

INCREASING EMPLOYMENT OPPORTUNITIES
FOR THE ELDERLY—RECOMMENDATIONS
AND COMMENT

A REPORT

BY THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE



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INCREASING EMPLOYMENT OPPORTUNITIES FOR THE ELDERLY

INTRODUCTION

One important means of improving the economic position of America's senior citizens is to make it possible for those to work who can work and want to work. At present, one-third of the total income of older Americans comes from their employment. This belies the stereotype of idleness, dependency, and unproductivity which is too often associated with these Americans.

Dr. Donald P. Kent, Director of the U.S. Office of Aging, has said:

* * * we have a vested interest as a society in keeping (older) people employed not only from the viewpoint of their own personal well-being but from the national viewpoint. If we had to replace what they are now getting from earnings by some kind of public contribution this would be an enormous sum.

Studies have shown that working, at least part-time, benefits the senior citizen not only financially but in many other ways as well. It prevents a feeling of uselessness and futility. It takes him out of his loneliness and isolation and puts him into the "mainstream of life." It benefits both his psychological outlook and his physical health.

An authority in the field of geriatrics, Dr. Edward F. Bortz, has said:

Older citizens who are actively employed will be more healthy and better adjusted and consequently a less likely drain on the Public Treasury. Instead of being consumers, they will be producers and taxpayers. They will take pride in being self-supporting and in being able to provide for their own needs. It can be predicted that healthy and alert senior citizens, well utilized by the community, will make far fewer demands for medical services.

Workers between the ages of 40 and 62 sometimes have difficulty finding and retaining employment. They have been described as "too old to hire but too young to retire." Our subcommittee is responsible for this segment of the aging as well as for those over retirement age. For them, unemployment can have two seriously detrimental effects upon their retirement years. First, they reach retirement age with savings and resources depleted. Second, they fail to build up credits under social security and other retirement programs.

As a basis for making recommendations on increasing employment opportunities for the elderly our Subcommittee on Employment and Retirement Incomes held three hearings, as follows:

December 19, 1963: Washington, D.C.

January 10, 1964: Los Angeles, Calif.

January 13, 1964: San Francisco, Calif.

The recommendations below are based upon a report recently submitted by that subcommittee to this committee.

Recommendation No. 1. *The Committee recommends that increased appropriations be made to the U.S. Employment Service to improve and expand its services for older workers in local employment offices, and to establish a Part-Time Employment Service.*

Comment: The older worker program of the U.S. Employment Service is the major Federal activity with responsibility for placing older Americans in employment. Hearings of the Subcommittee on Employment and Retirement Incomes in Washington, D.C., Los Angeles, and San Francisco indicate that where older worker specialists are assigned to local employment offices, they are effective in helping to place older workers in employment. These specialists can cooperate effectively with voluntary civic groups which concern themselves with helping older jobseekers find employment.¹ They are sometimes imaginative in creating new jobs for older workers to meet needs which are not being met.² They can provide the counseling service needed to help elderly jobseekers make sound choices of new occupations and to overcome lack of self-confidence, reluctance to enter training, and other obstacles to preparing for and finding new employment.³

Because of the limited appropriation available for this purpose heretofore, it has been possible to assign older worker specialists only to some of the local offices. The 1965 budget proposes a \$342,000 appropriation increase over 1964 to provide an additional 50 man-years over and above that provided during 1964 for this purpose.

This recommendation is identical to a recommendation of the President's Council on Aging for "Expanding Employment Opportunities for Older Workers."⁴ It is also in accordance with the policy of the late President Kennedy of seeking increased funds for this purpose.⁵

No additional legislative authorizations are needed to establish a Part-Time Employment Service of the type we recommend; only the appropriation of the necessary funds is needed.

Part-time employment is of particular importance to the elderly. Many of them, while unable to undertake full-time employment, are fully capable of working part time, and want to do so. Thus, they retain a sense of dignity and usefulness.

A higher percentage of workers over the age of 65 than of younger workers are in part-time employment. In October 1963, over one-third of the men over that age and one-half of the women over that age who were employed in nonagricultural occupations were working half time. About 85 percent of both men and women in that group were working part time out of preference.⁶ One reason for their preference of part-time employment is that it enables them to supplement small private pensions, OASDI annuities, and old-age assistance grants without substantial reductions in such benefits.

The Employment Service conducted a part-time worker demonstration project in Dallas, Tex., in 1962. The project demonstrated that employers prefer mature applicants in filling certain types of part-time

¹ Los Angeles hearing, pp. 59-60 (Dr. Margaret E. Bennett).

² Testimony of Miss Eleanor Falt at San Francisco hearing, pp. 108-109 (senior home repairers); pp. 109-110 (maintenance gardeners); pp. 110-111 and 117 (walking tour guides).

³ P. 36, "Report to the President" of the President's Council on Aging.

⁴ P. 36, "Report to the President."

⁵ Pp. 11, 12, and 37 of "Compilation of Materials Relevant to the Message of the President."

⁶ Washington hearing, p. 8 (Assistant Secretary Daniel P. Moynihan).

jobs and that there is a substantial and growing demand for women interested in part-time employment.⁷

Thus, it appears that an increased Federal effort in the area of part-time employment would be particularly helpful to older job-seekers in their efforts to find employment.

The 1965 budget includes an item of \$1,288,000 for the first year's operations of a Part-Time Employment Service.

Recommendation No. 2. The Committee recommends that Congress enact legislation authorizing a new program of grants for experimental and demonstration projects to stimulate needed employment opportunities for older Americans. The Federal Government through the Department of Labor would provide funds on a matching basis to State and local governments or approved nonprofit institutions for experiments in the use of elderly persons in providing needed services.

Comment: This was one of the recommendations in the message of President Kennedy to Congress in February 1963, on "Elderly Citizens of our Nation."⁸ It is embodied in part E of S. 1357, the proposed Senior Citizens Community Planning and Services Act of 1963. Projects of the type recommended could also receive Federal assistance under the general provisions of S. 2000, the proposed Older Americans Act of 1963.

It is estimated that 20,000 retired men and women could be employed under such a program each year. An even more important result would be the fund of information and knowledge which would be built up, making possible more effective action in the future toward placing older workers in employment where their services can benefit the Nation.

Recommendation No. 3. The Committee recommends that the present complex formula of permissive earnings for recipients of old-age assistance be eliminated in favor of a simple allowance of a certain amount per month of earnings by recipients without reduction of their grants.

Comment: Under section 157, Public Law 87-543, the Public Welfare Amendments of 1962, a State may disregard the first \$10 of a recipient's earnings each month, and half of the next \$40. Thus a recipient who earns \$50 in 1 month, would suffer a reduction of \$20 in his grant.

This provision evolved from an amendment adopted on the Senate floor, which simply permitted earnings up to \$50 without any reduction in grant. However, the compromise in conference substituted the provision now in effect.

Testimony at the subcommittee's hearings revealed several shortcomings of this provision. It is complex and difficult to explain to recipients, who must understand it to take advantage of it.⁹ Perhaps for this reason, few recipients have availed themselves of this means of improving their economic position.¹⁰ It is difficult¹¹ and expensive¹² to administer.

A provision simply permitting a certain amount of earnings without a grant reduction would be subject to none of these difficulties. It would be much more effective in encouraging recipients to improve

⁷ Washington hearing, p. 10 (Assistant Secretary Moynihan).

⁸ Pp. 12 and 37 of "Compilation of Materials Relevant to the Message of the President."

⁹ Los Angeles hearing, p. 55 (Mr. Thomas Pyott).

¹⁰ Los Angeles hearing, p. 47 (Mr. George McLain) and p. 58 (Mr. Pyott); San Francisco hearing, p. 95 (Representative Phillip Burton).

¹¹ Los Angeles hearing, p. 55 (Mr. Pyott).

¹² San Francisco hearing, p. 95 (Representative Burton).

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themselves economically by their own efforts, and, hopefully, to regain their economic independence.

Recommendation No. 4. *The Committee recommends that the amount of earnings which can be received by a recipient of old-age insurance benefits without loss of benefits be increased to a more realistic level, and that the present complex formula be eliminated.*

Comment: Since the Social Security Amendments of 1961 (Public Law 87-64), the earnings limitations have been as follows:

Maximum annual earnings permitted without loss of benefits.....	\$1, 200
Range of annual earnings within which \$1 of benefits is lost for each \$2 earned.....	1, 200- 1, 700
Amount of annual earnings above which \$1 of benefits is lost for each \$1 earned.....	1, 700

Under this recommendation, a recipient would be permitted to earn more than \$100 per month (\$1,200 per annum) without loss of benefits. Above the new limit, there would be a loss of \$1 of benefits for each \$1 earned. As compared with the present complex formula, this would have the advantage of simplicity.

Adopting this limitation increase would be a logical extension of the trend in recent years toward permitting old-age insurance recipients to be more self-sufficient. The earnings limitation was liberalized successively in 1950, 1952, 1954, 1958, 1960, and 1961.

A number of bills have been introduced in the Senate and House of Representatives to liberalize the earnings limitation.

Testimony was presented at the subcommittee's hearings in California in favor of liberalizing this earnings limitation.¹³

Recommendation No. 5. *The Committee recommends that a modest annual appropriation be authorized for use by the Bureau of Employment Security in assisting with the expenses of volunteer community efforts to find employment for older workers.*

Comment: At its three hearings, the subcommittee was apprised of the activities of local groups which have spontaneously sprung up to assist older workers find employment. These include groups in Baltimore¹⁴ and Montgomery County,¹⁵ Md., Pasadena, Calif.,¹⁶ and San Francisco, Calif.¹⁷

The testimony indicates that although such volunteer organizations operate on very small budgets, they are effective in placing older workers. However, they should not be considered in any way in competition with Employment Service offices or a substitute therefor. These two types of activities supplement each other; each performs in an area in which the other cannot as effectively perform.

It appears that some of these organizations are seriously handicapped by lack of funds.¹⁸ The Bureau of Employment Security should be given a fund from which it can contribute on a matching basis to such organizations which it considers most effective in placing older workers and most cooperative with local employment offices.

There should be a requirement that such assistance be given on a matching basis only, not to exceed 50 percent of the organization's expenses. This will assure that the organization has sufficient local

¹³ Los Angeles hearing, p. 48 (Mr. McLain) and p. 69 (Mr. Richard Cartwright); San Francisco hearing p. 119 (Mr. Charles Rosenthal).

¹⁴ Washington hearing, pp. 15, 16, and 19 (Mrs. Margaret Schweinhaut).

¹⁵ Washington hearing, pp. 15, 16, and 20 (Mrs. Schweinhaut).

¹⁶ Los Angeles hearing, pp. 59 and 60 (Dr. Margaret E. Bennett).

¹⁷ San Francisco hearing, pp. 119 and 120 (Mr. Rosenthal).

¹⁸ Washington hearing, p. 16 (Mrs. Schweinhaut).

interest and support to be worthy of Federal assistance, and will also limit the Federal contribution needed.

A modest annual appropriation for this purpose—less than \$100,000—could be spread thin among many local volunteer groups and might make the difference in many instances between the organization's success and its failure.

Recommendation No. 6. *The Committee recommends that Congress enact a resolution designating a week in each year as "National Employ the Older Worker Week."*

Comment: One of the most urgent needs in solving employment problems of older workers is for educating the public as to the true facts regarding their capabilities. An officially designated "National Employ the Older Worker Week" would provide opportunities for doing so which would not otherwise exist. Presumably the press and broadcasting media would be more cooperative in disseminating such information during an officially designated week.

A resolution to this effect, Senate Joint Resolution 68, has been introduced and is pending before the Senate Judiciary Committee.

Since May has in recent years been designated "Senior Citizens Month," it would seem most appropriate that the week to be designated "National Employ the Older Worker Week" be a week during May.

