally determined by the actual accident record of the individual firm. Accordingly, the practice of hiring older workers could produce higher workmen's compensation costs only if the older workers hired were to contribute a more unfavorable ac-

cident experience. This is unlikely to occur, for important reasons. First, numerous studies and analyses have shown that older workers in general suffer fewer industrial accidents than younger workers. Second, if older workers are hired strictly on the basis of ability in accordance with objective and realistic selection and placement techniques (including pre-employment physical examinations), they will probably have more favorable accident records than those employees who are growing or have grown old in the service of the firm, many of whom may never have been as selectively hired.

A special analysis of the industrial accident statistics compiled by the Pennsylvania Department of Labor and Industry, which was prepared for the Advisory Board on Problems of Older Workers, reveals some interesting information on the comparative accident experience of older workers.

Table 1 presents comparative data for older and younger workers on all fatal and nonfatal work injuries reported to the Bureau of Workmen's Compensation of the Pennsylvania Department of Labor and Industry during each of the calendar years 1953, 1954, 1955 and 1956, as well as the annual average for this four-year period. The Pennsylvania Report of Accidents Law requires all work injuries to be reported which result in death, permanent impairment, or loss of time beyond the day or shift of occurrence in all nonfarm industries in the State.

An annual average of 31,383 work injuries was reported for older workers (i.e., workers 45 years old and over) during the four-year period 1953-56. For younger workers (i.e., those under 45 years of age) reported work injuries averaged 54,274 annually over the same period. This was 22,891, or 73 percent, higher than the older worker average. Much

the same sort of relationship is shown for each individual year of the four-year period. The lowest injury totals were reported in 1954 for both older and younger workers, amounting to 29,105 and 50,063, respectively. In 1953 the highest totals were reported for both groups, with 33,005 for older workers and 59,630 for the younger ones.

Injury Rates

Comparative work injury incidence rates per 1000 employed workers for older and younger workers are also given in Table 1, along with the average numbers of older and younger workers employed in nonfarm industries in Pennsylvania for each of the four years and the average of the four years. The employment figures for all ages represent data compiled and published by the Bureau of Employment Security of the Pennsylvania Department of Labor and Industry. The breakouts by age were obtained through the application of ratios estimated by the Bureau of Employment Security on the basis of current national changes in the proportion of older workers in the employed nonfarm work force as reported by the U. S. Bureau of the Census in its monthly report on the labor force.

It is particularly noteworthy to find that the work injury incidence rate per 1000 employed workers was lower for older workers than younger workers in each of the four years covered by this analysis. The rate for older workers was 19.81 per 1000 in 1956, or 1.26 less than the 21.07 rate for younger workers. That year had the widest difference between the age groups. The narrowest margin was in 1955, when the older worker rate of 19.98 was only 0.57 less than the younger worker rate of 20.55. The highest rates for both groups occurred in 1953, corresponding to

TABLE 1.
Incidence of Industrial Injuries Among Older and Younger Workers in Pennsylvania: 1953-1956

<i>Item and Age</i>	1953	1954	1955	1956	<i>Average</i>
Average No. of Workers Employed in NonFarm Industries					
ALL AGES	4,275,700	4,062,200	4,130,300	4,217,700	4,171,475
Under 45 Years of Age	2,695,157	2,517,947	2,549,899	2,609,934	2,593,324
45 Years Old and Over	1,580,183	1,544,253	1,580,401	1,607,766	1,578,151
Total No. of Industrial Injuries Reported in NonFarm Industries					
ALL AGES	92,635	79,168	83,984	86,839	85,657
Under 45 Years of Age	59,630	50,063	52,409	54,992	54,274
45 Years Old and Over	33,005	29,105	31,575	31,847	31,383
Incidence Rate per 1000 Workers Employed					
ALL AGES	21.67	19.49	20.31	20.59	20.51
Under 45 Years of Age	22.12	19.88	20.55	21.07	20.91
45 Years Old and Over	20.89	18.85	19.98	19.81	19.88

the year with the highest reported work injury totals for both groups. The rate was 20.89 for older workers and 22.12 for younger workers. That, of course, was a prosperous year with relatively full employment and greater exposure to work injuries. The lowest rates for both groups happened in 1954, again correlating with the year of the lowest reported work injury totals for both groups. The rate was 18.85 for older workers and 19.88 for younger workers. This was a recession year with reduced working and exposure time. The annual average work injury incidence rate per 1000 employed workers for the four-year period was 19.88 for older workers, or 1.03 less than the 20.91 rate for younger workers. These data lend support to the conclusion derived from other studies that older workers actually have a lower accident frequency rate than younger workers.

Volume of Injuries

Table 2 presents comparative data for older and younger workers on the volume and incidence of compensable work injuries in Pennsylvania for the year 1956. These data include all injuries in Pennsylvania nonfarm industries adjudged compensable under the Pennsylvania Workmen's Compensation Act. Compensable temporary disabilities are counted as of the date when final receipt of workmen's compensation has been filed. Compensable permanent disabilities and fatal injuries are counted as of the date of approval of agreement or referees' award for workmen's compensation.

Compensable work injuries in 1956 totalled 18,849 for older workers and 25,902 for younger workers. Older workers experienced fewer compensable injuries than younger workers in each of the three main categories of injury: fatal injuries, permanent disabilities and temporary disabili-

ties. Only in the permanent total disability category did the older workers have a larger total than the younger workers. However, the number of injuries in this category is so small that it is relatively insignificant. Older workers had 84 permanent total disabilities in 1956, and younger workers, only 35.

The rate of occurrence of compensable work injuries per 1000 employed workers in 1956 was 11.72 for older workers and 9.92 for younger workers. For each type of compensable injury the older worker rate was slightly higher than the younger worker rate. Similar results were found for the year 1953, the only other year analyzed in this fashion. However, in 1953, the older worker rate for permanent partial disabilities was slightly lower than the younger worker rate for this category.

It would appear that these findings substantiate the conclusions that have been drawn from other studies, which are to the effect that, although older workers have a lower work injury frequency rate, once injured older workers recover more slowly.

Compensation Paid

Table 3 presents comparative 1956 Pennsylvania data for older and younger workers on the total amount of workmen's compensation paid for temporary disabilities and awarded for fatal injuries and permanent disabilities. The total amount of compensation for all compensable injuries in 1956 was \$10,037,227 for older workers and \$11,487,561 for younger workers. Older workers' total compensation for fatal injuries and permanent partial disabilities was lower than younger workers', but for permanent total disabilities and temporary disabilities it was higher.

The average amount of compensation per employed worker was \$6.24

TABLE 2.
Incidence of Compensable Industrial Injuries Among Older and Younger Workers in Pennsylvania for 1956

<i>Type of Compensable Industrial Injury</i>	<i>Number of Compensable Injuries</i>			<i>Incidence Rate per 1000 Workers Employed</i>		
	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>
All Compensable Injuries	44,751	25,902	18,849	10.65	9.92	11.72
Fatal Injuries	692	356	336	.16	.14	.21
Permanent Disability Injuries	2,933	1,733	1,200	.70	.66	.75
Total	119	35	84	.03	.01	.05
Partial	2,814	1,698	1,116	.67	.65	.69
Temporary Disability Injuries	41,126	23,813	17,313	9.78	9.12	10.77

TABLE 3.
Amount of Compensation Paid for Industrial Injuries to Older and Younger Workers in Pennsylvania for 1956

<i>Type of Compensable Industrial Injury</i>	<i>Amount of Compensation Paid to Workers</i>			<i>Average Amount of Compensation Paid per Employed Worker</i>		
	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>
All Compensable Injuries	\$21,524,788	\$11,487,561	\$10,037,227	\$5.10	\$4.40	\$6.24
Fatal Injuries	6,143,946	3,780,976	2,362,970	1.46	1.45	1.47
Permanent Disability Injuries	4,965,519	2,512,504	2,453,015	1.18	.96	1.53
Total	1,264,287	385,398	878,889	.30	.15	.55
Partial	3,701,232	2,127,106	1,574,126	.88	.82	.98
Temporary Disability Injuries	10,415,323	5,194,081	5,221,242	2.47	1.99	3.25

for older workers in 1956, or \$1.84 more than the average per employed younger worker. The average compensation per employed worker was higher for older workers than younger workers in each category of injury. Similar results were found in the analysis of the 1953 figures.

It must be emphasized and re-emphasized that this analysis does not take into account several important factors which affect work injury frequency rates and compensation costs more directly and extensively than age. First, the frequency and severity of work injuries is in the main dependent upon the degree of hazard involved in different occupations and industries. There is good justification for believing that proportionately more older workers than younger workers are employed in the more hazardous occupations and industries such as mining, construction and metal working. Therefore, as a function of hazard, rather than age, older worker accident frequency and severity rates could be higher.

Second, the number of accidents is directly related to the amount of exposure time, i.e., the total number of man-hours worked. It is quite probable that, because of their seniority and experience, older workers average more man-days of work and exposure during the course of a year than do younger workers. Accordingly, added exposure may well tend to inflate the accident experience of older workers, with age having no bearing whatsoever.

Third, compensation awards are largely influenced by the wages of injured workers. Without question, older workers by reason of their experience, skill and seniority, will generally have higher wages than younger workers. Thus, the amount of compensation awarded to older workers will tend to be higher because of their higher wages. This is certainly not a matter of age. It is a

reflection of the higher wage value placed on the experience, skill and longevity of the older worker.

Taking into account these considerations, it can reasonably be concluded that, under conditions of equal hazard and equal exposure, older workers would have a significantly lower total work injury frequency rate than younger workers. Moreover, under these same conditions, older workers would probably have no higher, and possibly lower, compensable injury frequency rates than younger workers, despite the fact that it takes older workers longer to recover from injury. Furthermore, with a situation of comparable wages, as well as equivalent risk and exposure, older workers would probably have no higher and possibly a lower, average compensation award per employed worker than younger workers.

Mining Omitted

In order to test the extent of the influence of hazard on the compensable injury rates and average compensation awards for older and younger workers, the analysis of 1956 figures was re-done omitting the mining and quarrying industry. Data for this industry were removed from the employment estimates, as well as from the amount of compensation and number of compensable injury figures. Tables 4 and 5 present the results of this analysis.

The compensable injury rate for older workers dropped from 11.72 to 10.31 per 1000 workers as a result of excluding the mining and quarrying industry. The rate for younger workers fell also, declining from 9.92 to 9.22 per 1000 workers. Nevertheless, the gap between the older and younger worker rates was narrowed from 1.80 to 1.09 compensable injuries per 1000 employed workers. The fatal compensable injury rate was reduced from 0.21 to 0.11 for older workers and from 0.14 to 0.10 for

younger workers. Accordingly, the spread between the older and younger worker rates was diminished from .07 to .01 per 1000 employed workers.

The permanent total disability rate declined from 0.05 to 0.03 for older workers, but remained unchanged at 0.01 for younger workers. Therefore, the difference between the older and younger worker rates was lowered from 0.04 to 0.02 per 1000 employed workers.

The permanent partial disability rate decreased from 0.69 to 0.50 for older workers and from 0.65 to 0.51 for younger workers. Hence, the older rate per 1000 employed workers dropped from 0.04 above to 0.01 below the younger worker rate. The temporary disability rate dropped from 10.77 to 9.68 for older workers and from 9.12 to 8.60 for younger workers. This brought the excess of the older worker rate over the younger worker rate down from 1.65 to 1.08 per 1000 employed workers.

With the exclusion of the mining and quarrying industry, the small difference between the older and younger worker compensable injury rate of occurrence per 1000 employed workers are reduced to insignificance for fatal, permanent total and permanent partial disabling compensable injuries. For temporary disability compensable injuries the older worker rate still remains slightly in excess of that for younger workers, although the margin of difference is substantially reduced. Nevertheless, this remaining difference can hardly be considered as an appreciable one. The fact that the older worker temporary disability rate of occurrence exceeds the younger worker rate by 1.08 per thousand workers, could mean at most 1,700 more temporary disability cases in 1956 throughout the entire State in all nonfarm industries other than mining and quarrying (i.e., $1.08 \times 1,571$ employed older workers).

The average amount of compensation per employed worker was reduced from \$6.24 to \$4.20 for older workers and from \$4.40 to \$3.56 for younger workers for all compensable injuries combined. Thus, the difference between the older and younger workers' averages was lowered from \$1.84 to \$0.64 per employed worker. For fatal injuries the average compensation per employed worker was dropped from \$1.47 to \$0.78 for older workers and from \$1.45 to \$1.12 for younger workers. Accordingly, the older worker average was lowered from \$0.02 above to \$0.34 below the younger worker per employed worker. For permanent total disabilities the average compensation per employed worker was decreased from \$0.55 to \$0.31 for older workers and from \$0.15 to \$0.09 for younger workers. Hence, the span between the older and younger worker averages was reduced from \$0.40 to \$0.22 per employed worker. For permanent partial disabilities the average compensation per employed worker was dropped from \$0.98 to \$0.79 for older workers and from \$0.82 to \$0.70 for younger workers. Therefore, the gap between the older and younger worker averages was reduced from \$0.16 to \$0.09. For temporary disabilities the average compensation per employed worker was lowered from \$3.25 to \$2.31 for older workers and from \$1.99 to \$1.67 for younger workers. As a consequence, the difference between the older and younger worker averages diminished from \$1.26 to \$0.64.

After excluding the mining and quarrying industry, the slightly higher average compensation for older workers for permanent disabilities was offset by the somewhat lower average compensation for older workers for fatal injuries. This left temporary disabilities accounting entirely for the \$0.64 higher average compensation for older workers for

TABLE 4.
Incidence of Compensable Industrial Injuries for All Nonfarm Industries, Except Mining & Quarrying, Among Older
and Younger Workers in Pennsylvania for 1956

<i>Type of Compensable Industrial Injury</i>	<i>Number of Compensable Cases</i>			<i>Incidence Rate per 1000 Workers Employed</i>	
	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>	<i>Total All Ages</i>	<i>Under 45 45 and Over</i>
All Compensable Injuries	39,760	23,563	16,197	9.64	9.22 10.31
Fatal Injuries	428	258	170	.10	.10 .11
Permanent Disability Injuries	2,157	1,329	828	.52	.52 .53
Total	65	19	46	.02	.01 .03
Partial	2,092	1,310	782	.51	.51 .50
Temporary Disability Injuries	37,175	21,976	15,199	9.01	8.60 9.68

TABLE 5.
Amount of Compensation Paid for Industrial Injuries in All Nonfarm Industries, Except Mining and Quarrying,
to Older and Younger Workers in Pennsylvania for 1956

<i>Type of Compensable Industrial Injury</i>	<i>Amount of Compensation Paid to Workers</i>			<i>Average Amount of Compensation Paid per Employed Worker</i>	
	<i>Total All Ages</i>	<i>Under 45</i>	<i>45 and Over</i>	<i>All Ages</i>	<i>Under 45 45 and Over</i>
All Compensable Injuries	\$15,705,677	\$9,109,239	\$6,596,438	\$3.81	\$3.56 \$4.20
Fatal Injuries	4,079,271	2,850,402	1,228,869	.99	1.12 .78
Permanent Disability Injuries	3,733,900	2,004,456	1,729,444	.91	.79 1.10
Total	713,042	222,540	490,502	.17	.09 .31
Partial	3,020,858	1,781,916	1,238,942	.73	.70 .79
Temporary Disability Injuries	7,892,506	4,254,381	3,688,125	1.91	1.67 2.31

all compensable injuries. This is not an appreciable difference since at most it could amount to only about \$1,000,000 in 1956 throughout the entire State in all nonfarm industries other than mining and quarrying (i.e., \$0.64 x 1,571,000 employed older workers).

It should be clearly noted that this adjustment to exclude the mining and quarrying industry is only one means of demonstrating what effect the relative difference in occupational risk has on a comparison of compensable injury statistics between older and younger workers. If other measures could be taken to equate older and younger workers with respect to occupational hazards, length of exposure and wages, it seems clearly evident that older workers would be found to have the better record on both compensable injury frequency rates and average compensation costs per employed worker.

Unemployment Compensation

Employers frequently overlook unemployment compensation costs in their reckoning of the "fringe" benefit cost effects of hiring older workers. Such costs, however, are a part of the over-all payroll costs and should be considered along with the "fringe" benefit costs. Moreover, unemployment insurance benefits and "fringe" benefits are basically similar social insurances.

As a result of the employment age barriers which they face, unemployed older workers generally remain unemployed longer and draw more unemployment compensation than younger workers. This, of course, can have an unfavorable effect on an individual firm's unemployment compensation reserve fund balance and consequently its unemployment compensation tax rate. In addition, the drain of older workers' unemployment benefits on the unemployment com-

pensation trust fund, in the long run, may well have an adverse effect on the unemployment compensation tax rates of all covered employers.

A special study is being conducted to determine the effect of older worker unemployment on employers' unemployment compensation reserves and taxes. The Bureau of Employment Security of the Pennsylvania Department of Labor and Industry is conducting this study for the Advisory Board on Problems of Older Workers of the same department. Although the study has not been completed, some preliminary findings are available at this time.

A small representative sample of Philadelphia employers covered by the Pennsylvania Unemployment Compensation Law who employ eight or more workers was selected for inclusion in the study. The sample was stratified by major industry division and employer size, the size being based on the number of workers employed. A total of 271 employers was included in the sample, or approximately 2½ percent of all covered employers with eight or more workers. However, the sample size was graduated from one percent of the smallest sized employers (i.e., those employing 8 to 49 employees) to 20 percent of the largest sized employers (i.e., those employing 500 or more employees).

An analysis was made of the individual accounts of these sample employers to determine whether and how much their 1958 UC tax rates would have been reduced if the average duration of UC benefits for workers 40 years old and over during the fiscal year ending on June 30, 1957 would have been reduced to equal the average duration of the UC benefits for workers under 40 years of age during the same fiscal period.

Results of Sample Study

Based on the results of the sample study, it was estimated that a total of 2,133 employers already had the maximum UC tax rate as well as sufficiently low reserve account balances to preclude any reduction in their tax rates. Another 1,005 employers were already at the minimum UC tax rate and had high enough reserve account balances to prevent any reduction in their tax rates. No further analysis of the benefit charges by age was made for sample firms in those two groups. However, such an analysis is now being made and will be incorporated in the final report on this study.

Of the remaining 7,189 employers, an estimated 3,860 would have had neither a reduction in benefit charges to their accounts, nor a reduction in their tax rates under the assumption of a reduction of the average duration of UC benefits for older workers to equal the average duration of UC benefits for younger workers in the fiscal year ending on June 30, 1957. An estimated 1,595 of these employers did not have any benefit charges at all to their reserve accounts during the fiscal year. For the other 2,265 firms the average duration of UC benefits for younger workers equalled or exceeded the average duration for older workers.

An estimated 3,328 employers, however, would have had their benefit charges reduced, the total reduction amounting to \$3,056,708, or an average of \$918 per firm. Only 1,540 of these employers, however, would have had a 1958 tax rate reduction under the given conditions. The annual tax savings of these firms

would have amounted to \$776,921 or an average of \$504 per firm, based on their average annual taxable payrolls. The reduction in benefit charges to the accounts of these 1,540 firms would have totalled to \$1,300,692, or an average of \$845 per firm.

Although only 14.9 percent of the 10,326 firms would have had an immediate tax rate cut, it is significant to note that 46.3 percent of the 7,189 firms whose benefit charges were analyzed by age, would have had a reduction in benefit charges. This may very well signify that over a period of several years the tax rates of such firms would also be lowered. Accordingly, it would appear that a very substantial proportion of the Philadelphia firms covered by the UC law could reap UC tax savings if older workers experienced no more extended unemployment than younger workers. These tax savings would offset, in whole or in part, such added "fringe" benefit costs as might be incurred, if any, in hiring older workers.

Our careful analysis of the question points us to the conclusion that the hiring of older workers does not create a competitive cost problem for employers insofar as workmen's compensation and group life, health and accident insurance "fringe" benefits are concerned. Age barriers cannot be justifiably defended on such grounds. On the contrary age barriers are perhaps in the long run more costly to employers in terms of the higher operating costs, including higher unemployment compensation costs, which result from failure to utilize the valuable skills and attributes of older workers.

DAVID L. ULLMAN, ESQ., *Policy Consultant to the Secretary of Labor and Industry*, Co-chairman of Governor's Committee on Rehabilitation, former Chairman, Workmen's Compensation Board

The idea that a man's productivity goes down when he passes 40 or 45 is strictly a myth and not a fact. Lester Thomas will tell you that many of the men who are engaged in one of the most difficult forms of employment in the continent, who work in the anthracite mines, are in this category and would be called older workers, and that their productivity is at least equal to that of the younger men.

I know something about the quarrying industry. I know something about structural steel. I happen to represent the employers in the first and the union in the second, and I do know that the older men there are doing their full share of the work and producing as much. Their backs may not be as flexible. They may have a little arthritis. Anybody is entitled to it, when he is past 40, but the skill, experience and know-how they have accumulated far more than make up for that.

As to the inability to meet physical standards, physical standards for what? If the employer does a job analysis as to the physical requirements of the job, and then gives the man a realistic physical examination to find out if he is able to do that job, he will find out that, among the so-called older workers, the inability to meet physical standards for the job that he wants to fill is also a myth.

Now, as to the pension and compensation costs. As our principal speaker, Mr. Wingard, told us, the argument is that, if those costs are higher, it puts the employer at a competitive disadvantage. To some extent, that is true, but let me point out to you that, particularly with regard to workmen's compensation — and that is what I am going to primarily

direct myself to—the cost of compensation is part of the cost of producing a product, and the cost of repairing broken men is as much a part of the cost of production as repairing broken machines. The United States Supreme Court said that in *New York Central Railroad vs. White* and pointed out that that added element in the cost of production is added to the cost of the finished product. And in that thing, which is perhaps the peculiar genius of American industry, the production of quality goods at mass production prices, the cost is paid then in the first instance only by the employer, but is paid in the long run by the purchaser of the goods who benefits by the quality goods at mass cost prices.

Now, how much is that cost? The total cost of workmen's compensation and occupational disease compensation in Pennsylvania is less than four cents in the cost of a ten dollar item, less than four cents. Now, we read the newspapers every day and it is a hard job finding a news column because of the ads of sales and cut prices in sales. Does anybody advertise they have cut the cost of a ten dollar article four cents and expect to get purchasers for a bargain? Of course, not.

Now, let's analyze how that four cents is made up. Let's take one dollar for easier analysis, 40 cents of that dollar goes to the insurance company for acquisition, overhead and profit. Twenty cents of that dollar goes for medical, and only 40 cents out of that dollar goes for disability benefits. Applying that to the four cents total cost, that leaves one and six-tenths on a ten dollar article as the total cost of disability benefits and occupation

disease benefits throughout the Commonwealth on the average.

Safety is Important

Now, let me point out another factor to you. We will admit that the cost of industrial accidents has an influence on the competitive position of any manufacturer, but compensation benefits are but one part of the total picture. The problem of the industrial accident has three parts. The first one is safety. The best accident and cheapest accident is the one that never happens.

Better safety programs would do more towards cutting the cost and improving the competitive position of the employer than any deduction or reduction in workmen's compensation costs, and I can prove it. Throughout the years, every time compensation rates have gone up the incidence of accidents, the number of accidents per thousand man days, has gone down. Why? Because, as an injury costs more, it becomes profitable for the employer to spend more on the safety program, and he does so, and the number of accidents goes down. This is even more true of occupational disease; industrial poisoning is almost totally preventable, for occupational disease hazards are exclusively and peculiarly within the control of the employer. If they can be eliminated by a compensable and adequate safety program, the cost of occupational disease can become negligible. And too, as it becomes profitable to spend the money for such programs, the number of compensable occupational disease cases goes down and goes down drastically. In all fairness, however, it must be borne in mind that where disability due to occupational disease is the cumulative effect of long and continued exposure such as silicosis, the improvement in safety programs may come to prevent disability from the damage that has already been done.

Eliminating the hazard drastically and dramatically decreases the cost of disability.

Now, I cannot prove it in the 1956 Act, which is our present one, because it has not yet been long enough in existence for us to have reliable statistics upon it. I want to point out to our principal speaker, and I will later, that that same fact, to a considerable extent, invalidates the statistics that he has given us and that, actually, the figures, I am sure, will prove to be more favorable to the older worker than the ones in 1956. I will get to that subsequently.

The first and the most important factor in the cost of the industrial accident, therefore, is safety. Safety programs work better with older employees than with youngsters. The older employer is more concerned, less rash. Therefore, in this respect the older worker is a better risk than the young man. The second is the cost of workmen's compensation. The third factor is rehabilitation. Your Chairman mentioned that I am now Chairman of the Governor's Commission on Rehabilitation. How did I happen to get in that, a lawyer?

Better Rehabilitation Needed

When Lester Thomas and I were working in 1955 and 1956, trying to get Pennsylvania, for once, a modern accident workmen's compensation law, the question came up repeatedly that we can afford to give better benefits if there were better rehabilitation facilities, if greater attention were developed towards restoring the workman to his optimum physical condition and to get him back to work in the minimum time. Everybody agreed to that, and everybody spoke highly of rehabilitation. I am sure that we got the feeling that in this kind of thing, like mother love, too few people did anything about it.

The same Committee we were on made a recommendation to the Gov-

error to appoint a Commission on Rehabilitation, to take a long look at the problem and see what could be done. I am not going into that now, but please take my word for it that a great deal can be done and a great deal has been done, but much more remains to be done. Employers and insurance companies must learn that rehabilitation must start as soon as the blood stops flowing and that the cheapest dollar they can spend is the one that returns a man to his best productivity in the shortest time. Those two factors, safety and rehabilitation, are at least as important in the competitive position of the employer as the cost of workmen's compensation.

Now, I am going to try and be brief. What we are interested in, in trying to persuade employers today that it is economically not expensive to employ older workers, is not what the Workmen's Compensation law used to be, but what it is now and what it will be at the time they employ any new employees.

Cost Cuts for Older Workers

There are two important changes in our present Workmen's Compensation law that cut down the cost of compensation to the older employee. Let me point out what they are.

We are not so much interested in the number of accidents, insofar as competitive cost bases are concerned, as in the dollar impact of the accidents, the cost of them, and by far the most expensive ones are those where a man is totally disabled and remains totally disabled and never gets rehabilitated. Under our present law, where a man is in that condition, he receives the maximum compensation of \$37.50 per week without a ceiling in amount and without a ceiling in time. He gets it as long as he lives, if he remains totally disabled. Those are the most expensive accidents by far.

Now, this is simply common sense. You don't need statistics to establish it. If a man of 25 becomes totally disabled, he is going to live longer than a man of 45, who, likewise, becomes totally disabled. It is simply a question of longevity, so that the cost of such an accident to an older worker is, and must be, substantially less than the cost to a younger man.

The second most expensive are the fatals. Now, in the fatal accidents the widow receives payments for 350 weeks. The children receive them until they reach the age of 18. It requires no statistics to establish that a man of 45 has children of older age and, therefore, the employer has to pay a shorter period of time until the children reach the age of 18, with an older man than he does with a younger man. It is common sense.

Therefore, in these two most expensive categories of accidents, and those two take up a substantial part of the dollar impact of compensation, the older man is a cheaper man to hurt or to kill than the younger man.

Now, as to the other types of disability. Our speaker has referred to the "permanent total." The "permanent total," under the compensation law, is a deceptive phrase. It means only one thing. It doesn't mean a man totally disabled and remaining so. He is still considered a "temporary total" until he dies.

A "permanent total" is a man who is a double amputee, a man who loses by accident, both arms, both legs, both eyes, or one arm and one leg. Those are scheduled losses, and the only permanent total is the double loss. There are a few of them in the older men. It doesn't necessarily follow at all that they cost the employer more, because he may have lost one of the limbs before he is employed and before he has the second accident and, if true, then the employer does not pay for the total permanent disability. He pays only for the specific

loss, the loss of the arm that occurred in his employment, and the balance of the compensation for the total disability which is the cumulative effect of that loss, plus the earlier loss, is paid out of the second injury reserve account, so that impact is taken off the shoulders of the employer.

As to what is called "permanent partials," they are also lesser, what I will call amputations, loss of fingers, toes, a hand, an arm, one eye. There, the cost is exactly the same, whether it is an older or younger man, because you pay for a certain number of weeks without regard whether that man is partially disabled, totally disabled, or has no disability of any kind whatsoever, and that can happen. A man can lose an eye and five weeks later be back doing the same work for the same wage, because not all employment requires binocular vision.

Compensation Rates Low

Now, one or two points our principal speaker made, I do not entirely agree with. He said one of the reasons for the higher cost to the older men is that they receive higher wages because of their greater seniority and experience. In spite of your liberalized compensation law, it is still true in this State and in every State in the United States, except one, that the compensation rates are so low that almost everybody gets the maximum. Here, in Pennsylvania, it is \$37.50.

The average wage, in Pennsylvania, of everybody, including the person who sweeps out the room, is \$80.00 a week in round figures. In order to get the maximum compensation, your wage only has to be \$56.00. Without going into details, the wage for compensation purposes is liberally computed and liberally construed, so that the vast majority of all the people receiving compensation for total disability are getting the maximum without too much regard to their

seniority, or whether they are top wage potential.

Now, here is one other factor, which I think is a potent factor in your sales talk. You have got to know something about how premiums are assessed on the employer. If the premium is under \$500.00 per annum, it is a strict schedule premium taken out of the book of the Pennsylvania Compensation Rating Bureau, prepared without regard at all to the experience of that employer. It is the same whether a man is hurt or not. So, then, on the small employer it doesn't make a dime's difference whether a man gets hurt or not.

Between \$500.00 and \$2,000.00 premiums, they have what they call "experience rates," but there are certain built-in safeguards, so that, even there they lessen the impact of a bad experience, a total permanent case that lasts for life, for instance if a man is killed and he has a wife and six children, and there is going to be a big compensation bill to pay.

Over \$2,000.00 it is what is known as "retrospective rate." They take the employer's expense for the past five years, average it up, and then put on it overloading for the insurance company's expense, and use that for the premium. There is also a built-in safeguard there that, even in a catastrophe, under no circumstances is there any increase of more than ten per cent in the rate.

No Competitive Disadvantage

In conclusion, this argument as to the competitive disadvantage is strictly, if I may say so, a "phony." I think, two years ago, there were a series of conferences held between the Secretaries of Labor of New York, New Jersey, Connecticut and Pennsylvania. When it came to the conference on workmen's compensation, we found out that in New York the employers were saying that our compen-

sation rates are so high in New York, it is driving industry out of New York into New Jersey, Pennsylvania and Connecticut, our adjacent States. In Pennsylvania, they were saying, under our new law, the compensation rates are so high, it is driving industry out of Pennsylvania into New York, New Jersey, Connecticut. In New Jersey and Connecticut, they were saying the same thing.

I can only say that, in my opinion, I do not believe that any industry ever moved from one State to an ad-

jacent State to get a more favorable compensation rate, because here, in this group of States, we are substantially at a similar level, and the total cost of compensation, as I have pointed out to you, is so infinitesimal a factor in the competitive position of the employer that it plays no significant part. In that infinitesimal part of the cost, the difference, if any, that there would be between employing older men and younger men, is an infinitesimal part of an infinitesimal part in a man's competitive position.

LESTER THOMAS, *International Representative*, United Mine Workers of America

I agreed with a statement that Mayor Dilworth mentioned, when he said that, in his opinion, the problem of the older age worker was not a problem for Pennsylvania or Colorado, or any other individual State, but, that, in his opinion, it was a Federal problem, and could be solved only on a Federal level. I agreed with him, also, when he said that the powers that be in Washington should take cognizance of that fact and work in that direction, and see whether some solution can't be accomplished in this particular problem on a Federal level.

In Mr. Wingear's paper, he mentions the fact that employers are reluctant to hire older workers because of the increased costs it might impose upon them. I often wonder whether employers actually believe that, or whether they are reluctant in hiring older workers, if the cost may be relatively slight, it may put them at an unfair competitive advantage over employers in other States and, that again, is where I say that it is a Federal problem.

The enactment of our social laws in Pennsylvania, namely, Workmen's Compensation and unemployment

compensation, were certainly not intended, when they were enacted, to create unfair competitive advantages for the employers in Pennsylvania over those in other States. It is my belief that both of these laws have drifted into that category.

Your unemployment compensation law today has so many different tax rates for so many different employers that it is really difficult for one employer to bid against another employer on a particular job, or particular project, and the cost of that tax, at times, is the difference between an employer receiving a bid or not receiving a bid.

These both laws have quite a history for any one who is familiar with them. Your Workmen's Compensation law was enacted in the session of 1915. There were no amendments or improvements made to the Pennsylvania Workmen's Compensation law from 1915 until 1937, with the exception of one slight administrative change they made in the 1929 session.

There is no person, or no group of persons, in my opinion that possesses the qualification for writing a law. There is no law that would not need improvement for a period of over

twenty years. But that is what happened in Pennsylvania. Throughout many of those years, I have been trying to improve the benefit structure of that law, and many times I was told by different employers that they could easily stand the cost of increased coverage but it would place them at an unfair competitive advantage with employers in other States.

Uniform Law

So, I am going to propose something here, today, that might be a little revolutionary. Fifty years ago, when somebody would advocate the enactment of unemployment compensation laws, most people thought he belonged in the insane asylum. Nevertheless, we have enactment of unemployment compensation laws in all of our states today, as we have workmen's compensation laws.

In order to create, or to kill, the theory, or the reluctance on the part of the employers, that it would place them at an unfair competitive advantage with employers in other States, I would say that we could propose the federalization of both workmen's compensation and unemployment

compensation laws. Let them place benefit rates, and let them enact benefit structures that would be uniform throughout the entire Nation.

It is my belief that the loss of an arm to a worker in Pennsylvania should not be compensatory for any more than the loss of an arm for a worker in Oklahoma, Arkansas, or any other State. I think it is just as vital to him as it is to the worker in Pennsylvania. I don't believe that the benefit structure of your unemployment compensation laws should be any different in Pennsylvania than they are in West Virginia, and with the structure of those laws today, the structure of the tax rates in those laws, leads me to believe that there is an unfair advantage competitively with various employers in various states.

That is why I say, let's federalize them both with a uniform tax rate and, on the question of tax rates for unemployment compensation, we can create an incentive whereby certain tax exemptions would be made to employers with a certain percentage of the older workers, as we class them, who are now on his payroll, or who may be placed on his payroll.

Panel No. 6

**REPORT ON THE PHILADELPHIA PILOT PROJECT
ON COUNSELING, TESTING AND SELECTIVE
PLACEMENT OF OLDER WORKERS**

Chairman, JOSEPH H. BRITTON, Ph.D., Associate Professor, Child Development and Family Relationships, Pennsylvania State University, Member, Advisory Board on Problems of Older Workers

For approximately six months, intensive efforts to place older workers in satisfactory employment in the Philadelphia area have been made by the State Employment Service under a grant from the Federal Government. The results of this project were reported by Dr. George Snyderman, under whose direction the project was carried out. The other panelist commented on his paper.

GEORGE S. SNYDERMAN, Ph.D., *District Counseling Officer, District No. 1, Bureau of Employment Security, Philadelphia*

For several years, the Commonwealth of Pennsylvania has been actively interested in the welfare of its senior citizens. That this interest has not been academic is evidenced by the passage of recent legislation designed to tackle the various and difficult problems our mature citizens are forced to deal with. One of these, Act 475, set up in the Department of Labor and Industry an Advisory Board on the Problems of Older Workers with power to "advise the Secretary of Labor and Industry upon all matters related to the problem of aging and the aged, including the formulation of policies and programs to inform, guide, and assist the Secretary in the performance of his duties and responsibilities with respect to the problem of aging and aging persons . . ."

These meetings, and this study which we are discussing here, are being cooperatively sponsored by the Advisory Board and the Pennsylvania State Employment Service of the Bureau of Employment Security. I might also add that it is fitting that the Bureau conduct such research and sponsor such meetings in Philadelphia, for in this very hotel and in this city, the first older worker meetings were held (1952). We have had several studies since then and held several conferences. We have made good, but not sufficient progress. It is hoped that study and this conference will help us find more answers.

In 1956 the city was part of the Seven City Study (Philadelphia, Pennsylvania; Worcester, Massachusetts; Detroit, Michigan; Minneapolis-St. Paul, Minnesota; Los

Angeles, California; Miami, Florida; Seattle, Washington). This study uncovered and classified many new facts about older workers and if you have not yet seen or read them, we urge you to at least read "Older Workers' Adjustment to Labor Market Practices" (Bull. R 151) and "Counseling and Placement Services for Older Workers" (Bull. E 152) published in September, 1956 by the U. S. Labor Department. These and other studies which deal with pensions and retirement; collective bargaining, etc., are on sale at the Government Printing Office for a nominal price.

Time does not permit a full discussion of all the findings and results of the Seven City Study or the studies presently being carried on. It must suffice to say that the most important result in terms of operations was the decision of the U. S. Department of Labor in 1957 to provide Philadelphia with special funds to hire two older worker specialists and 12 older worker counselors, who devote all their time helping older workers resolve their employment problems.

Action Emphasized

The present project has emphasized action. Pure research, though important, has been secondary. The study has been designed to learn more about applicant interests, reactions and behavior. It has quantitative aspects too—but I shall report on the qualitative side since as a practical counselor I have to be interested in Tom, Dick and Harry and not their arithmetic mean, or standard deviation. I have to know about Tom's behavior or lack of it in a job situation if I am to help him.

Why then did we get involved in another study?

1) We wished to try to isolate counseling problems and determine, if possible, to what degree these can be resolved by employment counselors.

2) We wished to determine better ways and means of utilizing community resources.

3) We wanted a larger sample to work with and we wanted to try to see what can be done in a depressed labor market.

4) We were and still are interested in the older worker's tolerance for work. We had hoped to be able to report that we had had better instruments for measuring attitudes, temperaments and motivations. It is not yet possible to make any statement except that the Bureau and Temple University are still working on the problem. When the data from this phase of the study have been field-tested for reliability and validity we shall be able to add to our techniques for evaluating physical capacities and physical demands. We shall then have a total portrait of a worker and shall be able to isolate those oldsters whose personality hinders their adjustment in the world of work. This will help the community agencies do a more effective job in the areas which are their province.

5) We wished also to study the effect of our efforts on the employing community. Had we made any headway since 1952? Was it as difficult now to place the oldster? Could we expect any cooperation? And what did we need to do to get more effective help from employers, who, in the last analysis, were the key to the whole problem? For now we can say, that there has been considerable progress in the right direction, but too many employers have yet to be shown. The Bureau, the Advisory Board, and special citizen's committee, we are certain, find employers' attitudes need to be changed in the future.

Although we began to incorporate the recommendations of the Seven City Study at a much earlier date, we

did not begin the new older worker study until November 1, 1957. It was on this date that older worker counselors were assigned to 12 local offices and were required to spend all their time working on the oldsters in the experimental sample. They have not yet finished their work—the statistics we shall discuss are as of May 1, 1958. There will be additional activities and placements—we know, and when the study is completed these counselors will continue to devote all their efforts toward helping individual oldsters with employment problems to adjust.

Selection of the Sample

This study compares the characteristics of two groups and then shows the effects of certain types of activities. A control group of 7,609 was selected at random from unemployed applicants, 40 years of age and older in each of the 12 local employment offices. The experimental group was selected on the basis of the applicant's need and desire for special service. Excluded, therefore, were pensioners not really wishing to continue in the labor market, and seriously handicapped individuals who either could not or did not wish to embark on a plan of physical rehabilitation to become employable.

This was, therefore, not a random sample in the true sense. However, the sample was representative of the oldsters registered in our twelve offices, for counselors were instructed to select applicants from all occupations, and to deliberately seek out the proper proportion of oldsters in each occupational group; and to include the same proportion of handicapped as was in the active file. As things worked out, however, there was a larger percentage of handicapped applicants in the experimental group—20.0% as compared to 11.2% for the control or mainstream group. Aside from this factor, which obviously

made the task of the older worker counselor more difficult, the samples were comparable with respect to the applicants' occupational, industrial and interest background. Using samples from 12 different offices, therefore, results in a total older applicant picture for the area. In effect, this means that the samples from Germantown, North Philadelphia, and Upper Darby should and do reflect a greater proportion of clerical and professional oldsters than do Kensington, Frankford, West Philadelphia and Woodland. Samples from South Philadelphia, Mid-City, and Uptown should and do reflect a greater proportion of unskilled workers. Taken as a unit, however, we do have a better than good approximation of the occupational, social, economic and other characteristics of older workers in Philadelphia.

Applicants in the control group were given only those services which the average applicant was provided with at the time of the study. If, for example, one needed counseling, this special service was explained and offered. However, counselors were instructed not to do anything other than the type of counseling outlined in the manual of operations. Counselors were also limited by a time factor of approximately 50 minutes per counseling interview. These limitations, together with the serious condition of the labor market and the consequent abnormally heavy applicant load, precluded much "special service" to the control or mainstream group. It would seem that there is a lesson to be learned from this during periods of adversity, special services and programs are likely to go by the board, unless they are adequately staffed, administered, supervised and evaluated, and this costs money.

Placement Results

Services given applicants in the special services group (experimental)

continued unabated despite the recession. Continuing counseling included testing, any number of face to face interviews, continuing job solicitation, job development, panel interviews and follow-up, for those oldsters needing and wanting the special services. The results of 580 placements for 1,609 applicants are gratifying. Results of total services given are even more evident when one notes that only 50 placements were made for the 7,609 applicants in the mainstream or control group. One is tempted to crow even louder when one notes that of the 263 handicapped in the experimental group 84 were placed as compared with only 6 of the 747 in the control group. But crowing serves no real purpose. We must continue and broaden our efforts for we are certain that we get results *no matter what the condition of the labor market*, but they cost more and are more difficult to attain. The community will have to decide whether this service should be provided regardless of cost.

What can we say about older workers generally? You simply cannot categorize problem types. Generalizations are dangerous and tend to perpetuate the damaging stereotypes of those who wish to demonstrate the impossibility of utilizing older workers. The fact is—each oldster is an individual with his own particular problem and these can never be defined solely on age. Many oldsters have problems which must be handled prior to or concomitant with the employment problem. Therefore, good counseling dictates that these oldsters be referred to a community agency so that the problem be dealt with in toto.

There is nothing in our results that would indicate that oldsters, per se, have deep rooted feelings of inferiority, or are candidates for psychiatric therapy. The fact is, the majority resent the implications in recent cheerless psychological tracts

and weighty volumes. Our study indicates that many oldsters will resolve many of their so-called personal problems if given adequate time and attention. This means in some cases a whole series of interviews, so that the counselee can balance all the alternatives and recognize that his demands are unrealistic and his fears have no basis in fact. The oldster who learns to see this and accept this, usually comes to grips with his problem and is able to adjust to work.

It must be noted that the personal problems of oldsters reflect the socioeconomic and cultural patterns of their group. In Philadelphia, for example, those who come from neighborhoods where there is a variety of social problems, i. e., housing, chronic unemployment, delinquency, alcoholism, are often less motivated to work, and their level of aspiration is likely to be low. Likewise, individuals from the upper class families in upper class neighborhoods, are most apt to be better motivated and have a higher level of aspiration. This effects the type of counseling and role that the counselor will play.

Occupational Differences

If there is such a thing as an occupational class structure, we get a glimmer of it in this study. Clerical workers, as a rule, are more apt to wait until the right job comes along. Is this because they have social and economic resources and possibly less debts and liabilities? The blue collar workers, especially the unskilled worker, will more likely accept the first job that even comes near his last one. As the period of unemployment of the blue collar worker lengthens, his anxiety increases. Is this because he often has few resources, or is this the pattern for his occupational group?

The so-called "weaker sex" have ideas peculiar to themselves. Females, especially those who are not the

primary wage earners, are apt to hold out and wait for the job that is just right. This is particularly true of the women with professional and semi-professional backgrounds in the so-called glamour industries, i. e.—radio, TV, advertising, this is less true of the clerical occupations. The girls from the wrong side of the railroad tracks who really have to work accept any suitable referral with considerably more alacrity. And this is even true for the few white collar workers from this group.

Older older workers (60 plus) in the experimental group tended to deliberately play down their experience and even court downgrading in order to get work. Such statements as “it’s time to give the young a chance,” reflect this willingness and may also account for their desire to hold on to some kind of industrial work even as an unskilled worker, in order to stay in industry. Staying active and in industry has both socio-economic and psychological connotations. Leaving industry for jobs in hospitals, restaurants and institutions for oldsters, especially the 40 to 50 group with considerable and continuing work experience, is viewed with profound distaste. It is a social as well as an economic step down. One skilled person expressed a willingness to accept unskilled work in a factory “where they make things, and where maybe I will get a break.” Those older workers who will not need to make an occupational change, in addition to an industrial change, i. e., maintenance mechanics, fireman, etc., are most apt to accept work in an institutional setting.

Age A Difficulty

Although the problems of older workers are usually complicated by other factors, the truth is that many do experience difficulty solely because of their age. There are many cases in the sample of oldsters with good work

histories and employer references who lost their jobs because the employer went out of business, moved out of the area, or merged his activities with another firm. The initial cause of unemployment was not age, but age has caused continuing unemployment. Those oldsters over 55 in this group had been unemployed for a considerable length of time and insisted that their problem was solely one of age. The oldster is obviously *not* interested in discussing underlying causes—he looks for constructive action.

Other reasons given by applicants are as follows: technological changes—several, for example, reported that the installation of new vacuum cleaners by a bus company caused their layoffs; women returning to the labor market because their husbands were unemployed and/or not earning enough to meet the rising costs of living; women entering the labor market for the first time or returning to it after a long absence because of the husband’s recent and/or untimely death; physical and emotional handicaps—recent, reoccurring or permanent; oldsters who retired and must return to work on a full time or part time basis because they cannot manage financially or “cannot stand idleness.”

Older workers’ ways of coping with their problems are sometimes neither constructive nor plausible. Many indicate that they have tried reducing their age—hoping that “employers would not find out.” This makes it difficult for our counselors who have a responsibility to the employers in addition to a responsibility for applicants. Counselors, therefore, devoted considerable time and effort helping these applicants face the reality of their situation. Further, many oldsters desperately try to lie about their experience “in order to get a chance to prove” to the employer they can produce. These oldsters usually get caught in a web as they try to prove their case. These

are the oldsters that talk too much or too little during the interview with the employer and try too hard where given an opportunity. Counseling helps some of these applicants. Therapy is indicated for others.

Counseling Important

Once an oldster can see, understand, and accept his problem, he is well on the road to resolving it. *Here is the essential value of good employment counseling*—for if after a series of interviews, this has been achieved, the vocational plan is relatively simple. Achieving the goal set forth in the plan, too, can be relatively direct and simple, especially where the oldster has been given sufficient latitude to make a choice in line with facts and realities of his situation and the labor market, and the counselor really works at putting the plan into effect. Real understanding on the part of the applicant means he can if he needs to readjust his sights when and where necessary. In short he has learned how to define and cope with his problem.

It follows that stereotyped occupations which have been traditionally set aside for the oldster, like watchmen, timekeeper, matron, baby sitter, are unnecessary, for the oldster is like any other worker. He has a unique configuration of interests, aptitudes, work experience, which can be related to those job opportunities for which he is otherwise qualified. Our study indicates, beyond any question of doubt, that *many employers will buy qualifications regardless of age*. The problem in the future is getting more employers to see the light.

Many oldsters need to and should have training or retraining. Our counselors have helped some of these select an evening course of study and then helped them find work in the new field of work. This is an area

which needs more exploration by the Bureau and the school authorities.

Far too many oldsters refused to avail themselves of our free testing service. Some of them felt that they were too old; others admitted their fear of tests; while many masked their fears by stating "you can't substitute a test for the kind of work experience I have." Far too many of those who took the general aptitude test did so out of sheer desperation; or the feeling that taking the test obligated the counselor to giving more service than he would to those who refrained from testing. This attitude, our counselors feel, stems from the fact that the *present older generation is not educated toward testing*. Today's oldsters have not been oriented toward testing; the group generally has had little if any direct experience with tests. Moreover, the average educational level and reading ability is such that multifactor speed tests are not too helpful in the vast number of cases.

The General Aptitude Test Battery was originally designed for younger applicants. It would appear to us that a considerable number of older workers need to be added to each applicant sample. Likewise, some thought needs to be given to adding a larger "accuracy of work" factor, perhaps to replace the speed which the applicant and the counselor already know is gone. As it stands now, there is little point in referring for testing an oldster who lost his job because he "could not keep up with production."

For those oldsters (and youngsters too) with language limitations or handicaps, we need a non-verbal battery. Since many occupations do not depend on a verbal factor, it seems as though this factor is given far too much weight in a test which purports to test for native abilities necessary to learn to perform in a wide range of occupations. When and if

these two recommendations are acted upon, counselors will feel far less hesitant about referring oldsters for testing, and applicants will react far less traumatically to the tests.

Interest Lists

Similar comments may be made in the area of interests. The interest check list or inventory in use in all employment offices also is weighted in favor of youth and new entrants. The applicant in his fifties, for example, is apt to ridicule it, or be irritated rather than helped by it. For older workers, the Kuder is even less appropriate. We look forward to better tests for assaying interests, but please, Mr. Psychologist, let us have them developed and tested on mature workers and not high school seniors, college freshmen and psychology majors.

Counselors working with oldsters have profited by their experience. They have, we feel, accepted many new and taxing responsibilities under most trying conditions. Although some of their enthusiasm has carried over to other staff members, many

of the other counselors and interviewers still view programs for older workers as the special obligation of the older worker counselor. There is, here, a partial task that remains to be completed this coming year—mass indoctrination and orientation of all workers in every local employment office. We look upon this as a challenge but we expect to successfully complete this task.

There is no need for anyone to feel that older workers will ever crowd out the youth, the veterans, the handicapped, and/or any other applicant group. America needs the productive capacities of every single worker. Each worker has his own strengths which some employer, somewhere is waiting to use. It is our responsibility, as workers in the Pennsylvania State Employment Service, to bring these applicants and employers together. We are hopeful that management, labor and the community will join us in our effort. There need be no competition, belly-aching, or bloodshed. Collectively, we shall lick this problem as we did the problems of the physically handicapped, and the returning veteran.

WILLIAM H. WILL, *Education Director*, District Council No. 1, International Union of Electrical, Radio and Machine Workers

I would like to take just a minute to introduce myself to you a little more fully. It's not that I like to talk about myself, but I am here with certain biases or perspectives, and I think you ought to know about them.

First of all, our union is made up primarily of factory production people who work in the electrical plants in this area, people from Philco, Westinghouse, General Electric, RCA, the larger firms as well as a lot of the smaller shops with as few as fifteen employees. So

my perspective in this regard is basically a sort of blue collar perspective. However, we do have white collar and salaried employees in our organization, and we have had contacts with them in organizational efforts. Although I may have somewhat of a slant in the blue collar direction, I have had some contact with the white collar people, too.

My second bias is that in working with problems of older workers and in studying as little of the literature as I have, I have somehow felt that the problems of the blue collar worker

have been skipped over to some extent. I find that there seems to be more attention paid to the problems of the white collar person, the person with a little more education, a little more emotional and intellectual flexibility—the type of person who lends himself a little more easily to solving some of these problems. I think there has been a void in the consideration of blue collar people.

Validity of the Control Group

With that, I would like to say a few things about the structure of the study itself. I am not a statistician or a scientist, but I think some terms have been used rather loosely here and may lead us to some ill-founded conclusions. We have talked about a “control” and an “experimental” group. My concept of a control group is one which is identical with the experimental group, and I don’t think this is true in this study. My understanding of the so-called control group in this study, is one made up of people who are a random selection of applicants for employment through the State Employment Service. On the other hand, the so-called experimental group is made up of people “expressing a need and desire for counseling” along these lines. So I think, in fact, you have a very selective sample in your experimental group. You have people who already have, to some extent, a positive orientation to counseling and are at least past the emotional and psychological hurdle that so many older people face in seeking out assistance in finding employment.

I do not think it is fair to say that in the counseled group we achieved a success ratio of 35% or so, and without counseling the result was less than 1%. Really all that we can say is that under maximum or optimum conditions, working with people who were at least in some directions

positively oriented towards counseling, we achieved a placement ratio in the neighborhood of 35%.

There has been talk today of Horatio Alger, but this figure is depressing to me. If working with people who have a positive attitude, in a very intensive program, a very expensive program such as we have been working with here, we can achieve a success ratio of no more than 35%, I think this is a very disturbing figure.

Another thing that bothers me about the study is that it is a little unclear in terms of its success goal. What do we really seek? Is placement in itself the measure of success? If we place a person in a job, is that 100% success or are we more concerned about a positive overall adjustment to the new position?

I would like to know, for instance, how many of the 580 people remained on the job for a significant length of time. I think questions like this and a more precise definition of what we mean by success would be very helpful.

The third thing about the study that gave me a little trouble was that it primarily was concerned with “attitudes, temperaments and motivations,” and yet the results along these lines are not available to us yet. This is an area I am particularly interested in, and I feel frustrated that we can’t just now.

Occupational Class Structures

One of the things that struck me in Dr. Snyderman’s remarks was the comment to the effect that “if there is such a thing as an occupational class structure, we are beginning to get some sense of it here.” To me, one of the obvious facts of modern industrial life is the existence of a very pronounced, a very readily seen occupational class structure. We have the executive class, the managerial

class, the white collar class, the blue collar class, and so forth. Even within these classes we have classes.

The labor movement particularly in recent years is having more and more trouble with these class problems within the so-called factory worker class. Skilled trades people, for instance, are coming to assume a lot of the attitudes of a class within factory production workers.

I would guess that it would be very difficult to do an effective counseling job without further research in terms of this occupational class structure, because to me it holds many of the keys to the emotional and psychological problems that so many of our people face.

Let us consider for a minute some of the obvious differences between blue collar and white collar people. Among blue collar people the emphasis is on the physical attributes that they bring to the job—sheer strength, stamina, coordination, dexterity. These are the types of things that the blue collar person sells in the market, and which, as a matter of fact, decline as he reaches his old age.

On the other hand, by and large, the white collar class is not called upon to bring these things to the job. There the emphasis is in the mental area. The secretary may do nothing more strenuous than lift a cup of coffee. These people are symbol manipulators. They shuffle papers and that type of thing. The whole approach to the work is quite different. These are talents which may readily improve with age. In fact, an older white collar person may even better withstand the tedium of many of these white collar jobs.

The blue collar worker finds himself in a contracting labor force. The proportion of production employees as a proportion of the total work force is declining these days. On the other hand, the opportunities for

the white collar people are expanding. New jobs are opening up in the white collar and service industries.

The blue collar worker tends to be more rebellious, I think, in terms of his employment situation. The white collar person is more acquiescent. He tends to rationalize the difficulties that he runs into, and this is ever more clear from some of the experiences we have had in our organizing campaigns. Abuses such as arbitrary firings will produce an immediate explosion among blue collar people, but while the same abuse may produce an initial reaction among white collar people, the tendency is to explain the problem away and to adjust with as little conflict as possible.

The blue collar person is job-oriented. He is a machinist, or a tool and die maker, or an assembler, or a punch press operator. I think the white collar person tends to be more class oriented. He is an office worker. His identification with work is in a much broader sense.

I have spent a little time talking about some of these differences because of Dr. Snyderman's comments about some of the differences that he experienced in terms of socioeconomic level. I think perhaps the real key to the situation is not in terms of economic level but in terms of economic function. If we consider the way in which a person sees himself as an operative in the economy, the counseling problems may be quite a bit different. I would be very anxious to find out some of the actual results of your counseling in these terms.

Concomitant Problems

If there is any statement I would support in Dr. Snyderman's presentation, it is this one: "Many oldsters have problems which must be handled prior to or concomitant with the employment problem." I think that is

a bit of an understatement in the sense that many of the problems that we are going to encounter in counseling older people, especially in the blue collar areas, will have their roots way back perhaps in the youth of these people.

By and large these people feel themselves to be used by the economic system. They have a tremendous sense of insecurity. They have an awareness, I think, of their own limited contributions in terms of the employment market, and they have a real apprehension about the prospect of becoming an older person. We have to think in terms of life counseling in this connection and begin to prepare many of our workers very early for some of the realities that they are going to be facing.

This brings me to a series of words that were used in this paper: the "fears and demands" of the worker, and a "realistic adjustment" of these. Here we get into very subjective and difficult phrases. Take the blue collar worker, for instance, who has worked in the shop all his life. He has worked hard. He has had a job that has required a great deal of physical strength. This is, in fact, the source of his self-respect. He has a job that not many men could do, and he is proud of it in these terms.

We meet this person when he gets to be forty-five or fifty and is no longer able to carry on. We convince him that it would be "unrealistic" for him to accept anything except a job as a hospital orderly. Is this a successful placement? Is this enough? Have we really solved the problem of this particular worker? Perhaps we have convinced him that he should accept this new job, but we might also have convinced him at the same time that he is now actually on the scrap heap.

I think that fears of finding these things out are the real source of much of the hostility and the difficulty you have encountered in your testing programs, as well as the reluctance of many people to enter into the counseling program as a whole.

Misplaced Optimism

In conclusion, I would like to point out that if there is any statement that I would disagree with in Dr. Snyderman's presentation it is the one that he wound up with: "Each worker has his own strengths which some employer somewhere is waiting to use." I don't know quite how to cope with this. I can't honestly believe, Dr. Snyderman, that you believe this. In terms of my experience, this simply is not true!

I am very concerned about the problems of the older worker, but I don't think we ought to kid ourselves about them. I think that as a matter of fact many of our people by the time they have reached the age of forty or forty-five are for all practical purposes unemployable in modern society. I don't think we ought to kid the older workers about this, and I don't think we ought to try to kid the employers about it, either.

I am very sympathetic with the problems that employers face here, and I think that all things being equal, an employer is perfectly right in saying that he would prefer to hire a younger as opposed to an older worker. I take a rather dim view of cliches which try to generate optimism which has no justification.

I think that the figure of 50 placements out of 7,600 applicants is a real shocker. To me, it means that counseling can at best play a relatively minor role in solving the problems of our older workers.

These problems are not just job-placement problems, but broad social ones. To meet them, we need an

aggressive national full employment program, and a more realistic social security system, at the very least. Perhaps I have been a bit rough on the counsellors, today. But I am

anxious that we keep counseling in its proper perspective, and not try to promote it as THE answer to the problems being considered by this conference.

BERNARD ORR, *Personnel Director*, Philadelphia Housing Authority

Mr. Will's theme song seems to be: "Place the best and shoot the rest."

I am likewise disturbed at the magnitude of the placement problem that faces the Employment Service and that faces the community. I do not feel, however, the pessimism that seems to have gripped my associate on this panel.

The Employment Service does have, however, a major problem here, and has to begin to think about it and to work with it, and to do something with it that has not yet been done. What I am trying to say is that a fresh approach is needed.

The slow, creeping and ever-growing type of emergency that is the unemployment of mature workers is not one that men of goodwill, regardless of how energetic, can solve by mere inquiries and exhortations. One interviewer or one counselor on one telephone can only do so much, and in a period of economic decline only so much less.

If the Employment Service is to remain a useful and functional organization, it must be able to do something for the employer and for the applicant that they can't do for themselves as effectively. That means tools, techniques, interviewing skills and placement methods above and beyond the arrangement of a meeting between potential employer and prospective employee.

In or about 1947 the Employment Service put into use the General Aptitude Test Battery. This is an excellent series of examinations designed to

help young people plan their futures. Two or three years later the Employment Service put into effect an interest checklist. This was designed to help young people translate their likes and dislikes into possible occupational choices and rejections.

Asking mature workers to take the General Aptitude Test Battery and to fill in the interest checklist makes as much sense as asking these same people for their time in the 75-yard high hurdles. If older workers resent this treatment, it is another proof of their good judgment.

The local office interviewer-counselor, no matter how zealous, industrious or resourceful, cannot do the job with the wrong tools. You may occasionally catch a sea bass in a crab trap, but with the same luck, energy, time and a rod and reel you will have fish on your dinner table instead of just plain crab meat.

The Employment Service must develop tools and techniques for the study and placement of mature workers, and must train the interviewer-counselor in the uses thereof. Instead of an Advisory Committee we need a "Vigilance Committee" to determine that the methods of coping with this problem are developed before the problem grows and creeps beyond our ability to cope.

The non-verbal generalized aptitude test mentioned by Dr. Snyderman is just a beginning, and, I am sorry to say, in the placement of mature workers not a very good beginning. The Employment Service,

which took aptitude testing out of clinics and laboratories, must try to do the same thing with personality testing; and I use the word "personality" broadly.

We hear so much about "set in their way," "difficult to work with," "inflexible" and all the other cliches that disturb Mr. Will as much as they disturb me, but we have to know just how set, how difficult and inflexible is Joe Jones, age 63, the applicant before us for a position with an accounting corporation. We have to know just how placeable is this person, and we don't know now. Generalities and the philosophical approach don't work in individual placement.

How fast can Joe Jones learn new tricks? We don't know and we need to know. Ability to learn is different at different ages and in different occupations. Let us learn generally to measure it in the occupationally ma-

ture, and let us learn specifically to measure it in applicant Joe Jones, the man before us who needs a job. Let us have some practical tools that energetic men and women of goodwill can use in their daily interviewing and counseling. Current tools are pathetically inadequate.

Industry and the hiring public in general must determine that our friends get the tools they need to do the job that faces them. The record of the local counselor-interviewers, 580 placements for 1,609 applicants is, indeed, gratifying, as Dr. Snyderman indicated. But what about the remaining 1,029? How much does it cost the community in just dollars and cents for these 1,029 experienced and mature people to remain idle? Unemployment insurance, old-age assistance, Red Feather agencies, and other community organizations are beginning to feel increasingly the impact of this creeping crisis.

HIGHLIGHTS OF THE DISCUSSION

In response to a request from the chair, Dr. Snyderman clarified his remarks as follows:

"I had hoped that we wouldn't get involved in these statistics, but let me clarify a number of things that apparently I did not make clear. First, let me speak about the experimental sample. These applicants were all interviewed and, in some cases, counseled first to see whether the need was there. They were not selected simply because they indicated a need. Our counselors talked with them, and we talked with many older applicants in order to get the 1,600-odd cases. It wasn't as though the applicant came to us and said, 'I am over forty and I need counseling and I need this special program.' We were the ones that worked this thing out with him and if he didn't want special service, he didn't get it.

"With respect to the final conclusions, we are a public agency which offers the service and which must have a goal—that is, to place every one of the applicants that comes to its offices if it is humanly possible—therefore, we have to believe (this is our creed) that somewhere, some place, there is an employer that will be able to use this applicant; where this applicant can make a contribution by working there, not because he is old or because he has a physical handicap but only because the applicant performs useful work.

"Without that I think we might just as well give up, because the Employment Service traditionally does not get the carriage trade. Talking now for Philadelphia, we don't get these highly skilled tool makers without any problems except when some employer closes down and then

only when no one wants them. Most of our applicants have problems.

"This is a costly process, and you have indicated it. These 580-some placements that we made came with a good deal of sweat. Some of these applicants were seen as many as sixteen times before we could begin to make a referral. This means in a sense that we were working with them for all these hours, agonizing sometimes for both the applicant and our counselor.

"I cannot, as a representative of the Bureau, ever say that anything is impossible. Some of these people who were placed were over sixty-five. Some gave up somewhere along the line, but we did not. True, we have a long way to go.

"I think our final figure will look a little bit better than 580. You must remember that we were in a period of recession and that some of our offices were handling better than 10,000 applicants for unemployment compensation a week, so that even though you had in this particular office two or three other counselors working, what in the world could they do with the so-called control group?

"This perhaps is an unfortunate choice of terms; it doesn't control anything. The reason we had this group was simply to measure and compare services. What do you do in any particular situation with your normal staff and your normal activities as compared with an experimental group where you go all-out and you don't worry about the budget? It is as simple as that."

Mr. Will was asked from the floor how he could justify the statement that the figures were depressing, when 35% of the applicants who had special counseling were placed. He replied that a great deal of time, elaborate effort and skills of trained people were devoted to the experi-

mental group. Even if the final figure shows a success ratio of 50%, it still means that people who are 40 years of age or over, in a country that is supposedly as rich and prosperous as ours, have only an even chance of getting another job.

Mr. Orr pointed out that a success ratio of 50% means only one out of two got work through the employment office. A good percentage get work on their own, either through friends, newspaper ads, private agencies or by going back to their old jobs. The fact that the employment office was unable to place half the applicants does not mean that these people couldn't find jobs.

Mr. Orr also commented on the decreasing dissimilarity between white collar and blue collar workers; that with automation there is less emphasis on the physical, and with collective bargaining there is more security for the blue collar workers. As we progress, the living standards become approximately the same and the physical effort expended on the job becomes similar. The great difference between the blue collar and the white collar worker seems to be disappearing as our economy progresses.

Dr. Snyderman emphasized that the counselor in the employment service doesn't tell anybody to do anything. The applicant makes the decision himself as a result of evaluating all the factors of his situation, and in a highly permissive atmosphere. Nor is anyone forced into service occupations. Agency policy is to offer the best possible job opportunity open at the moment, but applicants are not refused unemployment compensation if they refuse to be downgraded. Actually, few placements were made in service occupations, and many of the applicants were placed in work similar to that which they had been doing.

EMPLOYMENT OF OLDER WORKERS IN SERVICE INDUSTRIES

Chairman, ANTHONY BRYSKI, Ph.D., Director, Research and Statistics, Department of Labor and Industry

What are the obstacles to employment of older workers or the opportunities for the employment of older workers in service industries as distinct from other occupations? What do we know about the work performance of older workers in service industries?

SAUL S. LESHNER, Ph.D., *Executive Director, Employment and Vocational Service, Philadelphia*

It appears to me that attempting to discuss the employment of older individuals in service industries presents no particular differences from the problem of employment in any other kind of industry, if we mean by service industries those which include advertising agencies or repair facilities, hotels and restaurants, and the like. These industries more frequently employ skilled or managerial or technical talent, than the kinds of persons who perform personal services of a direct or indirect type. Even among what we might call the service occupations are variations in level of responsibility and in the nature of skill requirements. In some service occupations formal training and even licensure may be required, as for barbers and beauticians, for cooks and hotel waiters. Hiring in this type of service occupation, as in the service industries, is primarily based upon skill and experience. It is true that the distinction between the service industry and the skilled service occupation indicates that in the latter

the older person has a greater probability of staying in his job or obtaining a new one. In the service occupations, as compared with service industries, there may be less structured employment conditions; i. e., the career is more related to the field than to employment with a particular employer or firm, which permits a greater rate of change of employer.

Service Occupations

A rapid glance at the field of service occupations suggests that this area offers most promise for the older worker. Excluding the employment possibilities in private households, which, incidentally, in my experience, presents a large and continuing demand for companions, housekeepers, domestic workers and the like at good pay rates, service occupations have increased in volume more than any other occupational category or the rest of the labor force in the last ten or fifteen years. The feasibility of this kind of employment for the

older person seems sound for several reasons, and I refer in this instance to those jobs at the unskilled rather than skilled level such as guards, elevator operators, cashiers, institutional attendants, porters and counter clerks. First, there are a substantial number of jobs which the individual can enter without previous experience and training. This means that individuals can transfer readily from other occupational fields, on the basis of generalized rather than specific qualifications. Older persons who are rejected for employment in other career fields may find in any of these service jobs a place in which they can use themselves.

Another argument for the feasibility for service occupations for older workers is that job opportunities are frequently available because of the high turnover rate. This turnover may be due to low pay rates, the fact that many women occupy such jobs, as well as the fact that they are often part-time jobs, scheduled for odd hours, or are of temporary or limited duration. Again, for older workers who may be more independent of family routine, or can meet odd hours, whose limited stamina is geared to short hours, these occupations have positive aspects.

Low pay rates in these jobs are, of course, a deterrent to any worker, but it may be assumed that those who are more affected and tend more to reject service occupation careers are the younger individuals who are career-minded or who have bread-winning responsibilities with a need for family-size incomes. One might expect, therefore, that older persons have less competition in seeking service employment from younger job seekers. If this is so, it follows that employers in filling these jobs would tend to be less rigid about age limits, physical, education or other hiring standards.

Negative Factors

While logic points to service occupations as having large potential for the employment of older persons, in actuality two general reasons mitigate against the fulfillment of this potential. One factor concerns employment practices in these fields, and the other concerns the older worker himself. There still is substantially the same kind of discrepancy in bringing man and job together in service occupations as in other occupational categories. Labor market figures suggest that the biases of employers against age are only slightly relaxed in service occupations compared with other fields of work. What may seem to show a more favorable picture is the fact that smaller companies have more liberal age standards, and some larger companies in service fields have less arbitrary retirement practices; we may, therefore, see a fairly good representation of older persons in service occupations but, comparing them in number with younger workers, the contrast with other occupational fields is rather negligible.

The second half of the problem is the older person himself. He is often resistant to occupational downgrading; he may not sell himself adequately enough to get the job; and perhaps, as significant as any factor, he is often concerned with the social stigma of meniality that attaches to service occupations. These conditions, of course, reinforce the importance of counseling with older persons, to develop a reality-oriented approach to job-selecting and job-finding. We may see the high potential of continuity in the labor market for older persons through service occupations, but the individual who is confronted with this type of employment may need help in reorganizing his attitudes, his image of himself, and his method of approach.

It may be evident also that because of the wide variations among service occupations with respect to job demands—including the physical elements (one can visualize the energy output of a cashier working four hours or so a day in a busy restaurant during the lunch and dinner periods), the work environment, the tempo of performance, the inter-personal relationships, principles of selective placement for the person handicapped by age must inevitably be applied.

In conclusion, we may feel that the older worker is better able to do a job and to get a job in service occupations, particularly at the lower skilled levels, and thus retain his employability and placeability. Unless and until industry becomes more liberal in its hiring attitudes, and the older worker himself re-orientes his attitudes and needs toward this kind of work, the service occupational area as an absorbing employment resource will remain unrealized.

JOHN A. FEIGEL, *President*, Pittsburgh Central Labor Union

May I say that these annual conferences on the extremely important subject of the older worker have, even though somewhat slowly, resulted in a broader understanding of this subject and a change for the better so far as the oldsters are concerned. Especially would that be true I believe of the service industries which have shown less discrimination than in other industries. I do not believe that employment obstacles of the older worker in these industries are greater than for other industries. Whether they may be or not, a sane approach can solve them.

In the time allotted to me I plan not to indulge in too many statistics as I am sure that this conference will have brought forth more such data than perhaps we can digest during the short time we will be here. My discussion will be in an optimistic mood and will be general in scope with a hope that it will be specific enough to result in some definite or near-definite conclusion.

It is my intention to approach this question of the older worker from two specific angles. First, from the fact that some older workers are in need of additional income to supplement their pension income; and secondly, from the fact that other older workers desire to be active in a job

rather than inactive sitting at home waiting for the time to go by.

The service industries being so varied and, for the most part, not requiring too much physical effort, offer more opportunities for the older worker than perhaps any other segment of industry. The hotels, restaurants, retail stores, movies, parks, laundries, and distribution industries offer many jobs for the older worker. True, those jobs perhaps would not pay wages comparable to what had been received prior to retirement, but the income does provide a supplemental income or a job to keep idleness away for those who have reached the twilight of their lives.

Job Competition

Jobs for a man or woman whose physical capacity has diminished but has not ended are most difficult to find at any time and at times of recession or depression they are even more elusive. However, inasmuch as the subject is, as I understand it, to be centered around a somewhat "normal business" atmosphere, it is to be presumed that the older worker will not suffer too much competition for the jobs which are available in the service industries. This is not to say that all of the jobs in the service industries are the type which older

workers can step in and take over. I refer to the lighter work which poses no particular handicap for a man or woman who has reached or passed the magical age of retirement. That there are such jobs and that there is less discrimination because of age in the service industries is attested to by the Bureau of Employment Security which, in a seven-area study, showed that the service industries are last in percentages of age discrimination.

Inasmuch as our dilemma has two horns, one being the fact that automation will bring forth an acceleration of job discriminations and the second being the fact the part of the population of those 65 years of age and over will increase by about 23% in the next eight years, our subject calls for even a greater study.

Unless management and/or labor are able to agree and provide for greater and more adequate retirement pensions we will face an increase of older workers who, being among the retired statistics, will be in need of additional income to provide sufficient monies to live decently, to pay their taxes and to provide themselves with at least a small bit of leisure entertainment. They will be the people who will find themselves looking for work in the service industries. I believe that automation, with its resultant creation of shorter work weeks and work days, will bring on more and more demands from the service industries. As their services are increased by popular demand, so will new and added jobs become available. Service industries, by their very nature, are not the higher paying industries but as such are a source of work for those who no longer are in physical position to command higher wages and salaries. That is why I believe the older workers who are in need of additional money to supplement their pensions will find

job opportunities in the service industries.

The second group of older workers are those who do not of necessity need additional income but who are not ready for all-out retirement. They are physically spry and must find an outlet for their activity. They, too, will find that many jobs in the service industries are just what "the doctor ordered" for them.

Those in the second group will find it possible to take jobs that may require more physical exertion but at the same time the pay will be higher. I am sure that employers are willing to pay more to an older worker if he is able to do more. The "extra" compensation may not be too great—but greater it will be.

Fringe Benefits

One of the problems which the older worker will face in the service industries will be the reluctance of some of the employers to hire them if such hiring will affect their welfare premium rates. It is but a natural reaction for anyone to stop, look and listen before hiring the older man or woman if his costs will rise by such employment. That is where, in my personal opinion, the insurance companies enter the picture of the problems of hiring the older worker. It seems to me that they should make a restudy of this matter with a view of lowering the rates for welfare plans when older people are hired. I do not have any records nor do I have statistics, but I feel that in the long pull the older worker does not bring with him any greater welfare risk than employees of younger age.

The matter of pensions do not enter this phase of the hiring of the older worker as these older workers have reached the age where they just cannot again accumulate sufficient years of service for additional pension equity. Thus there is no extra cost

for the employer so far as his pension system is concerned.

As for the possibility of interference from local unions who may have contracts with the companies, it is my opinion that no problem which may arise would be too great that it could not be solved. It must be remembered that the older worker would be coming at the bottom of the list and wouldn't be presenting problems of seniority.

Thus, in concluding my remarks it is my firm conviction that the older worker has and will continue to have

more opportunities in the service industries and that such work will be the type that will not tax his or her strength. I am convinced that automation will increase work opportunities for the older worker and feel quite certain that the employer need hold little or no fear of union or labor difficulties with respect to hiring the older worker, who, after all will either be desirous of supplementing his meager retirement income or will be a retired individual who has no desire to be relegated to a life of quietness and inactivity.

JOHN SHIFFERT, *Manager*, Diaper Service Institute of America

Today, I thought I would take a rather broad look at the service industries, to assess the present status of the older worker from two standpoints.

First, as to the job opportunities that are available to the older worker in these service industries, and second, as to the use that the industries themselves are making of these opportunities, to what degree they are now employing and using older workers. And finally, then, I would make a few comments on what the future possibilities might be in the service industries.

The definition of service industries is apparently pretty flexible, so I think it would be a good idea at the very beginning to define what I mean by service industries so that we can keep in mind the area that we are talking about.

As I see it, there are four basic kinds of service industries. The first is those industries which provide a personal service, and the one with which I am most familiar, of course, is the laundry industry, the various branches of the laundering industry, the industry that takes care of clothes and fabrics. This includes my own association, diaper service. Nobody

laughed when that was mentioned. I am very disappointed. Everybody always does. The linen supply industry, dry cleaning, rug cleaning and things of that kind make up the laundry industry.

And of course, the second largest of the so-called personal services is the hotel industry. The other personal services include barber shops, beauty shops, funeral directors, photographers and people like that.

Another kind of service industry is the repair service. This, of course, is in a way a personal service, perhaps, but it is such a large part of the service industry that I have classified it by itself. Automobile repair is a major part of the repair services industry, and also radio, television, watch repair, furniture repair and the like.

A third major section of the service industry is the entertainment industry — radio, television, bowling alleys, sports, and the like.

And finally, and a very large field of service, is the business service—credit bureaus, employment agencies, advertising agencies, news syndicates, public relations, accounting, trade associations.

These, then, are the kinds of industries that I am going to talk about today. Of course, the basic definition is an industry which provides a service instead of a product.

The first point that I would like to make is—and I am quite pleased to be able to report this—I feel that the service industries present a better, far better than average, opportunity for an older worker. Let's go through this list of industries we just talked about and comment on some of these kinds of industries and what opportunities are there for older workers.

Personal Services

The laundry industry and the hotel industry I will comment on a little later in greater detail, so we will skip those for a minute. But the other personal services are mostly very small businesses, owner-operated—the barber shop and the beauty shop and the funeral director and the photographer and so on. So there is not as great a job opportunity here as in some of the larger service industries. But since these industries are small businesses, training is a problem. These businesses deal with people directly, and many of them keep their employees longer because of this training factor and because there is a close relationship with the owner-operator.

In the repair branch of the service industry, of course, the major thing these people have to sell is the skill and knowledge and training of the workers, the ability to fix and to fix it right and make it work, when you bring your television set into the store. Of course, skill and experience are the primary assets that the older worker has, the fact that he has been on the job and he can carry it through. Again, here, training is a factor that must be considered, and I have a comment later on that in assessing future possibilities.

The entertainment field is a kind of special field, and I don't know that that is within the scope of our discussion today. There are older workers like Ethel Barrymore, and we are glad to have her around, and then there are older workers like the Phillies, and probably we should have some younger ones there. But entertainment is a special subject we will just discard for the purposes of this discussion, if it is all right with you.

Finally, in the business services, as was commented on earlier in the discussion today, these are, almost exclusively, office jobs. I know there is a panel going on somewhere at this meeting about office jobs, so perhaps it is not our job to get into a discussion here. But these—the accountants, advertising agencies, employment agencies—are office jobs, sedentary jobs, where people sit at desks and work. And of course, by definition, this again is an advantage for the older worker. There is not the strain. Of course, there is in the advertising agency business, but that comes to everybody, I suppose. But in all these services, these are office jobs, jobs that can be held longer, where dependability is important, and again here are places where the older worker can fit in. So it would seem to me that in this view of the service industry, there is a good opportunity for the older worker.

The question then naturally follows, what are the service industries doing about these opportunities for older workers? This has been a sort of subjective analysis, where we sat back and looked at them and tried to figure out whether older workers could fit in. Are they doing something about it? Again, I think they are. I think the service industries are doing more than the average, doing better than average, as far as utilizing older workers, and to illustrate that, if I may, I am going to use some examples from two industries with which I happen to be most familiar.

One is the hotel industry and another is, of course, the laundry industry.

Hotel Employment

The hotel industry is making a wide use of older workers. Jobs for women include, of course, the people in the office, maids, housekeepers, workers in the hotel laundry, telephone operators, elevator operators, the linen department. Jobs like that are, in many cases, filled by workers who are older women.

As far as older men are concerned, again there are many jobs, ranging all the way from room clerks and elevator operators, to painters, upholsterers, plumbers—these are not service jobs, actually, but they are jobs available in the service industries, and the service industries are utilizing these older workers in the hotel industry.

And why? Well, I have talked with several hotel people about this subject, specifically, and the reasons are very clear cut and I think they are good reasons. First of all, they find older workers are more conscientious, more dependable. I think that general statement can be made in any area of employment for older workers. Then, there are two other reasons I think are peculiar to the hotel industry, and which are very important. The first is—and this again was touched on before—that there is little or no training required for many of the kinds of jobs that were mentioned before—housekeeping department, linen control, maids, pantry workers. There is little training required here, and as a matter of fact, for women, these skills are the kind of skills she grows up with, like housekeeping and taking care of a home, and she plays with dolls in the family when she is seven or eight years old. So these kinds of jobs are often the perfect jobs for the retired woman or a widow who finds herself in a labor market late in life.

The second reason was told to me yesterday by the general manager of one of the top hotels in the State. He is particularly anxious to get older workers because they have, as he called it, "a feeling for the guests." A hotel's primary asset is the service it can give the people who come through its doors, that they can make them feel they are in a home away from home. And the younger workers tend, in his words, to be more brusque, to be less tolerant, not so anxious to serve, to give service. And I am not thinking in terms of a domestic or any kind of subservient attitude, but that older people who have seen more people, if you will, who are more tolerant, if that is the word we can use and I think it is a good one, have a better feeling, more hospitality. And for this reason, he makes it a policy, particularly in jobs where they will be meeting the guests, to look for older people.

Laundry Industry

Then, the laundry industry or textile maintenance industry, which is what we call them, is making good use of older workers. I have some statistics on drivers of laundry trucks in the city of Philadelphia. This study was done early last year, and using the definition of older workers as set up for this conference, 62% of the drivers in the city of Philadelphia in the laundry industry are older workers, which I think is quite impressive. Twenty-seven per cent are over 50, and 7% of the laundry drivers, numbering 84 people, are over 60. And driving a laundry truck is not an easy occupation, but again, here, the laundry driver is the representative of the company in the eyes of the customer. The laundry who gives the customer good service can keep that customer for an indefinite period of time. So when the laundry gets a customer on its books, it has

a priceless asset as far as the business is concerned.

Here again, comment was made to me several times that the older driver, the driver who has been serving his route, who is skilled in this matter of personal relations, is a decided asset to the company, because he can keep that customer longer.

I was very pleased to hear that one of the laundry owners in the middle of the State who operates a large laundry has a special plan for trying to hire older workers. I was particularly pleased because it made a good example for this talk. But better than 60% of all his workers are now in the older worker class, and he thinks they are more dependable, more conscientious, and have the happy faculty of not leaving every six or eight months to have a baby. He seeks out older workers. He actually plans his operation to this degree.

In the laundry industry, the type of production work is somewhat different than it is in other industries. There were references made at the earlier panel to the automobile industry and production lines. Well, there is production work in the laundry industry, but it is different in several respects. The manual dexterity required is not the intricate finger work that an assembly line might be. It is more an arm motion and feeding things into flat-work ironers and so on. And this is not the kind of dexterity that may be lost as quickly as the fast, nimble finger action.

In the laundry business, shirts are a high speed production item. There are three and four girl shirt pressers and they work as a team. It is really very interesting to watch them work, because there is very little lost motion, and they can do shirts quickly. But in hand finishing departments, in the finer things that come to the laundry, the dresses and curtains and things of this kind, with ruffles, here

the percentage of older workers is very high. Because this is becoming a lost skill.

Finally, in my own industry, in the diaper service industry, I know for a fact that older workers are particularly sought after in folding and inspecting. When the diapers have gone through the washing cycle and are being prepared to be folded and sent out, the diaper service must not send a diaper that is stained or is torn in any way. If a mother were doing her diapers at home, she wouldn't throw her own diapers away if they were stained or torn, but when she buys them from the diaper service, there is service in the title, and that is what she wants. So they must be careful with this, and it is a truism in the industry that the older worker is more careful, better able to spot it, and is a more accurate inspector and a more careful folder.

From another one of the textile maintenance industries, the dry cleaners, this is perhaps the most direct personal relationship between a consumer and a textile maintenance industry. It has been shown that people have a very personal attachment to their clothes that they send away to be dry cleaned. Men send suits and women send fancy dresses. In the laundry industry, first of all, there is less and less wearing apparel being sent, and what is being sent is largely shirts, and a man has several shirts. There are several sheets, so there is not the individuality. But when Sam Jones sends his best brown suit to the dry cleaner, this is a part of him. This sounds very high-toned and fancy psychology, but the dry cleaning industry has demonstrated that it is very real.

So that in the stores, the dry cleaning stores where you take your dry cleaning and give it to a girl over a counter rather than through a route man, they have found that the older worker, particularly a woman, a

middle-aged woman, makes a much better impression on the consumer, because somehow, it seems to the consumer that she is going to take much better care of the clothes than a flighty girl of 20 or 22.

In the laundry industry, and this came up from several laundry owners I talked to about this, the industry feels it takes care of its own. In other words, laundry production workers stay at their job for a long time. And while there are many older workers in the laundry industry, the fact that they are kept for a long period of time may mean that you can't very well hire new older workers to the degree that you might suspect. I think that point at least should be mentioned.

Opportunities Are Good

Finally, to sum up, I think the picture in the service industries is good. I think the opportunities are better than average. I think the use of older workers is better than average but, of course, it could be better. And I have jotted down a few points here that could work to make it better. There are other factors at work now that may make it better in the future.

First, of course, I think there could be a better distribution of information on the problem and the possibilities of older workers. Admittedly, the laundry owners I have talked to have been progressive plant operators. I certainly don't think that there are many laundries in the State like the one I mentioned earlier who actually plan to use older workers. And I think if some of this experience would be distributed on a wider basis, it would be a help.

There are many factors that are working now. Automation has been mentioned by both previous speakers, and this is an important factor. Automation is late coming to the service industries. To the laundry industry, again, since I am particularly ac-

quainted with that, automation is late in coming. But it is stumbling along a couple of miles up the road somewhere, and when it gets there, there may not be any more jobs but they are the kind of jobs that will be more easily filled by an older worker.

I think the matter of training programs, which was discussed earlier in the introductory remarks, for instance, is important. I think training programs could be brought about that would make more job opportunities in the service industries. I am thinking particularly of something like the repair industries we talked about. Would it not be a wise plan for management of a company to offer to workers who are reaching the end of their hard productive years a training program in repair and service — a television manufacturer, for instance, someone of that kind, and the automobile industry. This training for repair could be a possibility.

Finally, to give you one last example from my own industry, we are in the midst now of a national promotion campaign to tell people about diaper service, and one of the things that has come up in this program is the fact that the older person image is the image that carries more weight to a consumer than a young person. And the diaper service industry is going into the field of baby care, distributing information on baby care to its customers, and the person through which this is going to be distributed is an older worker, a motherly type of woman, if you will.

There are many factors, I think, that are going to enable us to make more use of the older workers. I think, with the right approach and the trends that we see now and with continuing work by groups like this in distributing information and educating the people, the future in the service industries can be very bright for the older worker.

HIGHLIGHTS OF THE DISCUSSION

Several persons commented from the floor that the reason older workers may be more acceptable in the service industry is the low pay scale generally prevailing, and thus the industry cannot compete successfully for the better younger workers.

The chairman pointed out that there will be a very large need for workers in repair occupations in the coming years, and that people with mechanical skill can be used in occupations of this type regardless of age. He also pointed out that there will be a great increase in the need for people to provide personal services in the coming years, and that this, too, would be a great opportunity for older workers to find paid employment.

Mr. Shiffert repeated his previous statement that he believed that the hotel and laundry industries had better than average records in hiring older workers.

He also emphasized the idea that older people be trained for repair work. He said that the U. S. business census of 1954 lists repair services such as upholstery repair, furniture repair, armature rewinding, musical instrument repair, lawn mowers, saws, knife and tool sharpening, welding, diesel repair and so on. In this increasingly mechanized age, we get increasingly attendant mechanical problems. Thus, the possibility of training production workers who are reaching the end of their years on the assembly line to repair the equipment they formerly manufactured is a good one.

He also stressed the fact that many service jobs require very little training. For instance, widows and other women who have kept house need little training to qualify for house-keeping jobs in a hotel.

EMPLOYMENT OF OLDER WORKERS IN OFFICE AND PROFESSIONAL OCCUPATIONS

Chairman, CARLOTTA HOWARD, *Executive Secretary, Governor's
Committee on the Aging*

What are the obstacles to employment of older workers or the opportunities for the employment of older workers in office and professional occupations? What do we know about the work performance of older workers in office and professional occupations?

H. PAUL ABBOTT, *Personnel Secretary, Insurance Company of
North America*

What I am about to say may sound facetious, but I think you will agree it has a serious connotation. There have always been genuine opportunities for the older workers in the service industries, such as I represent—insurance, banking, and so forth, but for the most part it has been necessary to start seeking and working for those opportunities while the individual is still young. Here, of course, I am talking about the career type opportunities which demand extensive education and training as well as the maturity which seasoning in the occupation provides.

The most important thing that we are accomplishing today in meetings of this sort is a sincere attempt to change and improve attitudes towards the hiring of older workers to the degree that it is practical both from the standpoint of the company and the individual. I recall, for example, that on one occasion our company was challenged by the Commonwealth of Massachusetts for being apparently

in violation of their law against discriminating in the employment of older people. Our alleged violation involved an advertisement which was headed "young men." Actually we were seeking trainees for our underwriter and special agent program.

This is a program which takes a long time to complete, which offers only a modest training salary to begin with and, in reality, has no appeal for the man over forty years of age capable of qualifying. When we pointed this out we were completely exonerated.

I mention this because I don't think that we are talking about jobs of this sort. There are certain types of positions for which a company must seek younger men and which really hold no appeal for the more mature individual.

This prompts me to make the observation that in our deliberations today we should not lose sight of the fact that we must be concerned about the opportunities for all workers—

young, middle aged and older. No age group should constitute a forgotten class, nor should any age group be favored at the expense of others. This, of course, applies most strongly when workers are more plentiful than jobs. When the reverse is true, which it was a year ago, shortage in the labor market usually brings job opportunity not only to all age groups, but even to those who are normally unemployable.

You may ask these questions: Which is less desirable—for the younger worker to deny the older worker an opportunity, or vice versa? I am sure you will agree that that in itself is a very difficult sociological question, one which in the past has usually been resolved in favor of the younger worker and primarily on a cost and potential differential basis.

If I had to express an opinion, I am inclined to believe that a concentration of unemployment amongst our youth would have more long-range deleterious results than concentrated unemployment amongst mature workers who might use their leisure more constructively.

It can be argued that the time of unemployed youth might be spent in further education, preparing them for greater performance later on. I wonder, however, how many of those who would be amongst our unemployed youth would be either interested in or actually profit by more education.

Now let us look ahead a bit and assume that once this current recession has run its course there will be enough jobs available to employ the services of all ages seeking work, and let us also assume that any biases which may have existed or do exist have been eliminated. What, then, are some of the barriers which we encounter in office occupations which could prevent us from hiring older workers?

Promotion from Within

Let me ask a few questions. Is it a desirable personnel administration practice to promote from within? If we can agree that it is, then the bulk of our career and professional-type jobs, which require extensive education and training are going to be filled by the younger workers as they mature. This means that the older worker must be content to accept the jobs which require less education and training, or he must be willing to take the job at the lower trainee salary. It has been my own experience that few older workers who have the potential and the capacity are willing to take these jobs at the lower salary, and those who would be willing to take them can't measure up to the capabilities required.

Another question: What incentive does a company have to make a sizable investment in time and training in the worker whose remaining employable years are numbered? Still further: How many older workers are able or willing physically to stand the grueling training and education which so many of us require of our younger people today? These I hope you will agree are rather practical questions.

As I mentioned, in my company it takes years of training and seasoning to develop a good underwriter, special agent, technical representative or claims man. We spend many, many thousands of dollars in education, training and salary before we begin to get a productive return on our investment. For this reason, trainee salaries are relatively low. Both company and man invest in a future which is sound and stable.

This presents us with another rather parallel problem, namely, that of hiring women for career jobs. There is no question in my mind that many women could be highly successful in these positions that I have

mentioned, but unfortunately so far we have not developed the technique of distinguishing between the girl whose primary interest is a business career and the girl who is only holding down a job while awaiting her primary interest, the marital career. Frankly, we are unwilling to gamble our extensive training investment in this direction until we can have more assurance that it would be economically sound to do so.

Older Trainees

I mention this because I think the same problem faces us when we contemplate making a sizable investment in the older worker. How can we be sure that he is willing to go through the training grind and will thereafter stay with us long enough to give us a decent return on our investment? Will he live on a trainee salary? What of his morale when he sees younger men who have started before him who have progressed farther up the management ladder? Believe me, we have given this whole matter a lot of thought, and I am sure other companies of our type have, too.

On the other hand, when it comes to the less complex and so-called clerical type or non-judgment position, wherein training is simpler and shorter, we take a very different view. As a matter of fact, here we don't think of the older worker at all, but rather of the "pension ineligible" versus the "pension eligible."

To be eligible for our pension, as our program is currently constituted, an employee needs twenty years of service before retirement at age 65. That means, as far as we are concerned, that up to age 45 we do not have any problem. Even after 45 we still hire, but we do ask the employee to sign a letter expressing full understanding of his or her pension ineligibility. We do not mention it

at the time of hiring, but it is a fact that when the retirement age comes for these "pension ineligible" our allowance committee gives a special termination allowance, a generous one, to such people. It is an allowance based upon years of service and type of performance. As you can well understand, we are in no way legally obligated to do this, but it is a reflection of our desire to reward loyal service.

I might even go so far as to say that for some time now our chief actuary and members of our pension committee have been seeking to find a solution to this problem by liberalizing our pension program so that we can even better take care of these so-called "pension ineligible." We find it presents many difficulties, particularly the insufficiency of time to build up adequate reserves.

Incidentally, I might add that our pension is fully funded and has in it today in excess of \$37 million in irrevocable trust to the employees. This grows every year. Originally it constituted an investment of \$11½ million.

Older Worker Advantages

From the aforementioned I hope that you can gather that we are very appreciative of the so-called older workers. Without going overboard or creating undue concentration in any one division or department, we are seeking, definitely seeking to increase the number of these older workers. We admire their industry. We find them a stabilizing influence on our youngsters. Usually they set a good example of productivity, and they display an excellent attitude toward the company. The majority of them appreciate their opportunities far more than the younger person appears to.

Sometimes we say that we find them inclined to lose themselves in their work constructively, where some

of our youngsters, in the absence of disciplinary controls, tend to lose themselves from work surreptitiously.

Perhaps contrary to expectation we do not find absenteeism a problem amongst our older workers. When they are absent it is usually for genuine cause. We find that their infrequency of absence more than makes up for the longer absence when real illness strikes. Such statistics as we keep in this connection do not indicate that in the aggregate older workers are more prone to the common illnesses. If anything, they are less so. True, genuine illness when it strikes is frequently more severe and more debilitating, but this appears to be offset by the fact that older people do not seem to give in so quickly or so readily to minor ills.

Stable Employment

I could go on sounding the praise of the older worker, but in all fairness I should bring these remarks to a close to give our audience an opportunity to ask the panel questions. By way of summary, I still repeat that the best opportunity for the older worker in office and professional type occupation is to start early and stay with a good company. I am happy to say that in our type of industry, which is very stable, our employees know that so long as they do a job they have a job.

It is indeed difficult for the older worker to launch a career in one of our more professional type jobs. If he has been trained in such a job as the younger man, he will still find it hard to find a place with us at a later date because we believe in promotion from within.

When we hire experienced professional or career type men over 45 years of age—over 35, for that matter—it is either because we have failed in our planning in our manpower development program or because he can bring us a skill which is new to us and which we therefore cannot find within our organization.

We have just been through the development of a life company in our group, and, believe me, we have had to go outside the organization to find the talent. We *had* to, and a good many of those men whom we hired were definitely over 40.

We think of this matter of not going outside or not taking the new man as a protection for the younger and the middle age worker, and they have their rights, too. Nothing is more demoralizing than for the younger or middle age man to be ready and waiting for the promotion and to see it filled by an older man from outside the company.

In the less skilled clerical jobs, however, we welcome the new older worker. In many instances he or she is a far better employee than the thoughtless and sometimes vapid bobby-soxer. Our experience with over-40 workers from the standpoint of productivity and attitude has been good. Each year I am happy to say that the number of these new employees of this age on our rolls has been increasing, and I am confident will increase even more in the next decade. We are laying plans to see to it that it does. Life insurance statistics and improved medical techniques point to the fact that in following this trend we are betting on a horse which grows stronger every year.

MARGARET ROOT, *Executive Secretary*, Pennsylvania Federation of Teachers

We have a compulsory retirement age of 70 in the Pennsylvania school code. But back in 1941 (and it seems strange that it should have been done at that time) the law was amended to permit school boards to set a local retirement age, lowering it that year, if they wished, to 68, in 1943 to 66, in 1945 to 64, and 1947 to 62. It so happened that this amendment passed at the very time the teacher shortage of the war years was developing.

Local school districts may still force retirement at age 62 except for another amendment, of the 1957 Legislature. School employees who chose Social Security coverage (those of you in public employment know Social Security went into effect at the end of last August for those then in state and school employment, who elected it) cannot be compelled to retire until eligible for Social Security benefits. The Attorney-General has ruled that, although women may get partial benefits at 62, they may not be forced to retire on partial benefits. Practically, age 65 is the minimum compulsory retirement age for both men and women in school who have Social Security coverage.

Actually the provision for minimum compulsory retirement age is not in the retirement law, but in the Tenure Act. It has been interpreted as giving school boards the right to make a choice of whether or not to retire those who reach the local retirement age.

Many school districts never did lower their compulsory retirement age to 62. In Philadelphia it has varied between 66 and 68. Pittsburgh never went down to 62. Philadelphia and Pittsburgh never lowered theirs to 62 because they could not afford to lose so many teachers. Both have

too many substitutes—up to 8% and 10% of their staffs right now—so they could not afford to force employees to retire at the age of 62.

There are two types of districts where retirement is likely to be compulsory at 62 (except for the 1957 proviso on Social Security benefits). One is the wealthy school district, whose salary schedule is high enough to attract the number of young people it wants. The other is the district with declining pupil enrollment, therefore needing fewer teachers—chiefly in the coal areas. If such a district must lay off (suspend) teachers, it would prefer to lay off those that could go on a pension rather than the younger teachers.

The retirement system of Pennsylvania, which has been improved many times, has been one of the most effective ways of holding teachers in the schools and in the schools of this state. Young teachers, who have not invested much in the retirement system, are more likely to leave for other occupations or go off to other states. But, after state or school employees have been in such employment for many years, they have invested so much that it is difficult for them to leave it. So the retirement systems hold people in public service jobs for which it would be very difficult to recruit at present salaries.

Rehiring the Retired

There has been a serious problem in this state under the privilege of requiring retirement at age 62. A number of school boards thought they would save money; so they retired people at 62 and then took them back the following year on a substitute's pay for regular full-time work. This practice occurred so often that a few

years ago the School Employees Retirement Board ruled that school districts could not employ a retired teacher more than ten hours a week or five days a month. This rule applied only to school districts because the Board could not make such a rule for other employers.

At first this rule was made to take care of the districts misusing the 62 year floor, but along came a greater teacher shortage. The group of retired teachers, who were willing to step in and substitute, proved to be the best source of competent substitutes. This has been particularly true in the fields of mathematics and science.

But you can see what a 5-day substituting limit would do to a Physics class. Let us say a teacher has an operation and must be out six weeks. The substitute was allowed to come in for only five days twice in that time and, perhaps, not two consecutive weeks. Such a system would ruin a class. Therefore the Retirement Board modified the rule, allowing the retired teacher to work up to fifty days a year and consecutively. The rule has been further changed so that today retired teachers may substitute up to seventy days a year or until \$1200 has been earned.

Similar changes are taking place in other states because of the teacher shortage. I am using it as an illustration of the fact that the employment of older workers goes up and down according to the number of openings in the labor market.

In this state some thousands of state employees were covered neither by their retirement system or by Social Security—as we learned in the Governor's Advisory Committee on Social Security for Public Employees, of which I am a member. This has not been true of school employees. One of the reasons for adoption of Social Security for state employees was that thousands of them had never

joined the retirement system. How did that happen? Once it was not compulsory; later, not compulsory till after a certain period of employment; and for other reasons. Employees with long service found it required so much money to join retroactively that they could not afford to do so after changing their minds.

When the cost of Social Security for state employees was calculated, one of the offsets to the total cost was the probable retirement of many employees under the new plan. It was expected that those who had stayed on in state jobs because they were not eligible for a penny of retirement benefits of any kind would be glad to retire. It was also realized that some of these were doing practically made-work because of the political repercussions, should numbers be let go without any kind of retirement security. Such a situation is not likely to recur in Pennsylvania.

Legal Factors

FEPC has changed certain parts of the employment picture of older people in school and city positions. For example, Philadelphia schools formerly set 50 as the maximum age for appointment of a teacher who had no experience in the Philadelphia school system and 55 for one who was returning to service. Now Philadelphia schools appoint new teachers if they have not reached their 63rd birthday. For returns to service the requirements were being reviewed as recently as last week. Substitutes are now being employed up to and including the 65th year.

Another law beside FEPC is involved in the raising of the maximum appointment age, namely basing retirement on the best five years. Philadelphia's 63 is five years from the Philadelphia schools' retirement age of 68.

Changing the basis of retirement to the five best years from the last

ten was done partly to offset inflation, which hurts many on fixed retirement income. In Pennsylvania, although salaries have been raised, immediate increases have not been so large as in some states. Moreover in many third and fourth class districts many teachers near retirement age have not reached the maximum mandated salary.

The change was also made for another reason that was discussed in the first panel, namely enabling older workers to stay on in employment, but on jobs of less responsibility and less arduous. It was thought that a principal or someone on a difficult

assignment might change to a less taxing one without losing the larger retirement benefits of his former position, which he could ill afford.

The City of Philadelphia will appoint to white collar positions up to the age of 65 and has a compulsory retirement age of 70 for that group.

The public employment field is apparently a better area for older workers than is much of private industry. Undoubtedly one reason is that the pay scale is lower. There is a greater shortage of trained personnel in public employment and, therefore, concessions were necessary to hold up standards of service.

**BRUCE L. LESUER, *Assistant Director, School Work Programs,*
Philadelphia Board of Public Education**

The invitation to participate in this program indicated that the purpose of the conference was to encourage employers to hire older workers. The public schools employ large numbers of older persons in professional and clerical occupations and although this is a specialized field of employment, it is hoped that our experience with school personnel will have some pertinence to the general problem. The group of employees referred to includes the instructional and counseling staff of the Philadelphia public schools, and the clerical workers in the school offices.

By way of preparation for this statement it was possible to obtain some statistical information on the ages of recent appointees, and on the absenteeism of school employees by age groups. Supervisors and administrators were questioned about their impressions and experiences with reference to the effectiveness of our senior personnel.

Older Workers Predominate

If the older worker is defined as the person over 40, it is clear that the Philadelphia public schools are dependent upon the older worker for the major part of the service that the schools render. A recent estimate showed that of 8900 persons employed by the department of instruction, 4475, or over 50%, are 40 years of age or older. Since the above figures apply only to regularly appointed personnel, they do not reflect the situation among the many substitutes who are serving in temporary capacities. It is estimated that two-thirds of the applicants for this substitute service are older persons. Examination of new appointments to regular service during February, 1958, showed that of 45 persons appointed to senior high school positions, 16 were over 40 years of age. In junior high school, nine of 58 appointments were over 40.

Although teaching is generally regarded as a field in which a lifetime of service may be expected, it was, until recently, a closed field in the Philadelphia Public Schools for new applicants over 50 years of age. Since 1956, however, this restriction has been removed in accordance with fair employment practice legislation, and now applicants may be eligible for appointment until they have passed their 63d birthday. Candidates may now register for substitute service until 66 years of age. Furthermore, all teaching personnel may serve until they have passed their 66th birthday, and they may continue further until age 68, if approved by the superintendent of schools and the medical division. And last year regulations were revised extending from 50 to 70 days the time a retired teacher might serve as a substitute during a school year. These changes in policy have unquestionably benefited the schools and made it possible to obtain the services of many candidates who would have been excluded under former restrictive regulations.

An illustration of the above situation occurred in a high school where a teacher of stenography and typewriting was needed urgently and there was no one on the eligible list. At that time an excellent person who had formerly served as the head of the commerce department in another school district was available but could not be admitted to examination because she was over 50 years of age. However, since she could be employed as a substitute—although at a lower salary—she accepted the assignment and proved extremely satisfactory. In a short time, however, she left our service for a more lucrative position. Shortly after this occurred, the age of eligibility for appointment was raised to 63, but it was then too late to interest this person in returning

to our service. Other similar illustrations could be cited. However, the percentage of such cases in the total number of appointments would not be large.

Older Worker Attendance

The preceding section has shown that the public schools employ a very substantial number of older workers; also that the removal of restrictive age barriers has helped to improve the supply of personnel in the teaching field. But numbers alone are not enough. What about quality? Are the older teachers as dependable and as effective as younger teachers?

Regularity of attendance is an aspect of dependability which can be measured accurately. According to a recent survey by the business office of the Board of Education, there is comparatively little difference in absenteeism of our personnel under 40 years of age and those over 40. A check of 913 professional and clerical employees revealed the following information.

These figures show that in eight elementary schools, persons over 40 represented 54.2% of the staff and accounted for 55.2% of the absences. In the four junior high schools, persons over 40 represented 64% of the staff and were responsible for 67% of the absences. In the four high schools the percentage of older persons was 70.2 and they accounted for 77% of the absences. The slightly greater absence of the older worker was considered a negligible factor by several persons questioned. It was pointed out that the older person was likely to be very steady in attendance but was more susceptible to longer periods of absence. The pattern of absence was, therefore, somewhat different but not more difficult for the administration.

**ABSENTEEISM OF SCHOOL STAFF OVER AND UNDER 40 YEARS OF AGE
(913 CASES)**

<i>Schools</i>	<i>Per Cent of Staff Over 40</i>	<i>Per Cent of Staff Under 40</i>	<i>Per Cent of Absentees Over 40</i>	<i>Per Cent of Absentees Under 40</i>
8 Elementary	54.2	45.8	55.2	44.8
4 Junior High	64.0	36.0	67.0	33.0
4 Senior High	70.2	29.8	77.0	23.0

Older Worker Effectiveness

Turning to the question of the effectiveness of the older teachers, this report becomes dependent entirely upon the experience and opinions of administrative and supervisory personnel. Summarizing the remarks of principals, directors and supervisors who were questioned, a number of observations can be made:

1. School administrators prefer an organization that is balanced with respect to the ages of staff members. Of course they need some of our youngest and some of our oldest teachers to achieve this balance. With this in mind, the Board of Education has a rule that vacancies in a school shall be filled on the basis of one new appointment to two transfers. This provision tends to favor the older teacher in respect to assignments but it also insures opportunity for new teachers in all areas. However, a great many principals will say, that if given a choice, they would prefer an older teacher to a younger one.

2. In support of their preference for the older person, several administrators expressed the thought that for most teachers the first ten years of their careers are, and should be, a period of growth in which they are developing professional skills and stature. And it follows that many teachers are just about reaching the full maturity of their teaching skill at the age when, in terms of this conference, they become older workers. There was also the infer-

ence here that during their early years of work a process of elimination was going on during which those who were not naturally qualified, or not interested, or not ready to settle down to teaching had dropped out. It would appear that, although principals recognize a great range of teaching effectiveness at each age level, they have come to expect greater competency from the older person. This is unquestionably true in other occupations.

3. In response to the request for comment on the older worker and supervision there were two types of responses. In the opinion of one administrator, the presence of good older teachers on the staff provides formally, or informally, our most valuable supervisory influence for the less experienced teachers. Often the most helpful aid that a new employee receives in adjusting to his job comes through the friendly help of an older associate.

Other comments on supervision recognized a problem in getting older teachers to alter methods when necessary to adapt to changing conditions. One director, however, took the position that in his experience he had found that the trained and experienced teacher adapted himself more readily to such demands than did the young teacher. He felt that too often the younger person was the real reactionary and because of his inexperience and lack of security, stuck to the teaching patterns he had acquired through his formal training.

One supervisor recognized the need for greater tact when enlisting the support of some of the older teachers in adopting new methods or materials. However, he had found that a consultative approach was usually effective. He made a practice of asking the older teacher to call upon his own rich store of experience to help get a point over to other teachers.

4. With respect to teachers' general helpfulness and their willingness to assume responsibilities beyond straight classroom duties, school administrators recognize wide differences between individuals at each age level. They were inclined to feel however, that it was the older members of the staff who were relied upon most frequently to take on special duties.

Clerical Workers

When administrators were questioned about school clerical workers over 40 years of age they responded in much the same way as they did to the questions about teachers. Again there was the feeling that other things being equal, the older secretary would probably be a steadier and more dependable worker. Pleased as they might be by having young people around the office, the department heads realized that they presented a greater training problem and that there was always the uncertainty as to how long the young women would work before marriage would interfere with their office careers. More frequent absence because of family problems was also mentioned as a part of the risk of employing young married women.

Although the maximum age of eligibility for appointment to secretarial positions was raised to 63 in 1956, comparatively few appointments have been made for persons over the former maximum age of 50.

In general, the school administrators who were consulted about this

statement had many reasons from their own experience to support their extremely favorable opinion of the persons referred to here as older workers. Such persons constitute the major part of school personnel and they provide leadership and inspiration for younger employees. Indeed it would be difficult to see how our schools could function today on a policy of not accepting persons over 40; certainly they would be losing some of the most competent persons available.

It would also seem that what is true of the public schools would be true for many other employers who at present feel that they cannot tap this source of skill and experience because of certain extra costs involved in adding older workers to their staffs.

There is no easy way to promote employment opportunities for older workers. It is a part of the greater problem of developing an economy which can provide reasonably full employment with jobs for most of those who need them. Certainly little can be gained on the unemployment problem by having older workers displace younger ones. A vigorous economy provides jobs for all because there is work to be done. In war time, employers welcomed the older workers and the immature youngsters because it was profitable to employ them. In our economy this is the test.

Being realistic, we know that good personnel procedure requires that every position be filled as nearly as possible with the most suitable applicant available. It may well be that errors are being made in estimating the suitability of older workers for many jobs. The very successful experience of the public schools with their senior personnel suggests that other employers might profit by re-appraisal of job specifications in terms of age.

HIGHLIGHTS OF THE DISCUSSION

A question from the floor raised the point that Mr. Abbott's recommendation that professional and office personnel start early with a good company and stay there would tend to produce an immobile labor force. To this, Mr. Abbott replied that people would have to take a chance when they leave, and that if they were any good, there would always be employment for them in a growth industry like life insurance. He cited, as an example, the fact that the president of his own company was ineligible for a pension under the 20-year prior service requirement.

Another questioner raised the point that people who had retired from teaching at 62 or 65 could make good employees in industry, if industry would use their talents. Mr. Abbott pointed out that his company did

employ retired teachers and that the insurance industry was usually criticized for taking teachers away from teaching by offering higher salaries.

Another questioner asked Mr. Abbott if his reliance on young people in training courses did not produce a high turnover rate. Mr. Abbott replied that the turnover in the trainee group was less than 10%.

In response to another question, Mr. Abbott said that older persons in the school for agents have greater difficulty in learning. This was due, he believed, to the fact that they had been away from school for a greater length of time. And he emphasized that this did not mean that such persons did not turn out to be more valuable agents. Maturity is an asset to an insurance agent.

Dinner Meeting

ADDRESS

HONORABLE GEORGE M. LEADER, *Governor of Pennsylvania*

At first glance, it may seem that we meet here at an inauspicious time.

Here we are in the middle of a national recession. All over Pennsylvania, people are looking for work—better than half a million of them.

Yet we are meeting here to work out ways of removing age barriers to employment. We're after a better balanced labor force. We're trying to see that our older workers have the chance to compete for jobs solely on the basis of their ability, and without having to beat down arbitrary prejudices about their age.

No one can argue about the soundness of our purpose.

But I wouldn't be surprised if some people don't ask: "Why worry about the older worker in times like these? What about our younger workers? Don't they need jobs, too?"

To which we answer "of course they do." Every unemployed person who wants to work should have a chance to work, whether he is 25 or 55.

But there is nothing about this national recession which should prevent us from planning for the future. Yes, we're in an economic slump; but we won't be in it forever. And it would be sheer dereliction of duty if we were to let the present reality of the recession distract us from our need to break down the age barriers to employment.

Still, our most immediate problem has been, and remains, the problem of joblessness—general joblessness,



Governor Leader

among all age groups. And so we have put first things first, and tackled the problem of general unemployment.

I don't for a moment claim that we have solved it. We couldn't have solved it entirely in Pennsylvania no matter what we did, because the recession is national—not regional—and it can only be cured at the national level.

Just the same, we haven't taken this recession lying down. We recognized it quickly for what it was, and we took steps to lessen its effects.

It is pertinent, I think, to review our over-all unemployment problem before we take up the specific problem of the older worker. So let's talk about this first.

Pennsylvania is plagued with areas of chronic joblessness, even during boom times.

Mostly, this is because a number of our communities depended too much on a particular key industry. As long as that key industry maintained its payrolls, the community prospered. But when coal mining, or textiles, or railroads, or lumbering began to readjust in the constantly changing economy of our times, they were often compelled to reduce their work forces drastically.

The casualties of technological advances, automation, shifting markets, and so forth have been the men and women who lost their jobs. And so, even in the best of times, Pennsylvania has a serious unemployment problem. For even in the best of times, one out of every five people in this Commonwealth lives in a community where jobs are hard to find.

For years now, these communities have been trying to develop new jobs to replace the jobs which dried up. You can only create new jobs by attracting new industry to your community, or by encouraging the industry you have to expand its operations.

This is what the affected communities have been trying to do. They have done it with courage, with imagination, with vigor, and with considerable success. They have presented a united front to their common problem, with civic groups, business groups, utilities and labor groups working shoulder to shoulder.

But progress was necessarily slow. An industry seeking a new location looks before it leaps. It shops around. Its success or failure, its profit or loss, will depend upon how well it chooses a site for the new plant.

And so any industrial development effort, no matter how well it's organized, gets results comparatively

slowly, and gears itself to a sustained program designed for the long haul.

Until this Administration took office, our local industrial development groups worked pretty much on their own. State Government did little or nothing to lend them a hand.

We've changed that. We've been helping them attract new industry, and doing it effectively. We've done it by improving the tax climate for industry; by hiring experts to staff our Commerce Department; by successfully advertising the advantages Pennsylvania offers new industry; by keeping politics out of the program. And we've created the Pennsylvania Industrial Development Authority, which helps the communities finance the building of new or expanded plants.

We're proud of this program and the success it has had.

Only recently, the Committee on Economic Development—a nationally recognized organization of business leaders interested in industrial expansion—called Pennsylvania's program the best in the Nation.

The results speak for themselves: Our combined local and State job development efforts have resulted in nearly 55,000 new factory jobs during 1956 and '57.

Then this national recession came along and hit us hard.

We could have shrugged helplessly, and sat around waiting for the Federal Government to pull us out of the slump. We didn't.

By now I think all of you are familiar with our job acceleration program. In brief, it calls for a speed-up of public works at the local, State, and national levels. Now that the construction season has begun, we are starting to build highways, schools, parks, hospitals, and many other of the facilities the Commonwealth needs. But we're building them more quickly than we had orig-

inally planned, with money already earmarked for the specific purpose. This means that it won't take a dime of new taxes in Pennsylvania to finance our program.

We already know that we can speed up more than \$256 million worth of public works, and we're trying to do even better than that.

The question is, how many jobs will this program develop? It's hard to tell. Certainly not enough to solve Pennsylvania's unemployment. But aside from the people who will be hired directly for construction work, others will benefit indirectly. For the dollars we spend will flow to workers in the steel mills, the brick factories, the cement plants. And those dollars will in turn circulate through the hands of the butcher, the baker, and the candlestick maker.

But all this program can do is help cushion the blow of national recession. It will not cure all of our joblessness. There are only two ways we can do that: keep our industrial development program going to solve the long-range problem; and fight for decisive and vigorous action at the national level.

Now I don't think we'd be justified in asking the Federal Government to come to the rescue unless we had first done everything within our power at the community and State levels. But I think we have.

And so we've been pressing the Federal Government to take the decisive action the crisis calls for. I have met with our Congressional delegation, talked with Federal officials, testified before Congressional Committees. I have argued Pennsylvania's urgent need for a bill to help our labor surplus areas.

I have pleaded for the extension and strengthening of unemployment compensation. And I intend to keep at it.

Just the other day the Senate finally passed an area redevelopment

bill, so it looks like the untiring efforts of men like Senator Joe Clark and Representative Dan Flood are finally bearing fruit.

Similarly, we now have an unemployment compensation bill through the House. It is presently being hammered out in the Senate. I don't know what the final version will be, but our need for this legislation is so immediate that I'd rather see our unemployed get half a loaf than no bread at all. We can always fight for what we don't get at some future time, when delay is not so dangerous.

This, then, is how Pennsylvania presently stands in the battle against unemployment. The time will inevitably come when the Nation gets back on its feet and our economy recovers.

Unless we succeed, by that time, in breaking through age barriers to employment, we are in for trouble. Arbitrary and foolish barriers to hiring, based on chronological age, are a problem today. They will be even more of a problem tomorrow, as medical science continues to increase the life expectancy of Americans.

One of the striking facts of this century is the extent to which we have increased our life span and decreased our work span. At the turn of the century, the average number of years of life remaining at birth was 46 for men, 48 for women. By 1955, that average had increased to 67 for men and 73 for women.

Dr. Bortz, who spoke to you this morning, tells us that our children may well see the day when most people can expect to live to be 100.

Fifty years or so ago, most people went to work early in life and stayed on the job until death. Many were struck down by disease during their vigorous and capable years. Those who survived continued to work.

Today, we have what is more or less an "official" retirement age based on the eligibility age for Old Age Survivors' Benefits, which begins at

62 for women and 65 for men. Great pressures are now being brought to bear to lower these ages further.

Moreover, we have "unofficial" retirement ages which are much lower, for those who—for some reason or other—lose their jobs.

For instance, the "unofficial" retirement age for many salesmen who are out of work is 40 years of age.

The way things are today, the 40-year-old salesman whose company goes out of business may very well find himself unofficially and permanently retired.

This unofficial retirement age varies, of course, in different occupations. For an airline stewardess, it may be as low as 30. For a janitor it may be as high as 65 or 70. But whatever it happens to be, it is based on a series of misconceptions, of which the most important is that a man's chronological age is an indication of his ability to work effectively.

It is a shocking thing that this misconception persists, despite the evidence all around us that chronological age is a poor measure of anything—except the number of calendar years which have passed since birth. All of us here tonight know people who are young and vigorous at 68 and even 88. And all of us know people who are older at 48, or even 38, than their chronological age indicates.

I would not be surprised if these arbitrary age barriers to employment don't tend to increase the severity of the recession. For even when business is bad, there is still a great deal of hiring. People leave jobs and new jobs are created.

Every day that a job remains vacant is an unproductive day, forever lost. Every day that a man remains unemployed is a lost day, contributing to the total unemployment, the total loss of production, the total loss

of income, the total loss of consumer purchasing power.

And anything which makes it more difficult for an employer to find the right person for a job will mean that the job is vacant longer, thereby contributing to unemployment, production drops, income loss, and purchasing decline.

I suggest, therefore, that arbitrary age barriers to employment create an artificial handicap, making it more difficult for an employer to hire. Employers who have age preferences will find it harder, even in a recession, to fill their vacant jobs as quickly as they otherwise could; and this undoubtedly adds to the severity of the decline.

So it is pertinent that we consider the subject of age barriers to employment here in Philadelphia, even though we are in the middle of a recession.

As the Nation recovers—and it ultimately will—our older workers may be the last to benefit from the resulting increase in business activity. Any economic slump makes it necessary for certain businesses to discontinue operations. These casualties may be complete; or they may apply to only one segment of a company's operations—an unprofitable line dropped, or a subsidiary discontinued.

The younger unemployed worker will eventually find another job in another company. The older may be doomed to a perpetual round of the employment offices.

We know, because we see it in our own employment offices, that many men in their forties and fifties, who lose their jobs for some other reason not related to their ability, never become fully productive again. If they're lucky, they get a series of part-time jobs, filling in here and there; and finally—if their luck holds out, and they're willing to swallow their pride—they get jobs at substan-

tially less money than they had been getting. They are the losers. But so are we.

We in America seem caught up in a strange contradiction. On the one hand, we put the accent on youth. On the other, we seek to live as long as we can, and further add to our life expectancy. "Youth must be served," we proclaim, while we encourage our doctors and scientists to produce new miracles to keep us alive longer.

Yet if we don't let our older people work, it won't be youth who will be served—for the young will be doing the serving, and the supporting.

What can we do to get off the horns of this dilemma? We need simply allow older people the chance to be productive on the basis of their ability to work.

It seems to me that there are at least five overwhelming reasons why it is essential that we do this.

First there is a business reason. It is good business to remove age barriers to employment. Employers who do so find that their choice of potential employees is greatly broadened, thereby making it more likely that they will find the best possible workers.

Employers report that older workers are steadier, more dependable, more reliable, less apt to take sudden and unexplained vacations. They take a serious attitude toward the job, and serve as a steadying influence on their younger co-workers.

We have seen studies that show that more than one-third of the workers between 55 and 64 produce at a higher rate than the average for the 35-year-old worker.

I know that many employers shy away from including a man of 45 in their training programs, on the presumption that he will have relatively few productive years ahead of him—too few to justify the investment of time and money in his training. Yet the quitting rate for those under 45

is up to three times as great as it is for those over that age, thus lending credence to the belief that an employer will get, on an average, more years of productivity in return for his training investment from the man of 45 than from the man twenty years or so younger.

Not only are there good business reasons for hiring older workers, but there are strong social reasons, too. A society that is increasing every year the proportionate number of older people in its population cannot afford to pay the social cost of supporting these people in idleness.

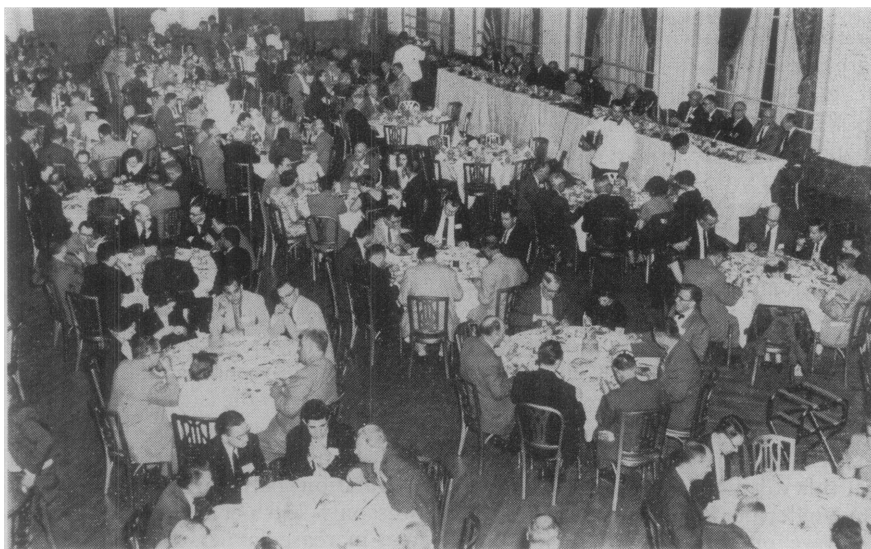
The percentage increase in total population between 1900 and 1956 was only 116 per cent. The percentage increase in persons 45 and over was 249 per cent.

In the decade from 1955 to 1965, there will be a 17 per cent increase in the 45 to 64 age group, and a 23 per cent increase in the over 65 age group. But while this is happening, the 25 to 44 group will actually decline by one per cent.

This leads to a strong economic argument on behalf of removing age barriers to employment. It may sound strange at this time to be talking about the productive waste of so many idle hands belonging to older workers; for we are also wasting the productivity of too many younger workers in this period of heavy unemployment. But in the next ten years we are bound to see a vast increase in the consumption of goods and services.

To illustrate this point, the 14 to 24 age group will increase by ten million, or 41 per cent, by 1965.

Think of the automobiles and boats they'll want—and order. Think of the demand for housing when they begin to marry. Think of the need for clothes—and schools—and roads—and food.



THE CONFERENCE DINNER

In fact, economists estimate that we'll need ten million more workers by 1965 to produce all the goods we'll need to maintain our standard of living and to produce what we must to maintain our military strength.

Not many of these workers will come from the 25 to 44 age group. Actually, there will be a decline in the number of men available for work from this group. A small increase in the number of women employed is likely. The balance will come almost equally divided from the younger age group and the older age group. In fact, we will need about five million older workers by 1965.

Don't think, however, that the employment of older workers will be automatic just because we need them. Not so. Many businesses will continue to erect age barriers to employment and find themselves short in work force as a consequence. Many communities may find themselves on the outside looking in when industrial expansion starts, because they

won't be able to produce a labor force. And those same communities may have unemployed older workers.

The profits in 1965 will go to the businesses that can produce, and the businesses that can produce will be those that can recruit effective labor forces.

The business in 1965 will go to the communities that can supply workers, and the communities that can supply workers will be those which have learned to break through age barriers to employment.

There is no better time to learn how to do this than right now. And there is no better place to start than right in your business and right in your own community.

But even if these business and economic and social needs didn't exist, there would still be two very great reasons remaining why we need to devote our time and energies to removing age barriers to employment. There is a basic humanitarian reason; and there is a moral reason.

We are a people devoted to good causes. When a man is sick we want to heal him. If a man is starving, we want to feed him. If a family is ill-housed or clothed, we want to help out.

Yet I cannot think of anything which does more directly to help an individual than the ability to support himself and his family.

He can only do it by working at a job. When we place unreasonable age barriers in his way, we deprive him of his strength, his pride, his basic energies. We rob him of his inheritance.

Surely it is a good cause to remove such barriers to employment. Surely, there are compelling humanitarian reasons why we all ought to get behind all movements to do so.

And last but not least, there is the moral reason. Is it not clearly right to give a man a chance to show what he can do without ruling him out on the basis of an arbitrary age limitation? Is it not morally wrong to adopt any policy which says that a man can't work, solely and simply because he has reached a set number of years?

On all counts, we must remove age barriers to employment. It is profitable for our businessmen; it is healthy for our society; it is necessary for our economy; it is essential to our humanity; and it is at the heart of our morality.

If we are agreed, then, that these barriers must be removed, the next great question is "how?" What should we, who represent your State Administration, do about it? What should you—businessmen, labor leaders and members of the general public—do about it?

Let me say at this point, as earnestly as I know how, that this is not a matter for partisan approaches. Much good work was done on behalf

of older workers under previous State administrations. Older worker conferences similar to this were held in Pennsylvania in 1952, 1953 and 1954, under Republican administrations.

We are now working closely with a Republican administration in Washington on this program. And the only reason that we do not have a prominent Republican here tonight to share the speaker's platform with me is the result of a conflict in dates, not a difference of opinion about the importance of removing age barriers to employment.

We are proud of the fact that we are working at this problem on a non-partisan basis. Our Advisory Board on Problems of Older Workers is a bipartisan board established by a Republican-controlled legislature and appointed by a Democratic Governor.

We think that we are beginning to make progress. We have started some research projects which look promising. You have heard reports on them here today. We are hopeful that our actuarial studies into the cost of hiring older workers under various types of funded pension plans will lead to the development of model pension plans least likely to serve as a barrier to the employment of older persons. We are hopeful that the good results from our Philadelphia Pilot Project will lead to additional funds, so that we can place more older worker counselors at strategic employment offices throughout the Commonwealth.

I might also mention that we recently hired a coordinator for the Advisory Board on the Problems of Older Workers to work in our Pittsburgh office. We have had a coordinator in the Harrisburg office for about a year now.

Our next step is to find someone to act as coordinator for the Philadelphia area, and we hope to have accomplished this in the near future.

Our education and information program is broadening. Many of you have already seen the new pamphlet "Breaking Through the Age Barrier" which has been distributed at this conference, and which will receive wide distribution everywhere in Pennsylvania. We have been able to furnish speakers to luncheon clubs, labor groups, industrial associations and the like. As new developments occur, we try to seize every possible opportunity to tell people about them through our press and radio.

Most important of all is our rapidly developing program for enlisting community support and action.

The staff of our Advisory Board on Problems of Older Workers is working with local community groups to establish a way by which all segments of the community can give continuing attention to the employment of older workers.

I am delighted to know that here in Philadelphia, there has already been established a committee on the employment of older workers, sponsored by the Aging Division of the Philadelphia Health and Welfare Council. I am sure that the public-spirited members of this committee will be able to find new and effective means for helping to remove age barriers to employment in this strategically important Philadelphia area.

In Harrisburg, too, we have been having community meetings under the sponsorship of the Tri-County Welfare Council, and we are bringing more and more community leaders—employers, labor union officials and members of the general public—into this work.

The City of Reading has also established a Committee on the Employment of Older Workers. I am confident that here, too, we will begin to develop practical programs for promoting the employment of older workers.

We are going to continue to work in this fashion, completing and extending our research as we are able; adding to our staff of skilled counselors to help older workers when they come to public employment offices; widening the scope of our education and information activities; working with more and more communities to see that continuing attention is given at the local level to removing age barriers to employment.

All of us have the same stake in our success. It would be a serious mistake to assume that the solution of this problem rests only in the laps of industry, since it is industry that does the hiring. The problems faced by older workers in our culture are directly a result of community prejudices and misconceptions.

If we are to overcome these prejudices and misconceptions, we shall do so only in direct proportion to the success we have in convincing labor, industry and the public alike in the seriousness of the problem, the worthwhileness of the cause, and the practicality of the solutions.

I certainly hope that this will be the outcome of the Philadelphia Older Worker Conference. Not one of us here tonight is an outsider to this problem. We are all older workers; or we soon will be. We all have an economic, social, moral, and humanitarian stake in solving the problem.

And we can solve it. We can solve it by working at it persistently and intelligently and cooperatively. We can solve it when we recognize our stake in it, and what we have to do.

Let me assure you that your State Government is both willing and anxious to give leadership and support to this cause.

We live—all of us—in a world of interdependence. John Donne put it accurately and eloquently when he said:

"No man is an island, entire in itself; every man is a piece of the continent . . . therefore never send to know for whom the bell tolls; it tolls for thee."

This is particularly true in a complex economy like our own. An unemployed worker anywhere is a matter of concern for everyone. Age barriers to employment affect everybody. They lower our standard of living; increase the costs of doing business; raise welfare charges; and contribute to the psychological insecurity of everyone.

Look at the man of 45 or 50 who cannot get a job because of his age—and only because of his age—and you know that he might be you: either as you are now or as you will become some years hence.

Therefore, I call upon the citizens of our Commonwealth to do the following:

One, if you are an employer, hire

on the basis of ability, not age. Don't even state age "preferences" rather than "requirements" in order to avoid the anti-age discrimination provisions of our Fair Employment Law. Make sure you are using the skills of the older workers now on your payroll. Don't retire your employees prematurely on the basis of some outmoded and arbitrary chronological age system.

Two, if you are a member or official of a labor union, beware of compulsory retirement at a fixed age and work with management to help employ older workers in productive capacities.

Three, if you are an unemployed older worker, don't get unduly discouraged. Be sure you continue to register for work at your State Employment Office. Present the best possible appearance to potential employers. Concentrate on what you can do, not on the hard luck you have had.



The head table at the conference dinner: seated left to right, W. T. Piper, Monsignor John V. Tolino, Mrs. Bessie Kann Sack, Governor Leader, Secretary Batt, Mrs. Carlotta Howard, Dr. B. Frank Rosenberry; standing, Harold W. Williams, Harry Boyer, Joseph A. McDonough, Dr. Joseph H. Britton, Dr. Edward L. Bortz, Dr. John F. Adams, and John M. Clark.

Fourth, whoever you are, or whatever you do, see what you can do in your own community and among your own friends to help remove age barriers to employment. If you belong to a fraternal group, or a church organization, or a veterans organization, or some other community group, see what you can do about helping to combat misconceptions about age and employment. Promote a jobs after 40 campaign, such as the Fraternal Order of Eagles are now doing through-

out the Country and here in Pennsylvania.

I am confident that we can lick this problem. I am confident that we now have the knowledge and the will to do what needs to be done to remove the last age barrier to employment in the Commonwealth.

Working together, industry and labor, Republican and Democrat, government and voluntary agency, we can succeed. On behalf of every person in your State Administration I pledge the fullest cooperation.

RETIREMENT PRACTICES

*Chairman, HERBERT G. CLARK, Executive Director,
Pennsylvania United Fund*

Are our present retirement practices realistic? Is mandatory retirement at a fixed age the best way to promote the general welfare? What are union and management doing to prepare workers for retirement and what more needs to be done? Is there any hope for plans for part-time retirement?

WALTER D. FULLER, *President, Walter D. Fuller Company*

Let me begin by saying that there are a thousand challenges for each of us who loves our country and our free way of life. We choose those challenges for which our experience and aptitude best fit us. With me, it is the subject of our coming army of old people. You know the figures—3,000 men and women each day pass age 65, and in terms of retirement, Social Security, etc., become a part of the “aged.” This is a chronological measurement of a biological evolution. Some are young at 75, others are old at 50. The calendar is an easy way to measure, but it is not very accurate.

Where are we headed? Medical statistics point out that the length of life at birth in classical days was less than 25 years. By 1900 it had increased to 45. Today it is 70. What will it be 25 years hence? Eminent medical authorities say that the human machine is engineered to live from 100 to 125 years, if in good health. With present and coming living and medical advantages, with less stress and strain, and the probable elimination of major wars, they be-

lieve that the life of an average human being born from 15 to 25 years hence may well be close to 90 years.

Take another approach. During the last 25 years the mortality records of representative life insurance companies show decreases of as much as 30 points on the American experience table. This is just about cutting the mortality of these companies in half. Will it continue to reduce? No one can be certain, but look at the trends of the last quarter century.

Let me pose this question: “How many people past 65 are alive today and how many will be alive 25 years hence?” Government figures say 14,749,000 or 8.6 per cent of the population in 1957, and the official guesses are from 25 to 30 million for 1980, or perhaps better than 10 per cent of the population. I wouldn’t pretend to put my opinion against government estimates, but I think their figure is too low if we do a good job in the meantime. I would guess that this figure can be up to 5 million greater than the total just given.

What To Do

Now what are all these people going to do? Should such a large segment of the population be unproductive and will they be happy that way? Will the younger group, deep in raising families and educating them, be satisfied with such an added burden of taxes and labor? I very definitely know the seniors will not be happy or willing to live in such a strait-jacket, and I think the younger folks will be fully as dissatisfied.

Can the age of retirement be raised successfully? I do not know, but in many cases there would be problems. At present, with some companies having pension plans, there is a let-down by individuals in the years before 65. Today we seem to be in a three-part cycle of:

Birth to 20/25—Growing up; education.

20/25 to 60/65—Intense work.

60/65 to death—retirement.

The whole situation is greatly complicated by the world birth rate and the depressed mortality situation. (See *Annals of the American Academy of Political and Social Science* for March 1958.)

What's to be done about it? Perhaps if the longer life indicated for future years is coming, the three-step cycle would be *four* steps:

Period 1—Birth to 20/25
—Growing up; education.

Period 2—20/25 to 60/65
—Intense work; moderate vacations.

Period 3—60/65 to point depending on capacity and desire
—By *proper planning* and development, *part-time* work of a very interesting nature might be made available at reasonable remuneration, less than Period 2, but in

excess of the pension, Social Security, etc., paid in Period 4.

Period 4—Following period 3, until death

—Recreation; study; “waiting to die.”

A New Experiment

Last August I decided to try an exploration in this direction. I thought that the executive and specialist group would offer the best possibility of success. I have always been a believer that to begin you have to start, and then try to work out the answers—in action rather than purely in contemplation. So I began the Walter D. Fuller Company on Independence Square here in Philadelphia.

I believed that there were many retired business executives and professional people who would like some activity other than fishing, painting, shuffleboard, etc. I thought they wanted still to be productive and perhaps to make some moderate addition to their incomes. I was sure that if this were the fact, some organized plan would be necessary in order to bring it about. Since the experiment had to be limited because it was exploratory, and by my capacity to meet expenses, I have kept it strictly in this executive field. Booklets telling about this plan are available at my office in Room 835, Public Ledger Building, Independence Square, Philadelphia, if you care to write. The business is private at the moment for obvious reasons and is theoretically operated for profit or loss. It is still entirely in the loss category. If it ever gets into a profit position, such money will be used for its expansion into other useful fields.

Retirement Tension

There are many interesting angles of this work, only one of which I shall discuss today, and that is the

matter of "retirement tension." Are there such tensions? I cannot measure them, but some doctors are sure they exist, particularly for the high-strung trained executive, specialist or technician type. They believe that retirement from a lifetime of work, unless there can be some hope and a continuing intense interest of some satisfying nature, shortens life. Look about you at your acquaintances and you will find men who went downhill fast after retirement. Look again at those who found adequate activity and who today have high interest, active minds and increased alertness.

Finding such activities is, of course, the Fuller Company business.

Let us diagnose "retirement tension." In the first place, "retirement at 65" is no secret, but consciousness of it penetrates slowly.

There is the shock of separation from a lifetime of business interests and responsibilities.

Often income drops considerably, even with excellent pensions, and that poses problems.

Then there is pride, and a subtle change of standing in the community.

And perhaps of equal or greater importance there is the wife—usually younger—proud of her husband and who probably has him upon a pedestal. Remember, a blow to her husband is two blows to her, and most wives are vocal.

Add all these things together. Do they cause tension?

Perhaps the heart is not quite as good as it might be, or maybe it is blood pressure or some other physical defect.

Could these tensions be the reason so many men start down the hill soon after retirement?

Pre-retirement counseling may help, but it certainly accentuates a conclusion of impending doom.

Now suppose another interest in

the man's field of experience, but new and unique, where he can feel he is really accomplishing a useful and needed purpose, comes into his life. To bring this about is what I am trying to do—and it works.

About 1,500 people have registered with me and more do so daily. Of these, nearly 800 have been examined with care and meet my requirements of experience and ability. I am a "finding" and "placement" service for such persons for part-time activity. I make no charge to specialists for registration and of course can make no promise other than that I will do my best.

The names are classified and solicitation of clients through letters, friends, advertising and personal representatives brings in a flow of potential customers. The fees to clients are modest. After all, these specialists have a bargain to offer—they represent America's "cream" of experience in management and technical subjects. We started to seek clients in January 1958. We received 13 approaches from clients in January; 15 in February; 33 in March; and 97 in April.

The subject goes far beyond what I am saying today. I have found new and promising fields:

- Part-time "ambassadors" in distant cities.
- Answers to "shall I integrate or not?"
- Requests for rare and unusual skill or experience.
- Should I merge or absorb?
- Requests for partners.
- What do my customers or competitors really think about me?
- Engineers, chemists or other professionals for unusual types of research.
- And many more.

Right now the 800 specialists are distributed about 12% in New England, 65% in the area from New York State to the District of Columbia, about 10% in the South, 10% in the Middle West, 2.5% on the West Coast, and about .5% in Canada, South America, Africa, Asia and Europe.

Advantages of "Part-Time" Plan

Is it working? Yes, so much so that I am at it in every waking hour, including weekends. Are the problems solved? By no means—they increase daily.

Right now the job is to keep abreast of the work, speed up our replies to requests, get money enough to hire some very necessary people, perfect the handling of customer requests which is now too slow and not analyzed well enough, and at the same time sell and plan.

As I see it, the advantages of this planned and promoted program are at least six-fold:

1. The users of these men get a wonderful bargain. Checked and selected experts on part-time at bargain rates.
2. The specialists on our lists—longer lives, improved income, proud and happy families.

3. Employers. Nearly all employers have a heart. Most of them do not feel that paying a modest pension and then washing their hands of the whole situation really satisfies their conscience. To register such men, when qualified, in our plan is easy and can be very satisfying both to employer and retiring employee.

4. Lengthening life. Look at what it means to the insurance companies, savings banks and investment opportunities.

5. To the employed workers, manufacturing establishments, distribution organizations and stores—with more people and more income.

6. And last to the satisfaction and happiness of all Americans.

We are on our way. A well known New Yorker associated with one of the great foundations said to me recently, "This is one of the most practical social experiments I have seen." A prominent doctor said, "You are making a significant contribution in the work you are doing." A New York banker said, "You are bringing to American business a workable but heretofore not available dimension of our resources." He added, "Certainly all our resources must be utilized during the coming decade when free enterprise will be deep in competition with the totalitarian way of life."

**ARTHUR G. McDOWELL, *Director*, Department of Civic,
Education and Governmental Affairs, Upholsterers'
International Union**

The policy of my union for the older worker is necessarily tailored to meet the special conditions of a still largely small proprietor-dominated industry, still in large degree worker rather than machine-paced production. Its pension program is uniform, multi-industry and nation-

wide. Premiums are a uniform 2% and service credit is accumulated from every employer worked for, who by retirement time has become a subscriber to U.I.U. National Pension Program. Retirement is voluntary at 65, normally mandatory at 68, although with employer permis-

sion in the early stages of the program a worker can work for five years after usual retirement age where necessary and desired in order to reach full service credit.

The first aim is to provide by legislation and negotiation for economically adequate income for old age so that retirement can be a voluntary and planned leisure. In a largely man rather than machine-paced industry it is frankly recognized that our industries' employers have a legitimate interest in retirement at a general age when physical vigor diminishes and that the worker, if properly prepared and provided for, should look forward to such retirement. The worker while on the job must be protected by the union against discrimination on basis of age as well as other irrelevant factors and against insecurity due to illness or unemployment. Within the broad national limits of healthy private industry and government policy the union will recognize that its employers must more narrowly be competitive if employment of union members of all ages who are equally entitled to its benefits is to be protected.

There must be education to prepare for retirement when it comes. We have pioneered in this field and are struggling with our industry on this, pending wider acceptance of public responsibility and have entered on a vast costly experiment in planned retirement village living which includes opportunity for some continued employment at trades as well as cooperative local maintenance.

These are the limits of what a single union of moderate size can do, as there is to what unions as a single element in total community can do to affect a general social policy. With all our progress and private provision there remains, as medicine and science steadily lengthen the life span, the question of "Retirement and

Added Years—for What?" an advance confession of bad conscience on our part, if not yet of American society as a whole.

What is Ahead

It is a healthy indication of some hopeful doubt of the total adequacy of mere material, or perhaps more narrowly, money provision for a human need, even if we make that money provision progressively more generous, as there is still plenty of room to so make it. However, even before we round out the revolution begun by the Social Security Act of 1935 by medical insurance provision after 65 and an escalator clause to keep in pace with an inflation riddled pension dollar, we are aware of the tragic application of the old aphorism of John Ruskin that scarcely has a movement for a great forward advance in human welfare reached acceptance and power when it becomes evident that much of the ideal purpose sought has slipped through the fingers of its supposed achievement and the old grand aim must be fought for all over again by the army of a new generation under different banners and slogans, and all too often in some degree against the opposition of the slogans and the inertia of the actual achievements and even the surviving leaders of the achievements of the army of social reform of yesterday. I hope, of course, that this general truism of history will be less true of you and me here in this endeavor than of more grandiose movement for the millenium of the last 40 years.

This aspiration is the more earnest from the fact that I am aged enough to have been a young recruit for the embattled forces of the Committee for an Old Age Pension led to the barricades by those honored pioneers, James H. Maurer of the Pennsylvania Federation of Labor, and his faithful Abe Epstein in the Brumbaugh Commission of 1916; and in

the depression eve years of 1927-30 before the years of the shared misery of the great depression, that great leveler and softener of the heart of America, had made it possible for the basic social reforms of the second phase of the New Deal, beginning in 1935, to bring the already wealthiest nation in the world up to the level of social responsibility, reached by every industrial nation of western Europe and every large nation of the world except China, anywhere from 15 to 30 years before we acted.

A large dose of humility, the fear of the Lord which is beginning of wisdom, is one of the most needed and most deficient stock piles of American resources today. The ten years of the great depression with all its evil scars and misfortunes served America spiritually and otherwise much better as a preparation for the travail and trial of Pearl Harbor and World War II than the last ten years of unexampled prosperity have for the just as real crisis in our world affairs, signaled by the Soviet Sputnik. Neither nobility nor foresight nor real sympathy for your fellow man seem to be favored by easy material abundance.

Changing Issues

Now, as a lifelong participant and member of organized labor, I will eat my share of humble pie of the old issue of original old age security fight. In the 1920s we were no better than the rest of the Nation. While my particular union then, as now, took a different position, the official position of most organized labor represented by A.F.L. of the time remained a rigid and reactionary total opposition to social insurance such as the Social Security Act, from very early years up until after three of the most terrible years of the great depression of 1929. The grudging and skeptical, to indifferent attitude of most organized labor, with rare

exceptions, today, to our union's initiative in the field of use of funds for retirement living experimentation and education for retirement preparation is not much more inspiring to date, in this year of 1958.

Here today we are, to our credit, taking our eyes off our mammoth achievement of millions receiving Social Security and increasing private pensions long enough to ask "Retirement and Added Years—for What?" Many of the millions in involuntary retirement today, if they heard about it, might well feel like the man who was knocked down in the market place by a truck and who, when the driver stuck his head out the cab door and said, "Look out," replied, "What's the matter, are you coming back?" It is much better always to do things with the people than either to or for them. We should remember the importance of the preposition in this field always as a corrective against arrogance.

Financial Provisions Inadequate

A minority viewpoint in industry and finance has been going about for some time preaching excellent statistical sermons on the theme that "We, the economy, can't afford compulsory retirement at 65 except for executives." (I suspect that in the scientific field we will soon have to be sure that we don't include engineers and scientists.) Meanwhile, the great financial institutions as counselor and fiduciary of many pension schemes, and industry, including our own, and we as a union, under understandable pressure of a highly competitive industry, are going to go right ahead making 65 as nearly a compulsory retirement age as possible.

When my union was organized in Philadelphia 75 years ago, the man or woman of 65 was only one in 34 of population and much less than that, I would hazard, in city population generally and industrial popula-

tion in particular. Today those over 65 are much closer to one in 10 in population and on the increase absolutely and proportionately each year, and the one-third industrial and two-thirds rural population proportion of 1882 has been more than turned upside down, as has been our family structure where multiple generation family unit is no longer acceptable functionally, psychologically or provided for in our very housing. The doctors and scientists are busy further lengthening the life span and industry is busy raising the barrier to useful employment further and further down the age bracket. Pension schemes themselves, starting as a humanitarian effort, are actually becoming a blade of these cruel scissors, cutting off the worker in his prime from the life giving and supporting current of useful and compensated work. Out of the great intended goods of medical progress and pension provision is coming substantial evil as well as only part of the intended good. Mere improved financial provision for existence after 65 is not proving a humane, a decent or an adequate measure. Mere material relative money abundance is not the answer to all a free society's or a free man's problems, as we cruelly discovered on last October 4 when the world's cruelest and lowest standard of living country launched its flying missile round the world.

A Pilot Project

We of our union turn to a much neglected emphasis in our life in America, education, not for a solution but as the precedent condition for preparing people to devise solutions. We financed, in 1955 and 1956, a pilot project in the education of our members in retirement preparation before it comes. The program showed humane and practical benefits were possible on a scale which justified it to the union officers and

the four leading employers who make up a joint committee of our U.I.U. industries on retirement preparation. We are now engaged in trying to enlist our industry employers, and possibly in due time the community, in the possibilities of this endeavor. Our progress is enlightening and more often disheartening and indicates how far we have to go before we start cutting down the momentum by which our very success in providing money income and physical survival against disease for the retiree, so far outruns our provisions for the whole man that our golden mill for retirement income turns the whole sea of life for millions to salt.

In its August 11, 1846, issue *The Times* of London wrote a memorable piece of counsel for free men in their collective and organized activities which make up society. It reads, as follows:

"The greatest tyranny has the smallest beginnings. From precedents overlooked, from remonstrances despised, from grievances treated with ridicule, from powerless men oppressed with impunity, and overbearing men tolerated with complacency, springs the tyrannical usage which generations of wise and good men may hereafter perceive and lament and resist in vain. At present, common minds no more see a crushing tyranny in a trivial unfairness or a ludicrous indignity, than the eye uninformed by reason can discern the oak in the acorn, or the utter desolation of winter in the first autumnal fall. Hence the necessity of denouncing with unwearied and even troublesome perseverance a single act of oppression. Let it alone and it stands on record. The country has allowed it and when it is at last provoked to a late indignation it finds itself gagged with the record of its own ill compulsion."

This injunction deals with broader issues than we are concerned with here today, but one sentence stands out.

"At present common minds no more see a crushing tyranny in a trivial unfairness or a ludicrous indignity than the eye uninformed by reason can discern the oak in the acorn. . . ." No better words than "unfairness" and "ludicrous indignity" can be found to describe our current society's treatment of its older citizens. Our pension provisions are increasingly used as one of excuses for making reemployment of any man past 40 a prolonged purgatory on earth. We retire people whom medical science has made as reliably healthy, as many were in their 40's two generations ago, and then refer them to shuffleboard and hobbies as central activity of their lives, disregarding the long known principle that even a child cannot have his attention successfully drawn from a more complex to a more simple form of activity without losing interest and confidence in living. We have altered

our housing, our family tradition and structure, our employment pattern to make the position of the older worker more intolerable, while by every device of science we increased his numbers and proportion prodigiously and we have done nothing systematic to educate children as to their changing responsibilities and problems with their elders or to educate the elders as to what they will face so differently from their grandparents and even their parents did a generation ago. There aren't enough social security clerks and social service workers on earth to take care of America's retirees today. Education is not the final answer but it can put a million to work on their own problems in some degree and problems that are clearly growing insoluble can be dealt with by the many concerned instead of by the few professionally in charge. Education in the broadest sense is the approach of the man to the problem of eating the fabled monster artichoke. It is a question, as with the ordinary one, every man can take it, one leaf at a time.

OTTO POLLAK, Ph.D., *Professor of Sociology*, University of Pennsylvania

I remember having been in this same room, a member of a panel on old age, a couple of years ago; and seeing one of my friends who is sitting close to one of the pillars here now, I remember having seen him sit there a couple of years ago. I remember the first national conference on aging, convened in Washington in 1950. And there is a great difference between the audience here today and these two audiences which I recall.

The difference lies in the fact that the people interested in retirement and aging have aged. There is more gray hair in the audience now than there used to be. And I think there

is great strength in this fact. Because what has happened too long in the study of aging in this country was that it was a concern of relatively young people, people who have projected their fears and their expectations into their statements about the aged and about retirement. Only slowly have the people concerned begun to reach that pool of individual experience which might help them to study retirement and aging as an experience close to their own.

Positive Retirement

I would therefore wish to invite you, who like me approach this stage

of the life cycle to listen to my report on positive retirement experience with an introspective orientation in order to find out whether what the people whom I interviewed in California experienced seems reachable, seems advisable, and can be prepared for from where you are now.

As you all know, in our culture, retirement is usually considered as a problem period in which loss of income, loss of customary contacts and loss of one's occupational feeling of identity present problems which interfere with the psychological, physiological and social well-being of the individual. To counteract the experience of loss through maintenance of capacities and opportunities has been considered the cure-all in this respect. With respect to income, this is, of course, deceptive, because a stable number of dollars buys less from year to year. This is not a new American invention. Ever since the first coin was struck, money has lost its purchasing power. It is an experience as ancient as mankind, and as more people grow older, that will have to be built into the retirement experience.

It is interesting to note in our culture, in which everything must grow in order to be considered healthy, no actuary has as yet designed a plan, and no social security planner has as yet suggested one, that with advancing years, provides for an increase in retirement pensions.

This, I think, is a challenge which one might well bring to the planners, because the feeling of growing income, no matter how much the initial loss may be upon the onset of retirement, gives in itself a feeling of economic and social health, and should not be excluded from the American attempt to meet the challenge of human problems.

It seems to me that due to the orientation of much scientific effort toward the study of pathology, our re-

search into the various aspects of retirement has been concerned too much with discomforts, or at least not been supplemented sufficiently with research into well-being.

From this feeling of imbalance came my mandate in 1955, issued by the Pension Research Council of the Wharton School, to go out to California and to find out whether in this almost proverbial retirement state, there would be people who really found what they had come for, namely, fulfillment, enjoyment, and a meaning which would counteract economic, social and physiological losses which seem to be unavoidable as the years go on.

Successful Experiences

Now, this was not and could not be a statistical study, because the time was limited and we didn't know too well what we were looking for. What actually happened was, essentially, that I went to a couple of companies, to social organizations of retired people, to union officials and to welfare workers, and asked, "Do you know somebody who is happy in retirement?" And then when they gave me names, I asked the people concerned, "Is it true?" I watched whether their behavior seemed to corroborate their affirmative statements, because it is difficult in our society to say that you are unhappy. It doesn't go with our conventions of communication.

Happily, on the basis of all this, I found quite a number of instances in which it seemed to me and seemed to the people concerned and seemed to their associates that retirement had turned out to be a successful experience for them.

And what was it? What made it succeed? This is what I am going to report to you today.

In essence, I have to refer to what the speakers of the panel who have preceded me said. It is not one

factor. It is not economics alone, and it is not activity alone. It is rather a combination of factors.

Outstanding among the factors which I seemed able to discern in this case constellation making for successful retirement was meaningfulness. Whether somebody did something or enjoyed inactivity, it was important that in terms of *his* life's needs and ambitions this was more than just activity or inactivity but a means to a purpose. I think I should give a case illustration or two for purposes of clarification.

The Case of Two Ranches

On the first day of my field work I met two retired executives who both talked about their retirement ranches. One invited me out, and it was place as close to perfection as I have ever been fortunate to see. He told me with bewilderment that this place, which he had prepared and enjoyed as long as he had been active in business, was to him nothing but a place of boredom and annoyance now, since it was not a week-end pleasure but a seven-day-a-week proposition. The other man, however, told me, with tears in his eyes, that to see things grow on his ranch meant more to him than any business success that he had had before retirement.

In one contact, you cannot find the reasons for these different reactions, but I want to present the proposition to you that only in the life context of these individuals can you understand why one ranch is a paradise and the other ranch is hell.

In consequence you cannot propose as a solution to the problem of retirement ranching as such or a hobby as such or leisure as such. The meaning of an experience in retirement has its place within the context of life. I would like to propose to you that some of us, and

perhaps many, use work not as a fulfillment but as a drug in order not to think about the fulfillments we really crave. For these people to become retired offers a challenge and a threat. It is a challenge to finally do what they wanted, and a threat to recognize that they may not be able to do it, that it is too late or that it is not socially acceptable.

However, if you can find within your life context a socially acceptable form of wish fulfillment and you can shape your retirement to give it to you, one factor in the constellation is already brought under control. This can be achieved in many ways. I found a man enjoying leisure to a degree which, to many of us, might be repulsive, but after two hours of talking it became clear to him and to me why he enjoyed it so much. His father had been an exceedingly puritanical man who had never given himself a minute of rest and had wanted his family not to have any leisure and recreation. In the way he conducted his retirement, my informant proved in his own feeling that his father had been wrong, that it could be done, and that he did it. Inactivity to him was a permanent family discussion with his father, endlessly interesting, never stopping, and keeping him going psychologically.

Another man became one of the civic pillars of an important community in California, and he did this in order to please his mother, long dead. She always had wanted to have a civically-involved son or husband, and finally he delivered.

I could give you many more examples, but time is going on and there is supposed to be an occasion for questions, so I will leave it at that. But this is only one factor, the individualized psychological meaning.

Marriage in Retirement

There are others. There must be harmony with the spouse, as Mr. Fuller mentioned. There is nothing more dramatic than the fact that in our society, only after retirement does marriage become a twenty-four hour proposition, per day. People really "get married" when they lose their jobs. Up to then, they have night marriages, week-end marriages, vacation marriages. Now they get married full-time. The husband returns home, but the marriage has frequently been built on the fact that he was not home, or maintained on that score.

If marital harmony is not prepared before this return to a twenty-four hour presence at the home, there is tremendous explosive potential. First of all, the man comes home with reduced status and income. He is bewildered and vulnerable. If he then makes suggestions which would interfere with the established pattern of the wife, he is nothing but a sitting target, and a target which has provoked the bullets.

Social Approval

Number three, in social living there must be social approval. I found many people who developed skills, but if these skills did not find social recognition, very few were strong enough to rest satisfied in their own achievement.

I met an old woman, half-Indian. Her father was a white farmer. Her mother had been a very skillful rug weaver, but she had never wanted her children to learn that skill because she wanted them to leave the Indian heritage and to become white. This girl had always wanted to do what her mother did, so she went into a San Diego public school and in an adult education program learned to weave beautiful rugs. But she charged too much for her rugs

and nobody wanted to buy them. There was no gratification.

I think one of the points about the retirement ranches of many business executives is the fact that they hardly ever have a profit from their ranches, and that doesn't go with the executive value system. What kind of a business is this which you carry at a loss? However, the retired employees of Crown Zellerbach who have lived with trees and gone into tree farming have profits, and therefore they are satisfied. Social approval expresses itself in these profits.

Decline of Capacity

There is one thing, however, which I want you to fathom with your own bodies that begin to learn the meaning of fatigue as the years go by, and that is the experience of declining capacities. As long as the capacity is adequate in the constellation, gratification can be achieved. But the essential problem in retirement is that capacities do decline, and that somewhere the ultimate key of retirement gratification is to learn to be able to live with your declining capacities. An individual gratification search as I have described so far and as I have found successful on a temporary basis is unlikely to see you through. It is built on the assumption that you are retired too soon in terms of your capacities. But your body will take care of this. Retirement will become timely if you live long enough.

And then the question is, how do you find gratification under the impact of vanishing capacities. I have found many people who were gratified under such conditions also, and I would like to propose a report on them as the concluding part of my presentation. Apparently, retirement is a two-faced business: (1) the early retirement or "the too-soon retirement," in which you can live out your individual needs; and (2) the late phases of retirement, in which

you have got to learn to live with your impending disappearance.

To learn to live with your impending disappearance, I was shown, can be done by people who are essentially concerned with something bigger and, to them, more important than themselves. Within that framework of perception, the individual feeling of decline and suffering becomes either unimportant or, in some value systems, even of intrinsic value.

I will never forget an evening session in the study of the rector of the cathedral in San Diego, where a social worker collected those members of the congregation who had not left the cathedral by eight o'clock in the evening and arranged for me to have a discussion with them. It was a gruesome sight to see them filing in. There was nothing but physical deterioration and decay. It was fright-

ening, to see them hobble in. But as they sat down and began to talk about the meaning of their suffering, how they had found time finally to prepare for the hereafter, the physical, frightening aspect disappeared and serenity began to reign in that room.

I also found such serenity in one of the most desolate rooms of a retirement hotel, where a man who had suffered an amputation, not a Catholic, spent his life in contemplation of the wonders of the world, reading an old German Bible that had been in the family, looking at pictures.

I found an old doctor's widow, in her eighties, who had finally learned that one can turn Christmas cards that one receives into little picture books for crippled children. Her own failing eyesight, in comparison with that, didn't seem to matter.

HIGHLIGHTS OF THE DISCUSSION

A question from the floor asked the speakers to comment on the policy of mandatory retirement at a fixed age. Mr. McDowell pointed out that his industry (upholstering) was a worker-paced rather than a machine-paced industry and that some provision had to be made to retire employees whose physical capacities have begun to decline. The basic problem is not early retirement age (as long as adequate preparation has been made for satisfactory existence after ceasing to work on a regular basis) but discrimination in employment practices against people who are below the retirement age.

Mr. Fuller stated that he agreed with Mr. McDowell. He added that even if it were possible to come up with a measurement of biological age, there would be many charges of unfairness and many sides to the problem.

Dr. Pollak stated that he personally found it helpful to have a definite age toward which he could point in his retirement planning.

Another question from the floor dealt with the commonly-held belief that retirement provokes death. Ten-

tative findings of a Cornell University study into occupational retirement indicate that in many instances individuals improve their health after retirement.

Mr. Fuller replied that his point was not so much that discontinuance of full-time work, by itself, provoked death, but that complete discontinuance without even a part-time substitute could produce unhealthy retirement tensions.

Mr. McDowell pointed out that his union has a \$5 million bet that retirement under proper conditions could promote good health. He referred to the retirement village established by the union in Florida.

Another question from the floor referred to pressures by younger people in employment who feel that older workers are in their way. Mr. McDowell agreed that there is such a problem, that it is accentuated in the current recession, and that younger workers put pressure on union leaders and employers alike, saying in effect, "Let the old man retire. He has had enough work. Give the young man a chance."

LEGAL PROHIBITIONS AGAINST AGE DISCRIMINATION

Chairman, WALTER E. ALESSANDRONI, *Chancellor*, Philadelphia
Bar Association

What does the law say about age discrimination in employment? How is the law working? Does it need changes? How is it being interpreted? What kinds of complaints have been received? How difficult is it to prove age discrimination? Is a legal prohibition against age discrimination effective?

HARRY BOYER, *President*, Pennsylvania CIO Council and
Chairman, Pennsylvania Fair Employment Practice
Commission

I am pleased and honored to participate on this panel on the topic, "Legal Prohibitions Against Age Discrimination in Pennsylvania." I thank the Hon. William L. Batt, Jr., Secretary of Labor and Industry, on behalf of the Pennsylvania CIO Council, of which I am President, and for my associates on the Pennsylvania Fair Employment Practices Commission, of which Governor Leader named me Chairman in December, 1955.

In his invitation to participate here, Secretary Batt summarized the purpose of this panel as "an attempt to examine legislative restrictions on age discrimination in employment and to consider how such restrictions influence efforts to improve the economic lot of our older workers."

The Secretary said we should be concerned here whether legislative restrictions are helpful and, in the light of the operation of this phase of the FEP Act since July 1, 1956,

whether there should be changes made in the existing law.

It is obvious that in the limited time available here this morning we can comment only briefly on some of the experiences the Commission and staff members have had in administering the new law in the past twenty-two months. My colleague, Executive Director Elliott M. Shirk, will give you a more detailed report on the 109 cases in which formal complaints were filed that our older workers were being made the victims of discrimination.

Should the Law be Changed?

I will confine my observations at this time to the pointed and specific request Secretary Batt made in his invitation for suggestions as to whether the law should be changed and whether restrictions on employment of older workers have been helpful.

May I say that my fears of three years ago that the inclusion of the age feature in the FEPC bill would make enforcement of the Act unduly cumbersome were not justified, in the light of our experiences to date. As to whether the provisions imposed in the law have been helpful to the 40 to 62-year old workers, I am not certain. All I know is that they have not been harmful to the over-all administration of the anti-discrimination crusade for which we have fought for more than ten years.

As you know, the State Council for a Pennsylvania FEPC held strongly for two independent operations—one for the benefit of those experiencing discrimination because of their race, nationality or religious beliefs; and the other for the benefit of older workers. Partisan politics being what it was in the legislative session of 1955-56, however, it became evident soon after the Republican-controlled Senate included the age clause that we would have to take it or go without any FEPC legislation.

At that point I was convinced inclusion of the word "age" was just another parliamentary and political maneuver to hand FEPC proponents one more set-back in the campaign that had gone on session after session at Harrisburg. It appeared to be an effort to make the administration of the FEPC program so complicated as to discredit the entire fight against discrimination.

It is my opinion that this would have been the result if we had not been able to attain modification by the lawmakers of the age provision from the way it had been originally introduced. Involved was the right to ask job applicants their age so that employers could meet such requirements as issuance of work permits to minors and to determine whether applicants could fit into existing pension plans. Employers were

faced with an impossible situation, also, by the restriction in some union contracts, mainly covering women, to the age limit of 60. Management would have to choose between breaking the law by refusing to retain such workers until 62 or breaking the union contract by holding the worker beyond his 60th year.

Had not all parties gotten together and agreed on the amendments subsequently passed in the Legislature, I know there would have been resistance to the entire FEPC program. Without a doubt, it would have led to the rejection of the whole legislative proposal, both as to age and to the other phases, such as race, color, religious creed, ancestry and national origin.

The incident proved again that men and women of good will can reconcile differences on controversial issues and, with ample discussion and debate, the most thorny problems usually can be resolved. At that time, we on the State Council for a Pennsylvania FEPC and representatives of the employer and insurance groups agreed on acceptable amendments to remove the so-called "bugs" from the bill. With adoption of the amendments by the Legislature a few months later, Pennsylvania became one of two states at that time with a Fair Employment Practice law that has teeth in it to compel compliance.

Because of the drastic slash from the requested appropriation for our Commission imposed by the 1957 Legislature, down to \$225,000, it was necessary to close both the Philadelphia and Pittsburgh regional offices and to reduce the staff from 23 to 12 and to make other curtailments. However, we were able to maintain a high level of services notwithstanding budget limitations. Substantial information has been obtained on the practical application of the age section of the Act to provide the basis for certain conclusions.

At this time I have no proposal to change or alter the Act. We should hesitate lest our program might suffer once the door were opened to amending the law for which so many people and organizations fought so long and so hard. Whether or not the Act has proved of help to aging workers, I feel that in some instances it has been harmful to workers over 62 years of age—the administration of the age feature of the Act, thus far, has not been too difficult.

This panel should recognize that there are two types of legislation through which older workers can receive a measure of protection. One is the existing inclusion in our FEPC Act of prohibitions and restrictions. This attacks the problem of giving justice and decency to the aging worker through the judicial angle, characterized by enforcement and with a penalty attached. This is a somewhat negative approach.

A Positive Approach

The other type is more positive. It calls for legislation authorizing the coordination of resources to provide essential services equally beneficial to all the older workers. I think the Department of Labor and Industry

has faced up well to the need for such an educational fact-finding program of research to foster a better opportunity for those who face age barriers to employment.

In my opinion the negative approach through application of our new FEP law and its penalties and punishment possibilities offers less hope for our aging neighbors than does the positive type. All of us, especially the lawmakers, should emphasize such things as special housing, adequate recreation, improved Social Security benefits including hospitalization and health insurance, better old age assistance that is realistic with reference to the cost of living and to sum up the maximum in social and humane benefits befitting their dignity.

Such an approach may be more feasible and beneficial than is legislation creating legal prohibitions against discrimination of the older worker seeking job opportunities. The latter approach can solve relatively few problems through compulsion. The other program to expand the social and economic well-being for the aging is more in keeping with the basic philosophy of the American people.

ELLIOT M. SHIRK, *Executive Director*, Pennsylvania Fair Employment Practice Commission

There are two current laws in Pennsylvania dealing with the problem of the older worker. In addition, a Governor's Commission for the Aging has been created by Executive Order in the Department of Welfare. In respect to the laws enacted by the Legislature, one is Act 222 administered by the Pennsylvania Fair Employment Practice Commission; the other is Act 475 administered by the Advisory Board on Problems of Older Workers.

Technically speaking, these two laws authorize duplicating services. Act 222 provides procedure to investigate and pass upon complaints charging unlawful employment practices involving *age*, and to obtain enforcement. Act 222 also empowers the Commission to study the problems of discrimination in all or specific fields of human relationship when based on *age* and foster, through community effort or otherwise, good will among the groups and elements

of the state, and to issue such publications as will tend to promote good will and minimize or eliminate discrimination because of *age*, and make recommendations for further legislation concerning abuses and discrimination because of *age*.

While Act 475, which created the Advisory Board on Problems of Older Workers, does not authorize regulatory or enforcement activities as such; the agency is charged with special educational services aimed at expanding employment opportunity for the older worker.

In other words, both agencies have the authority of law to proceed with activities that could be duplication of each other. This has not been done for three reasons:

1. From an administrative point of view, duplication would not be justified.

2. The legislative history of the two acts would indicate that the FEPC should assume the responsibility for the compulsory or regulatory aspects of age discrimination, leaving the broader public service program to the Advisory Board on the Problems of Older Workers. At least, one can assume that the objective in enacting both Act 222 and Act 475 was to provide a division of work in this manner.

3. Even if Act 475 had not been enacted to provide special services for older workers, the FEPC could not undertake them intelligently, for want of sufficient financial resources. To put it another way, if the staff of the FEPC were required to perform the duties now engaging the Advisory Board, it would have to neglect the program established in behalf of minority workers suffering employment difficulties because of their race, religion or national origin.

Different Techniques

The techniques required to handle the educational aspect of the problem

on the one hand, and the enforcement aspect on the other, are vastly different. If one organization were to handle both, skilled personnel to perform both kinds of duties, would have to be retained. Therefore, if the FEPC had been given sole responsibility for both services without a greatly increased budget, something would have to give or the whole effort discredited.

In this sense, those of us who originally opposed the inclusion of *age* provision in the straight anti-discrimination law had a very sound basis for opposition. The FEPC doesn't have enough money to conduct its standard anti-discrimination program adequately let alone assume the obligations incident to a good service program for older workers.

The apprehension about the combination of the age provision and the provisions dealing with race has proved to be academic; because, as Mr. Boyer pointed out, the Legislature did create an agency in the Advisory Board to undertake this phase of the work and redeem the situation somewhat.

I have mentioned the above, because these facts bring out more clearly the distinction between a compulsory program for older workers and an educational program. These facts also assist us in evaluating the function and utility of each type of program and help us to determine where it is most logical to place emphasis and to deploy existing resources.

Specific Discriminatory Acts

In order to evaluate more definitely the significance of restrictive age legislation, I shall review the specific acts of discrimination, actual and alleged, which have been filed as violations of the law during the past two years.

To date, there have been 109 instances of age discrimination on which the Commission has acted.

Most of these (80 to be exact), have had to do with violations of the law in advertising for employees and workers of preferred age groups. It has been comparatively easy to obtain correction of these ads and to change the practice of the newspaper or advertiser so that improper language has been largely eliminated. It is of interest, too, that application forms which previously contained age limitations have been remedied and the objectional language removed. For example, the Pennsylvania State Civil Service Commission has removed age specifications from its application forms.

There is no way of telling to what extent older workers have obtained employment as the result of the improved application forms and ads but, at least, we know that the opportunity to apply for work has been opened for older workers which had been denied previously. There is no doubt in my mind that requiring non-discriminatory employment forms and newspaper help wanted advertising, has improved the climate for older workers and helped eliminate some of the mechanical barriers which hinder their employment privileges.

Some of the objectionable terminology which has been eliminated by the law is illustrated by the following:

“Young Man”

“Young Secretary”

“Only those between 18 and 30
may apply”

There are some aspects of the restrictions against unlawful advertising and employment applications which do not contribute constructively toward helping the situation of older workers, it seems to me. For example, there is a very pronounced tendency to advertise for “girls.” On the face of it, a girl is someone in her teens or early 20’s. Therefore, to so advertise would be to express a

preference adverse to the interest of some in the protected bracket from 40 to 62 years. Therefore, advertising for “girls” would be a violation. Personally, I think that either “girl” or “boy,” when not prefaced with the word “young” or a specific age bracket, is a very inconsequential violation, if any at all. By usage, these words have almost become a part of trade terminology. At least, usage has given a broader meaning to the term “girl” which a strict interpretation of law on our part would serve to erase unnecessarily, it seems to me. I think that the effect of being meticulous to this degree is injurious to the fundamental purpose that the law is intended to fulfill. By contrast to this, when the law prohibits union-management contracts from containing apprenticeship clauses specifying that only individuals between 13 and 22 may be employed as apprentices, an important step in the right direction has been taken.

Out of the 109 cases that have been filed with FEPC alleging age discrimination, there are only 29 complaints from individuals who personally charged that they had been unable to secure or retain employment because of age discrimination. Of these 29 cases, discrimination was found and adjusted in only one. No discrimination was found in 12. The Commission lacked jurisdiction in eight. The complainants withdrew and failed to proceed with their complaint in four. Cases remaining under investigation are four.

Case Histories

In the case of the complainant whose case was adjusted satisfactorily, an employment agency refused to refer her to the available factory position because the specifications listed “operators 17-35 years.” Since she was 38 years of age, she was rejected. Negotiations between the

Commission representative, and both the employment agency and employer, resulted in her successful placement.

The other 28 individual cases coming to the attention of the Commission have not thrown much light on the extent of the problem. For example: A person 47 years of age charged an industrial firm with discrimination in refusal to hire. Investigation revealed that the complainant did not pass the employment test and further, that the respondent was carrying out nondiscriminatory practice with respect to older workers.

In so far as the actual experience of the FEPC with these cases is concerned, for one reason or another, older people in the State who have not been able to get employment specifically because of their age, do not demand the application of law enforcement to obtain redress of their grievances. It may be that the absence of a great number of complaints is due to the fact that the public is

unaware of this provision of law. The FEPC, however, in speaking to innumerable groups throughout Pennsylvania has attempted to inform the public on this point. The response has remained negligible.

We are inclined to believe that older workers are aware that their problem cannot be resolved by forcing employers to hire or retain them against their will, but will be resolved more effectively by plans that make readjustment of the economic factors in pension and retirement systems, and by educational projects such as the retraining of older workers for jobs more suitable to their capacity, etc.

In summary, it appears to us that a program of legal prohibitions against age discrimination is advantageous, but if the experience of the FEPC means anything, the answer lies largely in the direction of educational activity, such as being discussed in all the other panels of this older workers conference.

JOHN RUCHALSKI, *Director of Personnel and Industrial Relations*, Snellenburg's

Mr. Chairman and fellow panelists, I am glad you left the door open. I may have to retreat very shortly. I feel that every panel should take two views on every subject and apparently I have to take the other view. But before I do take an opposite position on this particular law and legislation I would like to cite a few facts, and I would like to say, also, that this is not only indicative but it is typical of the retailing industries.

In Snellenburg's, 22% of the total census working is over 60 years of age. Over 50% are over 40 years of age. So that I feel that we have a reason and right to talk about some

of these aspects. This is typical of the retailing industry as a whole.

Also, I think I am going to come under the provisions of this law next year and I am very much interested in that, also.

Secondly, I just read an article last night, and it deals with this question: "After four years how is integration making out?" Of course, the facts are rather startling. Actually, nothing has happened in the deep South. I believe that the figures I have are that out of 2,889 schools, there have been about 700 which have begun partial integration, and, of course, we have had Little Rock.

Legislation Ineffective

Actually what I am saying is that you cannot legislate equality. I think Abraham Lincoln said that somewhere along the line, and you cannot legislate anything which makes people higher. In other words, I believe they have a right to spend their money the way they feel.

I feel that the law doesn't mean a thing. In 22 months there have been 109 cases. Eighty dealt with advertising. The law itself states that you cannot use such things as "boy," "girl," "young," because it implies that the person is between 25 and 35. But they will accept the following: "a recent college graduate," "a veteran," "a recent June graduate," "a recent high school graduate," "a college student," "a waitress over 21," "draft exempt," "mature couple," "beginner," "must be single." All of these are acceptable because they are construed to mean that the person could be between 40 and 62.

I know that we did have a number of college graduates after the World War II who fell into some of those categories, but I wonder how many of them fall into those categories today.

Eighty cases dealt with advertising. So what does that mean? You insert an ad into the paper and you eliminate the word "young," but as the applicants come in you qualify them as to their age and they are gone, so that the ad doesn't mean anything. So we can clean up any number of ads that we want. It isn't going to mean a thing.

I think the most basic and important thing is the intent. What is the intent of those people or the people who are dealing with this problem? Certainly the intent of the Southerners is not to integrate. We are going to have to use the Army. We are going to have to use everything that we possess and nothing is going to happen.

Education Vital

So that, actually, I think the only way we can attack this problem is by education. We feel that we have done a lot of work in the retailing industry in the employment and training of older people. We have found in many cases that the skills that a person has acquired may be used in later years in a different classification of work in a department store.

For example, take the sales person who has spent fifteen or twenty years on the floor and then has become afflicted with arthritis and she can't stand standing on the floor for seven hours at a time. She has acquired definite skills. She knows how to talk to the consumer. She has a selling "pitch." She knows what the customer wants, what they are looking for. What we have done is taken people like that and transferred them to our telephone service where customers call in on the phone. They know how to talk to them over the phone. We have taken those people and put them in the Bureau of Adjustments because they know the intrinsic things that people talk about as far as merchandise is concerned when we are talking about complaints. They also know what happens to merchandise, how it becomes misrouted.

So that these skills that they have acquired can be used somewhere else if they are transplanted to another section of the store.

I think these are the ways you attack that problem. I think that the money that is being spent in some of these offices is a pure waste of money. I don't know what the amount of money was. I think it was \$200,000. I would rather appropriate \$1,000,000 to hold any number of conferences to educate people like yourselves and myself on the proper valuation, the proper retraining of people, because, certainly, there is one thing that is sure. They used to talk about taxes and death, but the other thing is, we

are going to get old. So why not let us prepare ourselves and prepare everybody that we work with?

If we have a responsibility in an organization for personnel administration, with that goes the responsibility of effectiveness and productivity, and we should always be looking for methods in which we can retrain people so that they become and remain productive and so that their continuity of employment is assured and insured.

They are the things I think that we are responsible for and I don't think we could spend enough money in conferences like this where we could deal with the tools that would help us prepare older people. I don't

believe we are going to do it by legislation. This is a matter of education.

I cannot comment on the law. I would like to leave that, rather, to the lawyers and the legislators as to how it is being interpreted. It is a very loose interpretation. Actually, I feel that the answer to this problem is more conferences, more money spent on these things. I wouldn't care if we spent \$1,000,000 a year or if it were \$2,000,000. It would be in the best interest of all parties concerned because then the intent would be there and we could arrive at things that are necessary. I think that this would be a real solution to this problem.

HIGHLIGHTS OF THE DISCUSSION

In response to a question from the floor on the subject, Mr. Boyer stated that he was in favor of the campaign by the Eagles to bring about a national anti-discrimination law with respect to older workers.

A statement from the floor took issue with Mr. Ruchalski's opinion that the age provisions of the law had little effect. The speaker pointed out that when his "help wanted" advertisement is refused by the newspaper because of a discriminatory phrase, it serves to remind him that he may not discriminate.

Mr. Shirk clarified a statement he had made in his speech by pointing out that the law exempts the application of the 40-62 prohibition where a bona fide retirement pension plan already exists. Thus, an individual may be retired at 60 years of age under such a plan. Mr. Shirk also pointed out that even though the limits of the law are from 40 years of age to 62, the Commission had been able, in one instance, to help an individual age 38 by convincing the

employer that he was violating the spirit of the law.

In response to another question as to whether private employment agencies were presenting difficulties in enforcement of the law, Mr. Shirk replied that they were, but no more or less than those presented from other sources.

Another question from the floor dealt with how the agency could determine whether or not discrimination actually existed. It was pointed out by Mr. Boyer that where qualifications as between two applicants for a single job are equal, the employer may choose whichever applicant he wishes without regard to age. But if the qualification of one is superior and is rejected because the applicant's age is between 40 and 62, then discrimination under the law exists. Obviously, if the qualifications of the younger of two applicants were superior, he could be selected without violating the law.

Another questioner raised the point of advancing the upward limit of the

40-62 span, to provide for increasing longevity. Mr. Boyer replied that he did not think that would be likely. However, he did feel that the lower limit might be reduced.

Mr. Boyer pointed out (in response to Mr. Ruchalski's original statement concerning some \$200,000 spent on enforcing age discrimination) that of the total of \$225,000 appropriated for the Commission, only a very small amount goes for enforcement of the age provision. The preponderance of complaints have dealt with newspaper advertisements, and these are very easy to adjust.

Another speaker from the floor raised an objection to the elimination of age provisions in advertising, pointing out that it was cruel for an older person to travel a long distance

in response to an advertisement when the advertiser really had no intention of hiring anyone but a young person.

The chairman pointed out that legislation and education often go hand in hand and that legislation cannot do the job alone without education, nor can education do the job alone (in many cases) with compulsion.

In response to a question about the relationship between the absence of discriminatory newspaper advertising and the incidence of complaints, Mr. Shirk stated that he believed that there was such a relationship, but that it was probably due to the fact that the absence of age requirements in advertising did not call attention to the problem.

TRAINING AND RETRAINING OLDER WORKERS

Chairman, ROY B. HACKMAN, Ph.D., *Professor of Psychology,*
Temple University

Older workers with obsolete skills find it virtually impossible to obtain employment without new training. What can be accomplished by establishing training programs for older workers? How do they take to training? What can and should industry do to help train older workers? What can unions do? What can the Government do?

WELLAND J. WELSCH, *Supervisor,* Education and Training,
Steam Division, Westinghouse Electric Corporation

I am very happy to visit with this group today to discuss our mutual concern, the older worker.

The U. S. Department of Labor tells us that our expanding population will demand more and more goods and services, and by 1965, our gross national product will be about \$560 billion. For comparison, the gross national product in 1955 was \$391 billion.

Our population growth figures indicate that our 1965 labor supply will be adequate, at least numerically. However, a new dimension has been added to our manpower problem, the *Quality* of our labor force. Brawn in a worker is no longer enough, and technological developments in the years ahead will demand a labor force possessing a higher degree of skill and creativeness.

In this situation, what can industry do to improve the skills and abilities of their employees?

Our problem falls into two groups:

1. The employee who must be

trained today in skills that will be essential years from now and,

2. The older employee who is now affected by technological changes and advancements.

Westinghouse has recognized these training needs and established various programs to improve the quality of our labor force.

Training for Tomorrow

For the employee who must be trained for tomorrow's skills we have established the following programs:

1. *Apprenticeship Programs.* At the Steam Division, where I am employed, we are at present training apprentices as machinists, toolmakers and patternmakers. Other divisions have similar programs covering these and other trades. We look at our apprentices as a supply of skilled journeymen and future members of management.

2. *Trainee Programs.* In this group we train men to operate a single machine such as: engine lathe,

turret lathe, milling machine, vertical boring mill, horizontal boring mill, gear hobber, radial drill press, layout man, draftsmen and die setters. These courses are offered only as needed to supply our requirements for skilled operators.

3. The Educational Assistance Program. This assistance is available to all employees no matter what their position may be at the present.

Westinghouse exists on engineering skills, research and the development of new and improved products. So we are very much interested in improving the college technical level of our employees.

Under this educational assistance program, the employee must meet the entrance requirements of the college, university or technical school. Then, Westinghouse will refund the total tuition charges for a technical certificate, undergraduate degree, masters' degree or doctors' degree. This is accomplished by refunding 50% of the tuition charge at the end of each semester, and then the second 50% of all tuition at the completion of the degree. Many employees are taking advantage of this program.

Retraining

For the older employee who is now affected by technological changes and improvements in his current job, we have three types of training required:

1. Training to improve his current performance.
2. Training for a revised form of his job.
3. Training for a completely new job.

These training needs can be satisfied by either classroom instruction or on-the-job instruction or both.

Last year due to increasing complexities in the electrician's job we

ran a series of evening classroom sessions in industrial electronics. This year we are covering industrial instrumentation. The men are attending voluntarily on their own time, and we are furnishing facilities and instructions through outside educational institutions. This training is available to all ages, and in fact, we had one man in the program last year who was 64 years old and due to retire this August.

However, most of our training for older workers is done by the foremen in the form of on-the-job instruction. All of our foremen have received training themselves in the techniques of instructing employees. We firmly believe that the line foreman must be responsible for developing his own people, but as a staff service, industrial relations will assist whenever necessary.

Our activity at the Steam Division is slightly different than other industries. Many of our older workers are already skilled on machines. A new machine may be electronically controlled from buttons, but basically, it will do the same operation as the more simple machine. At the present time therefore, our training of older employees is not critical. We are very conscious of this problem however, and are watching it closely. It is possible that we may, in the future, step in to assist the foreman more than we are at present.

The next decade presents a challenge which, if met with foresight and intelligent planning, can result in the most prosperous period the nation has ever known. The economic strength of this or any nation depends to a large extent on the skill, initiative and creativeness of its people. We at Westinghouse, plan to take every step necessary to assure the further development of our manpower resources and their more effective utilization.

JOSEPH D. DOLAN, *Area Supervisor*, Bureau of Apprenticeship and Training, U. S. Department of Labor

I would like to give you a few examples from industry, where they have actually put to use some of the talents of these people who unfortunately live to be called old.

Last night as I read a little further into some of the books like "Breaking Through the Age Barrier," and so on, I said to myself, "Drop dead, Dolan, you're done." That is what I got out of it. Then, I took heart from one or two experiences I recalled. If you don't mind I will speak directly from experience.

I think we should take a positive approach to this thing, rather than the beseeching and the cajoling idea. Let's be positive like a group of salesmen and sell the product.

In looking through this booklet, "Breaking Through the Age Barrier"—I picked up a few of the things which seem to be, I would say, trite. We ought to break them down and see whether or not they are positive facts. A fact is a proven statement. I found in the beginning a statement which said, "They are too old to enter training programs to give them skills." That is plain unadulterated "bosh." You are never too old to learn anything.

Every day we have industries involved in upgrading and retraining of people for production of new products and new techniques because of new machinery. We had an American Society of Tool Engineers Convention in Philadelphia last week. It would amaze you what they expect people to learn how to do.

These people found that they needed background knowledge which can only be acquired over a number of years. I found out that most of the people who would be operating the machines they were hoping to sell would have to be 40 years of age to

be able to get started. Those salesmen were barking up the wrong tree. To acquire enough know-how, the people had to live a certain number of years.

Older Apprentices

There is turnover. I can tell you right now of instances in which we can positively state that industry is doing something about it. All we have to do then, is to carry that a little further to industry to see what is being done. I would like to read something from a contract. This is not divulging something that is not public information. It's yours, if you want a copy of the speech, it can be secured.

It was a speech on the impact of automation on wages and working conditions in the Ford Motor Company—UAW relationships. This was actually presented by Ken Bannon and Nelson Samp, of the UAW, to a conference on automation.

"We have through negotiations with the company amended our apprenticeship program to provide opportunity for the older seniority employees to obtain training through some programs. Many of our trained men are highly competent mechanics, as judged by previous standards. They became so as a result of serving as *bona fide* apprentices, or by actively working on the job. They need, however, to have further training on the newly developed mechanical, hydraulic, pneumatic, chemical, electrical or electronic, devices which have been developed since they acquired their training in their respective trades."

Some people might say they are too old. But fortunately, the thinking individuals at Ford and UAW are going to try to do it. The applicants

for such training were previously limited to 18 and 26. That has now been amended to provide that a seniority employee who can pass his mental aptitude tests satisfactorily can apply and be eligible for such training, regardless of his age.

"Applicants in this category are further protected by being placed on a different waiting list for entry into such training. This removes the possibility of such high seniority applicants competing for available training at one time with the younger applicant fresh out of school."

The man is competing with his own people and not competing with the others. They are developing what they already have.

"Additional points based on length of service are also awarded to such seniority employees, increasing their ratings, determining their standing on the waiting list for such training programs."

This is a case where it is actually on record, and publicly stated, in which they are not ashamed to say they hire people who are supposed to be older people. They don't throw them away.

Retaining Through Retraining

As a counter part to that, within the last 18 months, our office in Philadelphia had a call to assist in the development of a training program in one of our large local industries. I will have to leave some of these unnamed. This industry was in the throes of a changing product. They were going into diversification. They, too, had a contract with the UAW, and they called upon our office to assist them in the development of training for this group of people who were "older workers." They had been previously employed there, and currently employed there, after a succession of years.

Fortunately, they couldn't throw them out. They didn't want to. They wanted to retain them, to use their skills. They had an apprenticeship program operating, and they wanted to see if they could develop a program in conjunction with the currently operating apprenticeship program to give them a short term need; to identify the needs of the jobs throughout the plant, correlate them with the long range programs for the various occupations, and carry a transition of the portion of the training necessary for the older person.

We had men who became qualified machinists. We had men who became qualified tool makers, qualified draftsmen, qualified designers, from these "over 50-year olders" who had experience they could use with a little bit of training—six months, nine months, none more than a year. They did this because they had the sensible approach to training, and because they forgot the fact that the people were old. They used the skills and the knowledge they had. They insisted that is what they wanted to do.

To get these people otherwise—draftsmen, designers, people in all the categories they needed—they would have had to wait several years because the people were working in other industries. So, they retrained and used their own people.

This is happening, and being done, as long as management is assuming the responsibility of trying to operate at a profit. It is happening. You may ask, is it happening in small places? That happened to be a big place with a collective bargaining agreement.

I will give you an example, and this one came about because of some information I picked up from your employment office. "Norm" Roberts had within the last two years been putting out in his labor market reports the age bracket of a number of

people in skilled occupations. I happened to have a chap come along who was looking for people with those skills. He couldn't start up his business because he had no people.

I said, "Do you want skills, or people, or what?" He said he needed skills to make the product. He had just developed a product for the brewing industry, and he had sold 35 machines at the Brewers Convention in their last meeting, but couldn't make the machines he had sold, because he had nobody to make them.

We worked out a plan whereby he was willing to consider some lists, which came out of "Norm's" office and another place. He selected people regardless of their age. As a matter of fact, he even picked some over 65 because they had the talents. He picked a foreman who is now 67.

Reduced Hours

This foreman had a lot of ability and "know-how" and the experience in administering a shop. This man happened to have the ability. A work schedule was established for the man because he was already on social security and couldn't earn over \$1,200 a year. He had an agreement to work at the rate of \$2.50 an hour for so many hours a week. Using the man as a supervisor, particularly, it was possible to coordinate the shop work, whatever was necessary, in the reduced number of hours in the working week, and accomplish the purpose for the shop.

He did the same thing with two welders, running a 40-hour week between them. That is an example of a small employer. But, if you can multiply that by other small employers willing to do the same sort of thing, you have something.

But, it takes, first, need; the man needed to make a dollar. The need developed the incentive, and therefore he could do it with the assistance of

several sources of material. I can cite for you the case of a hospital in Philadelphia. I think it would be worth the time to tell you about it.

They were crying the "blues" because in their ward-secretary classification, they were getting young girls, and the turnover was something terrific. In talking it over, they asked me what could be done. I suggested trying to get a few older people. I can tell you honestly that this one hospital now has three ward secretaries, none of whom are less than 52 years of age, and they think the "girls" are great. Now, they are considering the possibility of using more in other parts of the hospital, in other jobs.

These are actual cases. Where are they using older talents in other occupations? You might be surprised to know that 25 years ago somebody had a similar idea, so there is nothing new under the sun. There was the problem of people growing old 25 years ago. The Bricklayers Local No. 1 in Philadelphia, and the Plasterers Local No. 8 in Philadelphia, at that time established a rule which said, "Mr. Employer, if you have five men or more on your job, you will have at least one out of that five who will be 55 or over in age." This was 25 years ago. So what are we talking about? Is this new? No.

Where else do they use these people? Let's be positive about it, and not just take the idea that we can't do it. We have these situations in a number of plants around the Delaware Valley.

These people are realizing in industry they just have to use the older talent. Where do they use them? We have programs set up, not only for apprenticeship, but other types of occupation.

But, particularly in the field of apprenticeship, they are dependent on the older people. They are the people teaching the apprentices. They are

selecting people with the age, the usable knowledge and proven experience to train others. There is an electronics manufacturer within this vicinity who has on his training staff very few who are less than 40 years old. They don't have any of the younger people. They feel the work requires the older people with the knowledge of the company.

These I offer as actual cases. One more I can give you from a distance, I first read about it in "Reader's Digest," and I went to Florida and saw it. This electronics manufacturer in Florida decided there were a number of skills he would need.

He realized there were retired people around who had these skills

and might want to work again. He has now developed a going plant where he has 150 people employed. No one works more than a four-hour day. He operates the plant on four-hour shifts.

Now, all this meant a little bit of planning on his own. So, it was just a matter of adjusting his thinking to fit these people, and it is being done on one basic factor. If the profit motive is considered, he had to forget the age and use the skill.

I will be glad to try to answer your questions later, but I would like to take a positive approach to this. It's being done, if only we can just get it to "mushroom."

KENNETH E. CARL, *Director*, Williamsport Technical Institute

The Problem

Training and retraining of older persons is becoming an increasingly important part of our public educational program. The displacement of workers by automation and discontinuance of certain jobs that can be better done by some type of mechanized or electronic device, freeing man of monotonous repetitive types of labor, has been with us for some time. Competition is bringing an ever increasing demand that more and more such jobs be done by such devices, and the end is by no means in sight. How far it will go will depend on man's ingenuity and his ability to profit from such labor-saving devices. Each person engaged in any type of repetitive labor must realize that his job may one day be done better, faster, and cheaper by such means. It should be quite clear then that those persons engaged in such labor must realize that there is no real security in their present jobs, and that they should make plans to

be ready to move into other positions when such replacement should occur.

Production workers also must realize that they are usually the first persons laid off in case of lack of sales for the products manufactured by their company. These layoffs may come at any time, even in so-called good times if sales decrease. These persons, too, should be making plans to be ready to move into other positions when such layoffs should occur.

Our young high school graduates who have not been planning to go to college or who now find they cannot go to college because they are unable to afford it and who have not acquired some salable skill while in high school must also be planning how they are going to obtain a job.

Many of our farmers on small farms which formerly supplied the needs of their families are now unable to do so because of inflation and poor farm production, and they must also be planning how they are

going to exist if they have another "poor" year.

Those disabled by accident and disease who find they can no longer return to their former employment, or who have never been able to get work because they have never acquired a salable skill in an occupation where their abilities outweighed their handicaps, should also be wondering where they go from here and how do they get on the road back!

Another group that has an employment problem is the G.I. who was drafted and served his time after the Korean conflict and who is now being discharged and who does not have the benefits of either the World War II or Korean G.I. Bill since he served his time after January 31, 1956; (the ending date of the Korean G.I. Bill) and who now is unable to afford to go to school or has not secured sufficient service training that is adaptable to civilian jobs to be able to secure one. He, too, must be thinking as to where he is going from here.

Not all of the above descriptions necessarily describe an older worker who has lost or is about to lose his job. Certainly all of the above descriptions *do* fit potential unemployed older workers.

All of these people are in need of some type of training and retraining. Unless such training and retraining is continuously done in an adequate manner, we will always be faced with a considerable number of unemployed older workers.

It is also true that in many areas of Pennsylvania we do not have sufficient trained manpower to enable our present industries to grow, to attract new industry into our areas of the state, or to supply needed trained manpower in many occupations nor even facilities to offer such training

to those persons desiring it. This has resulted in depressed areas with many of the young people moving on to other states where they will have an opportunity to learn and work. Older people do not tend to move as readily as younger people.

State and Federal Aid Needed

If training and retraining on any equitable basis is to be given to our unemployed adults, there must be considerable state and federal aid. Aid must be given to the individual and his family while he is taking such training or retraining and aid must be given to those school districts providing such training.

We badly need a G.I. Bill type of scholarship plan to financially assist persons desiring such training or retraining to do so. Such a scholarship plan might be on a loan basis with repayments to start upon completion of course and start of employment.

At least 200,000 people, ages 18 to 50, could be removed from the Pennsylvania labor market by providing adequate educational facilities on a post-high school level.

My recommendation would be that the State and Federal governments provide, or otherwise encourage, areas or communities to establish a system of community and junior colleges immediately to provide vocational, technical, and academic education so badly needed by the citizens of this Commonwealth. This educational program should be both on a continuing, as well as on a terminal basis. It must of necessity be a very low tuition plan with the State, area, and community together assuming nearly all the cost. It is well known that nearly 50% of our most capable students do not go to college, and one very important reason that they do not go is because they cannot

afford to go. Another is that many of them are interested in a vocational or technical field where a four-year college education is not required. It is interesting to note that California has 63 such public schools with an enrollment of nearly 400,000 compared to our 13 such public schools with an enrollment of about 10,000. In the last session of the General Assembly, Pennsylvania tried to enact three such pieces of legislation and failed on all three. California enacted 67 separate items concerning education above the high school level in their 1957 session of legislation. By the way, such education is entirely tax-supported in California and free of any tuition to the student, regardless of which school in the State he attends.

Such a junior college should be established on a minimum of 400,000 population basis to properly offer the courses needed.

The curricula of these junior colleges should include several hundred courses leading to vocational and technical specialties which presently may be considered in short supply or continually needed. It is not felt that each junior college would teach all of these courses necessarily, but those needed in a particular area. Some course offerings would continually change due to technological advances, but every needed skill and technical field would be covered on this level in at least one of these institutions in the Commonwealth. This would enable us to supply these skills and the technical know-how to Pennsylvania industries to enable them to grow. We know, too, that one of the prime factors influencing and attracting new industries into Pennsylvania is an adequate supply of available trained technicians and skilled workers. As mentioned before, we are not training for these needs. Industry is not interested in moving into an area where there is

not an adequate supply of trained people available, and if Pennsylvania does not have an adequate supply of trained people in many fields, companies planning new branch plants or relocating are not interested in Pennsylvania. We keep referring to our high cost of public assistance. Unless we soon learn the lesson that trained people are seldom out of jobs, our public assistance costs will really skyrocket. It is believed that our unemployment compensation and public assistance costs can be reduced sufficiently by adequate education to compensate for such education. In Pennsylvania's 12 areas of chronic labor surplus, in 5¼ years alone, we paid out \$445,000,000. If unemployment in these 12 areas could have been reduced to 3% of the labor force, we could have saved \$292,000,000. With this sum we could build and operate enough junior colleges to train and retrain these unemployed people for new jobs with higher skills and build up the economy of these areas by attracting new industry that is locating in other states where such training and manpower is available.

Unemployment compensation rules should be changed to enable a person who is enrolled in full-time training to continue such training throughout his period of unemployment compensation to allow that individual to become more fully trained and thus do better on the job in the future. Now, that person is compelled to return to any job which he is qualified to handle, and if he should refuse to do so because he wants to complete his training, he is removed from the unemployment compensation rolls. This ruling should be changed to allow any person who is interested enough to obtain further training while on compensation to collect his unemployment compensation for his full period, providing his progress in the course is satisfactory.

What Types of Courses Can Older Workers Best Assimilate

Our limited experience has shown that below 50 years of age persons can succeed at almost any occupation for which they have the basic intelligence and aptitude. Above 50 years the question of training or retraining time starts to influence the choice of occupations and usually it is preferred to cut the amount of training time to one year or less, preferably less. This is due to the fewer years remaining in the work life of the individual. Usually the older the worker the more time he needs to learn the same thing as the younger person, and unless he has some related experience which shortens the length of the course considerably, those fields involving long training time are not advocated. Age up to 50 and even 55 is not a handicap in any occupation for which there is a great need of workers. The rule then for training or retraining the older worker might be that the older the worker, the greater the need for that type of labor to be trained.

What One School District is Doing

At the Williamsport Technical Institute, a division of the Williamsport public school system, we have in the past six years retrained and placed 47 disabled mine workers, ranging in ages from 50 to 65 years, in other occupations. Certainly if disabled miners in this age bracket can be retrained and placed in new occupations, any older worker in the same age bracket can do as well particularly if he or she is not physically handicapped.

At the present time we have 1,000 adults enrolled full-time in 35 vocational-technical courses at this school. Of this number, 58 are presently over 40 years of age. We see no difficulty in placing these students in business

and industry when they are trained. Some 300 physically handicapped civilian and veteran students over 18 years of age are included in the 1,000 adults mentioned above. Certainly if these people can be trained and placed, so can the older worker. We estimate that approximately 6,000 physically handicapped adults, including paraplegics and totally blind, have been trained and placed by this one school in the past 20 years.

Labor Scarcity

It would be presumptuous for me to try to cover the fields in which we have labor scarcity, particularly when we have other speakers participating in this conference who are covering this field in distribution, manufacturing, service, office and professional occupations. I will say, however, that there is a scarcity of trained labor in certain occupations in each of these fields which can be filled by older workers who are trained or retrained for these jobs.

In Pennsylvania we have a scarcity of trained lumber inspectors, sawyers, and dry kiln operators. There is a good reason for this—we do not train any. You must go to Tennessee to learn this trade. No one community in Pennsylvania feels that it has a sufficient demand in its community to do anything about the need, so we must send those who are interested in learning this skill to Tennessee. Meanwhile jobs go begging and shipments of lumber are held up until proper inspection and certification can be made.

We do not even have a course of training in truck driving. Here is one short course that could be offered in approximately five weeks for a number of persons up to 50 years of age who could pass the I.C.C. physical examination.

The need for all types of technicians has grown by leaps and bounds

with industrial chemists, laboratory technicians, electronics technicians and draftsmen leading the way.

In the service occupations there is a continual demand for repairmen of all types: here electrical, mechanical, heating, ventilating, air conditioning, office machine, automotive, diesel, aircraft, radio and television, and farm machinery repairmen are all needed.

One of our great outlets for older workers may be in the distributive occupations field. There have been certain attempts to automate some of these occupations, but not too much progress has yet been made. In time we will possibly see more, but in the meantime all types of sales and distributive occupation workers are needed.

We continue to need all types of skilled workers. Pattern-makers, wood and metal; welders; sheet metal workers; electricians; carpenters; plumbers; tool and die-makers; finishers, both wood and metal; and printers are needed. Beauticians, practical nurses, and secretarial workers continue in strong demand in occupations for women.

Conclusion

We certainly feel that there are jobs for older workers in distribution, service, manufacturing, and office and professional fields especially if they have been trained or retrained for such employment.

At the present time there are limited facilities available for the

purpose of training and retraining of the older worker. And we encourage expansion of facilities that can be used for this purpose, particularly the junior college program including vocational, technical, and academic work.

More financial assistance should be given to the older worker who is in such training or retraining to enable him to complete it.

Restrictions on reimbursable courses to be given to the unemployed should be relaxed in respect to signatures needed from definite employers before such training may be reimbursed from State funds. We would suggest that such proposed programs might be approved by the Bureau of Employment Security, Department of Labor and Industry, that normally there is a continuing demand for such trained persons.

Also, we suggest that proportional costs may be charged to this program if there are not enough older workers to support a full training class. This would allow us to fill up the class with other adult students with proportional costs charged to each group.

We suggest all groups concerned with the problem of training and retraining for the older worker, work through the office of Mr. Robert T. Stoner, Director, Bureau of Adult, Vocational and Practical Arts Education, Department of Public Instruction, Harrisburg, Pennsylvania, to arrange for such training programs that might be needed.

HIGHLIGHTS OF THE DISCUSSION

In response to a question from the floor about the learning ability of the older student, Mr. Carl said that generally speaking in the technical fields, the older person will not learn as quickly as a younger person, largely because he doesn't have the academic background or because he is farther away from school. If you start him with basic courses of instruction to bring him up to date on mathematics and science, he will do better.

Mr. Dolan pointed out that recent surveys show that the more favorable years for learning where reasoning from experience is a major factor are from 18 to 45 and after that, the decline is very slow and gradual.

The chairman pointed out that motivation is very important in learning, and sometimes the attitude of the older worker makes it more difficult for him to learn. Thus, intelligent counseling is necessary.

Mr. Dolan stated that a good motivating factor is the prospect of earning more money.

Mr. Carl said that his school has a four-week diagnostic program during which time the prospective student has a chance to see others of the same age undergoing training. Also, the fact that students of the same age are constantly leaving the school for good jobs is a positive motivating factor.

SOCIAL COSTS OF UNEMPLOYED OLDER WORKERS

*Chairman, BESSIE KANN SACK, Member, Advisory Board on
Problems of Older Workers*

What happens to our society when older workers become unemployed? What happens to the older worker himself, to his family? What happens to the community? What does it cost by way of increased taxes and increased social services?

C. J. SLUDDEN, *State Legislative Representative, Brotherhood of Railroad Trainmen*

My subject today is the social costs, as I view them; and their impact on the railroad industry, due to the serious employment dislocation that has ensued as the result of technological changes that have taken place or are taking place in the railroad industry. I know of no industry in which technological changes have been greater, and dislocation, particularly with respect to employment, more staggering.

In 1920 there were 2,500,000 employed on the railroads of the United States. For the first time in this century, employment in the railroad industry is below the 900,000 employed mark. Now, this is due to a number of factors; but it is the factors of greater productivity per man hour, dieselization, automatic switching, and various technological changes that have taken place in the maintenance of structures and ways—all of these add up to a serious unemployment problem.

What is the effect, particularly upon the communities of Pennsylvania that have, over the years, de-

pended upon the railroads for their employment opportunities? Within the borders of Pennsylvania we have the greatest railroad center on the North American continent, the city of Altoona. The problem of declining employment within this community is extremely grave. The facilities and shops, presently located in this area, will remain. However, as previously stated, job opportunities are dwindling fast. The city of Altoona and its citizens are endeavoring to combat this employment dislocation problem. They have started an economic development program to take up the slack that has resulted, due to these technological changes.

Young People Leave

Just recently the Pennsylvania Railroad opened up a rather modern yard at Conway, Pennsylvania, some one hundred twenty miles west of Altoona. The opening of that yard resulted in the closing of bumping operations employing one hundred or more men in Altoona. This graphically illustrates the problems that

have resulted; and what it has meant to the people of Altoona with respect to the retention of their self-esteem. The young people are leaving the area to go elsewhere to seek employment. The burden has been terrific, tax-wise—not only in that community, but upon the entire State as a whole. It is incalculable what this has meant to the people of that area, and to the people of Pennsylvania. In Pennsylvania, over the last several years, a number of railroads have ceased operation entirely. The New York, Ontario and Western and the Huntingdon and Broad Top are two that come to mind most quickly.

Many of the people employed on these railroads were eligible for retirement benefits under the Railroad Retirement Act; most are eligible for unemployment benefits, under the Railroad Unemployment Insurance Act. Under normal circumstances, people involved in such employment dislocation would come within the purview of certain contractual and regulatory orders promulgated by the Interstate Commerce Commission, such as the Washington and Burlington Job Agreements. These contractual and regulatory orders stipulate that persons who are displaced as a result of closing of certain facilities and railroads would be entitled to certain monetary relief, based on their years of service on the employing railroad. However, the paramount factor that you must keep in mind is that these railroads were in an insolvent condition. As a result of this, the people, who were displaced and were entitled to this monetary relief, could not “get blood from a turnip,” so to speak.

No Demand for Crafts

In the railroad industry, over the last several years, we have had many

consolidations of terminals; and, in some cases, terminals were eliminated in their entirety. This is due, as I previously stated, because of the technological changes and the advent of dieselization. You might say, perhaps, in viewing a diesel locomotive running along a railroad track, that it is progress. It couldn't be stopped. But you have no idea as to the impact this has had upon the industry as a whole. It means the elimination of all coal dock facilities and men who are employed there. It means, by and large, elimination of certain types of skilled help. There are only three or four groups of people now required to maintain service of these engines, where previously we had boiler makers, sheet metal workers, etc. The use of these crafts is a thing of the past.

As stated earlier, this has meant, in the last four or five years, a decline in job opportunities from 1,000,000 to presently 850,000. You can readily see the serious dislocation problem which has resulted in the railroad industry, due to these changes. What can those individuals, who are victims of these technological changes, expect? All too frequently there is a policy, promulgated by the railroad industry, that an individual, who is a skilled worker, cannot get a job on the railroads of this State or Nation, if he is in excess of 35 years of age. I know you are going to say, “Well, Pennsylvania has a Fair Employment Practices Act; and, incorporated within the confines of that Act, there is a section dealing with older workers.” But the Act states that it affects only those between the ages of 40 and 62, and the employer who refuses to hire someone under the age of forty is not in violation of the Act, or if he refuses to hire someone in excess of sixty-two, he is not in violation of the Act.

Workers Available

We have, within the borders of Pennsylvania, an available pool of skilled workers that industry could use to great advantage, but due to the outmoded thinking and our archaic approach to the problems of older workers, we take the position of not hiring such workers. The end result is that the individual affected loses confidence and self-respect in himself, and incalculable harm is thereby done to the State of Pennsylvania. This is particularly true with respect to the railroad and coal communities of our State. In many areas, we have had an entire change in our approach to the family as it was once constituted.

The man no longer is the bread winner, having been supplanted by the woman. The man stays home and takes care of the chores of the house. The wife, generally employed in the

needle industry, has become the bread-winner. What does this mean, with respect to self-esteem, to the individual involved? I think that there should be a greater effort to aid such workers who are displaced because of economic dislocation. I think that this is something that all of us should strive to attain. In the overall analysis, this will materially aid the communities affected, particularly those that have had serious unemployment problems, to regain the position which they once held, not only in the Commonwealth of Pennsylvania, but in the country as a whole.

I say to you that if we do not do these things, it will further aggravate the so-called disadvantage that we hear so much about, particularly today, and the thing that is presently confronting business in the Commonwealth of Pennsylvania.

ROBERT H. HOOD, *President*, R. H. Hood Company

It is first necessary to define whom we are talking about. Although some recent surveys have taken a slightly higher figure, I think we are still in the era of "over 40 is too old." In other words when the worker becomes unemployed after his 40th birthday, he begins to have increasing difficulty finding employment. This, while not true in every case, is true in enough to be cause for concern. This concern takes on two basic forms.

The Human Side

Here we have the problem in full view. It includes an individual's desire to be self-supporting; his desire to use his time and talents to support his family; and his need for an outlet for his vitality in the form of

useful work. Experience of untold generations have shown that most human beings are not basically happy unless they have something useful to do. This is particularly true of older people. It is basically unfair to say to anyone that he is no longer needed or wanted simply because of his age. Certainly at a time when there is so much concern about shortages in technical fields, it seems shortsighted to discard potential man-power on age alone. The word discard is a two-edged sword. We retire some before their time, and we refuse to hire others because of their age. In both cases the skill and brain power are discarded. The part that hurts is that when these skills are allowed to lie dormant they decline. It is a biological fact that

functions and living tissues that are not used decline and atrophy. Atrophy of disuse both physical and mental, is the most insidious and deadly poison known to man. Lord Bertrand Russell wrote, "Most of the men I have known who have retired from work have died of boredom shortly afterward. A man who has been active, even if he has thought throughout his life that a leisurely existence would be delightful, is apt to find life unbearable without some activity upon which to employ his faculties. I am convinced that survival is easier for those who can enjoy life and that a man who has sufficient vitality to reach old age cannot be happy unless he is active."

Forced retirement is not the logical answer to keeping the older worker employed (that is the man over 40) because in our thinking we must see that many men over 65 are still good productive employees. We can not advocate a system like that used on Seal Island where each year young bulls fight for the right to rule over a herd of cows and when the young seal is successful in defeating the old ruler, he takes his place and the old fellow goes off to live a life of retirement. This retirement is one from which there is no return.

Maybe we should change our sights. We have an active group seeking to place its members known as "40 Plus." Could we not in these changing times move this mark higher and start a group called "60 Plus," and make proper use of those who fall in this 40-60 Group. If we can trust top and critical positions to men in this group and older, then surely we can use some of this group in the daily skills they are so well fitted for.

The Economic Side

It would be foolish for us to think that because of Social Security, and

assuming that almost everyone saves a little, retirement would not have any economic repercussions. The first and most obvious is the loss of income tax due to the loss of an income producing job by the retired worker.

Because the tax burden is shared by almost all in our country, any person or group of persons that are removed from the roll of payers put extra burden on the remaining tax payers. Since we consider this problem to start at age 40 the economic burden becomes more than just a tax loss. The relief rolls, the community charities that assist people with problems which cost money when they have no dollars and cents income or not enough to cope with the unexpected. These community organizations look to the man who is working for contributions to finance their civic projects.

The increasing difficulty workers over 40 are having finding employment is proof that we have an unbalanced approach to this problem. In the 40-60 age group the family problems are great. There are usually children growing up, needing education, and the like. These costs can only be met by a busy worker not by someone who is worried whether his job is secure because of his age. We are attempting to set-up for the future plans that call for more and better pensions for those over 65. Mr. Bernard Baruch in this connection had this to say, "We dare not undertake more than our economy can stand or we will defeat our own purpose. We must get away from employment policies based on cold arithmetical averages and take advantage of the skills and judgment of older people. How hideous a mockery it would be if, as a result of advances in medicine, surgery, hygiene and higher living standards,

older people were left willing and able to work—but society deprived them of something useful to do.”

We are or should be waking up

to the fact that the price is too high not in terms of human decency but in terms that even the businessman can understand.

CHARLES E. HAINES, Ph.D., *Director, Employment and Retirement Section, The National Committee on the Aging*

If we were to undertake a literal discussion of the subject, “Social Costs of Unemployed Older Workers,” we would perhaps estimate the number of unemployed older workers who want jobs, arbitrarily assign an “average wage” representing their assumed earning power if employed, multiply one figure by the other, and conclude that the social cost is x billions of dollars in lost wages plus y billions of dollars in social services to meet their needs.

This approach to the problem is unsatisfactory for two reasons: (1) we lack valid statistics to make an analysis of this kind, and (2) even if we had reliable figures, they would not solve the real problem. We need to analyze the factors responsible for these social costs of x billions of dollars per year, and then to consider possible remedial measures.

Four out of five employed men would continue to work even if they had no economic need to do so, according to a report on a nationwide study of the meaning of work in the April, 1958, issue of *Management Record*.

Intangible Factors

This statement underlines the fact that the “cost” of unemployment, regardless of the age of the unemployed, may include intangible factors which cannot be measured in dollars and cents. How can we express by any kind of measuring device the heart-break of a person 60 years old who

wants and needs employment but is rejected, not because he is unable or unwilling to fill a job for which he is qualified, but because he is “too old?”

Modern industrial society has created what sociologists call a “work-centered culture.” Jobs provide not only the material means of subsistence, with such frills as the individual may afford, but they provide also the purpose, the status, and the social contacts which give zest and meaning to life.

That is why the overwhelming majority of men would choose to continue working, even if they were not compelled to do so. They would be afraid not to work, because not working sounds very much like not living; meaningful activities to fill time would be gone.

These observations have two important implications for our discussion:

(1) If older workers are denied equality of opportunity for employment, they and their sympathizers may be expected to take such action as will tend to rectify the inequality;

(2) When equality of opportunity is achieved, there will still remain the problem of developing work substitutes for older persons unable to find gainful employment.

Impressive Activity

An impressive amount of activity has been generated in the last year

or two to deal with the problem of inequality of work opportunity. For example—

(1) The United States Department of Labor has expanded its job placement program for older workers, and in cooperation with State Employment Services is attempting to narrow the gap in percentages between older worker job applicants and older worker job placements. (A Department of Labor survey in 1956 revealed that persons 45 years of age and older comprised 40 per cent of the job seekers but obtained only 22 per cent of the jobs filled.)

(2) Bills have been introduced in Congress by Senators Neuberger of Oregon and Javits of New York to outlaw age discrimination by employers working on Government contracts or engaging in interstate commerce.

(3) New York has recently enacted a statute prohibiting age discrimination in employment, similar to statutes in Pennsylvania, Massachusetts, and Rhode Island. Whatever may be the legal and economic consequences of these statutes, there is little doubt that the political effect is to focus attention on the plight of an age group which has the numerical strength to influence public policy.

(4) Thirty-two of the 48 states have special commissions, established by the governor or the legislature, to study problems of the aging, and these commissions, while still uncertain of their course of action, are recognizing the principle that employment may be basic to the economic and emotional security of the individual.

(5) Private groups are organizing for action at national, State, and local levels. The Fraternal Order of Eagles, which submitted 700,000 signatures to Congress in March in behalf of the Neuberger and Javits

bills, is organizing a nationwide postal card campaign to generate support for these bills. The Society for the Prevention of Age Discrimination in Employment (SPADE) was organized in St. Louis early this year with a goal of 1,000,000 members by December, 1958. Many service clubs and other organizations are working at state and local levels to promote jobs for older workers, or to canvas employers to give fair consideration to older workers.

Neglected Areas

Public zeal in seeking to eliminate age discrimination in employment is certainly commendable, but we need to recognize that age discrimination is not the whole problem.

Suppose that by some legerdemain we were able to create conditions in which all persons enjoyed equal rights and opportunities of employment. We would still have a problem. We can estimate the dimensions of the problem by considering the effect of machines and automation on the size and character of the labor force.

The number of persons in the United States engaged in producing goods and services increased from 40 millions in 1919 to 59 millions in 1957, an increase of approximately 50 per cent.

Gross national product increased from \$77 billions in 1919 to more than \$400 billions in 1957, an increase of approximately 500 per cent. The striking fact illustrated by these figures is the *enormous increase in production per worker*.

Machinery and automation, it seems reasonable to assume, will continue to increase the physical output of goods without a corresponding increase in number of workers. This will presumably mean higher standards of living accompanied by more leisure for more people. Will older

people share equitably in these benefits?

Another striking fact is that the number of workers engaged in the production of *goods* increased only 2 million from 1919 to 1957, or from 26 million to 28 million, whereas the number of workers engaged in *services* increased 17 million from 1919 to 1957, or from 14 million to 31 million.

These statistics seem to point to two conclusions: (1) society must channel an increasing proportion of the work force into *service* activities, and (2) greater attention must be given to *leisure-time* activities as work substitutes.

What is the relevance of these conclusions to social costs of unemployment of older workers? And what do we mean by "social costs"?

Social costs, as here used, are the sum of lost production and the public services provided to assist the unemployed. All unemployed persons theoretically represent lost production. In the case of children and elderly persons, we may consider this loss socially desirable. We provide schools for children, pensions and specialized services for elderly persons.

But the terms and conditions on which older persons are retired from industry, or not hired by industry, are matters for continuing critical examination. Unemployment of older persons may or may not be a legitimate social cost.

Compulsory Retirement

Consolidated Edison Company of New York, for example, recently negotiated a contract with the union raising compulsory retirement age from 65 to 68. Under the new contract, employees have the option of retiring at age 65 with full pension rights, or if able and willing, they

may remain in their jobs as much as three more years. Consolidated Edison studies show that about 35 per cent of the Company's male employees reaching age 65 are able and willing to continue working.

This change saves Consolidated Edison about \$200,000 a year in pension costs, it saves the Social Security fund about \$200,000 a year in benefit payments, and it provides employees who continue working about twice as much income as they would have in retirement. As Consolidated Edison experience indicates, compulsory retirement of employees able and willing to work may artificially create social costs which can conceivably be reduced through better techniques of personnel administration.

American Cyanamid Company and Prudential Insurance Company are two other large employers which have raised compulsory retirement age from 65 to 68. The United Automobile Workers Union has contracts with the automobile manufacturers for a retirement age of 68, with optional retirement at earlier ages.

Since normal retirement age in American industry is 65, later retirement may seem contrary to the trend toward shorter working hours and fewer working years. Later retirement, however, accords with the biological and economic facts of life. Research, which has demonstrated that the life span of animals can be doubled by control of certain biological, nutritional, and environmental factors, may be expected to lengthen the life span of human beings as techniques are developed for the prevention and control of chronic diseases. The biological age of human beings has been estimated at 100 to 150 years. Few people now die of old age.

Life expectancy of a man at age 65 today is about 15 years. Suppose

that research increases life expectancy of a man at age 65 to 25 years. Will society permit that man to support himself during those extra years? A man either supports himself, or he lives at the expense of others. There are no alternatives.

Inadequate Social Security

It has been reliably estimated that the assets of the Social Security fund, as of now, are insufficient to meet accrued liabilities by \$300 billions. Greater longevity will increase liabilities. The only way to increase assets is by higher taxes. The level of Social Security benefits will ultimately be determined by the taxes which taxpayers accept as the social cost of a retirement system.

In a period of inflation, there is little taxpayer resistance to a rate of 4½ per cent on the first \$4,200 of compensation, as at present. Will taxpayer resistance increase when the rate doubles in the next 17 years, as it is scheduled to do, *even without any liberalization of benefits or any improvement in mortality?* And will there be upward pressures from beneficiaries to increase the schedule of benefits? At the taxpayer resistance point, wherever that may be, social costs of unemployment of older workers may become a sharp public issue, as it has in Sweden, where the fate of the government in recent months has hung on the promise of 65 per cent of pre-retirement income paid as a pension to all persons retiring at age 67.

It is sometimes argued that if there are not enough jobs for everybody, younger workers should be given preference. Aside from the question whether the welfare of one person should weigh more heavily in the scales of justice than the welfare of another, this argument by-passes the basic question of unemployment itself. *What* does a jobless person do?

Employment Activities for Older People

Some interesting and significant activities are being initiated by individuals and groups at the community level to expand employment opportunities and work substitutes for older people.

Employment activities are assuming a variety of forms, which may be classified by purpose as follows:

(1) Training and retraining programs. These programs have been especially effective in improving the skills of women who have been out of the labor market for a number of years and who want jobs as stenographers, secretaries, typists, receptionists, file clerks, etc. Retraining is an area in which a great deal of pioneering work remains to be done.

(2) Employment services. Voluntary groups have been organized in a number of communities to locate jobs for older workers, who may or may not be members of the group itself. These groups, which canvas employers by a variety of means, usually operate on limited budgets. Experience has been satisfactory in some instances, unsatisfactory in others. Continuity of organization and leadership, as well as financing, has been a problem. Guiding principles have not yet been clearly established.

(3) Community services. A few organizations of older people have started out with a recreational purpose and have developed a pronounced interest in community services. This is virtually an unexplored area for employing the time, energies, and abilities of older people who may be more interested in something useful to do than in financial rewards.

Work substitutes include service activities, crafts and hobbies, and a wide variety of educational, cultural, and social programs.

Social costs of programs which secure employment for older people are presumably outweighed by the values created by such employment. These programs "amortize" their costs.

Social costs of programs which stimulate individual interest in leisure-time pursuits, or "work substitutes," must be justified on other grounds. A course in grand opera, for example, may give an elderly person many hours of enjoyment without contributing to his economic security. Is the cost justified?

New Concepts

Bold new concepts are needed to develop skills for leisure comparable to skills for work. Education for youth and work is generally accepted as a legitimate social cost. Why not education for maturity and leisure?

Even in periods of full employment, not all older persons will find gainful employment which is congenial to their tastes, and will prefer other alternatives. Some of these alternatives might be publicly-sponsored programs, such as educational and cultural programs, which have significance to the individual but which are unrelated to income maintenance or economic security.

Everett Junior College in Everett, Washington, is demonstrating the kind of educational programs which

can produce these results. Persons over the age of 60, on producing simple evidence of age, may attend college classes tuition-free. No special classes are provided for older people. Old and young alike register for classes of their own choosing according to subject interest. Ten men and 17 women between the ages of 60 and 78 are currently registered for spring quarter courses as follows: photography (6), weaving (4), conservation of wild life (4), Spanish (3), piano (2), sewing (2), and millinery, French, speech, landscaping, interior design, and woodworking (1 each).

Whether these 27 "senior students" convert their new knowledge and skills to an economic purpose is not immediately important. The important thing is that these older people are being provided opportunities to cultivate new interests in life. They can live more in the present and future, less in the past. And the cultural level of the community itself is raised by this concern for the cultural welfare of its older members.

We have all known older persons who had the enthusiasm, if not the fire, of youth. Enthusiasm is one of the most precious gems of life. Nurturing the enthusiasm of older people, whether by employment or by work substitutes, is a purpose which justifies substantial social costs.

HIGHLIGHTS OF THE DISCUSSION

In response to a question from the floor about the comparative value of production as compared to service, Dr. Haines maintained that services provided by older workers in the way of civic improvement and the like could be just as valuable as services on the production line, and that they would contribute as much, if not more, to the general welfare of the community.

Another statement from the floor pointed out the importance of a dollar and cents valuation of the older worker's services. Dr. Haines agreed that this was the other side of the coin, and cited a pilot project in Chicago to develop a production organization of workers 60 to 80 years of age. The project has been running about two years and is about 75% self-supporting. Employer contributions make up the rest.

In response to a question from the chair, Mr. Hood stated that very often

people came to him looking for employment and when asked, "What can you do?", reply "Anything." He advises them to be more specific, because very often a person who says that he can do anything really can do nothing.

A statement from the floor contended that compulsory retirement is necessary to open jobs up for younger people, and that there ought to be a law compelling people to retire at age 62. In response, Mr. Sludden pointed out that they had a favorite saying among railroad workers that a young fellow who has no seniority advocates compulsory retirement at age 60, but takes a different approach to that problem when he reaches 60 himself.

Another statement from the floor contended that there should be two approaches to the problem of the retired person, one slanted toward employment and the other toward participation in community activities.

COUNSELING, TESTING AND SELECTIVE PLACEMENT OF OLDER WORKERS

*Chairman, LEO CARNEY, District Manager, District No. 9,
Bureau of Employment Security, Erie*

What do we know about counseling older workers? Are aptitude tests usable for older workers? What are the latest techniques helpful in developing jobs for older workers?

ABRAHAM STAHLER, *Chief, Counseling Branch, Division of Counseling, Selective Placement and Testing, U. S. Bureau of Employment Security, Washington, D. C.*

I have been very much impressed with the conference thus far and, of course, with the many activities that have been going on in this State to help facilitate the suitable employment of older workers. I was very proud that I myself was a little part of the program away back in 1950, when we were one of the States—I am talking now as a Pennsylvanian—which participated in the first national study on the problems of older workers. And Pennsylvania was the only State that participated in both the 1950 study, when it was done in Lancaster, and in the 1956 seven-city study in which the offices here in Philadelphia participated. Pennsylvania, has been, without doubt, one of the leaders of the Nation, in its interest in the problem of the older workers and the desire to do something about it.

I was very much impressed with Governor Leader's talk last night. I thought it was one of the best I have ever heard on that subject, and I

have heard many of them over the years. I thought it was excellent, and I believe we can take heart in what he said last night, and in the interest you have displayed. I think the problem will go a long way towards being licked in Pennsylvania in the months and years ahead.

Just the same, as you have heard repeatedly, the problem is quite serious. I don't like to toss statistics at you, but I want to throw one or two. We have been keeping count nationally of the number of older workers in our active files, the number of new applications and placements, and so on. In the last active file count (conducted in November 1957), workers 45 and over represented nationally 29% of all applicants whose cards were on file. During the period of July to December placements of older workers represented 19%. Actually, this is despite the fact that there has been an increase in placements, percentage wise, during that same period, which I will tell about later on.

In Pennsylvania, the percentage of applications in the active file as of the end of November was about seven percentage points higher than the national average, almost 36%. And the placements, as contrasted with 36% were a little less than 20%. In other words, you see, there is a real problem here, despite the wonderful efforts that have been made thus far.

What can we do about this problem we talk about, write about, read about? What can we do, we in the employment service, together with management, labor, and others in the community? I think that whatever we do has to be done in company with them.

Licking the Problem

It seems to me that there are three major ingredients necessary to really lick the problem. One, I think, is *understanding*. Second, is *attitudes*. And third, is *know-how*. There are others, I am sure, but these, I think, are the primary ingredients. Let me elaborate on them.

With regard to *understanding*, the first thing that we have to do is make it clear to ourselves and to others that these older workers we are talking about are not necessarily people in their 60's and 70's. They are people primarily in their 30's and 40's and 50's, people who are deprived of an opportunity to work in their prime of life. I don't think that is clear to the public.

Secondly, I think we ought to make clear that we are not talking so much about people who are out of work because they happen to be poor producers. We are talking, rather, about people who are out of work for the most part because of conditions beyond their control. They are people who become unemployed because the plant they happened to work in

merged with another, and part of the work force was laid off, they among them. Or the plant moved to another area (and you have had plenty of experience here on that). They are unemployed because part of the plant closed down, due to a slow-down in business, and people had to be laid off. They are out of work because of technological changes. They are out of work for the reasons for which people generally become unemployed. Yesterday, they were satisfactory workers. Today, they are out of work and can't get back, to a large extent, because they happen to be of a certain age. And I think we all have to make that clear among our own fellow staff members, among employers, labor unions, and the public generally.

Besides being clear on who they are as a *group*, we have to have an understanding of who they are as *individuals*. I think that we have to take the time, particularly we in the employment service, to explore in depth the qualifications of each of these older persons coming into our local offices.

We have to strive more to bring out from their past work experience and from their hobbies and from their other types of experience the actual and potential skills that they have that are marketable, or can be made marketable through training, either formal or on-the-job. We have to bring out more thoroughly in our employment service operation job variables which will serve as clues to suitable employment for these people.

Better Record-Keeping

I think we have to do more about reflecting this information on their records, so that placement people can intelligently follow through and select and refer these people according to their qualifications.

We have to assign proper labels on their records so they can be readily found when opportunities for employment come to the offices. In other words, I think they should be assigned realistic, and an adequate number of, classifications.

I think, thirdly, all of us who interview these workers must be alert to the need for counseling, for job development, and for other services.

In every case, before we let go an applicant, after completing a registration, we have to ask ourselves, "Have we really gotten all the information that we need to facilitate his suitable placement? Have we labelled his record accordingly? Does he need any other service or should his card really go to the file? Is there *anything else* we can do for him before routing his card into the active file?"

The earlier we do that, the better chance we have of making suitable placements, because as you all know, the longer they are out of work, the more discouraged they become, and the more difficult for them to present their qualifications to employers when job opportunities present themselves.

I would like to just mention in a word or two the fact that I think we should reexamine our self-application methods, particularly in public employment offices. If there is time later on, I might elaborate on this. But I think we ought to give thought to that. Is it really the best way of interviewing job seekers?

I think, too, we have to have an understanding of employers. For the most part, employers are sincere when they desire people of younger years. They are sincere in the sense that they think they are getting the best qualified workers. I think we ought to try to find out why, what is behind that feeling? And see if we can't understand not just why em-

ployers generally have these opinions but understand why this particular employer feels that way? Perhaps, if we can find out why, we can reach him with facts which might enable him to change a hiring practice or policy he may have that reacts negatively to the employment of older workers.

That is understanding. I think we have to understand our people, we have to understand our employers.

Attitudes

With respect to *attitudes*, I think that is one of the really greatest bars to successful counseling, testing and placement of older workers. I am talking about the attitudes not of employers alone, but, just as important, the attitudes of job seekers, and, also just as important, the attitudes of ourselves, we who serve these people.

With regard to the job seekers, I think we have to help them overcome the defeatist attitudes they naturally acquire through repeated frustrations in looking for jobs they can't get. We have to stress their assets, help to instill confidence, to pave the way for successful referral and placement. When they have unrealistic demands it is frequently because they have such little familiarity with the labor market situation. I think we are under obligation to help them understand the labor market facts of life that they must face, through discussion, counseling, and group guidance, as necessary.

With regard to employers, again, I think that we have to try to give them some understanding of who these people are, and see if we can't help revise *their* attitudes. We have to tell employers not who these people are generally, but how this selected applicant, John Doe, will fit in his plant, and why he will make as good a contribution as, or better than,

anyone else available at the time. I think we have to strive, then, through careful, patient discussion with employers to break down any misconceptions they have about older workers and try to establish as favorable a climate of acceptance for older workers as for younger workers.

Finally, with regard to attitudes, I think we ourselves in the employment service will be like ostriches if we do not recognize the fact that sometimes our own attitudes and practices can stand improvement. We must recognize the fact that sometimes we are so anxious to please employers that we actually do them a disservice. We often think that if we select a younger person for the employer, we are giving him the best qualified person, when actually the best qualified person may be the very older person we are bypassing in our file.

We ought to select solely according to qualifications. We need not and should not give preference to older workers. The person the employer needs and wants may be 29, but he also may be 39 or 40 or 49 or 59. I think that is the approach we ought to take. That is the attitude we ought to have.

I think, too, that we should adopt the attitude that the responsibility for service to older workers is not limited to one person or even to a certain few in the office. It is the responsibility of *everybody* in our local office, from the receptionist on up, who serves job seekers.

Know-How

With regard to know-how, I would like to dwell, in the remaining time, on that, since I have been asked to talk about techniques. Actually, we spend five solid days in training on this. I will try to see if I can condense it into the fifteen minutes or so we have.

No matter how eager we are to do the right thing, no matter how good an understanding we have of the people we are dealing with, we cannot render effective service unless we really know how to do it. We can't talk effectively to employers unless we know how to talk to employers. We can't handle problems of applicants unless we *know* how to handle them. And so, I think we should embark on, if we have not already done so, an intensive training program of our staff on know-how.

In the two years that I have been in Washington, I have spent most of that time working with my staff to develop adequate training and other material. We introduced this material throughout the nation in seven regional meetings. The response has been the best I have ever received in my twenty years of employment security work. I believe your response, those of you who receive it, will be quite similar for we tried to make it practical and realistic. We tried to prepare the material from the standpoint of the local office staff member.

Community Participation

We suggest that in using this material you consider inviting representatives of labor and of management and of the community to sit in at least part of the training. We did that in Milwaukee when we initiated the program. We had three labor people and three employers in the first day when we discussed basic facts and concepts. It was an excellent session. They integrated themselves with our own staff members, and I think they left with a far better understanding of what the problem is all about and with a far greater resolve to do something about it.

With regard to counseling, as we all know and have heard how effective counseling can make a major contribution to finding and holding work.

I think that one thing we must do, and we have not been doing this enough, is to be alert to the experienced workers' need for counseling. We should be alert to this at every point in the office at which we have contact with them.

We often think that because they have had relatively long experience, unlike the inexperienced youth, comparatively few need counseling. But interestingly enough, in the 1950 and again in the 1956 studies, we found that between 25% and 30% of workers 45 and over require counseling service to help get back to suitable employment. Today, we are counseling only six or eight percent of these people, about a third or a fourth of those people who need this service.

I realize one reason is because of the experience that they have, and the fact that we can classify them accordingly. Another reason is that it is hard to recognize their needs when they first come to the office. For example, they may be furloughed. They think they are coming back to work. The weeks and months go by, and they suddenly realize they are not going back to work, and realize, too, that there seem to be no other opportunities for them in that type of work. So they are confronted with the need for job change, but didn't realize it when they first came to the office, nor did we.

So I say again, we have to be alert at every point in the office, not only at the application desk but at the placement desk too, to the need for counseling on the part of these people so that return to work can be expedited.

Counseling Techniques

With regard to actual counseling techniques once the person is referred to the counselor, it would take hours to discuss all of those, but let me hit on some of the more important things

we ought to bear in mind, particularly as they apply to older workers.

I think that we have to explore thoroughly their work history, hobbies, and other background, perhaps more carefully than for any other group, because the less adjustment they have to make to a new type of work usually the better off they are—unless they have been extremely unhappy in the past type of work. But generally speaking, if we can help them relate types of experience and skills and background that they have had and are accustomed to, to employment opportunities, and they have to make a minimum adjustment, it is much easier for them and also for the employer who will employ them.

We have to look for and emphasize assets that they have during our counseling interviews. We have to help them overcome any feeling of worthlessness that some do acquire because of the frustrations in obtaining work. We should show a genuine appreciation of their past accomplishments and their efforts to find work. But at the same time, we have to help them focus their attention on the present situation. It is fine to think of their past and the achievements in the past, but, also, they have to be realistic and know what is confronting them *now*: what they have to offer, what is available, and how the two can come together.

It is important that we let him, the person counseled, make the vocational decision. We can't make it for him. If we do, how can you expect him to carry it out? The decision must be his, the responsibility must be his. We have to help him arrive at it, but it must be his decision.

And we have to allow him enough time to make that decision, because it often represents a significant, drastic change in his life. He needs to think about it before he is ready to make that change, and he has to talk it

over with others. And so we may want to schedule interviews two or three weeks after this previous discussion, so that he does have enough time to mull it over and make up his mind and come to a decision.

We also must know when his problem is such that we can handle it effectively, and when it is such that it should be handled by an outside agency. I think we tend to hold on too much to applicants with problems that are not within our jurisdiction. We see some applicants a dozen times. In many of these cases, they would have been better handled by outside agencies. So we have to know when to let go and refer the problem to somebody else who is better equipped to deal with it.

And finally, I think, as counselors, we should not lose sight of the individual after we have completed the counseling interviews. We ought to know what is happening. True, the placement is the responsibility of the staff as a whole, but the counselor, too, has a responsibility in seeing to it that the services he gives are really in line with the applicants needs and desires. If we can't follow up all, we certainly should follow up a goodly number of our counseling calls to see how effective we are and to see whether the applicant, especially when he was uncertain or somewhat fearful about his plan, needs further help.

Group Guidance

I think, too, we have to get into group guidance more than we have in the past. There are problems which older workers are confronted with, such as unrealistic demands, negative attitudes, inability to sell themselves to employers, which can sometimes be better handled through group dynamics plus individual interviews, than through individual interviews alone. I think we ought to embark more on the group guidance method.

The training we have developed covers that in some detail.

I'd like to give an example or two on the use of group guidance. In Miami, Florida, where they have done more work on this type of thing than in any other employment service office in the country, they tell about a Washington woman who went down to Miami and who had been a buyer for a big department store in Washington and therefore sought the same job in Miami. Our counselor tried to explain to her the difficulties in getting a job as a buyer and at the same pay as in Washington, because they usually promote from within. She could not accept that. But during the group session, when fellow workers told her the same thing, somehow it made an impression. They said to her, "How do you expect an employer to hire you at a top job when he has so many people on his own staff he wants to promote? Why don't you accept a lower job and try to work yourself up to it?" She did, and she was placed. You see, sometimes we have no effect on them and fellow-workers often will.

Also, they have done quite a bit of work in role-playing, to demonstrate how to present one's qualifications to an employer. They have an employer come in, and they have one of the workers "apply" to the employer for a job before the group. The group as a whole then discusses the strengths and weaknesses of the presentation. And by doing so, not only does the worker himself learn better ways of presenting himself to the employer, but the group as a whole, by giving suggestions, themselves learn how they also should present their qualifications to employers.

Testing

With regard to testing, I know there has been a lot of interesting discussion as to the role of testing in

serving older workers. I would like to tell you a little about our thinking on it. We think that even the tests that we have now can be helpful in individual cases; not as much, of course, as for younger applicants, but it can be helpful in individual cases of older workers, but there is a real question as to the suitability of the present norms for older workers, as we all know. New York State undertook a research program in early 1956 to determine the effect of age upon ability to qualify for occupational aptitude patterns in the General Aptitude Test Battery. They gave the test to 140 persons 45 and over, and a similar sample of persons under 45, and then compared the results.

Let me cite briefly some of the results from their preliminary report. They reported that the number of occupational aptitude patterns, that is, fields of work, for which the older worker group qualified on the test was inversely related to increasing age. In other words, the older they were, the fewer the patterns they qualified for. However, they said, this inverse effect does not appear to occur in the older worker group until approximately 60 years of age. And even past 60, the mean or average number of OAP qualifications is high enough to indicate profitable use of the General Aptitude Test Battery in counseling older workers.

They also made this rather significant observation: "The implications of these results are important as they relate to current practices in the counseling and placement of older workers. While older workers as a group tend to qualify for fewer occupational aptitude patterns than do younger workers, it is most important to note that this tendency has been grossly over-exaggerated in the minds of many. It has been shown that no significant differences arise even in the older worker group until the *older* older workers are considered.

Those employment service counselors who avoid using the GATB entirely for counseling older workers on the ground that they rarely qualify for any OAP's seem to be ignoring the facts, in addition to neglecting an invaluable source of information."

I may be overstressing this. I know that in the majority of cases, you may not find the GATB helpful, but there are many in which it will be helpful, even with people in their 60's.

You might be interested in knowing about two additional research projects with respect to the General Aptitude Test Battery that are now going on. There is a further study on the effect of age on test performance in which six states are engaging—Pennsylvania, New York, Michigan, Iowa, South Carolina, and California. The objective of this study is to show the influence of age on test performance, with respect to each of the nine aptitudes measured by the GATB, for individuals ranging from 17 to over 65.

The second study is to compare test performance and job performance of older and younger sewing machine operators. The objectives are: (1) to compare older and younger workers with each other, with respect to both test performance and job performance; and (2) to determine the relationships between test performance and job performance of younger and older workers.

In this study, five states are participating—Pennsylvania, New York, Michigan, South Carolina and California.

These studies will, of course, take a long time. It will be several years, probably, before we get real results. We feel that, in the meantime, we should remove the upper age barrier to the use of the General Aptitude Test Battery in individual cases, as we are asking employers to remove

the age barrier in hiring. We think that if the counselor feels that there is a need for more information on potentialities, he should use the battery, provided the person is physically able to take the test, he is willing to take it, and he can understand instructions well enough to take the test.

In interpreting results, you should assume that he has at least the amount of aptitude demonstrated in the test, and perhaps more. Moreover, you have to be careful not to rule out occupational fields that the applicant may be suitable for even though his scores don't quite meet the minimum. And, of course, you must consider the test information carefully as you always must, in relation to the total amount of information regarding him.

Interest Check List

Mention was made yesterday regarding the Interest Check List. I would like to touch on that. We devised a revised Interest Check List in the past few months. We tried it out in twelve states on about 1,400 applicants. We included middle-aged and older job seekers as well as youth in using this Interest Check List which, as you know, is a counselor's interviewing aid, and not a test.

It was tried out on 551 people under 21, on the same number 21 to 44, on 263 who were 45 to 64, and on 50 who were 65 and over. We found it a distinct advantage over the other list, and a number of counselors reported that they found it very helpful with certain adults, including older workers as well as younger, particularly those who were uncertain about their interests and wanted to clarify their primary interests more directly. We think that it will be helpful in many cases in counseling older workers.

Placement

I want to touch briefly on placement before I conclude. It is important to remember, as I said before, that the placement of older workers is the responsibility of all of us, not of the counselor or specialist alone, but the responsibility of the entire local office, as is true of job seekers in general.

We say, "Select according to qualifications regardless of age and refer according to the best qualifications available regardless of age."

In the seven-city study which we conducted in 1956, we found that when this was done, the selection and referral results were about as good for workers 45 and over as they were for applicants across the board. Of applicants 45 and over who were *called in* for referrals to jobs on which the offices had orders—they called in more than half of the experimental sample for referrals to such job openings—about a third were placed. This is about the same achievement as with applicants of all ages. We think that it is relatively good, when you consider that a great many people do not respond to call-ins, and of those that do respond we generally refer two or three persons to the employer for a given opening in order to give him the opportunity of selecting the one he wants most.

I think it is equally important, or perhaps a little bit more important, to utilize job development more extensively in our efforts to improve placement of older workers. The seven-city study revealed that job development was by far one of the most effective single methods used. About one-half of all placements in the seven-city study were through job development. It was successful in one out of every four tries, which again compares favorably with across-the-board efforts.

Also interesting to me was the finding that the greatest success in job development was with the very occupational groups—clerical and sales—which another part of the study showed faced the greatest restrictions in hiring. While the over-all success in job development was 23%, the offices were successful in 36% of the tries for clerical workers and 28% of the tries for sales workers.

We felt that this experience does indicate that if we make a real effort to develop job opportunities, we can meet with success. We think that as soon as it is determined that a person is ready for employment, and that there is opportunity for his qualifications in the area but no order on hand and no order likely to come in for such workers, we should immediately consider attempting job development for him, rather than automatically routing his card to the file.

We say, let's not wait until the applicant's card is in the file for weeks or months before we take action. As any good business man will tell you, you don't wait for business to come in. You solicit it. And when you have applicants coming in who are seeking your help in placement and whom you are not likely to place through incoming orders, you don't sit and wait for orders for them that are not going to come in. You go and develop orders through telephone, visits, mail, and the other means you have. Thus, you help satisfy the needs of employers who, as Governor Leader said last night, may well have unfilled openings waiting for such workers. At the same time, you help meet the needs of these job seekers whose applications otherwise would be lying in the file indefinitely.

Encouraging Results

Those are some of the main points I wanted to highlight. We have had encouraging results to date. Despite

the recession, which we are all so familiar with, the percentage of total placements that are represented by older workers has gone up consistently over the past nine months. It has been rising steadily month by month from 18.2% in July, to 21% at the end of March. I think this is a real straw in the wind.

With regard to Pennsylvania, I think the picture is even more favorable. Whereas about slightly less than 18% of all placements were older workers in July, it went up by six percentage points by the end of March to 23.5%. It exceeds even the national average, whereas previously it was below it. So, apparently the interest and the efforts you are putting into this program are beginning to take effect.

But let us not forget that, whereas your placement figure may be 23% or 24%, 36% of your applicants are older workers. We still have a long way to go.

To conclude, it seems to us, that where you give enough time and thought and training and emphasis to this problem, where you have a real *understanding* of what the problem is, where you have a *will* to do something about it, and where you have the know-how to do something about it—and then apply all these into an action program, you will get results. And your success will approach the success you have had with applicants of all ages.

I think we ought to bear in mind, those of us who are in the employment service, that this is too big a job for us to do alone. We must work with employers and employer groups, with unions and older citizens' organizations, with fraternal and civic groups, and with community committees and organizations. As far as we are concerned in Washington, we will continue to give what technical assistance and leadership and guidance we can. But we all must

bear in mind that the job must be done in the State and in the local community where the job seekers and employers are.

I am very much heartened, of course, by the wonderful results you

have had and by the interest you have shown. There is no question in my mind that I will be looking with a great deal of personal pride and pleasure on the results of your efforts in Pennsylvania in the days ahead.

WALTER M. HAUKE, *Employment Manager, Merck, Sharp & Dohme, Division of Merck & Co., Inc.*

Seventeen years ago, when I first worked with the Pennsylvania State Employment Service the title of this panel would have been simply "Placement of Older Workers." Testing was relatively new and untried, and the advantages of employment counseling were only then being explored. Ten years later, placement had become selective placement, testing a widely accepted selection tool, and employment counseling part of the many programs which the public employment offices are called upon to provide. Many papers, pamphlets, and books have been written concerning the problem of older workers. A large part of this material has been aimed at industry. The objective is greater utilization of the skills of older workers. What about industry? What has its reaction been to this program? Has it learned to take advantage of the full potential of the older workers? I can't speak for all industry, but I would like to acquaint you with the older worker at Merck, Sharp & Dohme, and some of the steps we take in order to make the best use of their knowledge, skills, and experience.

Selective Placement

In 1957 a position opened up in export operations for a supervisor. Five men, all qualified, were considered. Four of these were men in their late 20's and early 30's. The fifth was 56. He was selected.

In the Sales Research Department we recently established a supervisory position over 15-20 girls. The best qualified candidate was a woman 51 years of age. She was selected.

In another instance, a supervisory position was opened in the Service Department. A man 51 years old was considered the best qualified and selected.

Insulin operations were recently moved from our Philadelphia location to the West Point Laboratories, and a new supervisory position was opened. The man selected was 64 years of age.

These are just a few of the supervisory promotions we have made involving older workers. I mention them only to stress our employment policy, that selection be made on the basis of qualifications, not age. It is my belief that discrimination because of age is rapidly becoming a luxury that modern industry will be unable to justify.

What about hourly openings? Does the same policy hold, or are such employees discriminated against because of their age?

In 1957 more than 1,400 hourly openings were filled by internal and external applicants at our two Philadelphia area plants. With few exceptions, these openings were posted on bulletin boards for a minimum of three days. Selections were made in accordance with job specifications

which include education, experience and physical requirements. Occasionally, the ability of an older worker to do certain lifting operations was questioned. When this happened, the employee was examined by the Industrial Health Department, and the doctor's recommendation concerning the employee's physical condition accepted. Here again, qualifications were the determining factor, not the age of the applicant.

How do external applicants fare? In 1957 we hired more than 800 people at Merck, Sharp & Dohme. One hundred and eighteen were over 40 years of age, and were employed in such jobs as laboratory assistants and technicians, binders in the printing department, finishers on the packaging line, and in clerical, nursing and mechanical positions.

These older workers were treated exactly the same as any other applicant. Each was expected to meet the requirements of the job, and were selected on the basis of ability, not age.

Supervisory acceptance of employment on the basis of ability is included in the training program which each supervisor undergoes during his first year on the job. Among other items, this program stresses employment policies, contracts and procedures, and makes use of lectures, role-playing, and case studies to bring home the necessity for making selection on the basis of ability.

Testing

Testing has been used as a selection device by Merck, Sharp & Dohme since 1947. Our program today is composed of 16 batteries utilizing 23 tests. These tests are designed to measure intelligence, aptitude, personality and dexterity, and have been adapted to our needs. A battery of tests has been assigned to each job with all external applicants being

given such tests. Young and old alike have been tested and while statistical studies have not been made, there has been no indication that age had any marked effect on passing scores.

Employment Counseling

What do we know about counseling? What is it? Why is it necessary? My concept of employment counseling is a broad one—one that applies to both employed and unemployed workers and covers many of the problems related to their employment status. Let's look at the unemployed worker first. Public employment agencies are in the best position to help the older worker. They have available all kinds of labor market information, vocational tests, job descriptions, etc., and can assist him in developing a plan to secure the kind of employment for which he is best suited. Many other public and private agencies are equipped to do this kind of job also.

But what about the employed worker, especially the one who prefers to remain with his present employer? To whom should he turn? Industry more than ever today recognizes the need for keeping its employees informed concerning their employment status and providing counseling wherever necessary. It is not uncommon at Merck, Sharp & Dohme to have older employees seek the advice of industrial relations personnel concerning employment objectives. Some feel that they have run into a blind alley, others that further promotions are stymied by the youthfulness of their supervisors, and still others lack the necessary technical qualifications for advancement. Through counseling we have been able to assist these men in clarifying their employment objectives.

We recognize the value of training and education in helping employees make better use of their skills, and

we offer a comprehensive training program. Within the company this program includes orientation, job training and supervisory and management development. Financial assistance is available for employees who wish to continue their education. Our training and development department has provided guidance to numerous employees which has increased their capacity for growth and promotion to higher jobs.

A modern dispensary is maintained at each plant, under the supervision of our industrial health director. Although this service is provided essentially for the care and prevention of occupational injuries and illnesses, medical consultation and treatment of non-occupational illness occurring during working hours is also available.

One of the problems we face is to be found in all industry. What can we do about the worker whose physical condition makes it necessary for him to transfer to a different job? Dr. Davidson has been exceptionally alert in diagnosing such cases at an early stage. By securing the employees cooperation, we have been able to move him to other positions which were less demanding.

Retirement Counseling

What about employees scheduled to retire? In the past we have contacted the employee 6-12 months in advance to discuss his plans for retirement. Information concerning benefits were discussed and referrals to outside agencies made wherever it appeared to be desirable.

We are currently expanding this program to include pre-retirement interviews beginning at least three years prior to retirement. In addition, a monthly publication on retirement planning will be sent to each retiree from the time of the first interview until their death. It is expected that group meetings to discuss problems of general interest will be held and that additional material which may help employees to adjust to their new status will be distributed. I don't want to leave you with the feeling that we think we have solved all the problems of older workers at Merck, Sharp & Dohme. We have much to learn, and hope to pick up new ideas at conferences such as this one.

This is where we are today:

- (1) with a policy of hiring on the basis of ability, not age;
- (2) with training and medical facilities designed to assist in the personal development of all employees; and
- (3) with pre-retirement planning, adequate pensions, and fringe benefits at time of retirement.

What about the future? The U. S. Department of Labor tells us that 10 million additional workers will be needed by 1965. We, and you are faced with a real challenge for more than 5 million are expected to be persons over 40 years of age. The full potential of these older workers—their skills, wisdom, and experience must be utilized.

The economic health of the country depends on it.

HIGHLIGHTS OF THE DISCUSSION

A member of the audience suggested that it would be a good idea to explain available counseling services to applicants during the benefits rights interview conducted at local offices of the employment service. Mr. Stahler agreed that this would be a good idea.

There was a discussion about the use of the term "selective." One member of the audience pointed out that this has been taken by some persons to indicate discriminatory

practices. Mr. Stahler said that he did not like the term, either, but that what it really means is careful selection on the basis of qualifications. We should think of applicants as individuals.

Mr. Stahler said that he would like to see the day when we don't talk about handicapped workers or older workers or youth, but simply of people who come in seeking jobs, who need help and who get the help they need.

NOTE: A presentation made by Mr. Bernard J. Marcus during this panel meeting is printed with the presentations made by the speakers in Panel No. 14, "Union Policy and the Older Worker." The proceedings of this panel begin on the next page. Due to a misunderstanding, Mr. Marcus prepared his talk on the subject of union policy, rather than counseling, and it is therefore printed under that heading where it will be read by those interested in this particular aspect of employment of older workers.

UNION POLICY AND THE OLDER WORKER

Chairman, W. ROY BUCKWALTER, Ph.D., Professor of Management, Temple University School of Business and Public Administration

Some people state that union practices, especially during negotiations, result in making it more difficult for older workers to find employment. Mandatory retirement at a fixed age is often written into union contracts at the request of the union, according to those who hold this point of view. Others say that rigid union policies on transfer of workers to different jobs make it difficult to make the best use of older workers. Are these viewpoints valid? On the positive side, what union policies best promote the interests of older workers?

BERNARD J. MARCUS, *Director of Organization, Teamsters Joint Council No. 53 Organizing Committee*

NOTE: Mr. Marcus delivered this talk before Panel No. 13. However, its subject matter makes it more logical to print it under this title.

Most of you, I think, know in recent decades, organized labor has achieved a new dimension of awareness and responsibility relating to this problem. Among the various groups in a position to influence employment conditions for the older workers, labor unions have assumed an increasingly important role.

With the growth and development of collective bargaining in wider sectors of our economy, the terms under which older workers are hired, promoted and re-assigned, laid off and retired, have become subject, in considerable measure, to bilateral negotiations between employers and unions.

Of course, government policies

have also entered into this picture, particularly in connection with the provision regulating benefits receivable under the old age and survivors' insurance program.

Thus, it is impossible to arrive at a complete picture of the so-called rules of the labor market affecting the older workers without really appraising the policies of the three major participants—employers, unions and government agencies.

My immediate concern is with the role of organized labor in this complex social pattern—more precisely, the effect of union policies on employment opportunities for older workers, the motivation and direction of these policies towards the protection of

their job rights, and the dignity, status and welfare of senior union members.

Our basic premise and conviction, however, is that a labor union, in addition to providing service to its membership, must also relate its work to the over-all needs of the community. Some years ago, a popular writer entitled his best-selling book, "Life Begins at Forty." Today, the over 40 worker who loses his job might well write a companion best-seller entitled "Discrimination Begins at Forty."

In our society, 40 is not old, nor is 45, nor even 55. Men and women of this age group are generally considered in the prime of their lives. Yet more than half of America's employers have been found to discriminate against this age group in hiring and employment practices.

Last year, the U. S. Department of Labor, as most of you, I am sure, probably know, participated in the project and made a spot check of help-wanted advertising. It found that some 60% of the want ads limited job opportunities to workers under 45 years of age. Since then, of course, we have had the passage of some constructive legislation.

Prejudice

Like most discrimination, that against hiring workers over 40 is based upon sheer prejudice. The facts show that these workers are quick to adapt themselves to new jobs, that they are least as efficient as young workers, and that they bring to their new jobs invaluable habits of industrial discipline.

Three out of every four employers questioned by the Bureau of National Affairs agreed that older workers are as efficient as their youthful co-workers. In other surveys, employ-

ers have stated older workers are absent from work less than younger ones. There is less labor turnover among older employees, and production rates are as high among the 40-plus group as among younger people. I was happy to learn this morning that additional surveys and tests are being conducted in various states by the Department of Labor, to ascertain additional information along these lines.

Indirectly, some employers seek to use unions as an excuse for not hiring the worker who is past his youth. According to some of them, unions have negotiated pension and welfare plans which make it too expensive to hire older workers.

A comprehensive study or survey conducted by the Department of Labor, by an independent committee of pension and insurance experts, has given the lie to this. This study showed it cost the employer only 80 cents more per 40-hour week to provide a \$3,500 group life policy to a worker aged 55 than to a worker aged 30. This study proved further that tax deductions and dividend credits would reduce this cost to 40 cents, over the same 40-hour week.

As you know, workmen's compensation rates are based upon the accident experience of a given firm, and here too, statistics indicate that there is little correlation between age and accident propensity.

Too frequently, those who make company policy against the employment of the older workers are themselves past 40 years of age. They would be the last to admit that they are slowing down, that they can't adapt to new circumstances, or that they are not as efficient as some junior executives in their own firm.

They too are usually among the first to point out that there simply is no substitute for experience.

Significance to Labor Movement

The case of the older worker holds a special significance for the American labor movement. Reduced to simple economic terms, if there is no job market for this worker at going wage rates in his regular skills, he would soon become a potential source of cheap labor, which would inevitably tend to depress our relatively high American standard of living and seriously undermine the economic gains achieved by the American trade union movement.

In addition, responsible labor unions cannot stand by and see the skills of their senior members destroyed, nor can we tolerate the economic and human waste entailed in discrimination against these workers. Since our legislative bodies seem to be in an investigating mood, it might be well if Congress would take a long, hard look at the hiring policies of many companies. These, too, could bear cleaning up in many areas.

Now, what has American organized labor done to ameliorate this situation? First, the rule of seniority and protection against arbitrary discharge are probably the most effective practices that our unions have developed to protect the job security of long-service employees and older workers. Yet there is simply no logic in industry requiring the worker to lose his right to a job merely because he has acquired his seniority with other employers.

Many collective bargaining contracts contain a garden variety of clauses designed to keep workers of 40-plus gainfully employed. Such contractual provisions for older workers relate to special seniority rights during lay-off and recall, transfer to lighter or more suitable jobs for those who are unable to continue their present duties. They provide for adequate reassignment

and ban discrimination based upon age in union shops.

In the main, discharge or lay-off based solely on age, without consideration of efficiency, is prohibited by collective bargaining. A wide range of provisions covering severance pay or dismissal compensation has been initiated by organized labor in recent years and incorporated into many labor-management contracts. These provide further economic cushions to aid the distressed older worker.

Pensions

The quest for security in old age has prompted labor's program for pension and welfare plan coverage. During the past 15 years, one of the most conspicuous developments in the field of industrial relations has been the increase in the number and coverage of pension, health and insurance plans, established by collective bargaining or brought within the scope of labor-management agreements.

These pension plans, financed in whole or part by employers, are now firmly established as an integral part of the system of employee remuneration. Today, considerable attention is being given by organized labor to the amount of benefits provided by these plans, their relationship to the federal Social Security program, and their impact upon our economy.

Our direct concern has been to seek an upward revision in the amount of these benefits, to reflect rising costs of living and other factors. We seek to adjust those plans which are coordinated with or offset against Social Security payments, so as to pass on to the retired worker all or a part of the increased benefits made available under the federal program. Many such benefit increases have occurred since 1950.

A paternalistic employer usually regards a pension as a gift or gratuity, granted as an act of benevolence, a

kind of bone for the Old Dog Tray. We in organized labor naturally reject this view, because it runs directly counter to the basic principles of the American trade union movement. Unions do not bargain for gratuities. We bargain for decent wages and adequate conditions of employment.

The negotiation of a labor contract is a transaction between relatively equal parties, in which relatively equal values are exchanged. It is not a petition to a benefactor for charity toward a group of old retainers.

The investing of these pension plans is another one of our important objectives, in order to underwrite their financial stability and insure additional security for our senior members. A major concern of all trade unions involves the protection of our members' credited years of service under a pension plan if he should change jobs.

Fixed Retirement Ages

Another is this problem of compulsory retirement, whether a worker should be compelled to retire solely on the basis of age. Although many unions vary on the approach to this problem, most of us favor the abolition of a fixed retirement age.

We in organized labor have also given serious consideration to the extent to which the acquisition of rights for benefits in one company might effectively deter workers from moving to another firm, if their built-up pension rights cannot be transferred. Thus, a practice which might provide a low turnover rate, continuity of work and better plant morale for the individual employer may also be the decisive factor in retaining the worker.

The application of a mandatory retirement age frequently serves only to remove from the labor force employees still capable of productive

work. Certainly, a more rational and socially desirable scheme to protect the interests of those still able and willing to work should be devised and intelligently implemented by both management and labor.

Responsible unions also insist upon mutually acceptable mechanisms for determining the employability of a worker by a better method than age. At any given age, individuals vary a great deal, and many companies and unions have mutually agreed to various tests and interviews, to ascertain whether a worker could meet specific job qualifications.

In the proper industrial management climate, retraining programs are also devised and mutually accepted, when older workers can no longer meet the demands of their old jobs or when automated equipment displaces them.

Organized labor has pioneered long in the effort to win economic security for its members upon retirement, but solving the employment problems of the older worker is not the exclusive prerogative of any one group. Management, labor, government agencies, and the community itself all have valuable contributions to offer.

In broader terms, retirement means the separation of a man from his job, an emotional shock that is especially severe in our culture. In many instances, a man's occupation is more than a source of income. It symbolizes his place in society. His usefulness to the community is often tied up in his work, as are many of his social contacts and his friends.

Thinking representatives of management and labor are sensitive to the worker's psychological needs as well as to his material requirements during this traumatic experience.

In my opinion, the real yardstick and proving ground of any union is

its ability to assume social and moral responsibility, to translate material values into human values, technological progress into human progress, and above all, into human dignity.

Our effectiveness as citizens in an industrial democracy is never more clearly challenged than in our efforts to resolve the problems of the older worker.

**S. HERBERT UNTERBERGER, S. Herbert Unterberger and Company,
Economists-Consultants on Labor and Industrial Relations**

I guess it is *de rigueur* in making a talk like this to use as your first approach a criticism of the subject.

The subject, of course, is "Union Policy and the Older Worker," and the criticism is clear. There ain't none. There is no specific, in my judgment at least, union policy. There are many union policies. Every union may have its own policy and I dare say many locals have their own policies, but with respect to an overall, single, uniform, autocratic union policy with respect to older workers, I think it can be said without fear of contradiction that there is no single uniform policy because nobody speaks singly or uniformly for the total labor movement in the United States.

No doubt in some other unmentionable countries you could find such a union policy. You read the morning *Pravda* and you would know what it is, at least for today. Here we do not have any single union policy and in the course of my discussion I think I can elaborate on that a little bit. Let me add one other thing. As a matter of fact, most of the union literature that I have been able to see doesn't discuss too specifically older worker problems *per se*, and their policy is frequently not related directly, but does have a substantial indirect impact, on the problems of older worker employment.

Thus, there are two places to look for union policy. You can look in the speeches people make at union

conventions and you will find some lovely and high-sounding words, as you will find at all conventions.

You will find the same kind of lovely and high-sounding words in the speeches made at employer conventions. You can look at the practical union policies, which is where we are looking this morning for just a few minutes. It is one thing to make a speech and another thing to get a clause in a union contract. In practical union policy, where the effects are really felt or where it really works, is the contract clause that unions and employers have agreed to live up to.

In that connection there are very few contract clauses. If you look through the standard books on contract clauses—I only found one in my own library that even had a heading—an index heading saying "Older Worker." The impact is not on older workers, *per se*, but via seniority, via hiring programs, via promotional policies, via a variety of other things. There are few clauses that deal with older workers, specifically.

Union Policies

Let me state my own conclusion at the beginning. It is that union policy as articulated in the provisions of labor agreements, tends to retain already employed older workers at work. In doing this it may, from time to time, prevent some employers from indulging their preference for substituting younger employees for

older employees who have been part of their work force for some time.

The first part of my conclusion, at least with respect to union policy, is that it tends to retain already employed older workers at work. On the other hand, union policy, again as articulated in labor agreements, tends frequently to prevent some hiring which employers might be inclined to do of older workers into jobs for which they are qualified.

Union policy generally, as articulated in union agreements—and let me warn you again that this does not mean all unions or all locals, but if you can generalize at all—it has as its ultimate result—not objective, but result—the tendency to retain already-employed older workers at work and also the tendency to prevent non-employed older workers from breaking into the labor force.

Seniority Clauses

Why is this? As all of us know, I think, in this room, the principal vehicle for enforcing the program—if it is a program—is the seniority clause of union agreements, only if you can assume—and it is a pretty good assumption—that somehow seniority is roughly correlated with age. It isn't perfectly correlated with age and it differs significantly. Ten years of seniority in the railroad industry means something terribly different—ten years of seniority in the railroad industry means you are a young fellow subject to layoff real easy; it means something very different from ten years of seniority at a plant at Monsanto Chemical. It means a very great difference from a plant which has been expanding rapidly, such as Minnesota Mining. Ten years of seniority there makes you the oldest man on the staff in many of their plants and gives you a lot of job security.

Ten years of seniority as a railroad fireman doesn't give you very much security. As a matter of fact, at the moment you are probably laid off.

What is the purest seniority clause? What does it generally say? I have selected one and it runs something as follows: In case it shall become necessary for the employer to lay off one or more employees, seniority rules shall apply within the classification—the unit, the section, or the department—however they agree to do it—and the employee who has been with the company the shortest length of time shall be the first to be laid off and on rehiring, those first laid off shall be the last to be re-employed.

This provides what might be called a maximum protection for the elderly worker on the job. Actually, the current recession indicates the great value of these seniority clauses to the elderly worker on the job. In my traveling around from plant to plant, I have found that when they really want to tell you what the story is these days in Hartford, Connecticut, let us say, or in Lebanon, Pennsylvania, they will say, "We are down to laying off fellows with twelve years seniority." This is the critical measure of the protection and why thirteen years seniority is so terribly important to a man. We seem to gauge the severity of the recession in these terms more than we do in number of employees laid off.

Seniority is more important—under a clause such as I have just indicated—than any other thing to him, really, even his ability. His ability is not necessarily regarded within the clause. This, of course, is the key to the employer attitude toward these matters. While these straight seniority clauses articulate union policy and provide the greatest protection to elderly workers, em-

ployers, as probably most of us know in the room, oppose these clauses on the grounds of administrative efficiency. They say, "Gee, if I have to just lay people off on the basis of seniority alone I can't select the best person for the job, and I may be left with a group of older people who are the least valuable to me, and this does me the most harm in the recession because now I really can't compete." This is a standard employer argument to union policy in this matter.

Seniority Without Unions

There are some interesting things about that argument which I think it may be worth taking a moment to speak about. For a long time this sounded fairly reasonable. After all, the employer argument had some plausibility. I am not saying it doesn't now have some. I think it does have some—some real plausibility. What happens when you have a substantial layoff? Are we left with just the oldest workers, some of whom may be somewhat superannuated? Some of whose productivity may have fallen off? Why should not an employer in the layoff be permitted to select and be left with the efficient employees—those he regards as efficient? So that he can really compete and bring his plant back up to snuff?

There are many humanitarian, human relations reasons, and institutional reasons. Of special importance are a few pieces of research that have been done fairly recently on this subject. One of them actually asked the question, went in and made the analysis. What happens when you have not a straight seniority clause but the other kind—the watered down—the employer-preferred seniority clause which is not only, shall seniority be regarded, but also such other matters as ability to do the

job, physical capacity, qualifications and a variety of other things. How are these really administered? And of course then came the clincher. When they looked to see how these clauses which gave the employer full freedom to administer his layoff program, let us say, or his selection program, they found a very substantial proportion of employers didn't bother to use it; that when they got all done they laid them off and rehired them on the basis of seniority for a wide variety of reasons, one of which was they were too darn lazy to do anything else and the other was they didn't want any arguments. This is of some significance to employers.

How hard should you fight? How hard should employers fight to avoid a straight seniority clause? Very hard if they are really going to use it. They certainly ought not to precipitate a strike if, after they win it they don't use it.

Incidentally, there is another piece of research which is of some importance in this connection. At Harvard they did the following research. Many times there are layoffs, let us say, or non-hirings of older workers and this is regarded as discriminatory and, under union contracts, it is possible to take this matter to arbitration and get an impartial view of this thing. Many arbitrators are accused of always putting the fellow back to work—being soft-hearted—putting him back to work, despite the overwhelming evidence that he is incapable to do the job and "this is why we didn't want to employ him."

They went back ten years later and reviewed a series of cases where the employer did not take the senior man—took someone other than the senior man for the job—and it went to arbitration and the arbitrator reversed the decision, took the junior man out and put the senior man in.

The employer hollered that this would destroy his labor force.

Their conclusions are fascinating. Their conclusions are that ten years later you can't find it. You can't find the effect, and, furthermore, I have forgotten the percentage, but it is a very impressive percentage of these men whom the employer refused to put in on the seniority basis whom he later promoted. A very substantial percentage.

What does this say, really? This says some very interesting things. This says, with respect to older and senior workers, that we have no real measurements. Employers have no really good measurements of their productivity on which to make their judgments if they are going to discriminate between more senior and less senior employees, and the area that has to be explored is not necessarily the area that says, "Since we can't do this very well, we will just operate a plant on seniority alone."

But what really needs some exploration is why are these judgments made so badly? And can we improve the judgment-making process in this connection?

Other Union Protection

Furthermore, I do not want to leave the impression, however, that seniority is the only kind of layoff provision found in union agreements. This is not so. As a matter of fact, if you tabulated union agreements—just the number of union agreements—you would find straight seniority clauses—even modified seniority clauses are in the minority because large number of union agreements in situations where seniority is inappropriate or underdeveloped do not use this method for protecting the elderly worker at all.

Just think for a moment how useful straight seniority would be in the

construction industry where a fellow has a job maybe for a day or two weeks or a month with a particular employer. Seniority with that employer is virtually useless. This is true of construction, and in many of the service trades and the garment trades. There are no seniority clauses generally found in the garment trades contracts for a perfectly good reason. The attachment of the worker is not to a particular employer in those industries. The attachment of the worker in the service industry is not to a particular employer. The attachment of a worker in the construction industry is not to a particular employer. So union policy there gives you quite a different result. Union policy there is exercised—and here employers object to the method of exercising it very seriously—is exercised by the union attempting to extend its control over the labor market. It does this via the use of union seniority measures. It does it best, from the union point of view, under a closed shop arrangement, where the union can distribute the jobs without regard to age, and generally does.

Closed shops are outlawed presumably. Other methods of controlling the markets, such as hiring halls, have been substituted. They are not as effective for this purpose and, to be sure, the protection for older workers may have been weakened by the elimination of closed shop agreements. This is not to pass on any of the other merits of closed shop agreements, but with respect to older workers, the protection may have been weakened.

There are a variety of other methods used. These are the principal ones, in union agreements, as I see it. These are the principal ones employers struggle with in the sense of attempting to organize their own labor forces, where freedom is desired

and these provisions serve to prevent employer freedom.

This is not to argue that employer freedom should not be prevented. If the loss of employer freedom is compensated for by protection for people who deserve protection, this is an appropriate thing to do. If it is not that we get quite a different result. There are a few interesting clauses kicking around in union agreements which perhaps ought to be regarded more highly. There are, in some places, ratio clauses which require that every time you hire a person younger than a given age you have to hire a person older than a given age; not too frequently, but they are there.

There are clauses which require the hiring of an older person every time you bring in an apprentice. There are clauses also which protect older workers against onerous responsibilities. There is the kind of clause that says, after you get to a certain age you no longer have to work the graveyard shift. These are minority clauses. They aren't found too frequently. They do offer protection for elderly workers and prevent some layoffs.

There are also the clauses in union agreements which block out certain areas of an establishment for older workers. Those are the kind of clauses that block out the dead-end jobs for them. I am not sure that they ought to be recommended, but they are there.

Unemployed Older Workers

So far we have only talked about item number one; namely, the pro-

tection for the already employed worker. I said they do tend, in my judgment, to protect the already employed elderly worker. What about the unemployed elderly worker, the fellow who lost his job because of technological reasons, or his plant moved away, or the employer went broke? He is a skilled fellow. In this regard, the very same forces, it seems to me, that enforce the job—that protect the job for the older worker—essentially prevent the unemployed older worker from breaking into an already going labor force.

Here, too, there are certain chinks in this armor. There are the chinks which I have already indicated, namely, the ratio clause kind of thing. There are the dead-end job kind of thing where they are permitted to hire older workers regardless of bumping seniority, and so forth, into guards' jobs, watchmen's jobs and such kinds of things. Union policy, however, has not gone very far along these lines and very appropriately unions like other institutions, are designed to protect their own.

It is not a reprehensible policy that they are not opening the doors. As a matter of fact, it is really asking a great deal, in my judgment, to expect that any employee who has earned his seniority status, who has earned the position in the union will move over primarily at his own expense, to make room for an elderly worker, even if he is skilled.

It is also asking a great deal to expect a union leader to espouse such a policy because there you could almost predict in advance that it would be at his own expense.

CHARLES F. FERGUSON, *Executive Secretary*, Pennsylvania CIO
Community Services Committee

First, I want to endorse the remarks of the previous speaker. He saves me from commenting on the technicalities of union agreements. I want to address myself to that sentence in the program which says, "What union policies best promote the interests of older workers?" I think these go far beyond the technical and confirmed aspects of union agreements and seniority. We must go beyond that because seniority provisions are different between international unions, between national unions, between local unions of the same national and international unions, and such agreements reflect the thinking of the men and women who belong to that particular national, international or local union.

We see it reflected in the resolutions which are presented at the conventions of our unions. We note particularly that such resolutions reflect the age span of the workers in a given place of employment. We find they vary between places of employment where workers are in an older bracket and those who are in a younger bracket.

I certainly have to state without qualification that the best protection for the older worker on the job is the seniority provisions of the trade union contract. There is absolutely no question about that. However, we must go beyond seniority and examine what happens to the older worker and what are the policies of the union that affect the older worker upon his retirement, for example.

After Retirement

I was called in to the Department of Welfare not long ago by the Deputy Secretary. The tenor of his remarks were something like this: "We are

getting a great many requests from various local, national and international unions to help them develop plans for pre-retirement counseling, to plan 'drop-in' centers." They want to organize a club for retired workers, and what can they do to assist the worker after he has retired. This is a particularly important question today. I don't think we are too concerned about what happens to the worker on the job. There he has his local union. There the union contract provisions prevail. The union grievance procedure is established. If a worker is discriminated against because of age he has a procedure to follow when laid off. When the comment is heard that we are laying off workers with twelve years' seniority or fifteen years' seniority, this in itself is an expression of the fact that the union is protecting the older worker, the employee who needs the protection the most. We are concerned about what happens to them now when they are retired.

How do they live? What do they do on their limited income? Are they shunted aside and forgotten as a person who is now out of the labor market, who no longer has concerns about the normal activities of life? Are they to be segregated from a younger generation? Unions are doing many things in this field which are not necessarily expressed in a written policy.

There are a number of unions who are operating various kinds of establishments for the aged in terms of homes. They are providing a place for them to go to upon retirement, and they are doing it at a cost that is within their ability to pay, and providing recreational facilities which give them an activity which is important in their lives after they have

retired. There are quite a number of unions who are now doing a good job on pre-retirement counseling. I think that this is going to become one of the most important programs in this field. There has been a common practice when a worker reaches the age of retirement for the employer to call upon the worker and say, "Joe, you are now 65, or you will be next week. You have given your all. God bless you. Here is your medal. Go forth and enjoy life," and the bewildered worker who has for 25 years arisen at seven o'clock, been on the job at eight, worked until 4:30, went home and had dinner with his family, now finds himself in a complete vacuum, and wondering "What do I do with my time? Am I still a useful member of society?"

He is a very useful member of society. As a matter of fact, I think America loses a great resource when it doesn't use this ever-increasing number of older citizens. They are a vast resource. They have many skills, hard won experience, and are an extremely useful part of our population.

Counseling

Our concern here is to fill that vacuum, through pre-retirement counseling, by sitting down with a worker before he leaves the job and discussing with him the areas in which he will be involved as a retired worker. What will he do with his time? What are his hobbies? Does he know what his income will really be? Is it sufficient to cover the needs? What about Social Security? What about any other benefits under the union agreement? What special benefits may the union have for this particular worker? This is the advising, the counseling, and in this is the implication that the union is still concerned and cares about Joe Worker and the fact that he is no longer

going to work in the plant; that he may not be a dues-paying member; that he is not cast aside as a discarded segment of the labor movement. We are still concerned about his well-being. We expect him to maintain contact with the union if he has problems we expect him to come to the union and that the union is prepared and ready to serve him. This is a very important part of the operation today of most American labor unions and one that is going to be pursued more vigorously all the time.

Michigan Experiment

In Michigan about three years ago an experimental program was developed in Grand Rapids in cooperation with the University of Michigan, in which labor leaders and other interested citizens, sat down and worked out a plan for retired workers. It involved the use of a union hall. It involved the use of planned recreation. It provided a place for workers to drop in and meet friends.

I think one of the amazing discoveries that came out of that particular program was the fact that very few organizations or people have done very much in this whole field of problems of the aged, or retired worker. To put it bluntly, there was no body of information. There were no resources to draw upon as to what someone else had done and so what was done in Michigan was primarily an experiment and a very successful experiment since this particular program is operating today.

I don't see that the unions are going to be able to do much about the employment of older workers who are on the free labor market, except those unions who operate hiring halls—and they are a minority of our unions. A union generally has no control or voice at the point of employment. This is an important point

to keep in mind. The union's contact with the worker is after he has been employed, after he has been in a plant thirty days or sixty days or whatever the contract calls for as the probationary period. Employ-

ment policies are the exclusive management prerogative, and it is at this point that the older worker is strictly at the mercy of the employer. We would hope that this would be a tender mercy.

**HARRY B. ALLSWORTH, *District Manager*, District No. 8,
Bureau of Employment Security, Greensburg**

I would like to review some of the provisions that I feel should be considered by both union and management which will assist to eliminate the barriers leading toward full employment of this large and growing segment of our population.

Such a complex and growing problem as full utilization and gainful employment of the presently employed older worker and the securing of new employment for the unemployed older worker cannot be resolved without an organized approach and acceptance by all interested parties. Today, I would like, first, to make some general observations and then confine my remarks to what I know and have observed of this problem in the small area of Pennsylvania where I am District Manager.

This is a five-county area in southwestern Pennsylvania of about 1,000,000 population. The problem of the so-called older worker first attracted serious attention during the depression years of 1930. During those years jobs were scarce and the idea became popular that older workers should move along and give the younger workers a chance to support their families.

This idea had great appeal, not only to the younger worker, but to many employers who, in the absence of strong union contracts at that time, used this chance to eliminate the high-seniority workers and hire younger workers for lower wages.

In my opinion the age barrier has been up since that date. Here are some of the facts about discrimination due to age. In the years between age 46 and 64 a man's chances of getting a job are only half as good as before age 45. Once out of work the older worker usually stays unemployed longer. Even in good times most workers over 45 take almost twice as long to find a new job as the younger worker. Older workers often exhaust their unemployment compensation benefits before they find new jobs. Population trends indicate that the number of older persons will become more numerous in the future and their entry into new jobs or their retention of the present job will become more intensified.

We know that the prolongation of life on the one hand and a fixed age for retirement on the other have added up to a "psychic trap" for many elderly men and women. Therefore, we as a society must explore the ways in which these men and women can have a more fruitful life.

During the first half of this century, from 1900 to 1950, the population of the United States doubled. However, during this same period, the number of persons 45 years of age and over tripled. Some experts now predict that by 1980 nearly half of the nation's adults will be 45 years of age and over. By 1965 the United States labor force is expected to increase by 10,000,000. Less than

1,000,000 of these additional workers will come from the 25 to 44 year age group, but there will be nearly 5,000,000 in the 45 plus group. In other words, for every increase of two workers in the age group considered most eligible for employment, there will be eleven new workers in the 45 plus group.

Local Action

Union leadership at the national, State, and local level are sympathetic toward this problem. However, only a few unions at the national level could effectively develop an organized approach and policy in relation to this problem, since the factors that influence the employment of the older worker, I believe, are of local origin.

The influences that create a problem in this area may not create a problem in another area. Local areas differ one from another in their industrial characteristics which determine their occupational needs for manpower.

There are many factors that directly affect the utilization of the older workers, such as size of establishment, type of industry, union leadership, management policies, and the most important local area difference is found in diversity of labor market conditions. If, in a particular local plant, the majority of the workers are old, then local union negotiations will be more in favor of supporting older worker policies. On the other hand, if the majority of the workers in the plant are young, local unions will not be so much inclined to give consideration to the rights of this small minority.

There are three subjects which the union recognizes as fundamental in arriving at a solution to this problem. The most important thing the union does is to recognize seniority as a primary determining factor in a

man's right to his job. Second, the union recognizes that the real problem of continued work and old age is not one of chronological age, but the development of disabilities which eventually make a man too old to work.

Third, after a lifetime of useful labor a man should be entitled to look forward to a period of unworried leisure in the declining years of his life.

Although some unions have succeeded in protecting the older worker on the job, they have found it generally more difficult to help the older worker find a job once he becomes unemployed. For presently employed workers some union contracts require that the worker who has grown old in the service of an employer get first choice of promotions and the most desirable work shifts. Union-negotiated seniority and grievance clauses also make certain that the company does not eliminate a worker merely because he is getting on in years, and if layoffs become necessary the older worker will be last to go.

In order to protect older workers on the job, unions have generally resisted signing agreements that set up separate lower wage schedules for disabled or slowed down employees, preferring to leave such adjustments to negotiations on individual cases.

Flexibility in Seniority Plans

Leadership of local unions recognize that in many plants a work force that is growing old demands flexibility in setting seniority plans and in interpreting rules to give older workers the right job placement. In addition, all local union officers and committee members should consider with management the full use of the worker's skills. The status of the older worker has become a bargaining issue in many plants and unions are negotiating for special clauses to cover older

workers. Some of these special clauses are directed entirely at the pension and retirement age for union members; while others deal only with a suitable job placement for the older worker.

As previously indicated, there is general agreement that in a normal labor market the new older worker is at a decided disadvantage with younger members of the labor force. However, today this problem is much greater since there are large labor surplus areas in the entire country. This competitive disadvantage can readily be seen since the older worker is carried on unemployment compensation for longer periods of time than the younger worker.

Compulsory Retirement

Although most unions do not favor compulsory retirement included in labor-management contracts, some unions, and particularly industrial unions, may, in many instances, feel that labor-management negotiations for compulsory retirement at age 65 and efforts to lower that retirement age still further will alleviate the problem of the older worker. This concept of compulsory retirement, based solely on chronological age, is a senseless and fantastic waste of the older worker's ability, experience, learned skills, good worker traits and habits. Thus, the thinking of both union and management appears to be lagging in arriving at a constructive solution to this problem.

Before forcing the older worker into compulsory retirement his physical abilities and limitations should be determined. This can be done through the use of medical screening of employees. Thus a determination as to the older worker's physical ability to adequately handle a job safely and at the same time maintain the expected production requirements can be determined. This medical

screening should avoid the premature weeding out of the aging worker who is no longer able to maintain a heavy production schedule. By matching the physical limitations of the older worker to the proper job many more years of useful service, based on valuable experience and training, may be had.

Training for Adjustment

In addition to actually training the older worker for possible reassignment to a job requiring less physical effort, training programs and group discussions for older workers should be inaugurated. These discussion sessions will greatly assist in preparing the older worker for necessary adjustments that he will probably have to make if he wishes to and is continued in employment. Such a program should likewise tend to reduce a worker's resistance and acceptance of transfer to less arduous tasks. Serious effort should be directed toward the abandonment of the compulsory age feature in labor-management contracts. This is particularly true of industrial firms. To a large extent, past practices through the years have eliminated compulsory retirement within the craft unions. It appears that many of the reasons given for refusing to hire the older worker are based upon prejudice and emotion rather than fact.

Here are some of those misconceptions, and facts that will refute them. Older workers produce less. This appears to be the most popular reason to discriminate against the worker past age 45. Most all surveys made to determine the validity of this reason indicate the older worker produced as much as the younger worker. In fact, many surveys were in favor of the older worker as it pertained to production records and quality of work performed. The various studies only further proved that

a worker's performance on the job cannot be determined by the number of birthdays that he has had. Even when there has been a slight decline in physical capacities the older worker makes up for this because he works more evenly, has better judgment, and has less spoilage with his work.

Older workers have more accidents. This is the most ridiculous of all reasons, since most surveys made show that younger employees have more accidents than older workers. However, when an older employee is injured the disability lasted longer than with the younger employee.

Older workers are absent more often. Most studies indicate that older persons miss less time from work than younger employees. However, there is no appreciable relationship between attendance and age.

Older workers don't have needed skills. This reason is still heard despite the fact that the older worker is likely to possess more skill, training and job know-how than a younger job hunter.

Surveys conducted among unemployed workers indicated the 45-and-older workers possessed 58% of the skills of those looking for work.

Older workers won't stick on the job. Studies indicate the opposite. Those in the 45 to 64 year age group held only one job while only one-third of those under 45 could make that statement. The number of workers resigning their jobs before serving ten years is roughly two to one at age 30; six to one at age 40, and negligible at age 50.

Older workers are hard to get along with. The excuse is given that older workers past middle-age resist new ideas, have fixed notions about how to do things and are generally harder to get along with. There is no evidence that age has anything to do with these faults.

Preferred Jobs

I believe it is fair to state with some reservations that trade unions have been more active for a longer period of time in assisting the older worker than any other group. They have taken the lead in protesting discriminatory hiring practices toward the older worker. Certain unions, in order to insure equal opportunities of work assignments for the older worker, reserve certain jobs to which only older workers may be referred. The restaurant workers union in Pittsburgh reserved jobs for waiters and waitresses in which no stairs or heavy carrying are involved. The machinists union in the same city makes a definite effort to see that all older workers receive equal consideration on all job openings. In some contracts it requires that available jobs go to the members who have been out of work the longest. Age alone does not count.

The Building Service Employees Union, composed of approximately 6,000 members in the same area, whose membership includes many older workers, has a well-defined policy for rotating and assigning older workers to jobs. Most construction and building trade unions attempt to negotiate contracts stating that a percentage of their older members must be used on all construction jobs.

As an example, on all large building projects certain jobs are reserved for the skilled older worker in the distribution, maintenance and control of tools and equipment. Some bricklayer unions require that there must be one bricklayer 55 years of age or over for every five bricklayers hired.

Skills Inventories

During the past year in southwestern Pennsylvania there have been several installations of a large cor-

poration which were determined to be obsolete and too expensive to operate. Employed in the several installations were approximately 1,000 workers of all ages with the majority above 45 years of age. These workers possessed many and varied skills. Several months before the actual closing of the plants and release of the workers on the labor market, joint meetings were held regularly which were attended by union leaders, management representatives, and representatives of the various state agencies to develop orderly transfer of the skilled worker to other installations of the corporation. These and special interviews were administered to the semi-skilled and unskilled workers in an effort to determine skills that would still be useful for other local employers or for employers in other parts of Pennsylvania. After compilation of this material on a line-entry basis, which included the worker's name, age, marital status, veteran's status, education, primary job classification, supplemental job classification and additional information based on the worker's interests, hobbies and test results, this information was circulated to numerous plants in Pennsylvania and out of the State.

Concerning the labor surplus area where this occurred, the results were very gratifying; not so much by the number of older workers placed in employment, but it was definitely determined at that time that unions were vitally interested in developing programs of this nature that would aid in placing the older worker, and that management would employ, re-employ and transfer the older skilled worker. It further proved that other employers in the area were interested in the older worker who possessed skills that could be utilized immediately or new skills which could be developed by additional training.

A Practical Program

In summarizing, I would like to review the areas that I feel should be further explored in an attempt to eliminate the barriers for the employment of the older worker.

1. Secure the adoption of a union-management policy. In their efforts to eliminate barriers for employment of the older worker local unions should attempt, insofar as possible, to negotiate through collective bargaining, policies and practices that give special recognition to the new older worker and the presently employed older worker that will safeguard all their rights. Special clauses should be written into labor-management agreements to guarantee this policy.

2. Establish a union-management planning committee. A committee should be established composed of both union and management that would consider all problems arising in employment, re-employment and transfer of all older workers.

3. Survey physical requirements of all plant jobs. An organized approach toward new employment, re-employment or transfer calls for a knowledge of the actual physical requirements of all jobs within a plant. Therefore, revaluation of all plant jobs becomes a necessity.

4. Evaluate the worker's physical abilities. The older worker's ability to handle specific jobs, both safely and adequately, must be determined so that he may be given full consideration in relation to his other qualifications.

5. Provide necessary training. Both the new older worker or the presently employed older worker may require training. Adequate training is essential in order that they may become and remain successful on the job. The older worker must be matched to the right job.

6. Carefully considered placement of the older worker for the job he appears to be best qualified to do is a key factor. Some times a probationary try out may be the most practical method for final determination.

7. Modify the job. Some times it may be advisable to make alterations on duty assignment to enable an older worker to perform satisfactorily on the job.

The remarks mentioned above lead me to the firm belief that the problem of the older worker in our society

can and will be resolved if every worker receives an intensive individual evaluation on his merits and on his ability so that he may make a constructive and worth-while contribution to the economy of his community. Success in this program can only be determined through an active conscientious follow-through to appraise the results of the foregoing efforts. This latter action will not only tend to improve the lot of the older worker, but will serve as criteria for continued study of this problem in the future.

HIGHLIGHTS OF THE DISCUSSION

In response to a question from the floor, regarding whether or not the blame for older worker unemployment should be placed primarily upon employers, Mr. Unterberger pointed out that just as there is not one union policy with respect to older workers, so there are also a lot of different company policies. He said that seniority was really a company invention, since the first seniority rules were incorporated into railroad practices by the companies in order to give peripatetic engineers a stake in their jobs and thus prevent their wandering from company to company.

It was emphasized by a speaker from the floor that there are few, if any, so-called "rigid union policies" which make it difficult to use older workers efficiently. Unions are constantly pushing management to protect the older worker. In reply, Mr. Unterberger stated that it was generally union policy "to protect their own." This sometimes led to restric-

tions which worked against the best interests of unemployed older workers. For instance, a union policy requiring promotion from within would operate in this manner in most instances.

Mr. Allsworth was asked whether the problem of older workers would not be automatically solved in view of our growing economy and the projected need for 5,000,000 older workers by 1965. He replied that the opportunity was there, but unless there is union-management cooperation to overcome the barriers, the opportunity will not be realized and the problem will not resolve itself.

Mr. Unterberger was asked whether pension costs did not put a premium on discrimination against unemployed older workers. He acknowledged that many employers may think so mistakenly, but he asserted that the hiring of older workers adds virtually nothing to pension costs, and is adding less and less as time goes on.

WHAT COMMUNITIES CAN DO ON BEHALF OF OLDER WORKERS

Chairman, PHILIP KLEIN, *Executive Director*, Philadelphia Civil
Defense Council

Communities have responsibilities to supplement Federal and State programs on behalf of older workers. What are these responsibilities? What can communities do? How should they be organized? Who should take the prime responsibility, local government or voluntary organizations?

RUTH WEIR MILLER, *Executive Director*, World Affairs Council
of Philadelphia

Community agencies such as the World Affairs Council have an indirect, but a very definite part in the problem of the aging and it is to that that I should like to address myself.

Community based and supported organizations, such as a World Affairs Council, can help in the problem of placing the older worker, since because of the very nature of our programs and services we should look for staff members who have had years of rich experience. Any community agency needs people who know the techniques of organization and committee work, who have the maturity to get along with people, and the wisdom to make long-range decisions. In addition, as anyone with experience in a community organization will recognize, we need people who can work in spite of restrictions of time and budget. We look for individuals who can bring a spirit of dedication to the job at hand.

The qualities I have outlined are more likely to be found in the mature than in the younger worker. Furthermore, because agency work usually demands a variety of skills and techniques, one can frequently find an older worker whose years have given him varied opportunities and experiences that can be turned to good account.

Those qualities are much more likely to be found in the more mature person. This is not to say that the younger person is at fault, but these are qualities which come only with experience and maturity. There are a lot of compensations for getting old.

I will digress for a moment to think of a case in point of a woman on our staff who had had a variety of experiences, and one of those included proofreading. We were not able to afford a publicity director whose principal job it was to write releases, contact newspapers, work

out the layout of programs, and read proof. But, here was a woman who for part of her day could do proofreading. This illustrates the point I am making.

Yet, in a different kind of a business office where everybody's job is carefully laid out, you do not pull someone out to do proofreading. You can be more elastic in a community agency set up.

The problem is to bring job and older worker together, and this is where we fall down. There are voluntary agencies who specialize in placing older workers, but not enough older workers are available through such agencies. Since, as this conference proves, we recognize the problem, can we not make some recommendations that would be helpful? I would suggest the following:

1. That agencies who agree that their jobs could be handled effectively by older workers keep on file with a special office each year (a special office in Philadelphia, and that could be a special division of the State employment service or a community group) a job description of every position on their staff, whether or not the job is filled at the time. The Division for Older Workers could then match their availabilities with job possibilities to bring about a directed pattern of referral when replacements are necessary.

I suggest this because by the very nature of the community agency, you frequently have a turnover among younger workers. They want to get into business organizations where they can enjoy higher salaries and fringe benefits; they see more career opportunities in the business world than in a community agency. If you work with young women there is a terrific turnover. They get married and have children, and you find yourself in the spot of having to fill a key job in a hurry.

If these job profiles were on file somewhere the agency dealing with the older workers could bring together job and worker more quickly; and furthermore, we in the agencies would more readily consider the older employee instead of taking the first available younger worker.

2. I would suggest that agencies could be serviced by such a division once a month with resumes of older workers who are available, just in case. Everybody know the experience of having to fill a job quickly and of therefore interviewing the most obvious workers in an effort to make a replacement quickly.

After Retirement

There is another aspect to this problem which I should like to mention, and that is the possibility of volunteer or part time work either during an employment period or after retirement. Every community agency is looking for responsible volunteers. If a worker is in a position to give any time at all, he immediately has the advantage of a training period which could result in permanent employment. In other words, he gets himself in circulation and known about in agency circles. Besides, he puts himself in the position of working with members of boards of agencies who could offer employment in other fields.

This also makes out a case for any worker in any field getting as much experience as he can in organization work, in club, church, or civic group. It's the well rounded person of varied interests, of genuine maturity, with a real sense of civic responsibility who is much more likely to be in demand by any group.

I must admit that right here I am thinking in terms of the slogan of the World Affairs Council which is "In a democracy, agreement is not essential, but participation is." But,

as Mr. Klein has indicated, we are all going to live longer, we are going to have more and more leisure time. It is up to us to help people who are young now to be integrated into community activities, to get as much organization experience as they can, because this will help to enrich their lives and make for a much happier situation later.

We should set up some way, therefore, to encourage younger workers to participate in civic activities, to take advantage of every opportunity for adult education whether related directly to their fields or not. And, of course, we know how many opportunities there are for adult education in Philadelphia. You think of the Junto first, and the adult evening schools, and agencies, such as our own, engaged in adult education to help people to become well rounded citizens.

Since modern medicine is going to make it possible for us all to live longer, we shall have to adjust to the idea of genuine productivity and not think in terms of "tapering off" with advancing years. Here, again, community agencies which emphasize participation among their members, which offer educational opportunities and are eager at the same time to find volunteer help, represent an opportunity not only for service but also for the individual's growth, for fruitful citizen participation in our democratic society.

These, then, are some of the contributions which community agencies can make to the problem of the older worker: Specific jobs; training in organization work; and opportunities for experience in community service. An awareness of the problem is a big step forward. Working together we can find the answers.

PHILIP M. SMITHERS, *Assistant Trust Officer, Fidelity-Philadelphia Trust Company, and Chairman, Committee on Employment of Older Workers, Division of the Aging, Philadelphia Health and Welfare Council*

The problem before us at this conference is removing age barriers to employment. This particular panel is considering what communities can do on behalf of older workers.

You have heard from many speakers that a problem exists—the scope of the problem—some of its causes and effects—and suggested solutions for various aspects of it.

So, for our purposes this morning, I suggest we assume the problem exists without additional reiteration, and secondly, we assume that because of the social, financial, economic and human welfare considerations outlined so well by Dr. Rennie yesterday,

that the community has a responsibility to do something.

This way we can come immediately to grips with our subject, and explore what the community can and should do and how to go about it. My remarks will not be lengthy, and I am afraid, not very meaty. Unlike some of the other aspects of the problem which we heard discussed in panels yesterday—where the panelists could talk at length about past experience and facts and figures—we, in discussing this topic, have very little actual experience to draw upon. Communities as such have given, to my knowledge, very little consideration

to the problem of older workers. By this, I mean community wide organized efforts to deal with the problem.

My appearance on this panel is a bit premature for this reason. The State Department of Labor and Industry, in the person of Hal Williams, executive director of the Advisory Board on Problems of Older Workers, came to the Philadelphia Health and Welfare Council, and particularly to the Council's Division on the Aging, of which I am a member.

He came with the request that we consider this problem and make suggestions. The Chairman of this Division then asked me to form a committee to do this. It is a 15-member group composed of knowledgeable representatives of employers, unions, and people who are familiar with the employment problems of both, for example, the head of a private employment agency and the regional director of the Federal Mediation and Conciliation Service. The objective approach is represented by a professor of Temple University's School of Business and Public Administration.

Advertising and public relations men round out the committee, because it is largely an educational problem. We have held one meeting and so are just approaching the problem. Some months from now, with the benefit of the thoughts of this group, I could perhaps act quite well informed. But, at the moment, I must confess a rather complete ignorance of the solutions we seek.

A First Step

Incidentally, this committee is a concrete example of one of the first steps that a community can take.

Because there is little real substance about which I can talk, but also because it is important to consider the problem in an orderly man-

ner, my approach is primarily one of analysis and organization. As I see it, the beauty of our problem is that—unlike most—everyone involved benefits by its solution.

The employer, how does he benefit? Anything which broadens the labor market on which he can draw is beneficial. It gives him a wider choice to get the best people for his particular job. It seems to me that is obvious.

The young employee, or, parenthetically, all the productive members of society, will benefit. For him, the financial burden of supporting non-productive members of society is reduced. This affects the pocketbook and hence is important, since this fellow pays the taxes. The person who fails to get a job because an older fellow gets it might not see this. But, of course, we must consider the broad effect.

The older worker, the benefits to him are obvious for all the reasons which have been discussed at this conference.

The community has both financial and social benefits. This has been well supported and needs no elaboration.

Educating the Community

Thus, we can appeal to self-interest rather than an altruistic interest, and this should make the solution much easier. The difficulty lies, of course, in convincing all concerned that it is to their self-interest to remove the age barrier to employment. This is the first half of the problem.

There is the problem of education, broad scale community-wide education. And this is a job of advertising. Education as I use it here is really selling an intangible, an idea, and it is substantially the same as selling a commercial product, especially so where the product is a service and hence also intangible.

I prefer to use the term "education" because it sounds better, and because, presumably, the subjects, when properly educated, will sell themselves on the idea.

I have no experience with such campaigns, although I see around me some of the efforts expended on similar projects such as "Hire the Handicapped," or "Buy Government Bonds," and appeals for various civic causes. It boils down to pretty much the same thing. Apparently, what I can see, the advertising industry donates their efforts, as do billboard advertising companies, network owners, sponsors, publishers, etc. I assume that our message could be added to those that are already being put forward to the public in that manner.

Other channels of communications would be utilized, such as trade union publications, which might be more direct. The Federal employment service has available much material which effectively presents the arguments that need selling. I think research and funds to prepare that material should pretty much be the extent of the Federal Government participation.

The State and city governments can help tremendously in this educational effort. There are many promotional gimmicks which these governments through their appropriate agencies can use.

The clean-up, paint-up, fix-up parade that every spring Philadelphia has up Broad Street is one example of what I mean by a promotional gimmick; it makes people aware of it and stop and think about it, because the issue is brought home to them.

That is the first half of the problem.

Mechanics

The second half of the problem concerns the actual mechanics of

placing older workers in jobs. Obviously, these two halves complement each other. The better the community wide education, the easier the placements, and each placement assists the educational process.

Here, however, we must be more specific in assigning responsibility. The State employment service has the machinery, offices, personnel, experience, and know-how. So, for maximum efficiency and economy, it would seem sound that that service be the keystone of all placement efforts. However, their problem of placement is intensified with older unemployed workers, and hence, more expensive. It is here that the community may be of assistance.

A possible plan which occurs to me is this. Encourage various groups to establish placement and counseling committees, as some already have—fraternal groups, churches, veterans organizations, civic groups like Rotary, Lions, Kiwanis. Then some area-wide agency supported by Community Chest funds could coordinate these groups and act as a clearing house of information for them and be their liaison with the State employment service. The Health and Welfare Council may be that area-wide group.

Part-Time Employment

Increased attention should be given to part-time employment, which has already been mentioned. For many older people this would be a perfect solution. This is a more custom-tailored type of placement because there are relatively few part-time jobs available. To the extent that such jobs don't exist but could be mutually advantageous to employers and older workers, they become part of my last thought on what community must do, since State is not equipped, and that is, create new jobs specifically designed for older people, full-time as well as part-time.

A committee of retired employers, it seems to me, could be extremely helpful here. I give as an example Mr. Walter Fuller's organization, created by him since he retired, to find jobs for retired executives, primarily executives who had to retire by virtue of compulsory age limit. He gave as an illustration a company which had lots of areas of the country which were not adequately covered by his sales force. The expense of covering them didn't seem to justify the expected results.

Mr. Fuller sold that company on the idea of taking a retired person who knew something about his product, having been either in sales or engineering in his working life. He lived in the area. He was designated as salesman. Dress it all up, call him an ambassador of good will or something like that. His job was to canvass the area at his own hours and convenience, not only for selling, but to keep the company's name before the people, and to gather information and make it easier for the regular

sales force in that field, to prepare the way for them.

The company had never had anyone like that. The compensation was not great, but it kept the man busy and supplemented his income, and it worked out very nicely. That is an example of using ingenuity to create jobs for people which do not now exist.

Many companies could profitably use their own employees by bringing them back part time in rush season, or temporary jobs. That is rather obvious, and to some limited extent has been done.

Perhaps I have oversimplified, but to me the broad outline of what needs to be done is clear. The actual implementation is more complicated, and I have attempted to make only very general suggestions. It is often said that you don't learn anything while you are talking, so I am going to sit down and begin learning how communities should go about solving the problem they have of older workers.

NORMAN BLUMBERG, *Business Manager*, Central Labor Union of Philadelphia and Vicinity, American Federation of Labor

The Philadelphia branch of the American Federation of Labor, which I represent as Business Manager, is glad of the opportunity extended, to present its views to this conference in Philadelphia on older workers. We are aware that this conference represents the combined desire and effort on the part of many agencies within our midst to discuss and to assess the problems of the older worker and how we can help him remain a constructive and integral part of our community life.

The last few years have witnessed the focusing of our attention on the problems of the aging and of the

aged. There are many facets to be considered and to be solved. We know that our aging population face serious psychological changes inevitable with increasing age and that trained people with proper facilities and ability must be available to make sure that old age is approached with dignity and not bitterness and a feeling of not being necessary. We know of the urgent need for proper housing and for expanded and adequate medical care.

For some inexplicable reason—totally without foundation—we have grown to associate productivity and usefulness with chronological factors.

This certainly is disputed every day. There is no connection whatsoever. There are millions of older people who are physically and mentally capable of making significant contributions to our economy and community life. We must not deprive them of the opportunity to lend their valuable experience in our economy and in our every-day existence.

Include All Groups

Speaking for the American Federation of Labor and the C.I.O. in this area, we know that there is cooperative effort existing between the Department of Labor and Industry and that of the Bureau of Employment Security and the Advisory Board on the Problems of the Older Worker. We must continue that cooperation and broaden the scope by the inclusion of social agencies, the educational facilities and all other groups who can work in determining suitable programs in dealing with the problems of the aged.

We need to establish State-wide and nationwide research and organization to create economic opportunities for those who face the age-barriers to employment and employment opportunities. A conference such as the one we hold today is a good example of working together to discuss the problems from all fields and taking into consideration and into our consultations, the experience that we have in our various endeavors.

It is my understanding that this conference will concern itself with the various ramifications of the problems of the older worker as related to the need for medical care, for social adjustment, decent housing and employment.

Within the field of organized labor, our unions have sought and have achieved health, welfare and retirement protection for their member-

ships. We have hoped to achieve the goal to permit the retired member to be financially secure so as to permit retirement with dignity.

In our discussion, therefore, we must differentiate between the problems of the older worker and that of the retired worker.

To begin with, we must (and I think we are in agreement that by the term "older" worker we do not refer to age) continue to expand upon the educational efforts needed to erase this erroneous impression that age is a negative productive factor. While age may be an obstacle to some occupations, it need never constitute a barrier to employment, for there are and there always will be opportunity and place in our economy to absorb the older worker where he fits in the industrial pattern of our community.

A Community Problem

I think that we concur that this is a community problem and as such cannot be handled by just one or two groups. I note from the brochure and program of this conference that all phases are to be discussed and I believe that this is the practical approach.

The Department of Labor and the Bureau of Employment Security within our state work together with our labor unions. There is splendid cooperation existing between these groups. It is a good thing that such cooperation continue and include this one relating to finding suitable employment for those able to contribute irrespective of the applicants' birthday.

The local employment offices are a vital factor in ascertaining the employment situation within a community and in knowing employment possibilities for the older worker. While it is true that the employer may occasionally indicate reluctance

and scepticism as to the suitability of the employment of an older person, this can be overcome with proper education. Once employers have shed the antiquated notion that age prevents usefulness, I feel confident that they can be persuaded to give these workers a fair chance.

Fraternal Groups

I would be remiss if I did not cite the work among older people carried on by our social agencies and fraternal organizations. These groups contribute an invaluable aid in the morale of the older worker, in keeping him alert and interested, and in the prevention of discouragement and deterioration due to demoralization. These agencies come into personal contact with the older worker seeking employment. This enables the social worker or the fraternal organization, or both, to prepare the older

worker for employment and to help him accentuate the positive and enhance his ability to undertake and perform useful work.

Our educational facilities can be utilized in providing refresher courses.

Unfortunately our employment climate is not a good one for increasing the employment opportunity. As a matter of fact the opposite is true. And it is therefore natural that the opportunities for the older worker decrease and become more difficult when he is faced with young competition. But we must not permit this to deter us in our efforts to study and to create the opportunities for employment of able-bodied citizens whose only obstacle to employment seems to be a chronological factor. We can utilize their experience in our economy and as well in our everyday existence in our community.

HIGHLIGHTS OF THE DISCUSSION

In response to a question from the chairman, Mr. Smithers clarified a point in his talk that dealt with "creating" new jobs. He stated that he did not mean creation of unproductive jobs, but the creation of new opportunities for older people to be productive and useful. He also stated that this would not mean a replacement of younger people but an addition to their output.

A statement from the floor emphasized that the important point to remember in educational programs for the community was that older workers were qualified, that it would be good business to hire without regard to age qualifications.

A statement from the floor commented on the difficulties of hiring part-time workers, since part-time workers might still have to partici-

pate in fringe benefits and might accumulate seniority rights, and the company might find itself in an inflexible position. Moreover, it costs just as much to interview and process a part-time employee, but the company does not get full work out of him.

It was stated that some of these matters could be worked out in consultation with the union and other interested parties.

Mr. Smithers' recommendation that there be placement efforts on the part of fraternal organizations on behalf of older workers drew questions with regard to the extent to which such efforts might duplicate existing services. It was pointed out that the Bureau of Employment Security could serve as a clearing house for such work.

INDUSTRIAL MEDICINE AND THE OLDER WORKER

Chairman, B. FRANK ROSENBERRY, M.D., *Chairman*, Commission on Geriatrics, Medical Society of the State of Pennsylvania, and *Member*, Advisory Board on Problems of Older Workers

What has industrial medicine learned about the ability of older workers to work efficiently? How can industrial physicians help management make the most effective use of older workers? How do industrial physicians decide when a man is too old to work? Can company doctors help develop a realistic policy on physical requirements for jobs that will not make it more difficult for older workers to get employment?

GEORGE SHUCKER, M.D., *Assistant Medical Director*, Sidney Hillman Medical Center of the Male Apparel Industry of Philadelphia

The Sidney Hillman Medical Center, a joint enterprise of the Male Apparel Industry of Philadelphia, has proved to be a fertile source of material for study of the older worker. This center was sponsored and is maintained and administered both by management and labor. The organ of management is the Philadelphia Clothing Manufacturer's Association and that of labor is the Philadelphia Joint Board of the Amalgamated Clothing Workers of America. It provides on a prepaid basis a broad spectrum of ambulatory medical care, including preventive medicine, diagnostic medicine, specialist therapy and rehabilitation, to the 23,000 members of the union and their dependent spouses. Of these 23,000 union members approximately two-thirds, or 18,000, have utilized the center during our first seven years. Of these, again approximately

two-thirds, or 12,000, were over 40 years of age. It is primarily on the experiences gained in the management of these 12,000 patients that this presentation is based.

An Integrated Approach

Before enumerating in detail what industrial medicine has learned about the older worker in the past, what it has to offer at the present time, and what the outlook for the future might be, a few pertinent observations of a general nature should be made. First and foremost, it must be emphasized that for industrial medicine to fulfill its complete obligation to industry as well as to the worker, it must develop an integrated approach to his problems, embracing a complete health picture. No longer can it confine itself to dealing exclusively with hazards in the factory, shop or office, isolated from the worker's health in

the community. It must realize that conditions of housing and nutrition, standards of home living and even the state of health of his family may affect the health of the worker and are therefore the concern of medicine in industry. One of the major problems of contemporary industrial medicine is the recognition of the overlapping of these two areas now arbitrarily separated.

This is not altruism, but a matter of practical concern to industry. It has been repeatedly demonstrated that only 10% of industrial absenteeism is occupational in origin. The other 90% is due to illness or injury which is non-occupational in origin, but which becomes occupational in effect when it keeps the worker away from his job. A realistic approach to this problem, therefore, must of necessity concern itself with the diseases that are responsible for the bulk of absenteeism.

Secondly, while the services to be described herein are primarily designed for the older worker, they are and of right should be available to all workers. Unfortunately, physiologic age does not parallel chronologic age. There is a great deal of truth in the old saying that "a man is as old as his arteries." The so-called chronic and degenerative diseases which we associate with middle age and beyond are not uncommonly found to be present, or at least to have their beginnings, in the third and fourth decades of life. Medical programs directed towards these conditions, therefore, although primarily designed for the older worker, should not be denied anyone.

Promise and Performance

Finally, it must be confessed that at the present time there is a vast gulf between promise and performance, between the knowledge that medicine in industry has garnered and the delivery of the fruits of that knowledge

to the individual worker. In spite of modern industry's concentration of workers in greater and greater units, almost half the work force of the country is still employed in small units of 250 workers or less. In establishments of such small size medical services are extremely limited, if at all present. Even in the large plants the situation is still very uneven and affords no grounds for complacency, with most industries contenting themselves with the provision of first aid or emergency service only. One of the greatest problems facing industry today is the proper organization of medical services so as to make a high degree of medical care available to all workers.

What has industrial medicine learned about the older worker? For one thing, it has learned that he is enmeshed in a tenuous but tenacious web of prejudices, based on the simple fact that he is older. It is generally believed that he is less efficient, less productive, more prone to injury, and has a higher rate of absenteeism than the younger worker.

These notions have been subjected to objective study and analysis by many impartial agencies, and in not one case have they been substantiated by facts. Insofar as efficiency and productivity are concerned, it has been repeatedly demonstrated that the average output per man-hour remains stable right up to the age of 54. Even in the oldest bracket, that of the 55 to 64 year-old group, the output was at least 90% as high as that in any younger group and of equal if not superior quality. What the older worker may lack in physical strength he more than compensates for in skill, experience and pride of workmanship.

It is also usually contended that the physiologic changes which accompany age slow down the older worker's reaction time and so increase his proclivity to injury. Again this is not

born out by fact. On the contrary, study of this problem has shown quite the reverse, that older workers are injured less frequently than younger workers. In general, workers between 40 and 54 years of age have accident rates only about 66% as high as those under 21 years of age, only 70% as high as those between 21 and 29 years, and about the same as those between 30 and 39 years of age. The rate for workers 60 years and over is lower than that for workers under 21, and about the same as those between 21 and 39. The differences revealed in these studies demonstrate that experience and maturity of judgment, which lead to greater caution, greater skill, less horse-play and greater awareness of the hazards of specific occupations—all attributes of the older worker—make up for any physical impairment which may be present. Casualty insurance rates are not affected by the age distribution of workers employed. The consensus of informed judgment, therefore, is that with the exception of those few occupations requiring exceptional agility and speed of muscular coordination, the age of the worker can be disregarded as contributing appreciably to accident risks.

Illness is somewhat more prevalent in workers between 40 and 60 years of age than in those below the age of 40, although the difference is slight. However, the total absenteeism rate, or absenteeism from all causes, is lower among workers past the age of 40 than in those below. This is especially true in females. Young married women make up a substantial segment of the working population today, so that maternity leaves of absence are by no means uncommon. Other causes, such as domestic difficulties, illnesses of children requiring the presence of the mother at home, and simply high spirits on spring days, are also much more prevalent in the younger worker. On the whole,

therefore, it can definitely be stated as a proved fact that the older worker is a more stable and dependable member of the work force.

What does medicine in industry have to offer the older worker, both at the present time and in the future? I am deliberately coupling these two, in the hope that the promise of today will be made available tomorrow.

While the worker shares with everyone else in the benefits of the tremendous scientific discoveries that medicine has achieved in the past generation, there are certain facets that are particularly applicable to the older worker. These are in the fields of health maintenance, industrial hygiene and industrial psychiatry.

Periodic Examinations

Medicine in industry, like medicine in general, stands on the threshold of a complete re-orientation of its aims and purposes. Although prevention of disease has always been the ideal, it was for generations only a Utopian dream. Today for the first time it is becoming a reality. The concept of health maintenance through periodic check-ups is becoming more and more widespread. Its value was perhaps best expressed by Dr. Leonard Scheele, former Surgeon-General of the United States Public Health Service, who said, "The key to chronic disease control lies in the periodic examination of the entire adult population."

In this category of chronic or degenerative diseases fall most of the diseases of middle life and beyond, the diseases which today are the greatest cause of illness and death and which present the greatest challenge to the medical profession. They number such conditions as heart disease in all its forms, including high blood pressure, cancer, diabetes, kidney disease, ulcer of the stomach, etc.

By and large, these diseases are characterized by an insidious onset, frequently without symptoms so that the person afflicted may not even be aware of its presence. They are usually slow and gradual in progression, so that weeks, months, or even years may pass before they reach the stage of sufficient annoyance to induce the person affected to seek medical aid. By that time they are frequently too far advanced for anything but symptomatic treatment.

Detection of these conditions in their early stages, therefore, can only be achieved through routine periodic examination. Should disease be discovered in this fashion through objective findings without any subjective complaints, the probabilities are that it is in an early stage. Vigorous therapy instituted at such a time may forestall greatly, if not prevent entirely, the ravages which this disease might produce if permitted to continue unchecked, and may give to the individual affected years and perhaps decades, of health and productivity—years of which he would otherwise be deprived.

In addition to early diagnosis of disease, the periodic evaluation may have an actual preventive value. A careful and painstaking history may elicit trends or potentialities which could conceivably lead to serious disease later on. In youth the human economy is fortunately blessed with great reserves so that it can be abused to a considerable degree and still snap back and continue to serve perfectly well. However, as the decades take their toll these reserves gradually dwindle to the point where continued stimuli of an abnormal nature do lead to disastrous results. Therefore, if the survey reveals that physical insults are being promulgated, their eradication may be actually life saving. Such abuses as overeating and overweight, other faulty dietary habits, excess of smoking and drink-

ing, insufficient rest and excessive nervous tension may be revealed in the course of an examination. The individual may claim that he has been practicing these faulty habits for years without any harmful effects, but today medical science has learned that sooner or later their deleterious results will be made manifest. Early correction of harmful health habits, therefore, may actually prevent disease.

Elimination of Hazards

Industrial hygiene and toxicology are now an accepted part of industry and have performed yeoman service in the elimination of hazardous working conditions and harmful environmental factors. However, modern chemistry and technology are constantly altering the environment of the worker through the introduction of new products and processes. These are usually tested in advance to eliminate those obviously toxic, but unfortunately the pressure of modern industrial competition does not permit long-range testing to assess the dangers of cumulative effects. Little or nothing is known about "sub-clinical toxicity," that is, the possible deleterious effects of such environmental elements as dusts, vapors, fumes or materials which are not obviously toxic during a short period of time but which may prove to be injurious to health after years of exposure. Industry is still far from appreciating the harmful effects of long continued exposure to extremes of heat, cold, or dampness; or even the seriousness of chronic fatigue due to improper positioning or motions that develop in the course of the day's work. The production of deafness due to constant exposure to industrial noise is just being acknowledged.

All of these external influences are particularly problems of the older worker, since they, too, are vague in onset and gradual in progress, only

producing their effects after years of exposure. Even when they do not of themselves produce disease they are serious problems because they tend to lower the worker's resistance and thus make him susceptible to other diseases. Preservation of the health of the older worker, therefore, demands that these conditions be eliminated.

Industrial Psychiatry

Industrial psychiatry is perhaps the newest branch of this ubiquitous specialty, but in the few short years of its existence it has already proved its worth. It has demonstrated a marked potential value in relieving the anxieties, the tensions and the maladjustments of the individual employee as manifested in the working

situation. Accident proneness is now considered a psychiatric disturbance, and we are just beginning to recognize the psychologic effects of chronic fatigue. Here again are situations which usually produce their effects only after long periods of time, and are thus primarily problems of the older worker.

In conclusion, therefore, industrial medicine has conclusively proved that the worker past 40 is in most cases the equal of the younger worker in efficiency and productivity. It has demonstrated that he is a more stable and more dependable member of the work force. It stands ready, and has in great measure the capability of preserving his health, preserving his skills, and maintaining him as a self-supporting and self-respecting citizen of our community.

BERNARD BEHREND, M.D., *Industrial Physician*

I have noted on the program that an older worker is to be considered one over 40 years of age. This immediately places me in that category, and I must therefore plead my own case, as well as that of my colleagues, who find themselves in the position of suddenly undergoing rapid senile degeneration. Recently, even my chief of preventive medicine at Women's Medical College, while lecturing about the possible hazard of X-ray radiation, stated that men over 45 years of age need not be concerned about the sterility problem arising from excess radiation exposure. Under these conditions I find myself relegated to the old, form-fitted lounge chair, content merely with reading some illustrated sexy French novels.

As we review the figures on the employable older worker, we note that more people are living longer because of the control of communicable diseases. This means then, that

through modern medicine we are also prolonging the lives of many male and female *workers* who might once have been considered a total loss to industry. Today, they are still able to earn a satisfactory living wage. With more advanced research, the future will be made even brighter by progressive medical achievements in the prevention and treatment of disease.

The older worker should never be placed in the position of being pitied or singled out for sympathy or charity. A new employee or one who is returning to work after an illness should assume his usual duties without any fanfare. Certainly the employee of retirement age who has received the customary dinner, congratulatory handshakes, and the gold watch is still in condition to render his usual "good day's work." Too often, though, that watch ticks away the employee's future productivity.

and advances him into premature senility.

Impartial Boards

My experience leads me to believe that a worker should be observed in his particular job to determine if his work is being affected by either his physical or mental status, or if his position is resulting in early psychosomatic changes. Toward this end, some industries might utilize an impartial examining board to determine a worker's ability to carry on his usual occupation. Or, the periodic health examination might be the measuring stick of his future efficiency. If it would be noted during his examination that the progression of a disease or condition might soon force him to relinquish his routine job, then vocational and *mental* preparation should be started toward an occupation which would not tax or aggravate his disability. This is indeed preferable to declaring him unemployable! No doubt this seems a Utopian ideal at present, but it could very well be realized in the near future.

From this it can be seen why the older worker is often viewed as a chronic medical problem—an industrial liability—and not as a useful member of the laboring society. If an applicant's qualifications and potential are good enough to warrant hiring him, then the considerations of age, possible chronic illness, early retirement, etc., should be secondary to his immediate value to the industry.

Mental Health

I might say here, that in a well regulated industrial plant where the maintenance of health standards is encouraged, the importance of periodic physical examinations in the early detection of disease is fully recognized and appreciated. These

are especially important to the older employee in order that degenerative changes might be uncovered and treated before a full blown disease completely incapacitates him. In these examinations, *mental health* too, should be investigated. Such a preventive health service, with the occupational physician and nurse as its backbone, pays dividends not only to employer and employee, but by extension, to industry in general, and ultimately, to the national health and economic program.

Assuming that previous training is not the only prerequisite for employment, does not the older worker appear more mature, have a greater productivity, better motivation to work, a lower accident rate, and less absenteeism? Is it beyond the realm of possibility that an inexperienced older worker could actually be trained in a new job, and eventually become a first-class worker? Frequently, in medical practice, when a consultation is required for a surgical or medical problem it is not unusual to request the opinion of an older physician, one who is experienced in the diagnosis and treatment of such cases. Would it not be feasible for industry to adopt a similar procedure and employ older men and women experienced in that particular industry? Such people could have dual value—as skilled technicians and also as resource persons. Perhaps a little *inspiration* from the older worker mingled with the *perspiration* of the younger man might serve as a guiding influence.

Do you know that the Fair Employment Practice Act states that a properly certified teacher can apply for a public school position in this city up to the age of 62? If we trust the older teacher with the intellectual growth of our children, why not consign equal responsibility for our own economic growth to the older men and women in industry?

That old adage, "Grow old with me, the best is yet to be," is quite comforting to the older worker who is employed. Couldn't the modern plant see fit then, to employ the older person so that he, too, might grow older with dignity, security, and even health? I should like to call to your attention at this point to the fact that the older worker who is unemployed for any length of time has difficulty not only in finding a job, but also in readjusting himself to employment. This is true also in rehabilitation cases, although the rehabilitated older worker is not usually a big medical problem. He realizes his limitations, he knows how to compensate for them, and he is proud and thankful that he is still able to be the breadwinner. He is generally a

credit to himself and to the man who hires him.

In the final analysis, we must encourage industry to reconsider the older worker; to look at him in a positive light for a change; to weigh the proven factors of experience, reliability, skill, and judgment against the mere possibilities of retirement, chronic infirmity, or early death. (Who can say which young people shall be exempt from the latter?)

Agreement between personnel and medical department policies, together with union considerations might constitute a logical first step—a launching platform, so to speak. All of us must plan together to formulate such a program if for none other than selfish reasons. "Time and tide wait for no man," and one day soon you and I will be the older worker.

JOSEPH T. FREEMAN, M.D., F.A.C.P., *Lecturer in Geriatrics,*
Graduate School of Medicine, University of Pennsylvania,
and *Member, Commission on Geriatrics, Pennsylvania State*
Medical Society

In prologue it is apparent that it is difficult to draw precise conclusions about aging workers about whom there is simply not enough objective data.

In the view of the *individual*, retirement has two basic issues. One is that he shall have been able to establish an equity in his working years for his retirement at a level that does not require an excessive sacrifice of standards. The second is that he should be able to prepare in his period of surplus earning to meet the charges for his span of incapacity and for those episodes of ill-health which are known to parallel older age. It must be recognized that the worker "is not an unchanging commodity useful only in his best years."

(1) He has a variability in capacities through his years that must be equated with the rules governing his industrial values. Retirement for the individual is bounded by biologic and sociologic principles.

In the view of *industry* the need for statutory retirement has been based on a mixture of general economic and fiducial obligations. The rights and needs of aging workers apparently must compete with all other forces that require consideration in a competitive society. It has been said that "corporations adopt formal retirement plans for several reasons, but chiefly because it is good business to do so." "Age, however, seems to be the only completely ob-

jective test . . . the only yardstick . . .”
(2)

There is substance in both attitudes.

These opposing ideas indicate how early in the game and how fragile are the means available now for policy formulation. It will require a more mature society to obtain satisfactory answers. For the present it is impossible to go along with the idea that in terms of the age factor neither the individual nor industry as yet knows what is best for either or both of them.

Retirement

The methods of compulsory retirement on age were not based originally on the welfare of the worker but primarily on the welfare of the industry. The plan that enabled retirement to be effected with a minimum of friction was a retirement stipend or pension. These financial conceptions, or concessions possibly, were merely the first in a series of delaying measures in the recognition and acceptance of the total picture of what retirement involves. One of the major threats to social harmony is due to the fact that initial employment has to be fixed at an age appreciably low enough to preserve pension requirements. Society needs a new picture. The old one was a sequence of working until an illness of an incapacitating nature or death supervened. Failure to be at work, in the past implied ill-health or shiftlessness or lack of acceptance of one's working capacities. A later picture is that of a modern society in which survival for a longer time in good health is by and large the expected portion of most of those who are born. "The recognition of aging man's persistent physiologic values is a big step in the assessment of his social assets." (1)

The average working span is almost 45 years. At its end it is customary to retire on a pension, savings, and Old Age and Survivors' Insurance, and to assume a new, non-working position free of stigma. This benign sequence was based on the thought that the 65 year-old man in a sense owed it to his colleagues and his industry to withdraw honorably. If retirement was not effected by health impairments, then it had to be effected by rules. Every effort was used to make retirement seem natural. In other words, the status in retirement is no longer considered as equivalent to the town drunk. The older man is encouraged to migrate to another area to live in the association of his age peers. The change from a fixed rural to a mobile urban society with improved methods of mobility facilitated such changes. A study of retired workers in a Chicago firm, however, revealed that 80% of those who migrated to the "Geriatric Belt" (Florida, Arizona, California) ultimately returned to their original homes.

Impartial Standards

Three questions require solution. When they have been answered scientifically; when it has been learned whether there is a feasible time to terminate employment age-wise on the basis of standards free of bias, the whole vexing problem of retirement age will have been reduced to an impartial and elastic formula.

The questions are:

1. Where should the retirement line be drawn between what is ideal for the aging individual and what is practical for the industry that employs him?
2. What criteria need to be established by which age in employment can be evaluated without prejudice or preconception?

3. Who shall establish such criteria?

For the individual, the age of retirement is determined by his financial need to maintain an income greater than is usually available in pensions. There is also his fitness to continue at work, as well as his desire to maintain a status as a working man. Depending on the sources, between 5% and 9% of healthy workers are willing to retire on age. In possibly 40%, ill health dictates retirement. Of the remaining 55%, about 20% have a limitation of health but could continue to be employed productively. About 10% of them are forced into retirement by the employer. The remaining 25% have no choice, although many seek to re-enter industry in some capacity. The policeman becomes a night watchman. The locomotive engineer fires boilers in a hospital. The bank teller becomes a tax consultant in his basement office, and so on. Impairments of physiologic and psychologic capacity with age are obvious. Less recognized are the social pressures, habit, prestige, community identification, personality defense, and the like that are the other facets of employment.

Essentially income and health requirements are the strongest drives to continue to work remuneratively.

For industry the reasons for termination of employment at a particular age are multiple and complex. There are pressures for promotion of younger men. There is a drive for salary increments that are associated with acquired seniority and higher position. There are union-industry arrangements, resistance to downgrading of jobs, the need to meet competition, the threat to pension plans, and finally, just arbitrary age standards as the fairest way to avoid personnel tension and partiality. Mention must be made of some opin-

ions that seem to be contrary to fact. Older workers are not less productive. When allowances are made for speed and waste, the older worker is equal or superior in finished tasks. Absenteeism is 20% less on the part of the older man. Workers over 45 have 2.5% fewer disabling injuries, and 25% fewer non-disability injuries than their impetuous colleagues. Older workers have lower job separation rates since age's quality of reduced mobility is reflected in adherence to one position. Facile conclusions about pension requirements, group insurance, loss of skills, inadequacy of adaptability, and many other opinions are open to challenge.

Other Factors

Between the extremes of the needs of the individual and of industry there is a transitional zone. In some instances obsolescence of skills and of jobs force workers out of industry. Special categories particularly for the handicapped young have been established. Health preservation in industrial clinics, financial and sociologic preparation for retirement, liberalization of pension plans, and extension of medical care into the post-retirement stages of a working career alter attitudes. Acceptance of downgrading, relinquishment of seniority rights, and the establishment of a degree of flexibility in retirement age above and below an arbitrary limit are some of the ameliorating features between the two views on age-retirement.

Some essential figures will initiate the investigation.

In the United States in 1890 there were 68% of men over 65 and 7.6% of women over 65 in the labor force. There has been a consistent reduction of almost 5% per decade of men so that at present 38% above this age are employed.

1890, 68%; 1900, 63%; 1920, 55%; 1930, 54%; 1940, 42%; 1950, 45%; 1954, 38%.

There was only a small percentile change in the employment of older women until 1950 when there was a sharp rise which probably will continue.

1890, 7.6%; 1900, 8.3%; 1950, 9.5%.

Most of the loss of older men in the labor field was in the farm and unskilled labor categories. In other fields the number of aging workers has risen. Although the *percentage* of employed workers had fallen drastically, the total *numbers* of those employed currently actually is greater than even the total number of all aging persons in the United States population in 1890.

In 1900 life expectancy at age 40 was an average of 25 years and the number of years in retirement was 2.5 years. The average increase in life expectancy after age 40 has risen very little but the retirement expectancy rose to 5 years by 1940 and currently is approaching 10 years. This quadrupling of retirement time is due to longer life and earlier retirement.

In sporadic instances the trend to arbitrary retirement at age 65 is being resisted. Both Oxford and Cambridge University have raised the retirement age for professors from 65 to 67. At Edinburgh, as might be expected, the level has been raised to an economical 70.

Health of Older Workers

In a national population of 172 million nearly 70 million are in the labor force. In this population there are approximately 2 million men and women handicapped by long-term illness that is amenable to rehabilitation procedures. The number of the handicapped increases at a rate of 0.25 million annually. With regard to

chronic diseases, approximately 100 people in every 1,000 below the age of 50 are limited. Above the age of 65 the number of handicapped are 363 per 1,000. In 1900 out of the total deaths, 20% occurred in older individuals, the remainder occurring in those less than age 65. Currently there are more deaths in the population that has reached age 65. Of the total incidence of chronic diseases, it must be stressed, 20% are in those under 35, 40% are in those under 45, and 60% in all persons up to the age 65. That means that the remainder or 40% are in those individuals who comprise 8.5% of the population. Depending on the standards selected, over 60% of all persons who have reached their 65th birthday have an apparent chronic limitation of health and almost 100% of all older individuals have measurable physiologic limitations in comparison with younger persons. Such chronic diseases and physiologic limitations do not have to be associated with arbitrary reductions in job capacity or capabilities.

As to medical costs which amount to about 11 billions per annum in the United States, the figures are not as high in the older population as opinion would make them seem. This $\frac{1}{12}$ th of the population bears about $\frac{1}{8}$ th of the total medical liability.

These several types of figures indicate that although the illnesses and costs of same tend to rise with age, they void the indictment of the older population as an illness-ridden incapable group that is seeking a pension. The facts support the concept of an older individual who wants to continue what has been his normal life.

The Commission on Geriatrics of the Medical Society of the State of Pennsylvania over three years ago undertook a study of the problems of the aging worker. It was recognized that financial security and

health were the twin needs that had to be fortified. Of the 11 million persons on Old Age and Survivors Insurance almost 9 million are in the older age bracket. This is in addition to approximately 2.5 million on Old Age Assistance or governmental relief. An effort was made to devise a plan of voluntary health insurance that could be linked to the general arrangements for financial support in older age. The nature of social security is known to well over 70 million people covered in this nation. It is an insurance plan with premiums that consist of equal employer-employee payroll deductions. The health plan was devised to utilize the physical and clerical structure of the OASI and was based on an elective 0.5% payroll deduction by the employee matched by the employer. This new separate allocation for health in the post-employment years was to be supervised by a Presidential executive commission, would allow volitional physician choice, and would cover as many health charges as would be fiduciary in the individual retiring at age 65. The coverage would include payment of a non-profit hospital insurance plan, diagnostic clinic charges, certain medical fees, and other essentials not so much for the day-to-day aspects of lesser degrees of health impairment, but for those major episodes which can destroy a lifetime of equity. (3)

Developing Criteria

What criteria shall be used is the essence of the second question. These can be the product of adequate gerontologic investigation. The method of drawing a line between industry's statutory plans and man's biologic needs to work can be based on a retirement evaluation procedure. Under this plan clinics would be devised to investigate the work and age capacities of older workers based on standards of physiologic capacities.

This would include the evaluation of the individual's psychologic properties. A third feature would be a study of the job, traveling, and family situation of the worker. Each of these three basic features would be given a percentage based on large-scale standards derived from major studies of workers, the industry, age, and other features. Costs could be a tax-free charge on industry. The request for an evaluation of retirement capacity could be initiated by the industry, by the employee, or by both. The investigation would determine either the worker's ability to continue at his job, to be changed to a more fitting position, or to be retired and would be binding on the worker and his employer.

Who shall establish these criteria? Physiologic reserves, psychologic abilities, and ecological factors would be measured by a team consisting of a clinician, a medical psychologist, and a job analyst. Each would render an evaluation in terms of percentages based on their study of the worker. If, for example, the clinician thought that the individual had a physiologic capacity of 80%, the psychologist possibly 40% of normal, and the student of the total environment rendered a figure of possibly 50%, the total of 170 divided by 3 would yield a rating of less than 60% of normal. This rating would be compared with accepted studies of capacity, and the decision as to the job status could be adapted without prejudice. A fourth party must be considered. The economic needs and relations of the particular job in the particular industry in relation to the economic cycle must be fitted into the total determinations of the individual's fitness and industry's needs.

It has been said that "a retirement age of 65 bears little relation either to the association between fitness and age or to the actual frequency of employment of men over 65, at least in

a period of full employment. . . . The question must be asked whether it is realistic to maintain the pension age at 65 when at least 3 out of 4 men work beyond it if given the opportunity and a financial incentive, and 9 out of 10 are physically capable of working." (4) Such statements can be resolved if an evaluation procedure of the type indicated is created.

Between the pre-retirement post-employment retirement fund for medical needs based on OASI, a retirement evaluation plan based on accurate criteria, and OASI as it is, a policy could be established that would implement every human asset of a creative competitive society.

Conclusion

In a wealthy society there is a danger that material abundance may promote material waste if there are no safeguards. This type of attitude can easily spill over into *human* values. When there is a big margin of economic abundance an attitude of carelessness and disregard may enter into questions of the older man's employability. In a society which is an environment for longer and healthier survival for greater proportions of those born, the needs and capacities of these extra years are worthy of evaluation. This would avoid a conflict between the possibilities of a man fulfilling his inborn traits and the social world that is not able to move fast enough to fashion a horizon big enough to include him. This is analogous to a society that has fathered a bigger, better, older population and did it before it could give thought to methods to meet these paternal obligations. It will take more than salesmanship to make a majority of men accept a non-employed and thereby non-useful posi-

tion in the community. More people would accept retirement if their financial and health needs were anticipated at a maximum level.

When exposed to objective analysis the older worker has proven to be different than he was assumed or said to be. In every feature, absenteeism, sickness, productivity, stability, accidents, loyalty and all other aspects of a competitive production, he has stood up favorably to comparison. He cannot stand up to one which unfairly has been given status equal to all the rest, namely, age-prejudice.

A tally of the many considerations of the aging worker would result in nearly as many opinions as there are facts. In almost every sphere, physical, physiological, and psychological, the fanciful has kept pace with the factual. An increasingly complex social structure and its associated increasing numbers of longer survivors are the two forces that have created the situation for which there is a paucity of indisputable conclusions. It is obvious that today's methods are only truces or compromises. This is the world in which the gerontologist is involved even if he has no autonomy to effect changes.

The three questions—how to arrive at an evaluation of man's needs and industry's objectives, the criteria for such conclusions, and the organization that can adapt these criteria in a practical fashion—have been discussed. Even if the suggestions are only approximations to the many details involved, the basic principles are adaptable to an elastic society. In such groups there can be no time for prejudice, not even for one so easily supported as that based on age.

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HIGHLIGHTS OF THE DISCUSSION

In response to a question from the floor, Dr. Behrend stated that it was important for management to listen more to the advice of the industrial physician. Too often his recommendations are ignored. Management is anxious to retire the older person without a good physical reason. Dr. Behrend stated that he disagreed strongly with that type of management policy, and recommended that management learn more about what industrial medicine knows.

Dr. Shucker pointed out that industrial medicine is a relatively new specialty, and it hasn't yet achieved full acceptance by industry on a policy-making level. The industrial physician started out as the neighborhood doctor who was sent for when someone was injured or got sick on the job. Only in the last 15 or 20 years has it come to be mentioned or recognized, and it has not yet been

allowed a voice in policy-making. At the present time, if an industrial physician told a personnel manager that he should or should not hire a certain person simply because of age, he would be told to mind his own business. However, Dr. Shucker predicted that eventually management will recognize the advantages to be gained from using the knowledge of industrial medicine in making appropriate decisions.

The importance of periodic examinations was stressed by all the panelists. Dr. Shucker pointed out that while there was resistance to the idea of compulsory examinations for everyone at this time, sooner or later it had to come, because a voluntary system wouldn't work. The chairman pointed out that we have to have our automobiles examined twice a year, but not our persons.

SUMMARY

HAROLD W. WILLIAMS, *Executive Director*, Advisory Board on Problems of Older Workers

It is my pleasure to read the following telegram which has just been received from Senator Clark.

"Deeply regret I cannot make the luncheon session at the Benjamin Franklin Hotel for the Pennsylvania Department of Labor and Industry's conference on the employment of older workers. Increasing attention should be given to ending discrimination against older people by employers. With all the years of their experience and accumulated knowledge, they are a valuable asset to any organization. I commend the Pennsylvania Department of Labor and Industry on their program to help our senior citizens lead fruitful and satisfying lives."

Signed, Joseph S. Clark,
U. S. Senator
(Pennsylvania)

This is the concluding session of what has been a very exciting and rewarding conference to us, and I hope it has also been rewarding to you.

I want to take a few minutes to try to sum up what has taken place in this conference, knowing full well that even if I took a day, I couldn't do justice to everything that has been said by the many fine people who participated in the panels and who spoke to us.

I am not going to attempt to summarize what the main speakers said,

because all of you had an opportunity to hear them, but with sixteen panels going on, I know that none of us had an opportunity to hear all the panels. I tried to do a little bit of panel-hopping, to get the feel and the spirit of what went on. And some people have given me notes. From these, I will try to give you a little feeling of what the main thoughts were.

Four Central Ideas

First of all, I would like to mention four central ideas which ran through all the panels and which really, we ought to take away from this conference, if we take away nothing else. The first of these is the general agreement on the overriding need to do something about removing age barriers to employment. I don't think that at any point in this conference anyone suggested there wasn't a real need to do so. Speaker after speaker underlined this point.

I wish that we had more practical advice from some of the speakers on what specifically we ought to do about it. There were a lot of good suggestions, and when we have the printed proceedings, we will be able to go over them in detail and perhaps develop and refine a very specific program. I am sure that will come out of this conference, but at this point, I cannot tell you what that will be, because it is buried and hidden like so many nuggets in a great deal

of the speaking and comments from the floor.

There is a second thing that came through every panel, I believe, and that is that the real villain, if there is any villain in this problem, is thinking of people in terms of stereotypes. This is not only true for older workers. It is true in almost everything that goes on in life, all forms of discrimination. In fact, everything which is anti-democratic and foreign to our basic way of thinking is bound up in stereotyped opinions.

When we get to being careless in our thinking, then we refuse to look at an individual as an individual and we have to learn to take him as an individual and not on the basis of his color or his ancestry or background or his age. It is hard to do this, but when we do it, we can be democratic and we can be contributing to the kind of society that we all seek as a goal. When we don't, we get into trouble. And one of those troubles takes the form of an older worker problem. One of the major reasons for that trouble is stereotyped thinking about older workers.

If you go back from this conference with nothing but the idea that never again will you allow yourself to give a stereotyped, unthinking opinion about a man based upon his chronological age, and never to allow another person to get away with that kind of stereotyped, careless thinking, I think we will have accomplished a great deal.

There was a third thought, and this ran through many panels too, and it was that compulsory retirement at a fixed, chronological age is no good. I think I heard that expressed in at least six or seven different panels. And yet we still do have many, many institutions of all kinds which continue to insist upon retiring people at a fixed time, and it is based on chronological age.

I hope that we will all go away from this conference with a feeling that perhaps we can do something about that. Point out how unjust it is, how unrealistic it is, and how it adds to this great social problem.

Now, the fourth thought that went through the conference started with Dr. Bortz yesterday morning, and many panels referred to it. That is the difference between biological and chronological age. I hope you will all be able to keep this in mind as we go back to our occupations, and that is that a man's chronological age is a measure of very little else, as Governor Leader put it last night, than the number of years since he was born. And if we are thinking in terms of a man's usefulness to society, productivity, need for services or what have you, then we ought to look to his biological age.

I know that we are all going to look forward with a great deal of anticipation to the research now being conducted by Dr. Bortz, to see if we can't get some really good criteria to help us to determine biological age.

Ideas from the Panels

With those four general thoughts in mind, it may not be amiss to tell you a little bit about some of the panels. There were sixteen of them. Two of them were devoted to the problems of population trends and social policy, and the other social costs of unemployed older workers. These examined in great detail how we are gradually turning into a nation of older people, and why we need to do something about it and what the outlook is, as a result of this trend. We learned what a tremendous social cost there is in not taking proper action to meet the need caused by a great many older people in our population.

One panelist impressed me particularly with his thought that social costs of unemployed older workers are not only measured in dollars and cents, but that there are a great many psychological and cultural and social ills resulting from this.

Now, with those two evidences of the problem, we then examined four different types of occupations and employment in a series of four panels, to see what the place of the older worker is in these different and distinct types of occupations.

One was manufacturing, one was office and professional, one was service and one was retailing. And we found that by and large, there exist many good opportunities for older workers in the service industries and in retailing. In the service industries, one of the reasons is the low level of skill required. In retailing, the ability of older people to perform a task more satisfactorily, because of maturity, and the less demanding physical nature of the jobs are important.

In manufacturing, we came to no conclusion about whether or not older workers have more of an opportunity here, but we did find out that older worker productivity varies greatly among individuals. There again, there is a stereotyped feeling that older workers produce less. Actually productivity varies a great deal among individuals and many older workers are very productive.

Promotion from Within

The office and professional panel posed us with a very grave problem, namely, the tendency in many large professional and clerical fields to promote from within, which makes it very difficult for an older worker to get a job in many large firms which employ office workers. One of the interesting things about this is that many of the firms which employ so

many white collar workers will testify to the great value of their older workers. It led me to the thought that we can talk at great length about how wonderful older workers are when they are employed, but the minute they get unemployed and start looking for a job, we can't find a place for them. This is a problem I think we are going to have to pay an awful lot of attention to in the coming months.

With these six panels defining the nature of the problem, we examined some ways of doing something about it. We had a report on a counseling project in Philadelphia, and discovered that as a result of that counseling project, you can help older workers by giving them intensive counseling and job development services. This is an expensive kind of way to try and find jobs for older workers, but it works, and if the community is willing to bear the cost, we can find lots of jobs for people by working at it and paying for it.

We also found in another panel on counseling—this subject being so important, we devoted two panels to it—that older workers need counseling more, and we have to be able to get trained counselors able to help them more because they have more problems.

We also looked at what industrial medicine can do to help us, and we found that industrial medicine is becoming more and more equipped to judge whether or not a worker can be kept on the job, from the standpoint of his physical and biological age. I know we are all going to look forward to the day when industry uses the skills of industrial medicine to do that, rather than to take a fixed chronological age.

Legal Prohibitions

We looked at legal prohibitions as a way of helping us solve the prob-

lems caused by age barriers to employment, and we came to the conclusion that we didn't know whether they helped, but we were at least convinced that they didn't hurt, and so for the time being, we are going to stick with our age discrimination laws and our FEP Act, and we are going to enforce it.

We also took a little look at the age limitations in the Act, the 40 to 62 age, and wondered whether this needed to be revised, either downward or upward, and decided for the time being, that it didn't need to be revised, but we might have to keep looking at this. If the life span keeps increasing, maybe age discrimination will hit a man or woman of 63 or 64 very hard.

We talked about training and re-training our older workers, and we

had a very interesting proposal advanced, that there ought to be a GI Bill of Rights for older workers. And maybe this is the kind of bold new thinking we need to solve this problem. Maybe we need to get down and do more for older people who are out of work and who seem to have gotten out of the main streams of employment. Maybe we need to take a massive new program and get them retrained and back to work.

We also looked at what our communities can do, and we decided that they could do a great deal, working in cooperation with government at all levels.

I may have missed commenting on one or two panels, and those of you who attended those panels should not feel hurt, or feel neglected. They will all be in the proceedings.

ADDRESS

THOMAS KENNEDY, *Vice-President*, United Mine Workers of America

I would like to go back for many years, when the program for old age security was inaugurated in Pennsylvania. I happened to be a member of the association that was instrumental in bringing about a lot of improvement in this field. But the first man, in my judgment, that ever brought the matter to the attention of the people of Pennsylvania, was Jim Maurer, who at that time was a member of the General Assembly from Berks County. Later he became president of the State Federation of Labor, and he continued his work in this particular field.

Some progress has been made in the meantime and there is one, especially, with regard to old age pen-

sions, which has helped to alleviate at least some of the unfortunate conditions.

Aside from that, very little has been done in the legislative way or in any other effective way, except possibly through the making of trade agreements as between industry and as between employers of labor.

In the mining industry of this country, we have attempted to solve the problem of protection for the older workers. First, our rates are on the job, they are not on the men. So that any man who moves into a job gets the rate applicable to that job regardless of his age, so long as he is physically able to perform that work.

No Involuntary Retirements

There are no involuntary retirements under our agreements in the mining industry. We have a seniority arrangement that protects the older man, not only on the basis of his term of service rather than his age, but even in classifications, if one man moves from one classification into another, with possibly a higher rate and there is a layoff in that classification, the man with the overall seniority stays there and the man with the least seniority, although he may be the longest in that classification, has to move back or possibly remain out of work.

We have another arrangement with regard to our handicapped in the mining industry, and we have had a lot of them, where seniority is waived on many occasions so that these handicapped men may be permitted to work at jobs like running pumps or working in wash-houses as attendants or lamp men or watchmen, and when they go into those jobs, they get the rate that is applied on that particular classification.

Speaking of industrial medicine and the pension arrangement in our welfare fund, both in the bituminous and anthracite, we have at the moment about 70,000 men receiving pensions in both industries. The average age is about 63 years, and although retirement is voluntary, we find that this pension list has been built up, due to the tremendous lay-off and the abandonment of mines in both the bituminous and in the anthracite regions.

Mechanization has played an important part in this matter. To give you an illustration, in the captive mines today—that is, the mines that supply the steel companies with coal—they formerly worked three shifts. They are now working one and two shifts, with the result that on the basis of seniority, all those above 60

years of age that have been put out of work on the basis of their seniority apply for the pension, and if they have had 20 years of service in the mining industry, anywhere in the country, they are entitled to that particular pension.

We have been curious about the attrition, due to death and otherwise, of these pensions, and we find that the attrition is very light, almost negligible, and we can see no chance of lowering of pension costs due to attrition, because they all seem to live much longer than they would otherwise.

We have studied many of the angles of this problem, and I agreed with your chairman that it is a complicated situation. Just at the moment, you can't fasten on anything of any particular importance as to a way out in order to provide employment for our aged people in industry.

Mining Skills

A lot of people have the impression that in the mining industry, it is just the shoveling of coal. Well, there are techniques in mining that are almost as important, if not more important, from a safety standpoint, than in any other occupation, whether it be mechanical or otherwise. They have got to know roof conditions, they have got to know strata conditions, they have got to know conditions with respect to ventilation. And coal is mined. It is not dug, as many people think, or shoveled, but it is mined, by machinery, many times by automatic machinery and quite often by hand machinery. So that it is really a classification that is skilled in every sense of the word.

And when men acquire this technique or this skill, working in the mining industry, their roots are in those localities, and it is very difficult to move them into other occupations, even in a similar occupation, away

from their roots or where their families have been born and raised for many years. That is a problem that we have encountered in the mining industry.

Now, it is not a problem with the younger men, because they go to other industries and return from time to time to visit their families. But it is a problem with respect to the older people. They don't want to move. They don't want to leave their families and their friends and go to new places to make new friends all over.

One angle that was referred to here by the Chairman has to do with legislation. I don't think legislation is going to work in this field, and I will tell you why. You can't legislate on problems where there are so many human equations, where you have to legislate on human nature, have to legislate upon subjects that are controlled largely by tradition and by the feelings of various individuals that make up industry on either side of the table.

I refer you to one particular classic example in Pennsylvania. When George F. Baer was president of the Philadelphia & Reading Coal & Iron Company, they controlled the anthracite industry through the Temple Coal Company. Well, George F. Baer announced, in our early conferences with him from 1902 onward, including the work of the Roosevelt Coal Strike Commission of 1902, that they would never recognize the United Mine Workers of America as a contract bargaining party as long as he lived. And they never did.

Well, he had the tradition and he lived up to it, and his associates, of course, which were controlled by the Reading, went along with him. After he died and new men took their places, they didn't have these prejudices or these traditions, and quite

naturally, we accomplished the purpose of recognition of the organization as the representative of the mine workers, including all of the other benefits that went through collective bargaining.

I cite that case in particular to exemplify the human factors that you can't reach by legislation. It is the same with the Taft-Hartley Law. I have been in labor relations work for a long time and have assisted in the making of many contracts, industry-wide and otherwise. I have mediated and arbitrated in many other industries in this country. I was on the War Labor Board and was a member of the National Defense Mediation Board. And I know that the human factors and the human equations in labor relations can never be covered by legislation. It just doesn't work and it doesn't fit, human nature being the sort of proposition it is very hard to legislate upon.

Now, let's take a typical example of some of the larger industrial firms in the United States and see where we get to. Let's take the United States Steel Corporation, which operates quite a number of mines in the United States, including all of the big concerns. Well, they have a policy at the top where officials, even the president, have to retire at the age of 65. And they endeavor to carry that program into effect as affecting labor in the steel mills and in the coal mines.

It has never worked successfully in steel or in coal, and it never will, because we believe in the voluntary retirement. But they have set a pattern and laid down a principle of retirement of their top people at 65 years of age, and they endeavor to carry that and put it into effect as affecting all other people employed by that corporation.

Education Needed

It seems to me that educational work is required with respect to this attitude on the part of industry, and in my judgment, it cannot be reached by legislation. It can only be done by influence, by moral influence and education to the point that we will be able to permit the older people to remain in their employment where they are physically able to perform their own particular jobs or their own particular tasks.

I think that in this connection the churches have a job to do in supporting the position of conferences such as this, or the labor organizations that want to protect the older men in industry, so that they may provide for themselves and their families so long as they are physically able to perform the work.

There are so many outs that can

be taken with respect to legislation that it is almost impossible to do a job in that connection. And I don't know at the moment but that this conference is a good step in the right direction. We have talked about the problem since 1911, and we have done very little about it except through the rehabilitation efforts of the Department of Labor and other agencies that have to do with this problem.

And so, my friends, it is a great privilege and pleasure to be with you this afternoon and to give you these few fleeting thoughts that I have on this particular subject, and to say to you that I hope the State will carry on, and through intelligence, through common sense, and through education, we may be able to apply a reasonable remedy to this situation and work it out in the best interests of all concerned.