

RETIREMENT AND THE INDIVIDUAL

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
RETIREMENT AND THE INDIVIDUAL
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETIETH CONGRESS
FIRST SESSION

PART 2

EARLY RETIREMENT AND RELATED SUBJECTS—
ANN ARBOR, MICH.

JULY 26, 1967



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Part 1, Survey Hearing—Washington, D.C.

Part 2, Early Retirement and Related Subjects—Ann Arbor, Mich.

(Additional hearings anticipated but not scheduled at the time of this printing.)

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RETIREMENT AND THE INDIVIDUAL

WEDNESDAY, JULY 26, 1967

U.S. SENATE,
SUBCOMMITTEE ON RETIREMENT AND THE INDIVIDUAL
OF THE SPECIAL COMMITTEE ON AGING,
Ann Arbor, Mich.

The subcommittee met at 1:20 p.m., pursuant to notice, in the Rackham Building Lecture Hall, main campus, the University of Michigan, Senator Walter F. Mondale (chairman) presiding.

Present: Senators Mondale and Prouty.

Committee staff members present: William E. Oriol, staff director; John Guy Miller, minority staff director; Patricia G. Slinkard, chief clerk; and Donald H. Gaines, professional staff member.

Senator MONDALE. The hearing of the Subcommittee on Retirement and the Individual will come to order. We expect Senator Prouty of Vermont to join us shortly.

First I would like to say that Senator Hart had hoped to be here today but he was forced to stay in Washington because of action on bills of importance to Michigan and the rest of the Nation and also because of the tragedy that has befallen Detroit. He has given the subcommittee a statement, however, and we will put it in our hearing record.¹

I am sure I do not have to tell you here in Michigan what a first-rate Senator you have in Phil Hart. He is one of the most effective and respected men in the Congress. He is a man whose deep concern about the important issues of our time is reflected in creative and outstanding leadership in many areas, including aging, human rights, and consumer protection. To cite just one example, Phil Hart's truth-in-packaging bill, which we enacted last year, was one of the great achievements of the 89th Congress. Not only Michigan but the entire Nation is fortunate to have Phil Hart in Congress because men like Phil make a difference. I was an admirer of Senator Hart's long before I came to the Senate, and working with him over the past 3 years has confirmed my previous judgment. It is both a pleasure and a privilege to work with him.

This subcommittee, which was originally scheduled to meet in Detroit, continues work begun at its introductory hearing in Washington, D.C., last month on the subject of retirement and the individual. But, in another sense, this hearing continues the work begun more than 8 years ago by one of the most compassionate men ever to sit in the U.S. Senate—the late and revered Pat McNamara, of Michigan.

I have been reading lately about the history of the U.S. Senate Committee on Aging and I am fascinated by Pat McNamara's part in its beginnings. In late 1958 Senator McNamara and another Senator,

¹ Statement of Hon. Philip A. Hart appears on p. 419.

John F. Kennedy of Massachusetts, were working around the clock to persuade the Senate to establish a subcommittee on the problems of the aged and aging. They were alarmed at high health costs, inadequate social security, and uncoordinated Federal efforts that seemed to do little for the real problems of older Americans.

Senator McNamara became chairman of the subcommittee, and John Kennedy worked right alongside of him. John Kennedy's commitment, I might add, was total. He later became the first President to issue a message on senior citizens, and you here know how hard he then worked to make his recommendations become law. You here also know how many monuments Pat McNamara left behind. Medicare now serves millions, just as Senator McNamara said it should. We now have a federal administration on aging, as McNamara said we must. Housing programs supported by him are now a living reality. He understood better than most people the importance of wage earning at any age, and he fought age discrimination just as he fought all kinds of other discrimination.

The Senator's greatest contribution, to my mind, is that he showed the people of the United States that they had let the elderly of this Nation become a problem group whose burdens were increasing, not dwindling. He reached our consciences and made us act. Nearly a decade later we find we still have much to do on several of the problems discussed in the very first report issued by the McNamara subcommittee. The report, for example, asked for help to "those about to step over the threshold into the strange and uneasy world of retirement," and it declared: "America * * * is faced with a new 'population explosion' at the end of life's cycle."

The Subcommittee on Retirement and the Individual has begun to measure the nature and dimensions of a retirement revolution—one of the byproducts of our population explosion among the elderly of this Nation.

Already I am firmly convinced that our exploration will lead us to conclusions of direct importance to every American, young and old.

Already the subcommittee has heard eminent experts tell us that we still have only the earliest glimmerings of what retirement will become and what effect it will have, for good or possibly for bad, on future generations.

ECONOMIC, BIOLOGICAL ADVANCES

Already we have been told that biological advances can be expected to add years to our life and to increase the youthfulness of those given those added years.

Already we have been told that a parallel economic miracle giving us astounding productivity by relatively fewer workers could make retirement by age 38 feasible by 1985, but it is unlikely that we will have to make that choice. We may decide, instead, to allow for more leisure time and education before or during the work career.

At any rate, such decisions must be made and they must be made on the basis of adequate information and thought. This subcommittee is in search of such information and we have come here today and wish to hear from the representatives of the United Auto Workers because nowhere else in the Nation is it possible to learn more about early retirement.

As I understand it, a United Auto worker may now retire at age 55. Monthly income can be as high as \$400.

What you have done with this program could well be the model for retirement elsewhere, and so we have come here for answers to some questions such as these:

Why do individuals retire early, and do realities of retirement live up to expectation?

Does early retirement increase the availability of skilled labor? And what effect does it have on quantity, quality, and cost of production?

How effective is preretirement training for early retirees?

We want to hear about your centers for retirees and whether cities elsewhere should take a few lessons from you.

We want your ideas on whether early retirement can be successfully applied on a broader scale if social security payments remain at or near present levels.

We are fortunate to have many outstanding witnesses here today to explore these important questions.

Before we begin I would like to introduce the counsel for the full committee. Mr. Bill Oriol, seated to my right, and the minority counsel, Mr. John Guy Miller, seated to my left.

I am quite pleased to have a statement for the record from Senator Hart, and offer it now.

STATEMENT OF HON. PHILIP A. HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Only the fact that I must chair a hearing of the Antitrust and Monopoly Committee in Washington today could have kept me away. But I will nevertheless give careful attention to the record you make today and—with your permission—perhaps I can make additional observations after I have read the testimony.

We are fortunate to have Senator Mondale as chairman of this subcommittee. The Senator from Minnesota has begun a characteristically intensive and enlightened study of retirement—surely one of the most important social institutions of our Nation, but, equally as surely, one that has not yet received the attention it should receive by those who make or influence social policy. With Senator Mondale guiding the subcommittee, the matter is in good hands.

Here in Michigan, we have a rich history of leadership and studies in the field of aging. The University of Michigan Conference on Aging is this very day concluding its 20th Annual Conference on Aging, and Dr. Wilma Donahue and her colleagues at the university are nationally known and respected. Michigan has been lucky in having men like Chuck Odell and now Andrew Brown as directors of the UAW retired workers program, just as Michigan is fortunate to have Walter Reuther's sense of social advance as a force on the everyday lives of its citizens.

Our State commission on aging was an early pioneer among such State agencies. It now draws upon the knowledge and special talents of private citizens from throughout the State.

And finally, we in Michigan have the memory of Pat McNamara to help us on our way. He was the chairman of the Senate Committee on Aging and its predecessor Subcommittee on Problems of the Aged and Aging. But more than that, he was the first legislator to speak out effectively about the magnitude of problems afflicting too many of the older Americans of this decade.

Experts on aging in Michigan—Senator Mondale informs me—are among the most enthusiastic advocates of the study now underway by the Subcommittee on Retirement and the Individual. They believe that we are facing, as Senator Mondale expressed at the opening hearing on June 7, a “retirement revolution.” We don’t yet really understand that revolution, but it is already changing lifetime working patterns and the plans that each individual must make for his later years.

And so, certain questions must be asked.

If, as witnesses said at the opening hearing, greater numbers of men and women will be retiring earlier and earlier in life as productivity increases, what will be the effect on present retirement income programs?

Will our social security program be able to keep up with such changes? If not, shouldn’t Congress be taking a long-range view of possible alternatives or supplements?

What more can schools and universities do to provide education in later life as well as in early life?

We are told by scientists that people will live longer and feel younger as new biological breakthroughs occur. Have we even begun to think adequately about the social impact of such prospects?

And finally, what about the effect on the individual who finds that present attitudes toward work, leisure, and the elderly are at variance with new realities?

The subcommittee has already begun to consider several of the questions posed above. I believe that the testimony today will yield ideas and information that may help direct the subcommittee, if not to final answers, at least to sharper perspective. I wish the subcommittee well as it continues its important work.

Senator MONDALE. I have a letter which will be included at this point in the record from Mr. Reuther in which he expresses his regrets, but understandably the situation in Detroit requires his personal, minute-by-minute participation.

I also have a telegram from Mayor Cavanagh of Detroit who understandably must be on hand in Detroit at this moment.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE
& AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
Detroit, Mich., July 26, 1967.

DEAR SENATOR MONDALE: I had expected, until late this morning, to attend the Hearing and testify before your Committee, for the subject under consideration is one of deep interest to me personally and to the members of the UAW.

The factors that made it necessary for you to shift the site of the Hearing to Ann Arbor, are the same ones which make it essential for me to be in Detroit this afternoon.

I am, therefore, taking the liberty of asking Mr. Andrew Brown, Director of the UAW’s Community Services and Retired Workers Department to testify in my place. My written statement is available for the record.

I sincerely regret my inability to participate in these Hearings but I am sure you will find Mr. Brown well qualified to testify on the subject.

Sincerely yours,

WALTER P. REUTHER, *President.*

[Telegram]

DETROIT, MICH., *July 25, 1967.*

Regret inability to participate in hearings tomorrow. Statement will be sent to Washington.*

JEROME P. CAVANAGH,
Mayor, City of Detroit.

*Mayor Cavanagh’s prepared statement appears on p. 631.

(Communications from Congressmen Marvin Esch and John Dingell follow :)

[Telegram]

WASHINGTON, D.C., July 26, 1967.

I regret that business on the floor of the House of Representatives precludes my being with you for this important committee session. As one who takes great pride in sponsoring the bill which brought the Institute of Gerontology into existence, I offer you a special welcome to our district and the University of Michigan and call your particular attention to the significant work of Dr. Donahue and her associates.

Congressman MARVIN L. ESCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 17, 1967.

DEAR MR. CHAIRMAN: I very much appreciate your letter of July 11 informing me of the activities and schedule of the newly established Subcommittee on Retirement and the Individual. Also for the invitation to the proceeding to be held in Detroit on July 26.

As much as I would like to attend, I very much regret that due to a previous commitment here in Washington I cannot be in Michigan on that date.

Your thoughtfulness in extending to me this invitation is very much appreciated.

With every good wish,

Sincerely yours,

JOHN D. DINGELL,
Member of Congress.

Senator MONDALE. Our first witness will be Mr. Andrew W. L. Brown, who is representing Walter Reuther today.

**STATEMENT OF ANDREW W. L. BROWN, ASSISTANT DIRECTOR,
COMMUNITY SERVICES AND RETIRED WORKERS DEPARTMENT
OF THE UNITED AUTOMOBILE WORKERS UNION, ACCOMPANIED
BY BURTON B. BENDINER, CONSULTANT, SOCIAL SECURITY
DEPARTMENT**

Mr. BROWN. Senator Mondale and your associates, I am indeed sorry and so is Mr. Reuther very sorry that he could not be present. Up until 11 o'clock today it appeared that Mr. Reuther would be able to be here because he wanted very much to have the opportunity to discuss with you and your committee some of the problems related to the individual and early retirement. I think you are aware as we are all aware of the sad experience that Detroit has had in the last few days. It would appear to us that we have now to go to work, pick up these pieces, and to develop a progressive program to rebuild the city of Detroit. That is why Mr. Reuther did not come here today, because he is looking at these problems and trying to work with the city administration and with other people in the Nation to see what we can do to pull ourselves together in Detroit and to develop the kind of programs which Detroit needs to meet the problems of our citizens.

As you know my name is Andrew W. L. Brown. I am the assistant director of the Community Services and Retired Workers Department of the United Automobile Workers union. I have with me Mr. Burton B. Bendiner who is a consultant with our social security department and who, if you please, would like the opportunity to enter into the discussion with us as we move ahead.

I am not going to try to read all of Mr. Reuther's statement because it is lengthy. I am sorry, too, that we did not get this to you ahead of time so that you would have an opportunity to study it more carefully but again our people were not at work on Monday. We had hoped to have it on Monday and to send it to you. We do welcome the opportunity to talk about these problems with you in support of developing a sound national policy which our Government would pursue.

The UAW, I am sure you are aware, represents at least 500,000 families and members in the Michigan community and beyond that we have 1,016,000 members and their families all across the country in large communities and in small communities alike. At our last collective bargaining convention in Detroit, the UAW delegates said that they were deeply concerned with the problems of retired members and members to retire in the future and that this was going to be one of the top priorities of our demands in the negotiations that we are pursuing at the moment.

The UAW members are deeply aware, of the problems which face people when they retire—problems of insecurity, problems of chronic illness, problems of poor housing and the many other kinds of problems that retirees are subjected to. We know, too, that there is a growing number of retired people in our Nation and that this trend is going to increase. While we recognize that the committee here is studying the problem of public policy related to early retirement and the individual, however, I am sure that you are aware of the fact that we cannot really talk about the problems of early retirement unless we talk about the kind of financial underpinning that it will take to meet the economic problems of retired people. As a matter of fact, I think you know that Mr. Reuther testified before the House Ways and Means Committee and he presented to that committee a comprehensive program as it relates to the social security program which included not only the maintenance of income but also medicare.

I think it is important that we recognize the serious plight of our older people in the Nation. About 23 percent of the retired worker beneficiaries are receiving monthly benefits of less than \$50 a month and almost half of them are receiving less than \$75 a month. So it is important that our Senate and House committees give careful study and begin to develop a comprehensive program which will truly meet the needs of those who are retired. It is true that in medicare we did make a giant step in relationship to health care but there are many problems which still exist that we have to deal with, and we hope that not only the House but the Senate will consider these very carefully.

The UAW recognizes the importance of the changes that have taken place in the last 50 years as it relates to older people. No longer do we have the multifamily home. Grandpa does not stay in the home any more; there are not many homes that are big enough to house a family plus grandpa and grandma. We have a great deal of difference now, changes in technology and many changes in the society, as compared to 50 years ago.

A GAP IN COMMUNICATIONS

We also note that many of the people who are over 60 today are the people who went through some very, very difficult experiences; they went through two World Wars and then went through a very serious depression. We notice that there is a big gap between the older people

and the younger people in our country. As a matter of fact, we note that even within our union. Many of our people who are over 60 remember the great struggles that we had, to organize a union; to raise the living standards of our people across the country; to get better kinds of pensions; to get higher wages, and better working conditions. The fellows who are coming into the plants today think that these gains just happened and they just do not have an understanding of the great struggles to achieve these gains. There is a tremendous communication gap in our view between our older workers and our younger workers today.

It is also true that factory workers tend to have fewer relationships with organizations than perhaps other people in the national community. They are members of their union, they join their church. They do not tend to have other kinds of organizational outlets that other groups have. So there are serious problems of income, health, organizational relationships, and a gap in communication between the older people and younger people.

However, I would like to indicate that the picture is not entirely a bleak one, that our union has been doing a number of things which I think might interest you. We have developed retired workers' centers in different parts of the country. These centers have made it possible to develop meaningful leisure time activities for UAW and non-UAW retired workers. Our general philosophy is that as the community goes so will our UAW members. Therefore, we have joined with Government and with voluntary agencies in order to establish these community centers which will be available to UAW people and to non-UAW people alike.

We also took some significant strides in our last constitutional convention. Many of our retired workers did not feel that they were close enough to their union even in the development of our retired workers' centers and other programs, so last year the constitution of the UAW was changed which made it possible for UAW retired workers to establish retired workers local union chapters where there was a membership of 25 or more and to develop communitywide area councils, regional councils and, finally, to create an advisory retired workers council at the national level to discuss their problems with the members on the international executive board of our union.

We also established in that program the fact that the retired workers local union chapter could place a person on the executive board of the local union in order to help to reduce this communication gap and to establish a liaison between the executive board of the local union on the one hand and the retired workers union chapter on the other hand. This program is now in the process of being organized.

We now have 285 chapters around the country. We participate in a number of citizenship activities, medicare counseling activities, community services activities, and education activities. In fact, we recognized the confusion that was arising out of the medicare program. "How do you fill out your form?" "What are the benefits?" "What do people need to do in order to get benefits under the program?" We set up some 30 UAW medicare counseling centers around the country in about 25 locations and we gave service to approximately 10,500 people. Out of that we developed information and knowledge which we presented recently to another subcommittee of the Senate Committee on

Aging chaired by Senator Smathers dealing with the problem of health and dealing with the recommendations that we wished to make in regard to strengthening the program of medicare in the country.

We are helping our retired workers to keep within the mainstream, not to be alienated. We feel that generally the many institutions, both public and voluntary, ought to be making great efforts in this direction also. We feel, therefore, that we ought to develop a national program in this area and we have six recommendations that we would like to make to your subcommittee in regard to this matter.

STRONG DESIRE FOR EARLY RETIREMENT

The first one is that we want to get public policy established so that we will encourage the development of programs which will permit persons to retire early. In other words, we believe that many workers want to retire early. Certainly this is true of the blue-collar worker. I cannot emphasize more strongly the fact that people who work in a plant for 25 or 30 years want to get out of that plant at the earliest possible time. Basically the reason they have not gotten out of these plants is because, along with that desire to leave the plant, they need to have an adequate income upon which to live when they leave the plant.

Sometimes people have said that our older people don't want to retire. I can assure you that the experience that we have had would indicate that they do want to retire. We do feel, however, that people ought to have the right to determine when they want to retire and this stipulation of choice has been a prime point in the UAW's early retirement program which has won for our members in the major automobile and agricultural corporations the availability of assured income through our supplemental allowances of \$400 a month at age 60 after 30 years of service until full social security benefits are payable.

There are, however, two limitations to this. The allowance cannot exceed 70 percent of the retiree's last monthly wage and the employment market is closed to him for up to annual earnings of \$1,500. We also make it possible for retirees at the age of 55, provided they have 30 years of service, to retire with reduced benefits if the combination of their age and years of service equals 85 points. As I indicated previously, the interest on the part of the retirees and retiring early is very great.

Senator MONDALE. Your program places an outside earnings field then of \$1,500?

Mr. BROWN. Yes.

Senator MONDALE. Which if it is exceeded results in a loss of the annual supplement payable until age 65?

Mr. BROWN. Yes.

Senator MONDALE. Do you feel that the earnings limitation has been effective in preventing early retirees from seeking outside employment; and with the accent being upon earlier retirement, does not the restriction upon earnings promote inactivity upon the earlier retiree and make the retirement adjustment a more difficult one?

Mr. BROWN. Let me answer the second part of your question first. I think you will get the answer to this, as a matter of fact, when you hear some of our retirees testify today. We have invited about seven or eight of our retirees who have retired on the early retirement who, I think, would like to tell you about the problems and about the

promise of early retirement. In regard to the activity of the retirees—and this has been indicated in our union by the kind of program that they want to develop—there does not seem to be a problem of lack of activity. If the community develops programs, we think that we will have no problem. Retirees will respond.

I would like to ask Mr. Bendiner to talk on the first point and that is the question of the \$1,500 limitation and what it has done in relationship to the job factor.

Mr. BENDINER. Well, sir, we have inserted the \$1,500 limit of course after social security. It is interesting to note that at first we had \$1,200 which was in the original act before the amendment and we put in the \$1,500, and I would say that this is a cost factor to some extent, too, in providing the supplemental benefits. This supplemental allowance and part of our early retirement program was worked out in arduous negotiations with the major automobile companies and we do not pretend that it represents the last word in our supplemental allowance and early retirement program. I would say that it is very much in issue today in the present negotiations with the major automobile companies. I would say also that there are a great number of other companies besides the major automobile companies that have negotiated with us on this point and have agreed to the supplemental allowances.

Senator MONDALE. Very well, because in the Congress we are always trying to increase the amount that a person can earn without being disentitled to social security benefits on the ground that the person ought to have that option. Also, I have always thought it a little bit cruel that a person can take in as much income as he wants so long as it is unearned but if he goes out and works and gets a little money and gets above the ceilings and then they start deducting from social security payments—that never seemed right to me, but I won't argue that today.

Mr. BENDINER. I would just say, Senator, that as soon as social security increases it, I understand that there was a report from the House Ways and Means Committee recently and they had boosted this to \$1,680. I am sure that UAW supplemental allowances will keep pace. It is as a matter of fact, a contractual obligation.

Senator MONDALE. Thank you very much.

Proceed.

Mr. BROWN. Yes.

We were talking about the number of early retirees under our UAW contracts. I thought you might be interested in the fact that in General Motors alone during the first 18 months of the supplemental allowance when it was in effect that three times as many employees retired early at their own option as retired early in the 14-year period between 1950 and 1964 which I think is very significant. It indicates the great desire to retire early provided you have the kind of income that makes it possible for the retiree to live decently.

INCOME THE VITAL FACTOR

I think this experience indicates to us that the factor of adequate income for retirees who retire early is of vital importance. We have had an overwhelming response. Another aspect of early retirement I think important is the fact that it does create new job opportunities

for younger men. We, would say, however, that the number of jobs created by early retirement is offset by the speed at which we are moving technologically and this mitigates against the creation of more jobs. When we see that today we have high unemployment rates within minority groups, when you look at the fact that some 25 to 30 percent of the nonwhite teenagers are unemployed, the rate 7 or 8 times as high as the rate for other adults, this is a serious problem. I think that we see this in our major cities across our country today. Early retirement will help but it will not produce the necessary jobs.

Let me suggest as our second recommendation that we eliminate the arbitrary age qualifications in Government programs for retirees. We believe that eligibility of the retired individual in respect to Government benefits, medicare, and favorable tax treatment should not be geared to an arbitrary age of 65. Actually we got the 65 from Mr. Bismarck a long time ago and there have been many changes in our society since that time.

We note that when a child goes beyond 18 that he or she no longer is called a dependent. As a matter of fact, many of us fathers are carrying kids economically way beyond the period that we used to—18 in terms of dependency is no longer the magic number. Compulsory school attendance is going up. The whole question of the societal attitude toward certain inflexibility standards is changing. This is why we believe it is necessary that through our public policy we make more flexible the retirement age. Of course in order to achieve this we do need to have the level of income as such that people really can retire in dignity and security.

SOCIAL SECURITY PROPOSALS

We are recommending, therefore, that Government social security programs reexamine the age of so-called normal retirement and consider in the future dropping it to a somewhat lower age. Based, too, upon our very satisfactory experience in recent years we would urge that consideration be given to providing for optional election of social security benefits for males age 62 and 60 without reducing the cash benefits. We also believe that medicare ought to be made available to people when they retire earlier.

We suggest further that we make available social security benefits for the technologically displaced. I think that you are aware of the fact that there are many men and women who may be in the neighborhood of age 55, even lower than that, who for one reason or another are no longer able to find employment. They really have been displaced by the machine. We believe that the social security benefits should be extended to people in this category. I think you are probably aware of the fact that Congressman Pepper has introduced a bill in the House that deals with this particular question. In our early retirement program for our members we have taken this into consideration for the so-called "burned out person"—the man who is really not able because of health to continue to work.

We believe that we must provide for immediate improvements in the cash benefit payable under social security. We believe that we need to have a minimum cash benefit of \$100 a month for an individual person, \$150 a month for a couple. We believe that we ought to increase now the benefits under social security at least 50 percent. We

believe that in order to achieve this it is absolutely necessary for us not only to finance social security by payments from the employee and the employer but also from the general fund. We certainly urge that we do this as nearly every other country in the world—in the Western World at least—has chosen to finance their social security program in this fashion in order to secure the level of benefits that they need. We will not be able to secure the level of benefits we need unless we achieve a one-third employer, one-third employee and one-third general fund contribution program.

PHASED RETIREMENT AND PRERETIREMENT COUNSELING

We are recommending that we stimulate the initiation of phased retirement program. We suggest either that people might work 3 days a week or reduce the number of hours and in this manner voluntarily taper off employment without the loss of income.

We are also suggesting that the Federal Government stimulate preretirement counseling programs. We endorse Secretary Gardner's program proposal that such preretirement programs should be developed at the age of 40.

We have developed such a preretirement program in conjunction with the Chrysler Corp. In 1964, we sat down with management and worked out a rather comprehensive program not only in the Detroit area but in many areas throughout the country. It was made available to Chrysler workers. The Chrysler Corp., along with our union, recruited people, both man and wife. We also recruited jointly the resource people such as doctors, lawyers, experts in housing, and other kinds of experts. We have sessions dealing with health, income, housing, leisure time, legal matters, and other subjects which I will not detail at the moment. We have found this to be an extremely important, far-reaching, and effective program. We would recommend that the Government encourage and develop programs like this, perhaps not only with labor-management participation but in the community with education and labor-management participation.

Senator MONDALE. We have been exploring this possibility in the subcommittee. Our present belief is that there are very few retirees who have had adequate preretirement counseling, and we should encourage, in some fashion, adequate counseling at the midpoint in a person's life, say 40, to explore with the person his current career because many, as Secretary Gardner pointed out, are psychologically retired—they are working but they are bored and they don't like what they are doing. Maybe they should go back to school, or maybe they should change jobs. A pause there at midcareer to think things through would then help them prepare for retirement through a realization of what is ahead, and an understanding that improved health and improved financial standing make it possible for a person to live as much if not more time in retirement as he spends on the job.

I think preretirement counseling should also have a health component because it seems to be pretty clear that some of the major killers in old age result from long, deeply established habits that cause health deterioration, such as heavy smoking, heavy drinking, overweight problems, and insufficient exercise. Perhaps at this midcareer clinic we could tackle this problem as well, and at least advise the person at that point whether there is still time to do something about

it. We could also advise what is ahead and what can be done. Does that make sense to you?

Mr. BROWN. Yes, we think it does make a great deal of sense, not only the development of clinics like that but the development of useful kinds of programs in the community that a retired worker can become involved in.

The medicare alert program I think was a fine example of the kind of project which was useful to senior citizens in terms of making sure that they got the benefits of medicare and that they signed up. There are many other such programs which should be developed.

The program that I mentioned—the UAW medicare counseling center program—should not be done solely by the UAW. This ought to be a communitywide endeavor. I think such communitywide supported counseling centers are still necessary, Senator. I would hope that perhaps you might like to suggest to the committees that make the appropriations that more funds be made available to the Social Security Administration so that they can develop a stronger core of counselors. We think they have done a magnificent job in the year that they have had the problem of dealing with a mass program like medicare but we do know that people really don't understand. They are confused. The strengthening of the Social Security Administration with counselors would be extremely helpful. We do agree with you that the development of a community approach to a midlife preretirement clinic would be extremely helpful.

Did you want to make a comment on that, Mr. Bendiner?

Mr. BENDINER. An integral part of our Chrysler UAW cooperative program on preretirement planning covers health problems very much, Senator, as well as problems on their pensions, insurance, and various other things, including living arrangements, but health has been a major factor.

COMPREHENSIVE HEALTH CARE PROGRAM

Mr. BROWN. We also would like to recommend that we develop a comprehensive health care program for retired persons based on improved medicare. Now we have talked a little bit about that already but certainly we know that medicare is only paying about 40 percent of the patients' bills. We need to drop the deductibles if we are going to break the economic barriers that stand in the way of adequate health care because you know we can do all the health counseling we want but if there is not access to health facilities and programs, then it is not going to help very much. So we believe that we must change medicare so that people will not have economic barriers in front of them in securing medicare benefits.

We also know that elderly people generally like to stay in their own home communities and prefer to live in their own homes. We think that rather than encouraging a program of having people go into institutions, we ought to develop the kind of ancillary facilities and programs which will help to keep people in their homes as long as they want to stay—home nursing care, home care programs, meals on wheels, so that people will not have to feel when they get to be quite old that they have to leave their own home—the place they understand and feel is theirs with their own family around them and go into a cold institutional setting.

STATE AND LOCAL COMMUNITY PROJECTS

We also have alluded already to the need for the program which Senator Williams of New Jersey has promulgated in his bill. The need for the development of programs at a communitywide level for retirees; that is, making available funds to State and local communities and cities, to develop meaningful projects which will meet the needs of those who are retired.

We also feel it is important that we expand the present housing program for the elderly. We really have not met this need at all.

We note that under the latest amendments to the low-rent public housing program, the Federal Housing Acts of 1964 and 1965, fewer than 120,000 housing units or only about 1,900 housing projects have been designed specifically for retired and older people. When we say specifically for retirees we mean no stairs. We mean kitchens and bathrooms that minimize the need for bending and reaching; designed specifically to meet the needs of the older people.

We really have not done enough in this area. Many other countries which are less affluent than we are have done a good deal more than we have. We feel that it is necessary that we do a good deal more in the integration of planning for older people in the new model cities program. We would urge that we make a strong effort to get back the rent subsidies which we have lost apparently for the moment by the failure of Congress to act.

We must provide the opportunity for older people to be involved in the planning of these programs because retirees tell me they don't want to be stuck alone nor, on the other hand, do they want to be put in the midst of a lot of noisy youngsters.

I think it is interesting to note that in an area in Florida a project was developed there in which families with children lived on one street and then retirees lived on the next street so it was alternating, so that the retiree could feel and see the youth but did not have to take all the noise at the same time. We might think of that kind of approach in our model cities approach.

I am sure that I could go on at great length about the kinds of things that we need to do to meet the needs of older people, but I think that I have given you a brief outline of the areas that we have been concerned with—the kinds of innovations that we have tried in developing programs to meet some of these needs; the early retirement program, the development of our retired workers center program, the development of the preretirement program with Chrysler and other corporations and our new retired workers program. We believe that this committee can make a very important contribution in its recommendations to the Senate and can assist in making the life of retirees more fruitful in the years ahead.

We certainly appreciate the opportunity to come before your committee. Again I am sorry that Mr. Reuther could not be here.

Senator MONDALE. We certainly understand. We are most grateful to you for your very fine testimony. Once again we see an example of the continuing progressive leadership of the United Auto Workers which we have come to expect and take for granted over the years. As I say, we are most grateful to you for this contribution.

One of the unique elements of your experience is the early retirement effort and your special incentives. I gather from your testimony

you feel that this has worked out satisfactorily. Your experience has been that without any doubt at all, if incomes permit, your members would prefer to retire early, and you don't see much evidence that they would rather stay on the job.

Mr. BROWN. Certainly we believe that the choice ought to be theirs. It is also true that our members want to retire early. We see this in our experience. If you notice the growth in the past year. It is fantastic. As long as the income level really begins to meet the needs of our members, then I think our members want to retire. I wish I had thought to place in the testimony a speech which one of our members made to our last convention, a man from Cleveland. He got up and he talked about how great it was to be retired under this kind of a program. He was telling the fellows, "Dont cry for me; you fellows will enjoy it just as much as I do." He feels that he is part of the community, part of a union, and is not alienated.

Senator MONDALE. What effect, if any, does this early retirement program have on the quantity, the quality, and the cost of production of the affected companies? Have you made an analysis of that or do you have some observations?

Mr. BENDINER. Senator, I don't know that any particular study has been made since our early retirement program has been in operation. We have had as far as I know no complaints from the automobile or major parts companies on this score. I would like to point out if I can, it is in the testimony, about this amazing growth of early retirees. I think if one thing is proven here, it is that people will retire from an arduous job if they have adequate income, at least in the automobile industry.

UAW SUPPLEMENTAL ALLOWANCE

The UAW supplemental allowance became effective September 1, 1965. Now in the previous year from September 1964 through August 1965 before the allowances became active, 4,280 employees of the four major automobile companies retired before age 65. In the year beginning with September 1965 when the supplemental allowance benefit became payable, more than four times as many or 18,547 automobile workers retired before age 65. Now this is an amazing thing. Of course, I realize that a number of people waited until the supplemental allowance became effective, but even so it is quite a significant growth.

Mr. MILLER. Mr. Bendiner, these figures that you have just cited, the 4,280 and 18,547 respectively, these are people who had attained the age of 60, is that correct?

Mr. BENDINER. No. It could include people who were as young as age 55.

Mr. MILLER. In other words, they can retire at 55 if they have 30 years service?

Mr. BENDINER. That is right. When I say that our supplemental allowance has been misquoted in the press a good deal, I mean that the supplemental allowance has been quoted as a straight \$400. Now, in the first place, this \$400 figure is \$400 at age 60 after 30 years of service and if a person is younger or has had less than 30 years it is reduced. It is \$400 at age 60 after 30 years of service.

For example, at age 55, it is \$200 after 30 years of service but this, remember, stops the moment full social security becomes payable. In addition to that, as Andrew Brown has pointed out to you, there

are limitations. There is a 70 percent of wage and, of course, you cannot go out and earn more than the social security limitation on maximum earnings of \$1,500 at present. But despite that, despite these limitations of this supplemental allowance there has been an enormous increase in our early retirees.

Mr. MILLER. Now you say that this \$400, let us say, for the one group stops when social security becomes payable?

Mr. BENDINER. Full social security, sir.

Mr. MILLER. Yes. Now they do not drop from the \$400 down to just their social security benefits, do they?

Mr. BENDINER. They do.

Mr. MILLER. They do?

Mr. BENDINER. They then get their social security plus their normal retirement benefit.

Mr. MILLER. Yes.

Mr. BENDINER. Now the normal pension in the UAW at present is \$4.25 per month for each year of service so that if a man had 30 years of service he would have \$127.50. If he had 25, I think it would be \$106.25. This is in addition to social security, but this still is a drop from the \$400. We figure that average social security for a person with that many years of service and who has been making the maximum all along would be about \$136. Now you have \$136 and, say you have another \$127.50. This is \$263.50, a drop from \$400.

Mr. MILLER. For some people, at least they would receive less than the \$400 at age 65.

Mr. BENDINER. Yes, most of them.

Mr. ORIOL. Just a point or two. In a UAW study a few years ago some predictions were made on what would be necessary in the way of social adjustment if early retirement were applied on a broader scale. I think for our record perhaps we can send that excerpt to you and ask for comments on what it would be.

EFFECT OF INCOME ON RETIREE MIGRATION

One thing I wonder about is whether the early retirement at a higher level, what effect that has had in terms of keeping your retirees in the Detroit area? Do you find that given relatively adequate retirement income retirees tend to stay in the area they have lived in all their lives?

Mr. BROWN. I think they tend to do that anyway, but certainly if they get more money there is more opportunity for travel. The fellow, however, that is not receiving very much or getting very much, is going to have to stay generally in his own community anyway. I think it is true that most of our UAW members, not only in the Detroit area, but certainly in the Midwest and the East, tend to stay there.

For example, we have at the moment 4,000 UAW people who are in retirement in Florida. About half of those are living all the time in Florida and half are moving up North in the summertime and staying down in Florida in the wintertime. That is not a large number of retirees when you look at the fact that we have in the vicinity of 200,000 retirees in the UAW. So people seem to stay in their own community. Many of the people that I meet in Florida, because we are organizing our program there, too, many of the people who come there are there primarily for health reasons. It's nice and warm. Up North

it is too cold so therefore people who need such a climate move to Florida.

Mr. ORIOL. Have you ever made a study of the average decrease in income when a person reaches age 65 and is more dependent on social security?

Mr. BROWN. I don't know of one but perhaps Burt does.

Mr. BENDINER. I would say this: That we are, of course, probing the lot of not only our retirees, both early and normal, but their survivors. There is the Michigan Health and Social Security Research Institute of which Walter P. Reuther is president and we have been cooperating with the University of Michigan survey reached at its research studies. There are a number of studies now in progress and we regret that we just don't have the findings as yet for this hearing.

Mr. ORIOL. Dr. Morgan, incidentally, would have been here today but he has sent us some preliminary information which perhaps we can include in the record, Senator.²

Senator MONDALE. Fine.

Mr. BROWN. We will be very happy to make whatever we have available to you when we get it.

RETIREEES DESIRE TO GIVE SERVICE

Mr. ORIOL. I wanted to pursue just a little bit more—there was a mention of it, you just summarized briefly—on the increasing attractiveness of volunteer activity and service programs. Could you tell us just a little bit more about why a man who retires finds a need to give service?

Mr. BROWN. I think most of the UAW members who are retired that are working in our programs are former leaders in the UAW, have been committeemen, have been stewards, and officers in their local union. They have always had a strong feeling of community identification and the development of programs that meet the needs of the community. I think many of them have felt that while they were working in the plant they have not really had the opportunity to do some of the things that they would like to do. When they become involved in our UAW retired workers program they are spilling over with ideas, they are spilling over with concern and are extremely active.

For example, there is the world medical group in Detroit that currently is collecting old hospital machinery, X-ray, no matter what it is. They also receive drugs from druggists. It has gotten so big now that this man and his wife who are running this program now have a huge warehouse. They are not UAW retirees, but what they are doing is asking other retirees to assist them in repairing this equipment. The electrician who knows something about the X-ray equipment will go in and assist. Many of our retirees are starting to work on these kinds of projects.

The UAW medicare counseling program was a natural for these fellows because they had been used to representing the worker with management and now they were representing the worker with the doctor. I might say to you that we have had a rather difficult time with the doctors in the medicare program; that is, on the question of billing. As you know, the doctor can do it both ways. He can bill the

² See app. 3, p. 587.

individual. If the bill is \$1,900 and the poor fellow has only \$700 in the bank, if he is lucky, he has to go out and borrow money to pay the doctor and then the retiree has to send the bill to social security. The doctor can take an assignment. I think that you are aware of that.

We have been trying to negotiate so that the doctor will bill the medicare agent not the retiree through our UAW Medicare Counseling Service. We are trying to represent the individual, to see to it that he gets what is in his community or national contract. Therefore, many of the people who have been serving as counselors are just transferring their knowledge and understanding which they received in the bargaining process over into this area and they enjoy it. They want to develop different kinds of educational programs and a variety of different kinds of activities.

Mr. ORIOL. Would the fact that you have a well established center program have a lot to do with it? I visited Parkside Center in Detroit when I was here last and I was impressed; it was 11 a.m. on a weekday and that place was just full of busy people.

Mr. BROWN. Right. I think the concept of the center program, the self-governing, the looking at the needs of the individual retiree is important—for example, our centers have a sick visiting committee which goes out and talks with people who are not able to come to the center. They develop all kinds of leisure time activities. Yes, I think this is certainly part of it. I must say that I think really the basic reason is that the fellows have been involved in this union for a long time; that they really want to make a contribution to the community and that whether they make their contribution in the center, through a legislative program, through a community services program or through an education program, they are geared in this direction. I think part of it is the responsibility and the whole feeling that the UAW member has developed toward his relationship with the community.

Senator MONDALE. I think if we are going to handle what is a very tight schedule this afternoon, we have to move on to our next panel. We thank you and the auto workers for your excellent testimony. It will be very helpful to us.

Mr. BROWN. Thank you very much, Senator Mondale.

Before I leave the table, the brother who came up is Brother Jim Brown, a member of our staff with the community services and retired workers department.

Senator MONDALE. Thank you.

Mr. BROWN. Thank you very much for making it possible for us to testify.

(The prepared statement of Mr. Reuther follows:)

PREPARED STATEMENT OF WALTER P. REUTHER, PRESIDENT OF THE INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW)

My name is Walter P. Reuther. I am President of the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW). While approximately 500,000 UAW members live in Michigan, our 1,600,000 members live in almost every major city, and in many of the smaller communities in every section of our country.

I welcome this opportunity to appear before your Committee because the five million people in UAW families have repeatedly and consistently demonstrated their deep interest in and concern for the development of a sound national policy leading to effective retirement and pre-retirement programs.

As recently as our special collective bargaining convention of this year our membership expressed the conviction that effective retirement and early retirement programs needed to be placed high on the priority list of our union's goals.

UAW members are keenly aware that the lot of the retired person, particularly the retired worker, often is an unhappy one. Frequently his life in retirement is complicated by financial insecurity, chronic illness, and isolation from the mainstream of present day society. This is no longer just an emerging problem but an urgent one. The number of Americans age 65 and over is growing fast; it is expected to reach 22 million by 1970. It is estimated that 78% of this segment of our population will be outside the labor force by 1980.¹

This Committee I believe is primarily concerned with public policy questions related to non-economic needs of older persons. I know you recognize, however, that little headway can be made in meeting these needs until there are sound financial underpinnings in the lives of persons who have reached retirement status. In my recent testimony on H.R. 5710, 1967 Amendments to the Social Security Act, before the House Ways and Means Committee, I had occasion to point out some stark facts about the low income of retired workers and their families.

To pinpoint just one—about 23% of retired worker beneficiaries are receiving monthly benefits of less than \$50 a month and almost one-half of them receiving less than \$75 monthly.² Small wonder then that by even the latest revised standards set by the Social Security Administration and the Office of Economic Opportunity, it is estimated that there are at the very least about three million, six hundred thousand aged persons in this country living below the poverty level.³ Until we come up with a more adequate income for retirees, little or nothing can be done to make their declining years productive and meaningful.

It is equally true that the pressing health needs of the elderly must first be met. Medicare has been a giant step in the right direction, but it is not the full answer by any means. It is a truism that the need for medical care mounts consistently with age. The elderly have the accumulation of the problems of chronic illness. They use many more physicians' services, hospital services, prescription drugs, nursing homes and other health care facilities and services. This is understandable for they are the chief sufferers from heart and circulatory illnesses, disabling arthritis, and the lung diseases, particularly emphysema.⁴ Indeed, poor health itself is frequently given as a major reason for early retirement. But without decent health programs available to the aged, such retirement for them frequently ends up in a nightmare of suffering, sickness and frustration rather than in enjoyment of the fruit of a lifetime of productive work.

Our society still has a long way to go adequately to meet both the economic and the social needs of the retirees.

As I talk to our members in the UAW, I sometimes feel that the reason they place such high priority on planning for retirement in our collective bargaining negotiations is because almost without exception this problem confronts them in direct and personal ways. If they are 45 or older they are beginning to be concerned about arrangements which will protect their futures in retirement; those in the younger group are faced with the worrisome concerns of planning for the care of their own elderly parents or grandparents.

I wish to emphasize to the Committee, therefore, that its concern for the problems of the retiree is a concern shared by members of our Union regardless of age.

The day of the multi-generation family in America has largely gone. The big old house in which parents, grandchildren and grandparents lived together, shared in activities and supported one another financially and emotionally has gone. This is as much a loss for the grandchildren as it is for the grandparents, for the youngsters lose the richness of the ties with the past and the pleasures of experiencing the affection, the wisdom and the available free time of the older persons.

¹ U.S. Bureau of Labor Statistics, 1965 Cooper & Johnston.

² Statement of Walter P. Reuther, president of UAW, before Committee of Ways & Means of U.S. House of Representatives concerning "The Social Security Amendments of 1967."

³ U.S. Statistical Abstract, 1966, Office of Economic Opportunity Revised Standards, 1965 Social Security Administration Bulletin January 1965.

⁴ Health Care & Health Services For Aged, Western Gerontological Society, 1965, Shanas; Lockheed-California Retirement Counseling, Gerontologist, Vo. 5, No. 3 Davidson & Kunze, Sept. 1965.

The increasing stresses within our society, a value system which places unfortunate priority upon the ever-widening acquisition of material things, improvements in transportation, have all acted as forces to reduce the time that families spend together and to widen the gaps between the older generation and the younger one.

We must not forget that the generation of Americans past 60 was seared by the bitter experience of the deprivations of a major depression and by two world wars. In affluent America most younger people, with the important exception of those from minority groups, know little about this past and have even less understanding of how it shaped the values and the attitudes of their elders.

We note a similar gap within the Union movement. Many of our retired members are among those who worked under close to intolerable conditions in the factories in this country. They built our Union and the labor movement out of conviction and sacrifices. They provided for the younger generation working conditions and worker protections far different from those they found when they went to work. The young worker comes into the plant today and usually takes these improvements for granted. Here too we have a communications gap on which we are working.

We note, too, that factory workers generally have far fewer organizational affiliations than their white-collar and executive counterparts. They are not the joiners and the leaders in the proliferation of clubs and organizations which characterize our country. Their major affiliations are with their churches and their unions. What affiliations they have tend to become even fewer as the retirement period continues and age increases.⁵

But the situation is not all bleak. I am pleased to report that substantial numbers of the two hundred thousand UAW retirees participate actively in our Union's programs. Many of these retirees are among the more vigorous and articulate members of their local unions in which they retain membership and voting rights.

The UAW pioneered in setting up Centers for retired men and women. These services were designed to enrich the retirement years by providing opportunities for continuing education, balanced recreation, service to the community through volunteer work, supportive help when needed with individual problems arising out of retirement in our society, and organized opportunities for influencing social action and policy.

The basic problem of retirement dealt with first, through the Center service, was the alleviation of loneliness. Today the Centers are a part of the broad community services picture and the UAW, along with other community agencies and institutions, continues to give support and direction to their development. The Centers have become partners with universities and colleges in training students who will become workers in the field of gerontology whether it be research or practice. Attached is a copy of a typical monthly program at one of our UAW Centers showing the type of recreational and educational activities in effect. (appendix "B")

At the UAW's Constitutional Convention in 1966, we adopted a new form of retiree organization to make possible the development of the local UAW retired workers' chapters, organized in association with our local unions, and further grouped into area or regional councils. In a very short period of time 285 such chapters have been organized and more than 40% of our 200,000 retirees have formal chapter membership.

Our retired workers chapters take a lively interest in the Union's programs and goals, which they discuss vigorously and support in many ways. These chapters are very action minded. They are eager to learn about social legislation at the federal, state and local levels. In many instances they have done a great job in undertaking letter-writing campaigns, button-holing legislators, and door bell ringing to solicit citizen support for programs which they believe will help their communities.

Our retired workers' chapters were instrumental in organizing and operating our unique short-term project in Medicare counselling. Our Union was deeply concerned about the thousands and thousands of older persons who needed help (1) in understanding the Medicare benefits when the program was first announced, (2) in qualifying for eligibility, (3) in dealing with physician overcharges, and (4) with occasion bureaucratic procedures in either Social Security

⁵ Cross-National Study of Adjustments to Retirement Committee on Human Development, University of Chicago, "Gerontologist" Vo. 6, No. 3 Pt. I, Sept. 1966.

or in the insurance carriers who were acting in behalf of Social Security. Accordingly, we opened 25 Medicare advisory centers throughout the country, trained in counselling a group consisting primarily of our own retirees, supported them with competent technical help from staff and made the advisory services available to all elderly citizens in the communities where the centers functioned. In a few months we provided many thousands of services. The established agencies are now largely able to handle the load but we are proud not only of the services rendered to the communities in behalf of the Medicare program, but of the fact that to a large extent the services were provided by our own retired members.

The lesson, I believe we have learned from this is that UAW retirees are in many instances able to remain closer to the mainstream of our present-day society because of their identification with their Union. There is a feeling of meaningful participation in activities in which they and others have a stake, and a wish to advance a social institution of which they were architects and builders.

The problems of the retired persons in the United States are numerous, and unless we take prompt steps to resolve them, they are likely to grow, if for no other reason than the number of retirees is growing and their span of years outside the workforce is increasing too.

We recognize that the very creation of your Committee represents an expression of public concern for the development of a national policy of planning and programming for the aged. We commend this emphasis for we believe it is an important directional sign required for the future. We would like to commend to your attention some six recommendations for incorporation in a national program for retired persons.

Recommendations for a National Program

RECOMMENDATION I: ENCOURAGE THE DEVELOPMENT OF PROGRAMS WHICH WILL PERMIT PERSONS TO RETIRE EARLY

A free society should be constantly seeking to provide wider choices for the individual to select among options which would enable him to lead a richer and more satisfying life. The choice of whether to remain on the job or, after a lifetime of hard work, to retire on an assured adequate income, must be the right of all American workers. By adequate income we mean one that is realistic in light of today's living costs. We in the UAW can give substantial and fascinating evidence that many American workers, particularly those who labor at the monotonous and wearing tasks of mechanically paced automated machines, are eager to retire earlier than the arbitrarily arrived at age 65, especially if they are enabled to retire with a decent income. We believe that such a choice should be made available to all elderly Americans.

This stipulation of choice has been a prime point in the UAW's Early Retirement Program which has won for our members in the major automotive and agricultural companies the availability of assured income through our Supplemental Allowances of \$400 a month at age 60 after 30 years of service, until full Social Security Benefits are payable. There are, however, two limitations; the allowance cannot exceed 70% of the retiree's last monthly wage and, while he is receiving these supplemental payments, the employment market is closed to him except for annual earnings of up to \$1,500. In addition to these Supplemental Allowances there is no reduction in the Normal Benefit on earlier retirement between ages 62 and 65.

In addition, members covered by these contracts may retire with reduced benefits as early as age 55 providing they have 30 years of service; they may retire between ages 55 and 60, with reduced benefits, if the combination of their age and years of service equals 85 points.

Our experience has convinced us that this early retirement program can and should be strengthened, particularly with regard to improving the benefit payments and building in adjustments for both improvements in the standard of living and increases in the cost of living. These improvements we hope to achieve in our current negotiations with the major automobile companies.

We seek to improve and extend these early retirement programs, for our older members by their actions have demonstrated their wish to use fully the opportunities for voluntary early retirement.

The UAW Supplemental Allowance became effective September 1, 1965. In the previous year, September 1964 through August 1965, 4,280 employees of the four

major automobile companies retired before age 65. In the year beginning with September 1965 when the Supplemental Allowance Benefit became payable, more than four times as many, or 18,547 automobile workers, retired prior to age 65.⁶

In General Motors alone during the first 18 months the Supplemental Allowances were in effect three times as many employees retired early at their own option as retired early in the 14-year period 1950-1964.

In promoting its Early Retirement Program, the UAW has been careful to leave up to the employee whether he wishes to retire or stay on the job. The important point, as we see it, is to have available to the worker an adequate income should he wish to retire. The response has shown that a substantial number of our members choose retirement when they feel that they can afford to do so.^{6a}

This experience, I realize, flies in the face of some theories, long held by specialists in the field of aging, regarding work satisfaction and the worker's desire for a disciplined daily routine. We can safely say, however, that at least in the automobile industry, workers will retire at the earliest opportunity from arduous or monotonous labor, if they can be assured of an adequate income.

The success of this UAW policy on earlier retirement has been two-fold. Not only has it made it possible for employees to retire with some security after long years of hard work but the overwhelming response has created new job opportunities for younger men. As a result of the program, over 22,000 older workers in the automobile industry thus far have voluntarily withdrawn from the workforce since September 1964 (the beginning of our current contracts) making job openings available for younger men with growing families.

In light of the UAW experience in the creating of job opportunities, the results of such an earlier retirement inducement program for the nation as a whole might have a salutary effect on our unemployment figures. In recent years we have been tempted to congratulate ourselves on our 3.5% to 4% unemployment. Even this over-all unemployment rate is far too high and it conceals a much worse situation among young people and minority groups. In May 1967 over-all unemployment amounted to 3.8 percent. But unemployment among nonwhites was twice as high at 7.8 percent. The unemployment rate for teenagers was more than three times as high at 13.2 percent and the unemployment rate for nonwhite teenagers was nine times as high as the over-all rate at a shocking 34.1 percent.⁷ There continues to be a national imperative to do everything we can to create new opportunities for work.

A. Eliminate arbitrary age qualifications in government programs for retirees

To achieve the objectives of a sound Early Retirement Program for the country as a whole would require a number of modifications in public policy. Eligibility of the retired individual in respect to government benefits, Medicare or favorable tax treatment, should not be geared to an arbitrary age such as 65. This is an inheritance from Otto von Bismark's concepts of Social Security and social welfare. They are not particularly germane to the U.S. nor are the objectives he enunciated particularly acceptable to the American people.

As far as I can determine, there is nothing magic about the age 65, nor is there a great deal of evidence from human biology or social organization which mandates that we remain with this as the appropriate retirement age.

For a long time in this country we operated on the concept that if a child passed the age of 18 he could no longer be a dependent even if he was still in school, as many are today. But with time this has changed and even our Social Security system now has been modified to recognize that a surviving child should be eligible for government support under Social Security if he is under age 22 and a full time student.

The mandatory maximum age for compulsory school attendance has consistently been raised in this country as our standards have been changed.

It seems to me that we are now close to a national consensus that the time has arrived to lower the so-called normal retirement age from 65. This might be done in steps over a period of time but certainly the most affluent society in the world should be prepared to make it possible for people to retire voluntarily

⁶ "First Year Experience with Early Retirement Programs—U.S. Auto Companies", M. A. Glasser, December 19, 1966.

^{6a} A statement is attached (Exhibit A) describing a study being conducted by the Michigan Health and Social Security Research Institute (of which I am President) and the University of Michigan Survey Research Center of factors which affect decisions of UAW members to choose early retirement.

⁷ U.S. Department of Labor Monthly Report On Labor Force, June 1967.

at ages when both husbands and wives are still alive so they may share in retirement and be well enough to enjoy a new and more leisurely form of life.

In the industries with which I have been associated all my life it is particularly desirable that earlier retirement at a decent level of income be made available. The automobile or agricultural implement worker who bucks the assembly line day in and day out for 30 or more years has not had a life comparable to the man who goes to the office and performs white collar tasks. The tensions and pressures of the assembly line and the physical drains are such that the same norm should not be applied. This we now recognize in our collective bargaining agreements with the major manufacturing companies. I believe that it is sound social policy that there be similar recognition in government Social Security programs, not only for members of our own Union, but for workers in manufacturing plants throughout the country, whether they are fortunate enough to be union members or not.

Accordingly, I would recommend that government Social Security programs reexamine the age of so-called normal retirement and consider in the near future dropping it to a somewhat lower age. Based, too, upon our very satisfactory experience in recent years, I would urge that consideration be given to providing for optional election of Social Security benefits at age 62 or 60 with unreduced cash benefits.

Allied with this would be two other considerations: First, providing comparable eligibility for Medicare and, second, maintenance of a Social Security earnings maximum. What should be encouraged here is a voluntary early retirement and, of course, no return to the workforce in another, possible substandard, job.

B. Make available a new Social Security benefit for the technologically displaced

Over the years the American people through their Congress have demonstrated humanitarian concern for the physically disabled. This has been reflected in benefits provided in the Social Security program, as well as in negotiated pension programs such as those in which UAW members participate. The time has now come, I believe, to demonstrate equal concern for the technologically disabled and to provide equal protection against its hazards.

A new category of retirees should be established under the Social Security Act and recognized in private pension plans to provide benefits for those who are unable to obtain suitable employment, but who are not old enough to retire. The advancing pace of our technology frequently results directly or indirectly in long term unemployment of older workers.

After such people have exhausted their unemployment compensation and similar benefits, they should be eligible for Social Security benefits computed in the same way as if they were disabled. Continued eligibility for such benefits would be subject to reasonable tests of the individual's availability for work which is suitable in the light of their education, skill, training and experience. This Committee may be interested in reviewing H.R. 6159 introduced by Congressman Pepper at the First Session of the 90th Congress, which puts this proposal in simple legislative form.⁸

The UAW itself has helped to meet the problem of the "burned-out" employee by negotiating its Special Early Retirement Benefit for workers who may be retired at the Company's option, or under mutually satisfactory conditions where they meet specified standards concerning health problems, unavailability of work or where the job operation has been eliminated. The benefit in these cases consists of a full, unreduced benefit based on credited service, plus a temporary benefit which is payable until the employee is eligible for full Social Security.

C. Provide for immediate improvements in cash benefits payable under Social Security

If the opportunities for early retirement are to become real for all elderly persons as they are beginning to be for UAW members who have negotiated pensions available to them, a number of immediate improvements must be made in Social Security benefits. Among them, three take the highest priority:

- (1) A guaranteed minimum monthly benefit as follows:
 - (a) \$100 for a worker retiring at age 65;
 - (b) \$100 for a disabled worker or a technologically displaced worker;
 - (c) \$150 for an elderly couple, both age 65 or over.

⁸ H.R. 6159, Bill to Amend Title II of Social Security Act—re Disability, Feb. 27, 1967, Pepper.

(2) An immediate increase of not less than 50% in current and prospective benefit payments applicable throughout the range of covered earnings.

(3) Provision for automatic adjustments in benefit payments to reflect not only upward changes in consumer prices but also to enable beneficiaries to share in the growth of American economy as evidenced by advances in real wages and improved living standards.

These proposed increases are substantially higher than current benefits and those proposed in H.R. 5710, which is now before this Congress.⁹ Benefits must be at least at the level I have outlined if they are in fact to encourage retirement and to enable most retirees to live in dignity and decency. I am sure the members of this Committee recognize that in terms of real income the Social Security retiree today has in his benefits some 8% less than in 1954—this despite two benefit increases.¹⁰ The Social Security system will continue to provide inadequate benefits as long as they increase in patchwork and in token manner. Urgently needed significant increases, we believe, are possible and desirable now through initiation of modest general revenue contributions which would progressively increase in the coming years.

Except for the undeveloped countries and those under Communist domination, the United States along with a few others such as Argentina and France is almost alone in depending so heavily on employee-employer financing of social insurance. Among the nations of the world, government participation in sharing social insurance costs is the general rule. Governments regularly contributing from general revenues to Social Security programs include: Australia, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Denmark, Federal German Republic, Iceland, Ireland, Israel, Italy, Japan, Mexico, Netherlands, New Zealand, Norway, Philippines, South Africa, Spain, Sweden, Switzerland and United Kingdom.

The concept of general revenue contribution for adequate financing of social insurance is neither strange nor new. It has been recommended on previous occasions by competent and responsible public advisory groups. President Roosevelt's Cabinet Committee on Economic Security in drawing up the plans for the original Social Security Act anticipated that beginning around 1965, there would be a need for contributions from general revenues. Only last year the "Report of the Advisory Council on Public Welfare" recommended the initiation of substantial general revenue contributions.¹¹

Although there is still a good deal of debate as to what will be the practical ceiling for payroll taxes, the history of Social Security in this country and in the rest of the world clearly indicates that as long as we continue to rely exclusively on payroll taxes, we will never achieve adequate benefits.

RECOMMENDATION II. STIMULATE THE INITIATION OF "PHASED RETIREMENT" PROGRAMS

This nation which has been a leader in technological developments and in medical scientific developments has not done nearly as well in social innovation. It seems to me the time has come greatly to encourage the development of phased retirement programs in industry.

Such programs were recommended by the President's Council on Aging in December of 1963. There continues to be a good deal of interest in them and relatively little experimentation. Our experience in industry over a period of 30 years indicates that there is a great deal that commends itself in a voluntary tapering off of employment prior to retirement as a means of adjustment between full time employment and full time retirement. Such phasing out of the work experience can be invaluable from industry's point of view in that the worker can help train his replacement and from the worker's point of view enabling him and his family to adapt to a new way of life.

I am reminded of the wife's definition of Social Security, which I understand has recently gained a good deal of circulation—"Social Security is twice as much husband and half as much income." The lady in question clearly has two sets of problems which require new adaptations.

If phased retirement is, however, to be successful, either through transfer to less arduous work, partial workweeks or increasing full weeks free of work, it must be accompanied by maintenance of adequate income during the period

⁹ H.R. 5710 Social Security Amendments of 1967.

¹⁰ Social Security Bulletin, June 1967, Vol. 30, No. 6; "OASDI Benefits, Prices & Wages: 1966 Experience", Waldman.

¹¹ Report of Advisory Council on Public Welfare, June 1966.

of adjustment. A prospective retiree planning his retirement budget can ill afford to sacrifice substantial income during the period of adjustment and before pension and Social Security benefits become payable.

I would hope that this Committee will encourage Federal Government study of appropriate modifications in Social Security eligibility requirements which would encourage the inauguration of sound phased retirement programs, and that management and labor together would develop a number of models for phased retirement which would enable the nation to gain the requisite experience on which more wide spread programs of this sort could be based.

RECOMMENDATION III. INSTITUTE GOVERNMENT PRE-RETIREMENT COUNSELING PROGRAMS

The UAW endorses the plea recently made by Secretary Gardner of the Health, Education & Welfare Department for Mid-Career clinics to prepare psychologically those approaching retirement for the changes in living habits when retirement comes.¹² Indeed, Mr. Gardner suggests that such preparation for "one of life's toughest adjustments" as he puts it, should commence as early as age 40.

The UAW has always believed in the concept of pre-retirement planning and has cooperated with management in a number of companies, notably the Chrysler Corporation, in setting up such programs. We know that there is much to be done in this field in labor-industry relations throughout the country, but we also feel that there is more positive acceptance of retirement generally by employees today than there has been in the past.

However, many workers are quite apprehensive about retirement and frequently, despite the imminence of retirement, have no conception of what it means, of what it will consist, or whether or not they will be prepared for retirement financially or psychologically. Obviously, this is the result of little or no planning at all.

Employees resist retirement for a number of reasons other than financial. It is interesting to note that high on this list, according to a recent study of employee attitudes toward retirement, is the fear of loss of group medical and life insurance coverages. This important point is covered in my next recommendation.

Frequently, an important factor in resistance to election to retire is the fear of loss of status through no longer working for compensation. Even when retirement income is adequate, this attitude is found to persist.

Pre-retirement planning programs by bringing out such attitudes and discussing them openly can help in dealing with them. More than this, however, retirement can be made more acceptable when there are meaningful activities available to retirees at levels comparable to their skills, education and experience and when the pre-retirement programs help the retirees to seize these opportunities in retirement. It will be necessary for us to be considerably more imaginative and inventive than we have been until now in providing a range of useful activities for the retired person. Most retirees are ambulatory and are able and willing to become involved in community and organizational activities. "Operation Medicare Alert"¹³ is one illustration of a meaningful new activity, acting as foster parents, providing voluntary social service, serving as school aides, are but a few of the many imaginative programs that this nation should be encouraging to assist the retiree in continuing to lead a useful and productive life which is not necessarily related to work.

The Chrysler Corporation-UAW Board of Administration Pre-Retirement Counseling Program.

In 1964, Chrysler Corporation and the United Auto Workers (UAW) negotiated major improvements in the pension plan, which had major impact on retirees, and which set the pattern for the automobile industry. Both the Corporation and the Union were concerned that employees considering retirement should make their decisions based on factual information with respect to retirement benefits. In addition, the parties recognized that prospective retirees needed to consider other areas beside retirement benefits—health, use of leisure time, living arrangements, etc.

¹² N.Y. Times, Washington, June 7-8, 1967.

¹³ Report of Special Committee On Aging, "Development In Services," U.S. Senate, April 12, 1967.

The program, in operation for the past 2 years, is a joint responsibility of the Corporation and the Union, and is an encouraging example of labor-management cooperation. This cooperation extends from the Corporation and Union members of the Joint Pension Board of Administration, which gives broad direction to the program, all the way to the program discussion leaders.

In developing the Pre-Retirement Counseling Program, the Corporation and the Union recognized that each employee and his spouse must decide for themselves what is best for them. The program, therefore, emphasizes individual planning for retirement. Importance is placed upon both the husband and wife planning their retirement together and also giving serious thought to living useful lives after retirement, even after one of them is alone. Invitations are extended to employees age 55 and over and to their spouses.

The program is conducted at Chrysler locations, UAW Local halls, public libraries, community centers, churches, and other convenient locations in the metropolitan areas where a Chrysler facility is located. There are also periodic presentations in other parts of Michigan beside Detroit, as well as Indianapolis, Kokomo, and New Castle, Indiana; Twinsburg, Ohio; Los Angeles, California; St. Louis, Missouri; Syracuse, New York; and Newark, Delaware.

The program consists of two-hour sessions which are held once each week for seven weeks. Sessions are scheduled during non-work hours. Topics discussed include health problems, pensions, insurance and Social Security benefits, legal affairs of older people, financial planning, living arrangements and the constructive use of time after retirement.

At each session, one Corporation and one Union representative serve as co-discussion leaders. In most sessions they are assisted by a resource person in generating discussion and exchanging ideas and providing reliable information on the topic under consideration. The format of the program and many of the materials used were developed by Professor Woodrow W. Hunter, of the University of Michigan. Materials include films, background reading, case studies, role-playing situations, etc.

The program has been fortunate to have experts and consultants who offer their experience and counsel in a particular phase of retirement. Such professional people as doctors, attorneys, Social Security representatives, housing and living arrangement consultants, and community recreation specialists serve as resource people in the meetings. Participation in the program has been good, and active employees over age 55 in 1965 and 1966, participated, many accompanied by their wives.

I believe a great deal more may be accomplished in retirement counseling for prospective retirees in all industries through government sponsored programs. The Health, Education & Welfare Department's Administration on Aging through the State Commissions on Aging might undertake to conduct a program of regional pre-retirement planning seminars or conferences. The sessions should be on a regularly scheduled basis to obtain the best results.

RECOMMENDATION IV. HEALTH CARE FOR RETIRED PERSONS BASED ON IMPROVED "MEDICARE"

The importance of readily available, accessible, and acceptable comprehensive health services for retired persons cannot be understated, both as an incentive to retirement and an essential to the well-being of our older citizens.

After years of consideration the Congress finally adopted Medicare. It is an important step in the right direction. It still, however, does not go far enough. Reliable estimates indicate that it provides payment of 40% of the personal health expenditures of the elderly, the balance must come from pockets already empty as the result of inadequate Social Security cash benefits.¹⁴

The present co-insurance and deductibles, as well as arbitrary limits on hospital and nursing home stays must be eliminated if this program is to achieve its objectives. Further, it is essential that pre-payment for prescription drugs be added by this session of Congress.

Most of the elderly live in their own homes or with families. There is general agreement that this is the most constructive plan for most of them. Such independent living will be encouraged if comprehensive health services are made fully available on a pre-payment basis. The development of home health services as the results of the initiation of Medicare is an important step in the right direction.

¹⁴ Social Security Bulletin, June 1967, Vol. 30, No. 6; "OASDI Benefits, Prices & Wages: 1966 Experience", Waldman.

These will grow, I am sure. Encouragement should also be given to making available general housekeeping services during a period of convalescence after an illness and to development of programs like "Meals on Wheels."

Finally, pre-payment even on a more adequate level than Medicare is not the whole story. More flexibility is required in Social Security reimbursement formulas which would encourage the further development of pre-paid group practice programs where comprehensive health services can be made available to the elderly through the team approach of groups of general practice and specialist physicians associated with members of the allied health professions.

RECOMMENDATION V. GREATER FEDERAL FUNDS SHOULD BE ALLOCATED TO COMMUNITIES FOR PROJECTS INVOLVING RETIRED PERSONS

I endorse the bill, S. 2877, introduced in the Senate in 1966 by Senator Harrison Williams of New Jersey, which would authorize the establishment of an "Older Americans Community Service Program," under which the Administration On Aging would provide funds and technical assistance to municipalities and counties, as well as States and non-profit private organizations, for community service programs utilizing the talents, abilities and energies of men and women age 60 and over.¹⁵

The retired worker has a stake in the community in which he has grown up, worked and reared a family. Although there has been some trend to relocation, many retirees want to remain in their own homes and surroundings. The reasons for relocation by the elderly have been shown to be health, desire for lower cost-of-living, in order to be with close relatives, and more liberal state or local welfare programs.

I believe, that removing or minimizing the economic problems of our elderly retired workers will do much to discourage permanent relocation and retain the aging within their home communities. Gerontologists have long pointed out the advantages to the elderly of remaining in their own milieu where they have social ties. There is a greater possibility of successful, happier retirement years for the retiree in his own community than if he moves to a new, often totally different area and atmosphere with probable difficulties in making new social contacts. In addition, since he is unfamiliar with the community resources, he has great difficulty in finding satisfactory medical services and health facilities; it takes him longer to find less costly supplies and general services; and he rarely becomes a factor in general community life.

While many of us believe that the home community has a great deal to gain by keeping the older person in the community, we need the incentive provided in S. 2877 to make the home community more attractive. The older citizen has the wisdom of long experience, the perspective of years of trial and error and the time for community work that can mean major strengths to the community in which he lives.

On the other hand, we are also familiar with the fact that in many communities it is the retirees whose children are grown, who frequently cast the votes which defeat school bond issues, community recreation programs and other measures designed to improve the general well being of the community. This is regrettable and also understandable. The retiree living as he does on a very restricted income finds it exceedingly difficult to make ends meet. The prospects of increased taxation, for any purpose, can only be regarded by him as an added threat to his ability to survive. Community programs which recognize his unique roll and his unique needs can change these attitudes in constructive ways.

RECOMMENDATION VI. EXPAND PRESENT HOUSING PROGRAM FOR ELDERLY

One of the more pressing problems of the aged retiree is special housing, particularly in the urban area. While many retired couples or individuals are still able to live in their own houses or with the families of their daughters or sons, a significant number are not so fortunate. The pattern of our society with regard to family responsibility for aged parents or grandparents has changed considerably over the past few decades. At one time elderly parents were assured of a home in their declining years with their grown children. This is no longer the case.

¹⁵ Report of Special Committee On Aging, "Development In Services," U.S. Senate, April 12, 1967.

In view of this social change, the growing elderly population and the more than three and half million aged individuals living below the poverty level, it is imperative that the present low rent housing program, especially that section directed to the housing needs of the elderly, be expanded. We welcome President Johnson's statement in a recent message to Congress on the Comprehensive City Demonstration Program, in which he directed the Secretary of Housing and Urban Development to give special attention to the needs of older people who now live in poor housing and decaying neighborhoods.

We welcome this statement but we do not think it is enough. Under the latest amendments to the Low Rent Public Housing Program and the Federal Housing Acts of 1964 and 1965 fewer than 120,000 housing units, or only about 1900 housing projects, designed wholly or partially for the aged, have been authorized or put under contract in the entire country.¹⁰

What is needed here is the type of housing specially designed for the physical limitations of the aged—no stairs, kitchens and bathrooms that minimize the need for bending or reaching, minimum maintenance, etc. The dwellings should be accessible to transportation and shopping centers as well as to competent health and recreation facilities. Above all, they should not be segregated from the normal community. Often the best results are obtained when several designated floors in one apartment house are allotted for the use of the aged.

The Scandinavian countries and particularly Sweden, have over a period of years done constructive and imaginative work in creating public housing patterns which meet the special needs of the elderly. They include consideration such as those I have already mentioned and are worthy of emulation in the United States.

We in the UAW constantly reiterate that workers must progress with the community and it is not possible for them adequately to improve their well being through collective bargaining alone. The same principle applies to the elderly. The high interest rates in the money markets today have held down new construction and particularly low cost housing with consequent particularly serious implications for our older citizens, many of whom require new housing quite different from that which they had during their working years during which their children were with them. The matter of high interest rates, therefore, is of direct concern to those who would improve the welfare of the aged.

Primarily because of the economic problems involved in recent years in far too many instances when there has been urban renewal and redevelopment, the re-used land has gone not for low income housing such as the aged could afford but for luxury apartment houses and other high cost dwellings. This provides added revenues to cities but forces the elderly, most of whom are at marginal or submarginal economic levels, to compete with others for increasingly scarce low rent housing. I hope increasing efforts will be made to reinvestigate the direct loan program of Section 202 of the Housing Act and Sections 1001 and Amendments 105(b) of the Housing and Urban Development Act which authorize long term low interest rate loans for non-profit organizations and consumer cooperatives for the purposes of sponsoring and constructing rental housing for the elderly.

I hope, too, that the rent supplement program which authorizes the secretary of H.U.D. to arrange for contracts with non-profit or cooperative sponsors to enable the aged and other eligible tenants to pay 25% of the established "fair market rates" with the government paying the balance will be strengthened and expanded through more generous appropriations.¹¹

In endorsing these specific measures, the UAW recognizes that they are but short steps along a long road that must still be followed if the pressing housing problems of the elderly are to approach a solution.

Most of the elderly, as I have stated earlier, live outside institutions and should be encouraged to do so. There are, however, at least several hundred thousand elderly who are physically or mentally not well enough to live outside institutions and whose conditions are such that they are not eligible for Medicare skilled nursing home benefits. These persons require institutional custodial care. Theirs is perhaps the grimmest of the plight of all our senior citizens. We suffer a tremendous shortage of institutional custodial beds. Most such beds when available

¹⁰ Report of Special Committee On Aging, "Developments In Housing For Elderly" U.S. Senate, April 12, 1967.

are in private for profit institutions. Decent care, as thousands of families who each year go through the experience of facing it can testify, is available usually at prohibitive costs. Much of the care now provided in institutions, which it is generally recognized fall far below the standards of decency and adequacy. A crying imperative of the immediate future is to develop non-profit custodial institutions for the elderly which will offer the kind of care the most affluent nation in the world is capable of providing and which would enable these people to live out their last few years in dignity and in decency.

We all recognize that adequately to meet the needs of the elderly in America require honest facing of a set of complex and difficult conditions which will yield only to a large infusion of imaginative planning and substantial public and private expenditures. We hear a great deal these days about high priorities in our national goals. The members of the UAW believe that high on our national priority list must come new programs for the elderly. They are programs for our parents and our grandparents and, before very long, for ourselves.

EXHIBIT "A"

A STUDY OF DECISION MAKING ON EARLY RETIREMENT

Today a substantial proportion of people in the labor force are retiring or have the option to retire at an early age, long before their physical condition makes continuation of work difficult or impossible. During the last several years it became possible, as a result of negotiations, for large numbers of workers in the auto, steel and aluminum industries to retire early with a reasonably adequate income.

Early retirement is one of the most crucial decisions a person makes in his lifetime. A study of how decisions are made regarding retirement is greatly needed in order to predict future trends and to assess their impact on the economy and the well-being of millions of people. Government policy makers, the business community and labor unions need to understand the factors which promote or retard early retirement.

The purpose of the study is to understand how people decide when to retire. To understand this decision process and to predict future trends, we must identify and analyze the health, economic, demographic and situational factors which influence people in making a decision to retire or not to retire. Psychological attitudes and motivations and sociological forces are other variables to be included in the analysis of decision making and retirement.

Information will be obtained from a two-phase study of representative samples of UAW members working in the major auto companies and in agricultural implement companies.

The first phase of the study, completed last year, was a short mail questionnaire sent to a sample of UAW members between the ages of 58-61 who, because they were eligible to retire, were in the process of deciding whether or not to retire early. This sample was designed to include a sizable group who actually retired early and a sizable group who were eligible to retire early, but did not. The mail questionnaire consisted of a few basic factual questions and a couple of questions designed to obtain some ideas as to why people intend to retire early or not to retire early.

The second phase of the study consists of personal interviews. A representative sub-sample of the mail respondents, approximately one thousand UAW members, was selected. The objective of the personal interviews is to probe deeply into the factors that influence persons to retire. These interviews are currently being conducted.

In addition to the two UAW samples, a national sample of all employed persons in the age group 45-60 will be taken. A relatively small-scale study with a national sample will provide a base to understand better the UAW findings, as well as the general application of these findings to the broader community. Thus, the similarities and differences there are in attitudes toward retirement among workers at younger ages and how these attitudes change over a period of time can be analyzed.

This study of decision making on early retirement is a joint project of the Survey Research Center of the University of Michigan and the Michigan Health and Social Security Research Institute; and is financed by the Social Security Administration. The UAW has fully supported and cooperated in the study.

KRONK RECREATION BUILDING
5555 McGraw at Junction
Detroit, Mich. 48210

EXHIBIT "B"
**UAW RETIRED WORKERS
SOUTHWEST CENTER**

Milton Tambor, Director
Frances Cusick, Group Worker
Telephone: 897-1188

In cooperation with the United Community Services and
the City of Detroit Department of Parks and Recreation

Monday through Friday
9:00 A.M. - 3:00 P.M.

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MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
April 3 10:00 CRAFTS 12:30 CRAFTS	April 4 10:30 EXERCISE GROUP 12:30 BEGINNERS SQUARE DANCE 1:00 SQUARE DANCE 2:00 SWIM	April 5 10:30 GREAT DECISIONS: Discussion - NATO in Crisis Will The Atlantic Alliance Survive? 12:30 GROUP SINGING 1:00 SOCIAL DANCING	April 6 10:00 CRAFTS 10:00 ENGLISH CLUB 12:30 CRAFTS	April 7 10:00 NEW MEMBERS MEETING 10:30 EXERCISES 1:00 BRIDGE CLASS
April 10 10:00 CRAFTS 12:30 FOOD COMMITTEE 1:00 CRAFTS 1:00 PROGRAM COMMITTEE	11 10:30 EXERCISE GROUP 12:30 BEGINNERS SQUARE DANCE 1:00 SQUARE DANCE 2:00 SWIM	12 10:30 GREAT DECISIONS: Discussion: War On Hunger - How Can It Be Won? 12:30 GROUP SINGING 1:00 SOCIAL DANCING	13 10:00 CRAFTS 10:00 ENGLISH CLUB 12:30 CRAFTS 1:00 COORDINATING COMMITTEE	14 10:00 NEW MEMBERS MEETING 10:30 EXERCISES 1:00 BRIDGE CLASS
April 17 10:00 CRAFTS 12:30 CRAFTS	18 10:30 EXERCISE GROUP 12:30 BEGINNERS SQUARE DANCE 1:00 SQUARE DANCE 2:00 SWIM	19 <u>BIRTHDAY PARTY</u> Cakes From All Are Welcome 1:00 DANCE PARTY	20 10:00 CRAFTS 10:00 ENGLISH CLUB (Final Session) 12:30 CRAFTS	21 10:30 EXERCISES 1:00 BRIDGE CLASS
April 24 10:00 CRAFTS 12:30 CRAFTS	25 10:30 EXERCISE GROUP 12:30 BEGINNERS SQUARE DANCE 1:00 SQUARE DANCE 2:00 SWIM	26 10:30 DISCUSSION: Mental Health Care & Benefits 12:15 MOVIE: Wings to France 1:00 SOCIAL DANCING	27 10:00 CRAFTS 1:00 MEMBERSHIP MEETING	28 10:00 EXERCISES 1:00 BRIDGE CLASS

NEW BRIDGE CLASS FOR BEGINNERS STARTS THIS MONTH. JOIN THE CLASS AND LEARN AN EXCITING GAME. NOVELTY CARD PARTY APRIL 19th.

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**UAW RETIRED WORKERS
EASTSIDE CENTER**

Lorene Wilson, Director
Emily Buus, Group Worker
Telephone: 821-2519

In cooperation with the United Community Services and
the City of Detroit Department of Parks and Recreation

Monday through Friday
9:00 A.M. - 3:00 P.M.

*Staff from Detroit
Recreation Department

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
A P R I L 1 9 6 7	April 3 9:30-11:30 ENGLISH CLASS POOL TOURNAMENT (No Entries After 11:00 a. m.)	4 10-11:40 BRIDGE PLAYERS 10-12:00 ART CLASS 12:30-2:30 ART CLASS 1:00 SHUFFLEBOARD COMMITTEE MEETS CENTER BRIDGE PLAY-OFF	5 10:15 CHORAL GROUP * 12:30 PAT MASTRO Social Security Representative 1:00 SOCIAL DANCING	8 9:30-1:30 ENGLISH CLASS 9:45 PROGRAM COMMITTEE 10:00 SERVICE GROUP 12:35 DUPLICATE BRIDGE 12:45 MOVIES: News Digest 1:00 NEEDLECRAFT	7 10:30 SING-A-LONG 12:45 CREATIVE STAGE WORKSHOP 1:00 SQUARE DANCING
	April 10 9:30-11:30 ENGLISH CLASS SKILL BALL TOURNAMENT (No Entries After 11:30 a. m.)	11 10-11:40 BRIDGE PLAYERS 10:15 VISITING COMMITTEE 10-12:00 ART CLASS 12:30-2:30 ART CLASS CENTER BRIDGE PLAY-OFF	12 10:15 CHORAL GROUP * 1:00 SOCIAL DANCING CHECKER TOURNAMENT	13 9:30-11:30 ENGLISH CLASS 10:00 SERVICE GROUP 12:35 DUPLICATE BRIDGE 12:45 MOVIES 1:00 FOOD SERVICE COMM. 1:00 NEEDLECRAFT	14 10:30 SING-A-LONG 12:45 CREATIVE STAGE WORKSHOP 1:00 SQUARE DANCING
	April 17 9:30-11:30 ENGLISH CLASS 9:45 COORDINATING COMMITTEE DOMINO TOURNAMENT (No Entries After 11:30 a. m.)	18 10-11:40 BRIDGE PLAYERS SHUFFLEBOARD TOURNAMENT No Entries After 9:45 10-12:00 ART CLASS 12:30-2:30 ART CLASS 12:30 CARD PARTY	19 9:00 NOMINATING COMMITTEE 10:15 CHORAL GROUP * 12:00 BIRTHDAY PARTY Honoring All Those Born in APRIL Thank You for Bringing a Cake	20 9:30-11:30 ENGLISH CLASS 9:45 RECEPTION COMMITTEE 10:00 SERVICE GROUP 12:35 DUPLICATE BRIDGE 12:45 MOVIES: "Portugal with Pleasure" & "This Is Detroit" 1:00 NEEDLECRAFT	21 10:30 SING-A-LONG 12:45 CREATIVE STAGE WORKSHOP 1:00 SQUARE DANCING
	April 24 9:30-11:30 ENGLISH CLASS	25 9:15 BRIDGE COMMITTEE 10-11:40 BRIDGE PLAYERS 10-12:00 ART CLASS 12:30-2:30 ART CLASS BRIDGE TOURNAY AT GMEINER Eastside vs. Gmeiner	26 10:15 CHORAL GROUP* - Ruth Vannatter 11:00 NEW MEMBERS DAY For All Those Who Received Membership Cards in March	27 9:30-11:30 ENGLISH CLASS 10:00 SERVICE GROUP 12:45 BUSINESS MEETING Duplicate Bridge After Business Meeting. Movies after meeting. 1:00 NEEDLECRAFT	28 10:00 PARKSIDE VISITORS 10:30 SING-A-LONG 12:45 CREATIVE STAGE WORKSHOP 1:00 SQUARE DANCING

NOTICE CHANGE OF SHUFFLEBOARD TOURNAMENT. THERE ARE A FEW CHANGES OF TIME OF SOME ACTIVITIES. PLEASE READ PROGRAM CAREFULLY.

Gmeiner Recreation Building
18971 Washburn Street
(1/2 block south of 7 Mile)

UAW RETIRED WORKERS NORTHWEST CENTER

Otto Regier Director
Corinne Carson, Group Worker

Diamond 1-6511

In cooperation with the United Community Services and
the City of Detroit Department of Parks and Recreation

Monday through Friday
9:00 A.M. - 3:00 P.M.

*Staff from Detroit
Recreation Department

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MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
April 3 9:45 BOWLING WY-7 10:00 SERVICE CLUB 12:30 POOL TOURNAMENT 1:00 CRAFTS Flemish Flowers - Bring Plastic Flowers	April 4 10:00 PROGRAM COMMITTEE 10:00 BRIDGE CLASS 12:30 DUPLICATE BRIDGE 1:00 COORDINATING COMMITTEE	April 5 10:00 FOOD SERVICE 10:00 MEN'S CHORUS * 10:30 MIXED CHORUS * 12:15 COMMUNITY SING * - Elna Benka 1:00 DANCE PARTY	April 6 9:30 SQUARE DANCE - Tom Morton 12:30 FOLK SINGING 1:30 MOVIE: "WASA" Great Warship Sank in Stockholm in 1628 - and not raised until 333 years later.	April 7 9:30 ART CLASS 12:30 ART CLASS Gerry Yannello 10:00 WOODCARVING - Andy Plofchan
April 10 9:45 BOWLING WY-7 10:00 SERVICE CLUB 1:00 CRAFTS - Bring your Own Plastic Flowers for Varnish and Gilt	11 10:00 BRIDGE CLASS 1:00 MEMBERSHIP MEETING NO DUPLICATE BRIDGE	12 10:00 FOOD SERVICE 10:00 MEN'S CHORUS * 10:30 MIXED CHORUS * 12:15 COMMUNITY SING * 1:00 DANCE PARTY	13 9:30 SQUARE DANCE 12:30 FOLK SINGING 1:30 MOVIE: "Hollywood - The Golden Years"	14 9:30 ART CLASS 12:30 ART CLASS 10:00 WOODCARVING
April 17 9:45 BOWLING WY-7 10:00 SERVICE CLUB 12:30 POOL TOURNAMENT 1:00 CRAFTS	18 10:00 BRIDGE CLASS 10:30 RECEPTION COMMITTEE 12:30 DUPLICATE BRIDGE 1:00 CARD PARTY	19 10:00 FOOD SERVICE 10:00 MEN'S CHORUS * 10:30 MIXED CHORUS * 12:15 COMMUNITY SING * 1:00 DANCE PARTY 1:30 BIRTHDAY RECOGNITION Cakes are appreciated today	20 9:30 SQUARE DANCE 12:30 FOLK SINGING 1:30 MOVIE: "The Search for Ulysses"	21 9:30 ART CLASS 12:30 ART CLASS 10:00 WOODCARVING
April 24 9:45 BOWLING WY-7 10:00 SERVICE CLUB 10:00 CHESS (Meet) A Friendly Tournament 1:00 CRAFTS	25 10:00 BRIDGE CLASS 10:30 VISITING COMMITTEE 12:30 49ers GAME Please Bring A Prize 1:00 BRIDGE TOURNAMENT vs. EASTSIDE	26 10:00 FOOD SERVICE 10:00 MEN'S CHORUS * 10:30 MIXED CHORUS * 12:15 COMMUNITY SING * 1:00 DANCE PARTY	27 9:30 SQUARE DANCE 12:30 FOLK SINGING 1:30 MOVIE: "Louvre"	28 9:30 ART CLASS 12:30 ART CLASS 10:00 WOODCARVING

Members Who Are Interested in a Chess Class, Please Sign Up on the Bulletin Board or at the Office.

RETIREMENT AND THE INDIVIDUAL

447

UAW RETIRED WORKERS **NORTHEAST CENTER** AT DODGE COMMUNITY HOUSE

In cooperation with the United Community Services
and Presbyterian Neighborhood Services

Monday through Friday
9:00 A.M. - 3:00 P.M.

HELEN DANELIAK, Director
LIBBY ISENERG, Group Worker

6201 Farr (Near Conant And Mt. Elliott)

Telephone: 925-0243

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MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
April 3 10:00 RUG MAKING 10:30 SINGING 12:00 LEARN TO SQUARE DANCE 12:30 SQUARE DANCING	April 4 10:00 <u>FOOD COMMITTEE</u> 10:30 READING & LETTER WRITING To Boys in Armed Forces and Retirees in Ypsilanti 12:00 8-BALL LEAGUE 12:30 SERVICE CLUB	April 5 10:00 <u>PROGRAM COMMITTEE</u> 10:30 DISCUSSION GROUP 12:30 SOCIAL DANCING	April 6 9:30 CRAFTS 10:30 MOVIES 12:30 <u>RECEPTION COMMITTEE</u>	April 7 10:00 KNITTING 9:45-11:45 ENGLISH CLASS 12:30-2:30 ENGLISH CLASS 10:30 MEN'S DISCUSSION
April 10 10:00 RUG MAKING 10:30 SINGING 12:00 LEARN TO SQUARE DANCE 12:30 SQUARE DANCING	11 10:30 READING & LETTER WRITING To Boys in Armed Forces & Retirees in Ypsilanti 12:00 8-BALL LEAGUE 12:30 SERVICE CLUB	12 10:00 RUG MAKING 10:30 DISCUSSION GROUP 12:30 SOCIAL DANCING	13 9:30 CRAFTS 10:30 MOVIES 12:30 COORDINATING COMMITTEE	14 10:00 KNITTING 9:45-11:45 ENGLISH CLASS 12:30-2:30 ENGLISH CLASS 10:30 MEN'S DISCUSSION
April 17 10:00 RUG MAKING 10:30 SINGING 12:00 LEARN TO SQUARE DANCE 12:30 SQUARE DANCING	18 10:00 <u>VISITING COMMITTEE</u> 10:30 READING & LETTER WRITING To Boys in Armed Forces & Retirees in Ypsilanti 12:00 8-BALL LEAGUE 12:30 SERVICE CLUB	19 10:00 RUG MAKING <u>BIRTHDAY PARTY</u> Honoring All Members Born in APRIL 12:30 SOCIAL DANCING	20 9:30 CRAFTS 10:30 NEW MEMBER DAY 12:30 MEMBERSHIP MEETING MEMBERS: The Officers would Like To See All Of You At This Meeting.	21 10:00 KNITTING 9:45-11:45 ENGLISH CLASS 12:30-2:30 ENGLISH CLASS 10:30 MEN'S DISCUSSION
April 24 10:00 RUG MAKING 10:30 SINGING 12:00 LEARN TO SQUARE DANCE 12:30 SQUARE DANCING	25 10:30 READING & LETTER WRITING To Boys in Armed Forces & Retirees in Ypsilanti 12:00 8-BALL LEAGUE 12:30 SERVICE CLUB	26 9:00 <u>CENTER BOOSTER MTG.</u> 10:00 RUG MAKING 10:30 DISCUSSION GROUP 12:30 SOCIAL DANCING	27 9:30 CRAFTS 10:30 MOVIES 12:30 GAMES OF YOUR CHOICE	28 10:00 KNITTING 9:45-11:45 ENGLISH CLASS 12:30-2:30 ENGLISH CLASS 10:30 MEN'S DISCUSSION

NOTE: Would Like To See As Many People as Possible at the Membership Meeting on April 20th.

We are Looking for People to Attend the Social Dancing on Wednesdays at 12:30.

(Subsequent to the hearings Senator Mondale addressed the following questions to Mr. Reuther in a letter :)

AUGUST 3, 1967.

DEAR MR. REUTHER :

* * * * *

On page 7 of your statement you recommend that development of early retirement programs be encouraged. I assume that you believe that Federal policies can contribute to such encouragement, and I would like additional discussion from you on the forms that such encouragement can take.

You and Mr. Brown suggest that the government institute pre-retirement counseling programs which should be developed certainly at age 40 and older. Would this proposal necessitate the institution of various "levels" of counseling dependent upon the age group of participants. For example, would the priorities of individuals in the 40 to 50 age group be quite different from those in the 50 to 60 age group?

Mr. Charles Odell, while he was still with UAW, wrote an article called "The Case for Early Retirement" in the May 1965 issue of Industrial Relations. In it, he anticipated several major consequences of earlier retirement. You have already discussed many of the points he made, but I would like to have additional discussion from you of the following two paragraphs from that article:

"There must be a great expansion and a better organization and coordination of education, recreation, health, and social welfare services directed to the specific needs of retired people as an integral part of the community's efforts to serve its total population. The multiservice senior citizens' center concept must be expanded on a neighborhood basis in all urban centers and in rural industrial areas as well.

"Employment and training opportunities must be expanded for middle-aged and older workers in order to insure that those who are dislocated by mergers, plant relocation, and decentralization of industry do not in turn lose their opportunities to qualify for retirement with dignity and security because of chronic unemployment."

* * * * *

Sincerely,

WALTER F. MONDALE,
*Chairman, Subcommittee on Retirement
and the Individual.*

(The following reply was received :)

DEAR SENATOR MONDALE :

* * * * *

INCOME AND FREE CHOICE—EARLY RETIREMENT ESSENTIALS

Our experience in the UAW indicates that early retirement programs make a very real contribution to the need in this country constantly to expand job opportunities. Two factors, however, are essential to meaningful early retirement programs: the first is adequate income sufficient to provide economic security and a standard of living which enables the retiree to live without economic want and at a level consonant with his previous way of life. Second, the worker should have free choice as to whether to continue in employment or retire. I believe that essential to our kind of democratic society needs to be the provision of ever widening choices for the citizens to select those options which will help them better fulfill their aspirations and achieve their own potentials.

The Federal Government can, of course, be of fundamental importance in encouraging early retirement. I suggested that there be examination of the possibility of modifying the Social Security programs to provide unreduced benefits at ages earlier than 65—62 or 60, for example. Recognizing that it may well be some time before this objective is achieved, it seems to me we could now revise the Social Security legislation to redefine "average earnings" on which benefits are based. If average earnings were based on years of earnings up to actual retirement (including present "drop-out" provisions), instead of includ-

ing all years to age 65 for men or to age 62 for women as at present, there would be added incentive immediately for additional numbers to retire at earlier ages. As things now stand, men who are prepared to retire earlier than 65 with actuarially reduced benefits must take the added penalty of a further reduction in lifetime income because their years of low income between the time of retirement and age 65 must be counted in the earnings base; women are similarly penalized if they stop working before age 62.

To further encourage early retirement programs on a broad basis, incentives to employers to provide improved early retirement benefits for all employees in private and collectively bargained pension plans through special tax and other advantages should be explored thoroughly. One such proposal which might be considered would be to impose a tax on job-eliminating automated machinery. This would then be rebated to the employer upon the initiation of improved early retirement benefits in the company's pension plan.

Another concept of retirement which the government might consider and implement through policy in respect to its own employees generally would be that of "true retirement". Age would not be a factor at all and if the employee has truly retired and is out of the full-time labor market, he would be entitled to full benefits under the appropriate pension plan with a temporary supplement until full Social Security benefits are payable. The basis for this is already established in civil service pension plans covering police and firemen in many communities where service and not age is the requirement for normal retirement. This concept can perhaps be extended to more government workers as an incentive for the design of pension plans in private industry, including a practical test to determine whether the employee is out of the full-time labor market.

It is equally important that the advantages of any government assistance program for the elderly be made available on retirement at any age. This would cover Medicare, special housing benefits for retired persons and tax revision in respect to retirees and the aged, including full deductibility of medical and drug expenses, as well as any contributions to their support.

AGE GROUP DISTINCTIONS IN PRE-RETIREMENT COUNSELING

The question you raise regarding possible differences in approach to pre-retirement counseling for different age groups refers, I believe, to a valid distinction. Evidence from extensive experience in our own Union points strongly to the fact that our members as early as age 40 and even earlier, have very real interest in retirement plans and these younger groups are quite prepared to invest a portion of their collective bargaining package in pension programs from which they may personally not benefit for at least 20 to 25 years. Continuing studies made by the Survey Research Center of the University of Michigan, with which you are doubtless familiar, show that there is a specific and reasonably well defined interest in plans for retirement in the 40 to 55 year group.

These factors have convinced me, therefore, that it is not too early to begin at age 40 to discuss retirement interests and plans. The content of such programs would need to be, of course, quite different from those in the older age group who are facing immediate decisions with regard to early retirement. There is more interest in the younger group on how to lay economic plans to provide for a secure older age. There is relatively little understanding of the need to develop early hobbies and other non-work interests which can absorb and occupy the individual in retirement. Even factors like the kinds of mortgages one places on his home, selection of summer cottages, commitments for installment buying, radically changed health care needs, are appropriate for discussion with the younger age group to enable them to begin to think about and lay plans for retirement.

The content of pre-retirement counseling programs takes on somewhat different aspects when the older person is closer to the point of decision. With this older group within perhaps five to ten years of a firm decision, it seems advisable almost always to attempt to include in the discussions the wife of the prospective retiree. Our experience in the UAW has indicated that there is particularly great interest in determining with a fair amount of precision actual cash benefits which would be available at the point of retirement, health benefits which would be available, procedures to apply for special housing for the elderly, continuation of life and other insurance, etc. There is also a good deal of need to face up to the prospective problems in readjustment of way of life. For example, the inherent problem in the husband being home full days, thus for the first time perhaps in a married life adding substantial limitations on the freedom of the wife.

UAW SENIOR CITIZENS CENTERS

You ask for comments on the article written by Charles Odell, formerly of our staff, regarding the "multiservice senior citizens center". Our Union continues to regard this as a very important factor in providing effective community service for the aged. In this sense the aged are no different from others in the community in that it is exceedingly difficult for them to have to travel to various places in the community for services and programs they require. There are many examples of the adoption of this principle in other programs, the most recent being the federally sponsored Community Mental Health Center programs which are developing in various parts of the country.

The UAW, in the Senior Citizens Centers it has sponsored or helped to develop, has followed this principle.

It is my understanding that one of the chief problems in furthering this principle of organization on a neighborhood basis is not one of difference among the experts but rather shortages of funds. Title III of the Older Americans Act authorizes federal grants to establish and strengthen state, local agencies and nonprofit organizations assisting the aged and to develop programs in communities on a matching basis. Further, I understand that the funds allocated have proved most inadequate to meet a significant portion of the needs in the country. Furthermore, local communities faced with their well-known limitations in taxing ability and escalating payments for services, have been reluctant or unable to put up matching funds. It seems to me these questions need further examination with perhaps a new funding formula to be evolved.

In some instances, a portion of the funding problem can be dealt with through cooperation of interested groups and the use of some imagination in planning. In the City of Detroit, for example, the UAW has received cooperation from the City authorities in developing UAW centers and using, at least in some instances, public buildings. Furthermore, some services and resource people are provided by agencies other than the UAW, which is appropriate since the Centers are available not only to UAW retirees but to older citizens in the community.

Ours is understandably a complex society. Fine social programs have developed from time to time on the federal, state and local levels, each of which has its own merits. Each also has its own administrative machinery and its own eligibility requirements. The eligibility requirements and the administration of Medicare and Medicaid are but two examples of bewildering and complex regulations which often make the retiree feel he needs the services of a "Philadelphia lawyer" in order to be guided through the maze of programs which might be helpful to him. Our experience with our UAW members repeatedly demonstrated that they are not availing themselves of services and benefits which they might receive because of lack of knowledge or understanding. When, therefore, we refer to better organization and coordination of services, we refer particularly to the need at the local level where the older person lives for an integrating agency or agencies which would provide this function. A multiservice senior citizens center is, of course, such an agency.

TECHNOLOGICALLY DISPLACED WORKERS

With regard to the technologically displaced worker, it is our view that each employee who is unable to find work which will use skills for which he has had training and long experience is in one sense displaced and thus entitled to his full Social Security benefit when technologically unemployed.

Furthermore, the non-earning years of the technologically disabled employee should be added to the regular "drop-out" years in determining his "average earnings" for Social Security benefit purposes. In addition to this the feasibility should be studied of providing, in these cases, Special Allowances such as those given to workers unemployed as a result of production changes or plant closings due to the United States-Canada Auto Pact.

Retraining of employees to new skills and job operations is essential. Under the Manpower Development and Training Amendments of 1966, the Secretary of Labor is empowered to provide, among other services, job counseling and training programs for older persons through the Bureau of Employment Security of his Department. This is a much needed program and more funds should be allocated for retraining of all workers unemployed through technological changes. Job counseling should be made available to those out of work for long periods as a result of mergers or plant relocation. Another approach to the problem of training the technologically displaced would be to provide incentives to private

employers to institute special training programs for those employees through special tax privileges, allowances, etc.

In preparing such workers for new jobs, the multiservice senior citizens center could cooperate with the Department of Labor's experts as well as those from private industry in the area.

I am grateful for the opportunity you have offered me further to elaborate on my recent testimony with regard to programs which affect the well-being of so many Americans.

Sincerely,

WALTER P. REUTHER,
President, International Union UAW.

Senator MONDALE. We will now hear from a panel of participants who are attending the University of Michigan Conference on Aging. They are Dr. William E. Henry, professor of psychology and human development of the University of Chicago; Mr. Harold L. Orbach, lecturer in sociology, University of Michigan-Flint College, and research specialist, Institute of Gerontology, University of Michigan; Dr. Jack Weinberg, who is the director of the Illinois State Psychiatric Institute; Mr. Edward McGehee, director of the Retirement Studies, Industrial Relations Center of the University of Chicago; and Dr. Glen Burch, director, Division on Continuing Education, University of California.

We certainly wish to express our appreciation to you for participating in this panel. I understand at least one of you has a tight schedule so we will try to move right into this discussion. Our method of proceeding will be that each of the participants introduce himself and make a short statement, and then hopefully dialog and discussion will develop. From time to time we will interrupt and ask questions, but other than that go right ahead.

Our first statement will be from Dr. William E. Henry.

STATEMENTS OF WILLIAM E. HENRY, PH. D., PROFESSOR OF PSYCHOLOGY AND HUMAN DEVELOPMENT, UNIVERSITY OF CHICAGO; HAROLD L. ORBACH, LECTURER IN SOCIOLOGY, UNIVERSITY OF MICHIGAN-FLINT COLLEGE, AND RESEARCH ASSOCIATE, INSTITUTE OF GERONTOLOGY, UNIVERSITY OF MICHIGAN (WAYNE STATE UNIVERSITY); JACK WEINBERG, DIRECTOR, ILLINOIS STATE PSYCHIATRIC INSTITUTE; EDWARD McGEHEE, DIRECTOR, RETIREMENT STUDIES, INDUSTRIAL RELATIONS CENTER, UNIVERSITY OF CHICAGO; AND GLEN BURCH, ED. D., DIRECTOR, UNIVERSITY OF CALIFORNIA EXTENSION, UNIVERSITY OF CALIFORNIA, DAVIS

STATEMENT OF WILLIAM E. HENRY

Dr. HENRY. Thank you, Senator Mondale.

I think perhaps my statement, before discussing its possible relevance to retirement, should deal essentially with the proposition that the person over 60, a somewhat arbitrary figure, is indeed probably in a different life stage, and is at a different developmental level than perhaps prior to that age. I make this statement which is in part obvious because we so commonly forget it to suggest principally that when we are talking about a worker, a person of 40, or 45, we are not

talking about the same kind of a person as when we talk about a worker, a person at age 65.

The proposal of the difference in these ages is essentially the proposal that the person over 60 is a person who, to a large degree, admitting individual variations and individual successes and failures, has perhaps met the majority of expectations which our society at this point in time anyway tends to make of him and that he begins a process which we have called disengagement, a process of to some degree removing himself from the central stream, perhaps that which Mr. Brown referred to as the central stream of middle age, sustained working culture. The term "disengagement" has, I think, aroused some annoyance among some people.

Senator MONDALE. If we could interrupt right here, we are delighted to have Senator Winston Prouty with us for two reasons; first of all because of his inspired leadership on this committee and interest in the problem of aging, and also because he was touring Detroit today and we are glad to see he is alive.

Would you proceed then.

Dr. HENRY. The term "disengagement" can readily be misunderstood. It is not intended to suggest that the older person—and I will stick to my arbitrary 60 for the word "older"—has no longer an interest in life, has no longer an interest in his friends and relatives, has no longer an interest in work; it is merely to suggest that the interest which he has in friends and work and relatives takes on a different character than the interest which he himself had at 40, 50, 55. It is a gradual process. The nature of this interest I think which unquestionably maintains itself is, however, of such a character that I think he begins to gradually disentangle himself from many of the mutual binds, many of the dependencies which characterized his life in middle age periods.

The presumed situation, therefore, with a not too sick elderly person would be one in which he would indeed gradually withdraw from membership in a variety of associations, including perhaps unions, from participation in church and other activities, and he would also tend to withdraw his conviction and his personal feeling, where participation of this nature was desirable and necessary. That as a kind of extreme modom statement suggests that this disengagement, that this withdrawal, tends to take place gradually, slowly over a period from 60 on, more characteristically clearly observable at 65 or 70, and that it has two aspects: (1) a lessening involvement in direct external work and social participation, and (2) an internal involvement, a caring less, a less intense investment in the achieving demands, in the insistence of the middle aged upon work and mutual dependencies in the ordinary middle class fashion.

As this process relates to issues of retirement, I would like to make perhaps a couple of comments presuming that we will reflect on the issues of retirement perhaps after other statements. Let me say that in general I intend my statement to suggest that any preoccupations with particular work programs, leisure programs, housing programs, et cetera, must take clearly into account the proposition that the people who are planning them, generally speaking middle-aged persons, are making plans for a somewhat different kettle of fish; that is to say, for nonself, for non-middle-aged people. The awareness of Mr. Brown

in certainly some respects, indicated by the fact that he and the UAW were planning for another kind of person, is quite apparent; that is to say, in his concern with programs of adjustment, of retraining, of reconsideration of life goals, suggests precisely one of the implications I think that would be necessary from nonretirement related studies of normal changes in these later years.

One other general point that I think is important as a background for such discussion, is to observe that the disengagement process and related normal changes in the later years do vary by social influence, do vary by social class, do vary by kind of experience which the individual has previously had—kinds of experiences which most commonly we summarize in social class terms. One might also say they vary by areas of work.

I am particularly impressed in Mr. Brown's comments by the extent to which I find them exceedingly appropriate for what I would take to be the blue-collar worker which he himself said, and how inappropriate I find them for other categories of workers. This is an initial impression based upon observations of non-blue-collar workers. The point I want to stress there is not that this suggests an inadequacy in that program but that which we might say about the retiring worker is probably going to have to be said in many categories. There are many kinds of retiring workers. There are, of course, many kinds of blue-collar workers who are not among the percentages of early retirees who do not choose to retire; those, too, I would presume are part of our general concern as well as those who do choose to retire.

There are other common phenomena among university professors, for example, which is, I guess I would have to admit, a smaller world than Mr. Brown's. The common phenomena there is nonetheless the complaint that the system should have indeed many of the provisions which the UAW is suggesting and has arranged for its own workers, but that they should be geared not to the concept of more funds so you can retire early but to the concept of more funds so that you can retire later. These do, I think, reflect quite different viewpoints and life styles on the part of older people, kinds of older people. The reference to 30 years in an arduous task may indeed be a very crucial element of the desire of a substantial number of blue-collar workers to retire early.

Perhaps I could stop at that point as a kind of general statement.

Senator MONDALE. Thank you, Dr. Henry.

(Subsequent to the hearing, Senator Mondale addressed the following questions to Professor Henry in a letter:)

DEAR DR. HENRY:

AUGUST 3 1967.

* * * * *

As you said at the time the term "disengagement" can be easily misunderstood. If you would care to submit additional discussion on that term, we would be happy to have it for the hearing record.

I was interested in your references to the need for society to provide educational resources for individuals in retirement as well as in advance of it, and I assume that you were not limiting your recommendations to instruction related solely to problems of retirement. Would you care to develop this point further?

You suggest that there is a similarity in what ought to be our concern for the older person and in what ought to be our concern for the adolescent with respect to the social issues that deal with people in transitional states. You indicate that we strive to move adolescents from a dependent preautonomous state to adulthood.

However, we are not quite certain what is involved in the transition which the older person goes through, and would like your comments with respect to the various stages and desired result of the transition in addition to the redefining processes that the individual and society must undertake.

* * * * *
Sincerely,

WALTER F. MONDALE,
Chairman, Subcommittee on Retirement and the Individual.

(The following reply was received:)

AUGUST 7, 1967.

DEAR SENATOR MONDALE: Thank you for your note regarding the Ann Arbor Senate Hearing. While I have not had extensive experience with such hearings, I was impressed with the general discussional and information-gathering tone which you set for this hearing. For many problems of considering the merit of potential legislation, I would think this a most fortunate format, encouraging the giving of the information you need rather than the much more readily obtainable exhortation of favorite viewpoints.

I will review the testimony as you requested and will below add to my comments in terms of answers to the queries in your letter of August 3.

1. Misunderstanding of "disengagement." In an important sense, the term is perfectly clear, in its obvious intent, and in the definition provided in the standard Webster's dictionary. (I enclose a paper dealing with this topic; see especially the opening paragraph of *The Theory of Intrinsic Disengagement*.³ But there has been misunderstanding, nonetheless, and I think it comes not from the term but from the idea. And not from the idea itself, but from the context of thought about the elderly into which the idea has found itself. That context is largely one in which the main objective of "treatment" for the elderly has been a kind of ambiguity about two points. One is the idea that the elderly have earned some rest, have already done their work and "deserve" freedom from work. The other, existing often in the same people and fighting for dominance with the first idea, is a response to the fact that many elderly people find themselves distraught, resist retirement, resent the fact that they are often unemployed. This response is one of presuming that it is a nasty and ungrateful society which shoves aside our senior citizens, who are by their very nature, men and women of wisdom and perspective. This is an engaging fantasy, and there are cases of elderly men and women with these qualifications. The response to this ambiguity has been to claim that the elderly should remain "active," should be encouraged to "do" things, should, in effect, be treated as though they were identical with the middle aged, and generally middle class, society which is rejecting them. The "misunderstanding" is not so much one of rejecting the data upon which the theory is based, but one of claiming that the elderly "should" not be disengaged. A second assumption of this view is that if they remain just as active as they were earlier, by some form of externally arranged forced feeding, then they will be in good morale. There is no question but that *some* elderly people do indeed remain quite active, either not formally retiring, or substituting activities if they do retire. Among these are many who are in good morale, but among them also are many who think they have earned some rest but cannot get it, and are hence in poor morale. The only point which is relevant here is the proposition that the elderly do indeed change in character, to a "stage" of personal development which is different from middle-aged, and that any program of aid, assistance, help (including financial) should be based upon a realistic view of the character of the elderly—not upon an impossible to achieve romance of how much better it would be if they had not got "elderly" in the first place.

2. Educational resources for the elderly. I am not intimately familiar with programs of retirement instruction (McGehee) nor with programs of community support for the activities of the elderly (Burch), but I am in complete accord with what I take to be their aims. The essential issue is one of facilitating the "transfer" of individual life styles to new circumstances, of altering the ways in which the middle aged have worked out their lives around work into a meaningful pattern of arranging lives around no-work. This is particularly crucial for men, of course, for whom the retirement issue looms the largest. In a way the "work" of the housewife goes on, modified only by the increased presence of the husband. But it is the husband (or the female full-time worker who retires)

³ See app. 1, p. 525.

whose life organization undergoes the greatest change. Education for retirement in this case becomes one of preparing for the kind of life to be led after retirement. But it also is a matter of bringing increasingly into play that major facet of life which provides a continuity—the intellectual life, before, during, and after retirement. One of the reasons why women, and perhaps now regardless of whether they have been housewives or full-time workers, find retirement easier, is that they have always had a strong orientation to the kind of “social” activities which are more prominent after retirement than before. Most commonly men have not. The majority of their hours have gone to work, and their thoughts have been about work (and minorly, sports and related recreation) and they have tended to leave the non-work activities and planning to their wives. Hence the wives are ready for non-work, the men are not . . . and this, I think, regardless of whether the men claim they really want to retire or not. Wanting to retire is not the same as being prepared for it.

We have, as a society and we are not alone here, seen new learning, education, as a route of preparation, learning which enables us in the future to do new things, think new thoughts (and I would stress both of these, do things and have thoughts). I would in this sense also interpret education quite broadly, seeing it as consisting of a wide range of activities, somewhat new in character to the individual who undertakes them, and providing him with new orientations or new skills which can serve him in the immediate future. I hesitate to make such a broad generalization, but I think it is moderately true that most adults (from 35 or so on) do get in a rut. This “rut” is sometimes quite repetitious and stultifying, and sometimes it is a rut of considerable social and work progress. But it can be a rut, nonetheless, meaning that one restricts the range and character of one’s experiences—limiting them to the central area of interest, such as the work arena. One of the ways of enlivening one’s activities, even in the presence of a successful and satisfying work-life, is by the learning about things other than work and, during the main adult years, reevaluating the character of one’s relation to the main work itself. Some adults, at 40 say, have already gotten all they’re ever going to get out of their work. They would be well advised (as I understand John Gardner to have said) to reconsider the whole matter, conceivably start on some program of learning new work—reading courses, night school, new hobbies which have work potentialities in them. The more they do this in main adulthood, the more they will be able to do it in retirement. Minds, just as well as muscles, get out of practice. And practice it does take. One does not enter into a new area of work, or a new life style, just overnight, the night after one’s retirement, for example. It takes preparation. I would argue for that preparation beginning early, and being essentially a practice in expanding and extending one’s learnings and one’s thoughts—so as to be able to find interest in more things, to be able to do more things, to know more, and hence to be able to choose and select on a broader basis. Health, Education, and Welfare has usually been interpreted as health and welfare for all ages, but education for the very young. Gardner’s comment suggests the possibility of an important development, a government concern for education for all ages.

Burch’s point regarding community supports I take to stress the fact that resources must be available in any community if any individual is to undertake a program of expansion and change. For the young, the early adult they are fairly well available—omitting the Negro and acknowledging community differences. But they run out quickly after early adulthood. They run out in part because the adult gets into the rut and presumes he doesn’t need or want anything new—after all, he *has been* educated, or has learned a skill, and because the society at large does indeed take somewhat the same view. On the individual side, I would indeed argue for a continuing education program of a varied sort, encouraging each person not to presume he has everything he needs, but to presume that his needs and interests can and should change and to be always ready for it. On the society’s side, I think we must provide more facilities that make it easy to find the experiences one needs. And I do stress the making it easy. It is perfectly true that anyone with guts and imagination can find pretty much whatever he wants, it’s all really there. But those aren’t the people we worry about anyway. It’s the ones who presume problems, to society and themselves, later on because they have not had the guts and the imagination. We do need to provide resources, make them encouraging and receptive of adults of all ages, and devise ways of encouraging adults to partake of them. I don’t suppose I would advocate compulsory education up to death, but it’s a good idea.

3. Adolescent/elderly transition state. I don't know how much mileage there is in that idea, but I think it should best be discussed in the context of continuing education in point 2 above. My concern is only that we should perhaps see the elderly as persons who are in a process (in pre-retirement years) of transition into a new state, just as the adolescent is in transition into adulthood. And in that context, we should provide both the opportunities for experimental role taking and education for the elderly as we now pretty much do for the adolescent. The fact that some would claim we haven't been so successful with the adolescent is perhaps more a matter of our style of doing so getting out of date than of our failure to provide facilities. We think of the elderly generally as *leaving* work, of *stopping* having children, of *finishing* their lives. These are true enough, of course, but the elderly are increasingly living longer lives after retirement—especially in the UAW apparently—and it is for this “new life” that they should be a conscious transition state before it occurs. The particular mode of taking a psychologically and economically dependent child or early adolescent and moving him to autonomous adulthood is perhaps different from the transition problem with the elderly, of course. There we are taking a hard-working autonomous, living on his own terms adult, and turning him into a person upon whom the society no longer counts for main productive, or social interaction, efforts. Partly because our society does not count on the elderly for these things, and partly because we have not really (and I doubt if we ever will) developed a new “role” for the post-retirement years.

I think we need to do more to encourage the elderly and encourage the society to provide facilities, that would define a more meaningful elderly life. They are not really the wise fathers. We do not call upon them for wisdom, Bernard Baruch to the contrary! Perhaps for the Chinese elderly, and maybe in an earlier era, that was a functional and meaningful role. For us, now, I think we are far more inclined to think of them as people who are out of things, not part of the mainstream nor of a meaningful subordinate stream. Granting individual exceptions, and generally these are individuals who can handle the transition, if there is one, themselves, I take it that the context we are dealing with is a context in where there is more time free, fewer demands from the society, fewer rewards of the (middle aged) sort to which they had become accustomed. In these senses, the life style is one in which more stress is made upon individuality. By this I mean that earlier there was always considerable demand upon the individual for performance in terms of society's approval or disapproval. As the individual moves out of that system of mutually dependent demand, he is more on his own. This does not say that the individual is necessarily alone, without peers and friends. It merely says that the demands made upon him, and his friends, are less and the evidence of some form of socially approved (or disapproved) response is less. The guidelines to proper care of your children, to regular hours and conscientious work are largely removed. This does not mean that the old are without values, nor that their former moral values do not remain, nor that their friends do not have some similar control. But it does mean that old systems of control, and of the personal support which this control implies, are reduced. The import of this lies in part in the fact that the individual may well feel the loss, and many reflect this in depression and low morale, and be obliged to develop new guidelines appropriate to their new state. You can no longer ask the elderly to give meaning to their lives by working harder, now a meaningless value; nor ask them to sacrifice certain personal things in order to put their children through school; nor to paint their house because the neighbors don't like it as it is; nor to get up earlier because the company expects them at work on time; nor to dress in matching clothes because “someone” will object to their costume.

This is a somewhat undeveloped picture, but perhaps it will suggest two important things relevant to the issue of redefining the self and the self-relation to the society. The one is that personal orientations, demands, and values do alter; the elderly are no longer the same conformity-bound middle aged. The second is that “others,” the society at large, workers who wish to help them, can no longer use as bait the values which they have found useful with the middle aged. Any more, incidentally than some can now find meaningful the demands for conscientious work with which we attempt to bait (some) adolescents. There is little point in telling the attendants at a love-in that they are neglecting work and failing to prepare for a work-oriented future. They know it, and like it that way! (I do not mean to stress this elderly-adolescent similarity further, it is merely the issue of changing into a new status that is overlapping.)

The issue of stages in this transition process is a difficult one, and may be more individualistic than it appears. I am taking the liberty of enclosing an article⁴ by Dr. Elaine Cumming and myself which summarizes the theory plot-line of our *Growing Old* book (Basic Books, 1961) in which we try to deal with the issue of stages from middle age to advanced age. Crucial in this development, a point for which there is a lot of casual comment, and I think some developing evidence, is the 40 to 50 year old realization that time is indeed finite, as opposed to never ending. Part of this is a matter of suddenly starting to count back from the end, rather than from the start on. When one is 16, one is "almost 17", when one is 29, one is "over 21", when one is 40, one gets edgy. At some later point, one begins to think that one has only so many years *left*. Subsequent to this, I think, comes a kind of opportunity for reevaluation (perhaps the critical point in adult life that Gardner should be looking for in terms of encouraging reevaluations) when one concludes that, since one has not so much time left, one might as well abandon some goals. The hazard is perhaps whether one abandons some not very important goals, or abandons all goals. There are clearly cases in both categories. It is one thing to realize that one really will never read everything one wanted, or learn French, or become president; and it is another to decide that some realistically attainable goal in the next 10-15 years is not worth bothering with. (Incidentally, it would be interesting to see how many of the UAW's early retirees are not those who retire as a way of abandoning goals. I am sure many are not, but a follow-up study of these early retirees would be very important.

Sincerely,

WILLIAM E. HENRY,

Chairman, Professor of Psychology and Human Development.

Senator MONDALE. Mr. Orbach.

STATEMENT OF HAROLD L. ORBACH

MR. ORBACH. I have been interested, involved with problems of retirement for approximately the past 7 or 8 years beginning with my collaboration with Dr. Wilma Donahue and Prof. Otto Pollak in preparation of the comprehensive summary of the nature of retirement which was published in 1960 in the *Handbook of Social Gerontology*.

The work as a sociologist which I did in this project made me increasingly aware of the fact that the development of retirement as an institution in our society, in fact in western society, is a relatively recent phenomenon. In our own society, one which we can really date in the years of 1948 to 1958, the period when social security benefits became available to a majority of older people and when the development of industrial pensions, after the 1949 Supreme Court decision upholding the section of the Taft-Hartley Act which made them subject to collective bargaining, created an entirely new set of expectations for the ordinary person reaching retirement age. Before that we really could not speak of retirement as a social phenomenon in our society.

For example, in 1900 one-third of the men in the labor force past the age 65 were out of the labor force but we could not say that they were retired because they had no sources of income, there were no provisions at all for them. They had to subsist on the support of family and friends and charity. Of course as we know, some of them did not subsist very well. It was only in this period between 1948 and 1958 that we got to the point where a majority of the older population who were out of the labor force could really be called retired in the sense that there was some provision for them.

⁴ See app. 1, p. 527.

UAW CONTRACT NEGOTIATIONS AND EARLY RETIREMENT

The interesting thing is that concurrent with the development of retirement as an institutional phenomenon in our society, which basically rests upon social security, we began to move very rapidly toward the idea of early retirement. I became aware of this first as a result of some analyses of the United Automobile Workers pension experience. I did a study in late 1959, early 1960—I gave a copy of this to your staff members¹—which showed that in the period between 1953 and 1960 there was a rapid increase in the percentage of workers in the UAW who were retiring early under the provisions of the contracts that were then in force. In 1963 when I reviewed this again I found an acceleration of this trend in a constant growth in the percentage of workers retiring early.

Now during this whole period the most significant event that took place regularly was the question of revision of the benefits each 3 years when contract negotiations occurred and a 3-year cycle was set up. As soon as the new contract was negotiated a higher percentage of workers would retire and retire earlier than the year before. There also was the so-called waiting phenomena, men waiting in the year before negotiations in the expectation of increases. Essentially, the trend over the years showed an increase from 4 percent in 1953 to 35 percent in 1962 and 35 percent in 1963, retiring before the normal ages of 65-67.

This was before the now well-known \$400 a month model retirement plan which was negotiated in 1964, and the obvious expectation at that time would be that this would continue to accelerate this phenomena. The automobile industry had had some particular and peculiar characteristics in this period which helped this trend. For one, they had a large number of long service employees with many years of seniority and since the pension was geared to years of seniority it meant they could retire with fairly adequate pensions by normal industrial workers' standards. Secondly, they were undergoing various phases of mechanization and automation which meant the need for a reduced work force and this encouraged management to offer various types of inducements to get older workers to retire, mainly to reduce the size of the work force. In the later years of this period, the early sixties, with the problem of unemployment looming large, it was also extended to include the question of opening up opportunities for younger workers.

Paralleling this early retirement trend in the United Automobile Workers were similar trends in other unions and in other industries in the United States. One of these was the steelworkers who developed first a retirement plan that included an extended vacation period for workers which achieved some support; but the members of the union seemed to prefer to retire earlier more than they preferred taking long vacations, and with the development of an early retirement program in the steel industry in the 1960's an increasing percentage of steelworkers also began to retire early.

¹ See app. 1, p. 533.

The interesting thing is when one looks at other societies throughout the world, especially in Western Europe and the industrialized and advanced societies, one can find evidence of similar trends occurring there. For example, one of the items I gave to your staff,¹ in 1964 there was a large uprising which almost developed into a strike among the steelworkers in the northern part of France demanding the right to retire at age 60 with a wage equivalent to 60 percent of their best 10 years. The basic reason for this was a simple statistic: 70 percent of the steelworkers in France died before the normal retirement age and they felt they had a right to enjoy the benefits of retirement rather than see these in a sense frittered away.

KEY TO DESIRE FOR RETIREMENT

I think the fundamental key to the whole question of why people want to retire is a modern social phenomenon. The background to the trend to early retirement in our own society is a simple matter of attitude toward the nature of retirement as an institution in our society. Social security originally began as an attempt to provide some form of relief for older people because people had no source of income after they were out of the labor force.

The original concept of social security, the philosophical concept which really remains in effect today, is that of a wage-loss offset. It is the attempt to make up for the loss of wage by providing some sort of subsistence and it has always essentially had behind it the concept of providing a floor or a minimum type of income rather than what we would call an adequate income.

Now the industrial pension movement can be seen in a sense as an answer to the inadequacies of social security. In the late 1940's and 1950's when it became clear that Congress was not inclined to rapidly increase the level of social security benefits and as a result of various tax incentives that had begun during the Second World War which made it possible for industrial firms to set up retirement programs and write these off as business expenses, the idea was suggested and generally accepted that it would be easier to rapidly increase retirement benefits through the industrial pension system. As a result we saw a rather rapid increase in this decade of industrial pensions.

Now both social security and private pensions involve a combination of employer contributions and contributions on the part of the worker: In some cases no direct contributions as in most industrial pension systems, but the clear recognition of the fact that the worker was giving up a potential pay increase, potential immediate wage increase, to be deferred to pay for the costs of his retirement. Implicit in this is the idea that the worker is contributing something, he is contributing something by not taking something at the present time.

As this develops and goes on for a number of years, that is, you have been paying into a pension plan for 20 years, you develop the idea that you want to be able to utilize this payment, this deferred gratification if you will. So retirement pensions and social security have come to be conceptualized in our society and in many others not merely as a form of security for the future, as a wage loss offset, something that is a form of assistance when one grows older, but

¹ Retained in committee files.

rather as a right, something that one has earned the opportunity to enjoy. I think that essentially the utilization of the right to enjoy this opportunity lies behind the attitude of workers who want to retire earlier.

EARLY RETIREMENT TREND PARALLELS LIFE EXPECTANCY

For example, in the auto industry the trend of early ages toward retirement seems to parallel the actual life expectancy of workers. When one examines the reports, especially of the Chrysler-UAW plan which has been more detailed than some of the others, one sees that the workers are quite intelligent in choosing to retire at early ages. For example, taking one year as an example, in 1964 the average age at death of the worker who was retired was about 73.5 years which meant that the average worker in Chrysler who was retiring at the normal ages of 65 to 67 would have 6 to 8 years to spend in retirement. If he could retire earlier, he could lengthen this period possibly another 3, 4, or 5 years.

The interesting thing is, if one looks at the early retirees, one finds, again taking one year as an example, that their average age at death is lower than those who retire at normal ages. So there appears to be a direct relationship here. Men want to retire from arduous work because they know they are not going to live forever; they have been contributing into retirement funds directly and indirectly for many years and they want to enjoy the right to utilize the benefits of this contribution.

I think that the basic issue which finally determines—and this is something that I stated back in 1960 and 1963—whether or not workers decide to work or not is the level of income that they can be assured of having and whether they feel that this will be adequate to sustain them through the remaining years of life.

It is quite interesting that in the report that Dr. Morgan has given you, which I have seen, that he and his colleagues have found a direct relationship between the size of income in retirement and the age of retirement. The earlier the person retires, the higher the median family income in retirement. As one moves from age groups under 60 through 75 there is a direct relationship in each 5-year group in Dr. Morgan's study illustrating that the older you are the less your yearly family income in retirement is.

What this suggests is that by and large those who retire early are those who can afford to and if one is interested in changing social policy or in encouraging people to retire early, either for reasons of manpower or of being able to enjoy the later years of life without work, a simple answer becomes apparent. If one increases the level of retirement benefits, more individuals will retire earlier. The corollary that it suggests, of course, is that most of the people, not all of course—the academician who never wants to stop work is one exception, the doctor is another—but most people who work into later years of life do so because they have to, because they do not have adequate provision for their retirement years, they do not have adequate pension arrangements. Only about 46 percent of the private labor force generally has any pension provision in addition to social security, and although this group has been increasing, the percent has been increasing in the last

two decades, it has been increasing rather slowly, about 4 percent in the 5 years from 1960 to 1965 as opposed to 10 percent in each of the 5 years from 1950 to 1960.

This means that somewhere between 45 and 50 percent of all older persons approaching retirement do so with the prospect of having to live only on social security plus whatever accumulated savings they may have had. Generally those who have private pensions are the higher paid workers to begin with; they are persons in the professions, in business and management, blue-collar workers in well-unionized industries who have high salaries. Those who don't have pensions in addition to social security are generally the lower-paid workers, those in effect who had less opportunity throughout their life to provide for retirement with savings and to build up any funds to carry them through the retirement years.

I think I probably should stop at this point and allow the other members of the panel to join in and assume that we can get into other discussion later.

Senator MONDALE. Thank you very much, Mr. Orbach.

(Subsequent to the hearing Senator Mondale addressed the following questions to Mr. Orbach in a letter:)

AUGUST 3, 1967.

DEAR MR. ORBACH :

* * * * *
On page 75 of the enclosed record, you called for additional research on "many areas" related to retirement. Would you care to elaborate? Several witnesses at our earlier hearing suggested that a multi-agency research effort at the Federal level is needed. I wonder whether you agree?

You made the observation that the average life expectancy of the early retirees is lower than those who retire at normal ages. I would like to have additional comments with respect to the causes of this phenomenon. Would this be because the vast majority of early retirees engage in arduous work, or because workers retire early for reasons of health?

Sincerely,

* * * * *
WALTER F. MONDALE,

Chairman, Subcommittee on Retirement and the Individual.

(The following reply was received:)

AUGUST 17, 1967.

DEAR SENATOR MONDALE: In response to the two questions contained in your letter of August 3, 1967:

(1) Concerning the earlier recorded ages at death of early retirees which I mentioned, I was referring to a sample year, 1964, of auto workers covered by the Chrysler-United Automobile Workers Pension Plan. I would not hazard a prediction as to the general applicability of this phenomenon. For example, in the years following 1964 in the auto industry, the greatly expanded early retirement program has undoubtedly changed the character of the men retiring early. However, before this time there is little question that concern over poor or declining health has been a major factor in early retirement. Studies in the 1950's of all types of retirees showed concern over health as the major factor in retirement at all ages and the studies of the Social Security Administration in 1962 and 1963 pointed to health as the major factor in early retirement.

In my testimony, I was suggesting that, in general, early retirement is a response to the question of years of life left to live and that limited evidence suggested early retirees in the auto industry made a correct choice in these terms. Occasionally, evidence of this sort has been misconstrued to suggest that retirement leads to early death and thus higher mortality rates. What is usually ignored are the even higher mortality rates of comparable non-retirees.

(2) In speaking of the need for additional research on "many areas" related to retirement, I was thinking of the relative paucity of studies which clearly analyze the process of deciding to retire on the part of workers in all types of

occupational groupings. In particular, we have practically no studies in recent years which have followed the process of retirement, and especially studies of early retirement, for different groups under varying economic and social circumstances. The current study of UAW early retirees by Dr. James Morgan and his colleague is a singular exception. Many studies have been made of older persons and their special needs and problems, but few of these have focused specifically upon the nature and character of the retirement decision and process.

More important, there has not been any major concern over the total institutional impact of retirement on the structure of our society and especially upon the nature of the work-life which is directed toward the formulation of national policy in this area. The entire question of character of the Social Security System's retirement benefits as a minimum or floor for retirement income as opposed to an integrated national system that would provide a reasonable and comfortable retirement income requires study. We have developed in the past thirty years through a haphazard process of responses to the specific individual circumstances of special categories of the total working population a complex system of social security retirement benefits, various Federal, State and local public retirement systems, private pensions and industrial pensions as well as various forms of deferred pay and profit-sharing benefits for privileged groupings. What has been lacking is a clear sense of national retirement policy based on the character of work and employment in our changing society.

The net result of this development is a tendency to reproduce in retirement even greater inequalities than exist in the working years, a tendency that may grow rather than decline in the future. We set about the business of remedying the results of these inequalities through a patchwork system of special laws and provisions rather than meeting the issue head-on. As a consequence, we face the danger of producing a two-class system of retirees—one relatively well-provided for and the other poorly provided for—in the future as in the present, along with a complex network of administrative agencies designed to remedy the most glaring problems.

In the face of developments in other advanced industrial nations, e.g., Sweden, Denmark, England, Germany, Canada, where a national effort has been made to analyze and define the character of retirement as a social institution so as to develop a system that will provide a reasonable and adequate level of income in retirement on which to base a meaningful retirement life, we have not made such an effort. I would agree with some of your witnesses at your earlier hearing in calling for a broad research effort at the Federal level that was directed toward the creation of a national retirement policy in keeping with the changing character of our society.

In our study, "Retirement: The Emerging Social Pattern," Dr. Donahue, Professor Pollak and I raised many of these points, and I refer you to this source as well as the volume *Aging and the Economy*, which I edited with Dr. Clark Tibbitts, for detailed treatments of specific policy questions.

Sincerely yours,

HAROLD L. ORBACH,

Lecturer in Sociology and Research Associate.

Senator MONDALE. Dr. Weinberg.

STATEMENT OF JACK WEINBERG

Dr. WEINBERG. Thank you, Senator Mondale, Senator Prouty. First I would like to thank your staff who has as of this afternoon conferred upon me a Ph. D. degree which immediately places me in the social sciences and therefore am happy to congratulate you on your extreme desire to see that there is a council on social issues as an advisory body to the President. My pleasure may be shared by my colleagues in the American Medical Association who might be very happy to have me disassociate myself from them, because while I am an active dues paying member of that association, they don't feel that I belong.

Secondly, I would like to go through the ritual of indicating to you that I have prepared a statement, a written one, which I sent in to Mr. Oriol. I am hopeful that it did not add to the conflagra-

tion and difficulties there but then if I believed that, it would merely feed the omnipotence that all psychiatrists feel they have.

Thirdly, may I state that I take the title of your hearing here quite seriously, "Retirement and the Individual." Therefore, I will have no statistics beyond the individual person with which to burden you. Obviously, I do not have the time to read my lengthy statement but I would like to say a few things related to it.

Senator MONDALE. Dr. Weinberg, we will put your full statement in the record without objection as though it were read. It will appear that way and you can just touch such parts of it as you desire.

Dr. WEINBERG. Thank you very much. I feel reassured as the contented child.

May I at the very beginning state that I shall not here discuss the commonsense reasons for working which of course are related to what is known as making a living. A psychiatrist who has to deal with the disturbances which arise as a result of patterns of employment, unemployment, and retirement has to bring to these problems an understanding which transcends the commonsense. Uncommon rather than commonsense is in order since hardly anyone, and least of all I, believes that commonsense is solely within the domain of the psychiatrist.

To me the problem of man is a biological entity, and a fulfillment of his biological needs are defineable, concrete, and definite. However, those special qualities which make men human are common sympathies, passions, feelings, and failures. Emotions and conditions significantly part of his work life are much more abstract, more varied and more difficult of definition. I believe because of man's inability to articulate the ambiguous, man takes refuge in the obvious and avoids the latent content of that which is experienced and felt. The psychiatrist, and indeed all of us who have to deal with the human in the being, must learn to deal with the highly personalized legend lurking in the mind of each man, a legend which is secret, most often unconscious, never readily accessible to the daily cliché written verbalization and to which each man is strangely loyal.

LATENT WORK MOTIVATION

Since we are so much addicted to the stylized ritual of communication through the cliché, we often fail to perceive man's dilemma, that which actually pains him and motivates his behavior. Now the forces which drive any individual toward continued employment or the evasion of it are not always apparent to the man.

I was interested in hearing Mr. Brown's stating that man ought to have a choice in stating when he ought to stop his employment or not. This of course is germane—provided the individual is capable of making a choice; provided he is able to articulate his needs. He may consciously make that choice, but is that really in consonance, concert, and in resonance with his unconscious self? He may decide one thing for himself but unconsciously this may be the very worst decision that he can possibly make for himself. This concept is hardly mentioned, is not stated, but one that I would like to have considered.

One may always find some conscious rationalization for one's behavior. The real motives may be unconscious and therefore misunderstood by ourselves and others. The discrepancies between conscious acts and unconscious needs can, of course, be so great that conflict is certain

to arise and the ensuing confusion within the individual may precipitate some maladaptive behavior on his part. An understanding of the motivating factors, both conscious and unconscious, may and should help us make the proper and thus healthy choice regarding employment or retirement.

Furthermore, work and the meaning of it has different connotations to different people. You will remember that originally in the Bible it was implied as punishment for Eve's transgression but man in his magnificent way and his characteristic ingenuity transformed the curse that was placed upon him into a blessing so that in present day society the real curse is the loss of work and blessed is the man who is engaged in gainful employment. Yet despite the reverential attitude toward this blessing, man does everything possible to avoid this bounty. Not only does he attempt to shorten his working day as much as possible but also make every effort to avoid it altogether by achieving retirement as early as possible in his lifetime.

I think I can do better by not reading and merely discuss a couple of points.

RETIREMENT AS ACHIEVEMENT GOAL

Mr. Orbach gave some sociological reasons as to why man would want to retire. I must also indicate that to a great many of us retirement implies an achievement goal in our society and man works for the time when he can retire. If he can retire at 65, he is less than average; if he can retire at 50, of course he is a genius. Since it is an achievement goal man strives toward it; certainly in many of our advertisements that still continue to run in the National Geographic, et cetera, it seems to me for decades and centuries, the same couple, a little bit younger now, is going off into the sunset to retire at \$300 a month. At present I wonder how they do it.

Insurance policies try to get us into that type of a conceptual framework. If it is an achievement goal, and we are an achievement oriented society, then these retirement strivings are giving further impetus, unconscious ones to be sure, by what we as psychiatrists call the regressive aspect that are inherent within it.

Man, of all species, remains dependent for an enormously long period of time and retirement implies to him an unconscious return to a period in life when nothing was asked of him, the golden period in his life, protected, dependent upon his parental figures or surrogates under which conditions not only was he taken care of, as we have now attempted to do economically through all sorts of devices, but that was the period of the greatest relatedness to members of the family and to other people within his environment. So somehow retirement takes on the concept of regressing to the golden age in one's own lifespan. Therefore, on the one hand, it is an achievement on the other hand it is regression. If we are ashamed of regression, we can then say it is an achievement goal and we move toward that goal comfortably.

I am not now going to enumerate all the meanings that work has for man, however I might mention a few. For one thing, work constitutes not only something by which one makes a living but is actually part of the identity of the man. I heard Senator Mondale state earlier today that work gives a man status. Indeed, but I might add that it gives him an identity. The minute we meet someone we ask of him—after we get his name—"What do you do?" That immediately places him within a

framework with which we can interact. But if you meet a man and ask him what he does and he says, "Nothing," you are stymied as if he seems to be nothing. So that work is part of the identifying data and in our society where so many people come to see the psychiatrist because of identity problems because of difficulty in knowing who they are, this becomes an enormously cogent and important element in the human being's experience.

VARIOUS MEANINGS OF WORK

Again I don't want to go on and to enumerate the various meanings of work. Believe me, they are multiple. The most invariable thing about the human being is his variability and each one can have his own dream about what work means to him. To some it means the total social situation and to many of us it means the social situation in which it transacts. To many of us it means actually a way of getting away from boredom. Many people work because they are entertained by it. Many of us can't stand themselves and they have nothing to do to kill time, as if waiting for the moment that time is going to kill them.

I think that if the committee, and I take it seriously, is interested in our knowledge of the behavior of man, then we have to determine in a much more meaningful fashion what the meaning of work to the individual is, and what the meaning of retirement is to him. I would submit, as did the UAW, certain recommendations. For one thing we need a great deal of research in both areas; the meaning of work, the meaning of retirement.

I would like to know from the UAW not how many people choose retirement but I would like to know what happens to those people, what is their adaptation, what is the incidence of illness in that group, or health; and I don't just mean physical illness or health, I mean emotional illness or health. What is the incidence in increase in the various behavior disorders in them if any. I know that they are a highly progressive organization and I know that such a man as Charles Odell who sits here has helped them formulate programs for retirement, but I think we need research to determine what happens to people who retire early or later in life.

Secondly, I would like to submit the following: that it is not enough for us to have preretirement counseling, something to which I have contributed myself, but the preparation for retirement, if you will, is preparation for life and living; the preparation for a zest and a curiosity to observe and to participate in everything that goes on around one's self. The development within the individual in early childhood, if you will, a multiplicity of sources of gratification that are present in our society both internal and external in order for him to be able to retire in a fairly gratifying manner.

Thank you.

Senator MONDALE. Thank you very much, Dr. Weinberg.
(The prepared statement of Dr. Weinberg follows:)

PREPARED STATEMENT OF JACK WEINBERG, M.D., DIRECTOR, ILLINOIS STATE
PSYCHIATRIC INSTITUTE

May I at the very beginning state that I shall not here discuss the common sense reasons for working which, of course, are related to what is known as making a living. The psychiatrist who has to deal with the disturbances which arise as a result of patterns of employment, unemployment and retirement has to bring to these problems an understanding which transcends common sense.

Uncommon rather than common sense is in order since hardly anyone, and least of all, I believe that the latter is solely within the domain of the psychiatrist.

The forces which drive any individual toward continued employment or the evasion of it are not always apparent to him. Though one may always find some conscious rationalization for one's behavior, the real motives may be unconscious and therefore misunderstood by ourselves and others. The discrepancies between conscious acts and unconscious needs can of course be so great that conflict is certain to arise, and the ensuing confusion within the individual may precipitate some maladaptive behavior. An understanding of the motivating factors both conscious and unconscious may and should help us make the proper and thus healthy choice regarding employment or retirement.

Work, the meaning of it, has different connotations to different people. Originally, and implied in the Bible, human beings looked upon work as a punishment imposed upon them for their disobedience.

Man with his characteristic ingenuity, however, transformed this curse into a blessing so that in present-day society, the real curse is the loss of work, and blessed is the man who is engaged in gainful employment. Yet, despite the reverential attitude toward this blessing, man does everything possible to avoid its bounty. Not only does he attempt to shorten his working days as much as possible, but he also makes every effort to avoid it altogether by achieving retirement as early as possible in his lifetime. This ambivalence toward employment can be more readily understood once we recognize the duality of our attitude toward work. Two elements are chiefly responsible for our negative attitudes. One is the cultural orientation regarding retirement, and the second is the regressive pull for the fulfillment of unconscious dependency needs.

VALUE OF ACHIEVEMENT

Our American culture places an enormous value on individual achievement. Ours is a "doing" society and the prized individual is the one who succeeds, with success being measured by what one has attained. Among his attainments and achievement goals, the successful person must finally cap his career by the ability to retire. It is this fact then, the fact that retirement is regarded as an achievement, that gives it status. Retirement, then, becomes the mark of a successful human being. This accounts for its being a sanctioned and approved aspiration of every man. Prestige is ascribed to the role of the retired person, which makes it very desirable to look forward to.

The longing for retirement is given an enormous impetus by the individual's unconscious drives for dependent gratification. Of the entire animal kingdom, man is the only creature who brings so little predetermined behavior into the world with him. His preparation for the sheer process of living in a very complex environment is, of necessity a long one. Throughout this preparatory state the human child is dependent on his parents for his biological and psychological needs. This is the gold period so reminiscent of the Garden of Eden when everything is supplied and little but conformity and obedience asked of the child.

Concomitantly it is the period of closest interpersonal relationships between the individual and the meaningful people in his life. No wonder then that the memory of this pleasant state of affairs persists in the minds of men, and the longing for its continuance or the return to it as an ever present force and therefore a threat to man's continued efforts to earn a living. Should the individual feel any shame or guilt over the yearning for a dependent gratification, it is quickly mitigated by the element of prestige with which retirement has been invested. Thus these two negative factors seem to form a closed circuit, each augmenting the other, and thereby undermining man's will to work.

Furthermore in focusing attention on the male's active, healthy period immediately following retirement, it is necessary first to explain why, if not for reasons of old age, retirement has become a necessity in our society. The explanation for it lies in industrial practices and policies. While the number of men aged 65 and over are steadily increasing, their working numbers are decreasing. Common practice is beginning to make retirement by the late sixties almost inevitable, and the man working at that age is fast becoming an exception.

Industrial policy is in turn largely dependent on the manner and pace of technological change. The increase in leisure resulting from automation and labor saving advances does not necessarily accrue in the form of shorter hours, but is likely to be concentrated in later years of life. Concomitantly the problem is magnified by the need to provide upward mobility for younger workers. Through automation, a change in the status-quo has occurred in government, in management, and in labor.

The social psychiatrist, always interested in the ways and reactions of men, is particularly interested in all the phenomena of change occurring in what might be termed "man's primary activity," i.e., work. From his position (essentially an outpost, although his influence is regular and varied), he sees the new industrial problems as part of his traditional concern—the nature of man as an individual. To the psychiatrist, the problems of man as a biological entity and the fulfillment of his biological needs are definable, concrete, and definite. However, those special qualities which make man human—his common sympathies, passions, feelings, and failures—emotions and conditions significantly part of his work life—are much more abstract, more varied, and more difficult of definition. Because of his inability to articulate, the ambiguous man takes refuge in the obvious, and avoids the latent content of that which is experienced and felt.

The psychiatrist, and indeed all those who have to deal with the human in the being, must learn to deal with the highly personalized legend lurking in the mind of each man—a legend which is secret, most often unconscious, never readily accessible to the daily cliché-ridden verbalization, and to which each man is strangely loyal. Since we are so much addicted to the stylized ritual of communication through the cliché, we often fail to perceive man's dilemma, what actually pains him and motivates his behavior.

EFFECTS OF AUTOMATION

It is to this legend behind the cliché, the latent behind the manifest, that I would like to address myself in order to shed some light on the psychological effects of automation on the individual human being. Certainly it is not within my province nor within my ken to discuss the effects of automation on our economy and society. I am not, however, unmindful or disrespectful of the effects on the individual of his economic state. If I do not seem to mention them it is not because of my disregard of them, but rather my desire to discuss mostly the human unconscious reaction to retirement and to work, as they are threatened by automation, and labor practices.

In 1963, Hans Sachs (1) a Viennese analyst, in a little known paper, "The Deylaying of the Machine Age," suggested a proposition which may throw some light on our problem. In a review of Roman history, he indicated that the Roman economy was fundamentally a slave economy. With the *Pax Romana*, the supply of slaves dwindled and man had to find other methods of producing his goods. Both the needs of the Empire and the structure of the economy would have warranted the use of machines, and the level of Roman mathematics and physics was sufficiently high to make the machine possible. In fact, the hydraulic press was known at the time but was used in Roman circuses and in stage performances only as a plaything. Its possibilities for production were not exhibited; it was never used for economic purposes.

Sachs proposed as an explanation for this puzzling rejection the very important concept of body narcissism of the Graeco-Roman man. This ancient man's investment in his own body, his pride in his own organism, had always made it impossible for him to allow a machine to do what the human body could accomplish. So also, in the period that Sachs was concerned with, the overruling narcissistic importance of the perfect body made it impossible for man to allow a machine to do what his body could do.

It was only with the development of the Christian ethic that the body was degraded and the narcissistic cathexis so far reduced that the projection of the body into a physical object and the surrender of bodily functions became no longer unthinkable. Indeed one may look upon this era as a grand and unavoidable detour, laying the psychological foundation for the creation and development of machines.

There is no area outside of the Christian orbit that has shown a comparable ingenuity in devising, producing, and using machines. The natural sciences gave man mastery over man's mind, and rendered him capable of giving constructive direction to other aspects of his own physical power. The age of automation certainly promises us sufficient livelihood and the freeing of the self for a greater realization.

Sach's thesis is in some ways an over-simplification: within it man's behavior is over-determined. We know that no one thing determines a given piece of behavior; rather, it is the result of a multiplicity of motivations. Man has been able to accept machines not because they come to his aid, nor because of the disappearance of slavery, nor because he has learned to degrade the importance of the physical self. But man has been able to accept machinery through the possibility of identification with it. It is only when he identifies

with the machine, when he has something to do with it and can control it, that it is allowed to become part and parcel of his body image—an extension of his physical self. Only then can he accept it.

A far greater difficulty presents itself when it is a matter of accepting computer machines, which the average man—and therefore the vast majority of mankind—does not understand. Complicated machines which perform in intricate and invisible patterns are frightening. They are beyond the common man's understanding and he cannot identify with them. He experiences hostility toward such a machine, as he does toward most things he fails to understand.

Furthermore, automation has done something that is unthinkable to a man who values his own self and that which he produces. In a sense it has removed him from the product which he creates. It has alienated him contactually from the manufactured goods. To create a relatedness even to inanimate objects one has to come into actual physical contact with them. Reality testing is primitively and therefore also unconsciously rooted in the subjective experiences of our five senses. Cybernation with its almost magical capacity to interpret abstract formulas with concrete end products adds to the sense of unreality which man so fears and is forced to reject.

Often alienated from object relationships in our fast moving fragmented society, deprived from contact with the manufactured object, the constant interposition of intermediaries between himself and people and things, man feels isolated, alone, frightened, and restless. He is far from acting out his impulses by destroying all machinery, as did the inhabitants of *Erchicon* in Samuel Butler's (2) Utopian novel. For despite all of man's uncertainty, he is quite ambivalent. He still looks upon the machine as an ally, a liberator from drudgery and slavery. Yet it is moving in on him too rapidly and threatens not only to relieve him of work—his great bridge to reality—but ultimately to displace him.

However, work—no matter how odious an implication it may have to a person—is an enormously prized and meaningful experience to man. It is not all punishment for his transgressions as implied biblically (3) but it is also a blessing, not only for the common sense economic reasons, but also (as I have indicated in a previous publication (4), because of its varied and unifying psychological implications.

A job is part of the identifying data that every human being has. When one asks a man his name and address and where he comes from, the next obvious question is, "What do you do?" This gives a frame of reference within which to operate. It gives us the possibility for a dialogue with that individual. It gives us a structured situation in which we may feel comfortable. If the individual whom you have asked, "What do you do?" has to answer "nothing," he is unfortunately categorized as a "nothing." He feels ashamed, as if he were admitting a failure which strikes at the root of his self-worth, self-esteem, and masculinity. Thus a job situation may often lend a man an identity without which life may be intolerable. Certainly as a psychiatrist I see more and more people who come to see me in order to establish an identity rather than to be helped for a known psychopathological syndrome. "I wish to know who I am," has replaced only too often a former opening complaint, "I am nervous and sick."

Another aspect of the work situation is that it enables the average person to channel his aggressive impulses into a sublimated and acceptable constructive activity. Among the features characterizing living matter is an irritability that demands discharge of its energy through meaningful activity. Unless the energy is discharged through goal-directed action, such as work is, it may become undifferentiated, undirected and therefore seemingly irrational. Added to this is the fact that biological matter, unless utilized, atrophies and dies. Seldom, if ever, has any job, performed within the physiological capacities of the organism, killed a man. On the contrary, work well done and within physiological capabilities, though it may fatigue, imparts a vigor to the body and often an exhilaration to the psyche.

WORK AS A REASON FOR EXISTENCE

Furthermore, work may supply man with a reason for existence. Since he is constantly in search for a meaning of life, being on a job, being thus useful to his family, community, and society, and being a productive member of a group may furnish an answer to that ever recurring question. Work also enhances an individual's erotic value. When he is young, a man's appearance alone may be sufficient to make him attractive and sought after. Once aging alters our facade, other meaningful factors must keep us attractive in the eyes of our fellow man. The

fruit of labor and its contribution to the life of others can certainly more than balance the ravages of time, and add to the erotic value of the self.

Then there are those to whom work has the meaning of a social interchange. They can only relate themselves to others through their work; work becomes their medium of communication. When removed from its milieu, these people feel lost. For them, the removal from a job becomes isolation with all its attendant and dreaded consequences. A friend of mine said of his father-in-law, who died soon after retirement, "It seems as if his life ended when his job ended. He was a different person when he worked. He was able to relate himself to people and be adequate. Work was his job and his social life. His retirement was his undoing."

Work enables some people to avoid boredom and introspection. Too many of us have difficulty in facing ourselves and bearing our own company. Not infrequently we find ourselves in pursuit of a way of 'killing time'—as though if we fail to kill time, it will kill us. Time on one's hands is often a very threatening commodity. One must either 'kill' it or utilize it in a non-threatening fashion. A work situation obviously solves this problem most satisfactorily.

Finally, as far as attitudes toward work are concerned, it is often a source of intrinsic enjoyment, that is, enjoyment of the art itself. This would be particularly true of those who take pride in what they are doing whether it be the rendering of services, creating a product, or realizing of the self through one's labors.

Our culture, difficult though it is to define because of the diversity of peoples who have fashioned it and the plurality of cultural memories which wove visible threads through its fabric, nevertheless has some dominant motifs in its value orientation. One of these is the type of individual whom we value.

Americans, according to Florence Kluckhohn (5), are noted for emphasis on the 'doing' individual as the values person in our society. Our ideal person is concerned with action and achievement. Whereas the Mexican mother (as an example of Kluckhohn's 'being' orientation) may happily enjoy her child from day to day, the American mother is too often concerned with its progress. She compares him with other children and in this way measures her own success as an efficient manager or as a force in the community. What the individual does and what he can accomplish are primary questions in our society. Getting things done and trying to do something about everything are stock American characteristics despite our cultural plurality. Each of us is comparing and competing to a degree; we can readily recognize the impact of such an orientation on the individual who has to give up competition in the field of work. If he is unable to compete, he is at an obvious disadvantage as far as our society is concerned. He therefore may have stopped doing, and so be beyond our pale.

I am aware that I have said he may stop "doing." And I must hastily add, *do* in our cultural sense. In our society, deeds, actions, and accomplishments must be visible to the naked eye of others, or if not to the eye, at least to another of the senses. Should we be reading and asked, "What are you about?" (or doing) we are prone to reply, "Oh, nothing. I am just reading." Or just thinking. As if evaluating and reading is nothing. Even learning *per se* is considered as a time filler rather than an activity. As a result, persons in our society are impatient in the process of learning. They would rather produce mediocre, or, as I prefer to call it, "instant art," than spend the time necessary to reach for perfection. Here the psychiatrist, too, may fail the patient. Since the psychiatrist is a member of our society, a captive of its culture, he may apply the doing orientation to the people who are not doing. He may push toward activity and action when the "being" activity would be a more appropriate orientation for all concerned. What is true of the psychiatrist is true of all of those concerned with the educational system.

What I have said about work is predicated on the continuance of the present value orientation, i.e., the work-oriented society. Leisure, as a sought-after dream, is at present viewed only as a relief from hard work. The values inherent in leisure and its proper use are as yet ill defined in the mind of man, and therefore are still downgraded in our ethic.

For various and seemingly logical reasons, we have turned from educating ourselves to perfecting our skills, we are in grave danger of losing our soul while saving our skin. Man's inner wisdom, that which may be called divine within him, perceives the uses to which man places the machine, fears for the dehumanization of mankind, and looks with apprehension and ambivalence toward the era of automation.

To conclude, what I have attempted to do is to set down the unconscious human reaction to the threat of automation. I have spoken of the man's ambivalence towards its benefits, and the implied threat to personal identity, to an

individual's sense of reality, and to the ability to master environment. I have talked also about some of man's feelings in relation to work.

In a pragmatic, doing society we need to find new methods of approach, to motivation (albeit oblique ones) in order to learn how to grasp the promise implicit within the growing leisure—a leisure which may be enriching because it is the opportunity to fulfill the potential of the human being.

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Senator MONDALE. Mr. McGehee.

STATEMENT OF EDWARD McGEHEE

Mr. McGEHEE. Gentlemen, I will be speaking to you today as a practitioner primarily in the area of preretirement training. The Industrial Relations Center of the University of Chicago has been engaged in preretirement training with program materials and the training of conference leaders since 1954. In fact, in the early development of materials for the UAW and United Steelworkers we were instrumental and other people in our university were instrumental in the preparation of those materials.

SOCIAL ECONOMIC LEVEL AND RETIREMENT ATTITUDES

As I was listening to the testimony of the representatives from the UAW, two thoughts flashed through my mind. One was very similar to the one that Dr. Henry has already discussed and that is that there are different kinds of attitudes toward retirement and expectations of retirement based upon the social economic level of the individuals and based upon the economic base which they can foresee for themselves in the future after they take retirement, whether it be early or whether it be forced retirement at some particular age.

Our experience has been that with a vast number of professionals—teachers, doctors, as already have been mentioned, accountants, engineers—and an increased number of white-collar workers, attitudes toward retirement are quite different from the attitudes shared by the people who work in heavy industries. As we move more and more toward a service oriented economy where the physical strength required of the work, the physical surroundings in terms of air conditioning, lack of noise, attractiveness are quite different from what they are and were in the industrial plant, the work environment is not such that it makes people want to get out of the environment. I would reinforce very strongly what Jack Weinberg has just said, and that is that work means many things to many people and to some people it is the most exciting thing that they do and they don't want to give it up.

The second thing I was reminded of was the assistant director of our printing department in the industrial relations center. He, as many of us has had, had a yen to go into business for himself. He had always loved caramel corn and he set himself up as a caramel corn operator

down in Old Town in Chicago which is an area which has been recently redeveloped and is the poor man's version of San Francisco's Broadway area. It was interesting to see his reactions over the first 6 months. At the end of the first 6 months he said to me one day in the hall, "Ed, I never want to see another piece of caramel corn again in my life." He said, "All caramel corn means to me now, and I used to love it, is pots and pans and what I have to face when I close that store at night."

I am absolutely sure that the statistics that the UAW representative has presented tend to overwhelm us with the increase in the numbers of people choosing to retire voluntarily in a very short period of time to change from one year to another but I would like to find out what those people are doing, as Jack already mentioned, 5 years from now, how they feel about that decision. Our experience has been that with people both who retire early and who retire at some fixed date that a great many of them 4, 5, 10 years hence find that the number of pots and pans that they have to deal with in their daily life are so overwhelming that they don't know how to cope with them.

One of the things that work does for us in our culture is that it provides an external as well as an internal order to our lives. As we move into greater and greater complexity and greater and greater size in our social groups the amount of individual control that we have on the decisions within the organizations in which we are members is reduced and in a sense a great many decisions are made for us and we have a very small part in the implementation of them. If suddenly you remove that control from a person's life and he is faced with a myriad of alternatives in almost every direction in which he turns and he has never developed the skill during the time that he was employed to choose among alternatives, to make decisions wisely and then to do the other critical part of the overall scheme, develop workable plans to implement those objectives, we cannot expect him to do it at age 65 or 55 if he takes early retirement at 38 or 15 or 2.

NEED FOR PRE-RETIREMENT EDUCATION

I would like very much to support some of the things that Secretary Gardner said about the need for preretirement education. I would like to see it cover all of the things that are now covered in preretirement programs; living arrangements, health, the meaning of work, family and friends, et cetera. But I would like to see it begin a program that would be followed up systematically of training people to make decisions in complex situations so that when they retire and the external controls are no longer there for them that they will have the inner resources to do the kind of planning that will make their lives the kind of fulfilling lives that they would like and that you and I would like to see them lead.

I suspect that with very little addition to the social security program, or perhaps even through a separately funded activity, even God forbid, you know, a Federal commission with its own bonding power, that we could establish a contributory program whereby funds would accumulate so that sometime in a person's work career—45, 50, 55, whatever it might be—he would be required in order to get a reimbursement for what he had contributed, and anyone else may have contributed,

that he undertake a program in preretirement training and that it be something like the GI bill of rights in terms of education. You might call it Elder Ed or you might use some other name that would reduce itself to a nice acronym if there are any left by that time at which point a number of agencies in the community, just as they did under the GI bill, would provide this kind of training. The agencies themselves would be the agencies which would be accredited and they would have a variety of prices and programs and it would be up to the person to choose and use his funds in whichever way he saw fit but he would have to indicate that he had taken the program just as a returning veteran indicated in World War II.

I submit that part of the reason that we set up a GI bill of rights was as a reward to veterans who had served their country and who had been successful in surviving. I say that the man or the woman who has lived to be 60 or 65 has contributed a lot to our culture, to our economy, to the organization in which he has made his living, and, what is more, he survived, which is a very real and meaningful thing in our culture today. I am not sure that I will survive. I think that this is just as adequate and fitting reward as the GI bill would have been.

One other thing that I would like to see us do and that is I would like to see a period in the man's work life when not only would there be midcareer training which is separate from preretirement training which may mean that it would make a man's job currently more meaningful to him or enable him to change professions—and we may be approaching a time when a man may have three or four professions or occupations during his lifetime—I would like to see that be carried back earlier into the system, not just at midcareer, because I think that we are going to have to move that back further and further as our economy becomes more complex and integrated and as the number of specialties increase. It is possible in such a program to build in the kind of decisionmaking skill and training that I was talking about and that is the link I see between preretirement training which you would do at some other time as a specific activity and something like midcareer training or systematic career training, whatever you might like to call it.

Gentlemen, as E. W. Howe once said, no one would listen to you talk if he didn't know it was his turn next. I would like to turn it over to Glen Burch.

Senator MONDALE. Dr. Burch.

STATEMENT OF GLEN BURCH

Dr. BURCH. I am tempted at this point to say that you have heard enough because I have been trying to visualize what you have had to go through in the hearings you have held to date and what you are going to have to go through in the future. My admiration for the staying power of Senators is enormous. I will try to be brief.

Senator MONDALE. Put that in large type, will you.

Dr. BURCH. I assume most of the important things have been said and want simply to add just a footnote to this discussion because I am not going to talk about the aging process and about what is needed by older people, you have heard that. I want to talk about the community in which all this takes place.

I am a director of University of California Extension in a rural area in northern California. You have heard a great deal about cities. I am interested in small towns; in the problems I have in serving them. I go through the little towns, glimpsing the troubles they are having these days; see the increase in the population of older people. Many are going here because they feel they can get cheaper housing and more amenities and are often seriously disappointed. I have asked myself what we can do in this to help; not tomorrow and not in 10 years, but today, to make life a little better.

I would like to see the small towns in our area fit for older people to live in because I think if they are fit for older people to live in they will be fit for the rest of us, too. So this has been behind the approach we are taking in working with the agencies that are in those communities, and with the senior citizens themselves I might add, because they ought to participate in a venture like this, and try to find out with us what is happening.

I was very much interested in Secretary Gardner's statement to your committee sometime ago in which he made the remark that one of the most significant things any society could do would be to give all its members the kinds of experience that would build the capacity for self-renewal throughout life. Where do we get the kinds of experience that will build our capacities for self-renewal? It is where we live. I think we ought to ask ourselves, particularly in light of the tragedy that is occurring not too far away: Are we getting the kinds of experience, are we having access to the kinds of experience that would build that kind of self-renewal?

So I think it is our job in education, at least I conceive it, to try to find ways of helping to build into the community, options for older people to get the kinds of experiences that will in turn make them into self-respecting—and self-supporting if possible—citizens, able to develop spiritually and psychologically in the area in which they live.

So may I add a footnote to Secretary Gardner's idea for self-renewal. Perhaps we have to have community renewal first for many people before we can expect any reasonable self-renewal from them. It is on this particular effort that I think many besides myself in education are working. We don't know the answers. The other gentlemen on this panel have all had far more experience in this than I have had. I am a learner in this field and I think we have to find many of the answers by getting out and working with the older people themselves and with the agencies that are involved in serving them.

Two points that I think the Government can do here in particular legislation. One is to encourage, and I mean encourage, in every way possible the coordination of activities designed to service the older people at the local level. You see, we have achieved what I would call a "vertical regionalization" in many of these services. What we need to do is to compliment that with some form of "horizontal regionalism" in which all the agencies that are doing various things get together. Now there are various ways of doing this. The most potent, of course, is the way you give them money, and I would like to see some studies as to how this can be built in as an incentive in this particular direction.

The second is on the approval to grant giving itself. I have noticed in some of the higher education legislation that many of the enabling acts seem to read in such a way that the agencies were asking for the funds, give evidence that they are coordinating their efforts with other related work. I think this is a fine beginning, I hope that it is increased, because only in that way it seems to me can we make really effective use and encourage the kind of cooperation we ought to be doing anyway but what we often aren't at the levels that we work.

Thank you.

Senator MONDALE. Thank you very much, Dr. Burch, for that very fine statement.

(The prepared statement of Dr. Burch follows:)

PREPARED STATEMENT OF DR. GLEN BURCH, DIRECTOR, UNIVERSITY OF CALIFORNIA
EXTENSION

In June 1966, University of California (Davis) Extension, was awarded a grant by the U.S. Administration on Aging to help finance a regional project designed to identify and develop leadership for community planning in the field of aging.

The region identified for this project was a 29 county area in the North Central Valley of California. Nine representative communities of varying sizes in this region were arbitrarily selected for initial demonstration purposes, and six leaders from each of these communities were invited to a week-long training and orientation workshop of the problems of aging in September, 1966. Following this conference, community workshops were planned for each community on topics selected by the community representatives. This summer, as a conclusion for the first year's effort, a conference on Education and Aging was held on the Davis campus to which adult educators, recreation specialists, and college administrators in the region were invited to explore ways of developing better continuing education programs for older adults. Some 800 individuals, senior citizens, as well as representatives of a variety of community and state organizations, have been involved in one way or another in the project to date.

In this project we are also concerned with stimulating a better coordination at the community level of services for older people provided by the various local and state agencies, i.e. those concerned with employment, social welfare, social security, health, etc.

You might say that the over-riding objective of this project is to explore ways and means of improving communities in this region *as places for older Californians to live*. Since this is—relatively speaking—a sparsely populated region with only two fair-sized cities (Sacramento and Stockton), we are primarily concerned with small towns and rural communities. These are changing—under the impact of California's well-known population explosion, and no small part of our exploration will be concerned with *how* they are changing, in what *direction* they are changing, and how these changes are *now*—and may in the future—affect the well-being of older people living in this region.

1. The project may well be pertinent to the matters before the Subcommittee on Retirement and the Individual, for we will be concerned with what is now happening to individuals, who are now in retirement in one important, and growing, section of California. Most small towns in the region are experiencing an unusual growth in their older population. Many of these are long-time residents; others are newcomers who are fleeing the more congested cities; looking for lower cost housing, freedom from traffic congestion, smog, and the other ills the greater metropolitan areas are increasingly heir to. Small towns in California—and we suspect elsewhere as well—are not geared to accommodate their needs. They, too, are having economic and social problems, and these tend to eclipse the problems of older residents. We have to become a little more sophisticated in our approach to solving these problems; recognizing that older people are still individuals, with varying backgrounds, education, economic resources, and personal interests, we should strive to develop in each community a variety of "options" from which older people may choose a satisfying pattern of life activity in their later years.

2. California, in general, and this region in particular, has a considerable undeveloped backlog of educational resources which have great potential usefulness for older adults. These reside in the community recreation and public school adult educational departments, junior colleges, state colleges and universities. These have not been realized—not only because of lack of funds (the conventional excuse) but also because of lack of coordination of the various efforts when all institutions consider it their right and obligation to attempt everything. The result is too often that nothing is done. Cooperative regional efforts—such as those we are attempting in connection with this project—will help pinpoint responsibility. Not to be overlooked in the educational resources of a region are imaginative, innovative uses of radio and television, which could be both a service and educational resource.

3. If cooperative regional efforts in the education of older adults is desirable, federal agencies should take this into account in planning both their service programs and their funding efforts. If the aid the Congress is trying to provide to older people through recent legislation is to make a difference in the lives of the older people to whom it is addressed and not simply in the budgets of the departments and funded agencies administering it, then we suggest more attention be given to the kind of incentives that are built into appropriations both for federal agency programs and those designed to aid state and local organizations. Let me illustrate.

Secretary Gardener remarked in his excellent statement before your Committee that "one of the most significant things any society could do would be to give all its members in the early and middle years the kinds of experiences that will build the capacity for self-renewal throughout life." Where will they get the "kinds of experience that will build the capacity for self-renewal throughout life?" Largely in the communities in which they live. And what kinds of experiences "build the capacity for self-renewal?" Surely they are experiences that support self-respect, that recognize individual dignity and worth, provide a sense of belonging to some worthwhile common effort, opportunities to contribute to the common effort, opportunities to contribute to the common good, opportunities to make and keep friends, to share affection, and to find (hopefully) as a result of these experiences, new meaning in life.

Today in a majority of our communities, large and small, there has been a marked decline in the availability in these kinds of experiences, consequently a decline in individual capacity for self-renewal. We may therefore argue that there is a need to build a capacity for *community* renewal before there can be meaningful *individual* renewal.

It is here, in the assistance that can be given by federal grants and services, that needed change can take place. For if grants can be given on the basis of plans for *cooperative* attack on community problems, on the creation of a diversity of opportunities offered by diverse agencies—for the education and self-development of older people—a small but significant start might be made in the direction of general *community* renewal.

The goal, it seems to us is not equal opportunities for all older adults, desirable as this may sound. It is a *variety* of opportunities. For adults old and young vary in their educational, cultural and economic background and if we are to respect them as individuals when they retire, they need a range of opportunities appropriate to their capacities and condition in life. These can be provided only on the basis of realistic and compassionate cooperative planning and activity on the part of the community agencies and organizations; planning in which the older citizens themselves play a meaningful part.

To summarize, federal funding, and federal services, which does not provide incentives for needed structural change and cooperative planning in the communities served, will contribute little to the objectives of the legislation making the funds possible.

4. Perhaps the greatest need today in the development of satisfactory educational programs for retired persons is a continuing program of applied research on the habits and interests of older people. What *do* older people today do with their lives? What kinds of experiences contribute to desirable changes in habits, alterations in attitudes toward living? What choices do retired people in differing economic circumstances *feel* they have in exposing themselves to new experiences, making new friends?

It is important, we feel, that any such continuing program of investigation into older peoples' habits and attitudes should be carried on with representative older people themselves, for this would help to insure an application of

insights attained to efforts to solve on-going problems. For retired people of this generation are in a real sense pioneers in a new world. Their participation in ventures designed to illuminate their shared plight—plus the knowledge that their discoveries might lessen the problems of those who follow them—might serve to mitigate their own anxieties and loneliness, and give them a sense of meaningful belonging to the troubled and changing society of which they are a part.

(Subsequent to the hearing Senator Mondale addressed the following questions to Dr. Burch in a letter:)

AUGUST 4, 1967.

DEAR DR. BURCH:

* * * * *

I am impressed with the relevance of your project to the work of the Subcommittee. As you say on page 2 of your prepared statement, many small communities simply are not prepared to accommodate the needs of their older population. Can you give us more information about the nature of such needs, and how your leadership development program can help us to identify and deal with such needs?

You also refer to the "undeveloped backlog of education resources which have great potential usefulness for older adults." In view of your long experience in the communications field, your observations on this point are of great interest to the Subcommittee. Would you care to develop it further?

You also called for new and fresh ideas in the use of radio and television. I am very interested in the potential value of such media and would welcome additional discussion from you.

I would appreciate very much any further comments or suggestions you may have with respect to your suggestion that vertical regionalization of services to older people be complemented with a horizontal regionalism in which all the agencies that are doing various things get together.

* * * * *

Sincerely,

WALTER F. MONDALE,

Chairman, Subcommittee on Retirement and the Individual.

(The following reply was received:)

UNIVERSITY OF CALIFORNIA EXTENSION,

Davis, Calif., August 18, 1967.

DEAR SENATOR MONDALE: I must confess to you that I find myself surprised, pleased, and embarrassed to get your letter of August 4. Surprised, because I honestly didn't think Senators could find time to read the considerable number of prepared statements that are placed before them; pleased to find that they do; embarrassed with the knowledge that I have so little of substance to add to the regional statement.

But I will do my best.

I'm afraid the statement that many small communities simply are not prepared to accommodate the needs of their older population is an assertion that I can, at the moment, neither prove nor disprove. It is largely a hunch, based upon several years' observation of the small towns in my region, and some little acquaintance with a few of the older residents. During the past year we received some confirmation of this hunch in the kinds of problems identified in the community workshops held in six communities. In all of them—large and small—housing, transportation and a central information source about community services available for older people, were identified as major problems—in that order. These, I submit are not the kind of needs people would be quick to identify in communities prepared to make life tolerable for older people. The housing problem which affects the general public is particularly serious for the elderly, with limited pensions and fixed income. Many stay in small towns into retirement years; simply because they can't get out. As long as towns stay small, and local taxes low, they can make out. But when property values rise (and taxes with them), they are often forced out and can find no comparable living quarters. The so-called Leisure Town for the elderly is a solution only for the fairly well off.

As to the reference to "undeveloped backlog of educational resources," I think I had in mind two things: 1) the educational institutions in our region now providing learning experiences for adults, i.e. public school adult programs, col-

lege and university extension programs that have never been fully aware of the educational needs of older citizens and consequently unused potential sources of help, and 2) the older adults themselves who have teaching skills that have never been adequately utilized, we are trying to do something about both problems. This summer we held a workshop for representatives of all the institutions noted in (1) above, in which we explored programming possibilities they might immediately undertake. This fall we are going to get our local committees on aging to conduct some kind of a "talent inventory" of older residents to uncover skills and knowledge that can be put to work for the benefit of both the community at large and their fellow members in the "aging community."

As to "new and fresh ideas in the use of radio and TV," I am enclosing some extracts from a talk John Walker Powell made at a conference on aging at the University of Michigan, which illustrate the kinds of programming that might be done in this field. We have done little with the media here to date, but I hope to try out some of Dr. Powell's ideas in the near future.

The concept of vertical and horizontal regionalization is one that has intrigued me for some time * * *

Theoretically, the whole idea of state and federally supported services for health, education, welfare, employment, etc., is to assist the individual in achieving and maintaining his own independence, integrity and self respect. Only as we can be assured that a substantial majority of our citizens are actually in this category can we be said to have a viable democratic society. For only people who know and value integrity and self respect will support the society that makes these virtues possible. As both federal and state governments proliferate their service functions, there is an inevitable tendency for agencies charged with administering a given program—employment, social security or whatever—to fall prey to what might be called the "General Motors" syndrome: what's good for the agency is good for the country. Almost all large federal and state agencies are today "regionalizing", i.e., decentralizing, their organizational structures. The intent is to cut "red tape" and to bring organizational decision-making closer to the people served. But since the line relationships are still unilateral or "vertical"—local to regional—to national or state—the result may be a further fragmentation of our already fragmented governmental services. Federal and state funding of services may make a difference in the staffs of the agencies, but little difference in the lives of the people.

What is needed to affect this is some effective form of horizontal or cooperative relationships among the various agencies at the local and regional levels.

Let me illustrate. When we began our current regional aging project, we determined to try to form local or area committees on aging made of both agency representatives and representatives of the aging population through the California State Commission on Aging, with whom we worked closely in setting up the project. We met with representatives of the major state agencies concerned in one aspect or another of the problems of the aging—social security, employment, social welfare, education, mental hygiene, etc. They provided helpful suggestions, and several individuals who became involved in our project were their nominees. However, we soon discovered that there is little or no provision in most areas for the coordination—or active cooperation—of these agencies in this discharge of their obligations to the elderly. The situation, of course, varied from community to community, but the effective coordinating mechanisms were generally conspicuous by their absence. I believe that the State Commission is currently conducting a campaign to develop local committees on Aging, and I hope that, as part of this effort, an attempt will be made to get major state agencies to encourage and support their local representatives in membership in such coordinating committees as a matter of policy. It would be heartening to see similar action taken by the major federal agencies.

I am under no illusion that this is about to take place. But I have been heartened by certain trends that seem to be present in grants made by some federal agencies—notably HEW—which encourage—and in some instances, demand evidence of community and regional cooperation in grant applications.

Active effective cooperation among agencies and organizations at local and regional levels (what I call horizontal regionalism) is, like morality, something that can't be legislated into existence. But what legislation can do, it seems to me, is to establish funding situations in a manner that clearly rewards such cooperative efforts. Many of the grants made so far under AOA are pointed in this direction. May their tribe increase!

Many changes are going to have to take place in local communities and much federal money spent before we really begin to do justice to our older citizens. This is one way, it seems to me, that legislative action can further this process.

Sincerely,

GLEN BURCH, *Director.*

Senator MONDALE. Senator Prouty, do you have any comments to make or questions?

STATEMENT OF HON. WINSTON L. PROUTY, A U.S. SENATOR FROM THE STATE OF VERMONT

Senator PROUTY. Mr. Chairman, first I apologize for being late but I am on a subcommittee which is very much involved and concerned with the so-called war against poverty, and in view of what happened in Detroit I felt it was incumbent upon me to spend some time there and visit the city officials and see some of the destruction which is unbelievable. Some sniping, I understand, is still going on. To see firemen carrying rifles, all the firetrucks being guarded by members of the Armed Forces is something that it is difficult for you to believe could happen in this country.

I think some of the psychiatrists perhaps can enlighten us as to why a situation of this kind does develop, not only in Detroit but in other areas, and particularly in a city such as Detroit which I think has been quite progressive over the years in trying to resolve some of the problems which have existed and which do exist in major metropolitan areas.

Getting back to the problem which we are considering today, I think it is highly important, knowing that the population of our retired citizens is going to increase very rapidly over the years, that we do give serious thought and consideration to their needs. I think it was Arnold Toynbee, the historian, who once said in substance that the character of a society can be determined by the responsiveness of its citizens to the needs of the elderly. I think that is very true. We are talking here in terms of several years in the future, but I think there are some definite needs that have to be met right here and now to take care of the 19 or 20 million elderly people, many of whom do not have ample resources upon which to provide the basic needs of life.

I have authored legislation in the Senate on several occasions which would increase social security payments; I believe they should be. Last year I was able to offer an amendment on the floor of the Senate which provided that any person 65 years of age or older who did not qualify for social security would receive the minimum benefit of \$44. Obviously \$44 is a grossly inadequate sum, but we have to approach these things one step at a time.

It passed the Senate, never had been acted upon in the House. It did go to a conference committee, they amended it and reduced it to \$35 and this was for people 70 years of age or older which were covered by my amendment. The conferees reduced it to 72 and the amount to \$35. That was progress but as I suggested, obviously inadequate. It also made it impossible for anyone drawing the \$35 payment to accept any welfare, but strangely enough about 700,000 people throughout the country have benefited. Some of them were on welfare receiving \$10 or \$15 or \$20; they had an option, continuing under the welfare pro-

gram or accepting the social security benefit. Naturally if \$35 is more than they were getting, they took the latter.

I consider the Dominion of Canada, our neighbor to the north, where everyone 70 years of age receives a benefit of \$75 a month, which is far better than we are doing in this Nation today. I think the average social security payment is something around \$84. We talk about poverty, establishing that as a \$3,000 level, and obviously these people cannot live on \$84 a month; they have to have assistance from welfare societies. Many of these people, it should be noted, lead very productive lives—retired schoolteachers.

I wish you could read some of the thousands of letters which have poured into my office over the last year or two. They are heart rendering and they have convinced me beyond doubt that we have no alternative other than to increase social security benefits quite substantially if we are going to enable many of our elderly people to provide themselves with the basic necessities of life. I hope that people who are interested—I know many of the elderly groups are behind legislation of this nature, the President in his last message to the Congress on this recommended a minimum social security payment of \$70 a month. That was one of the amendments I offered last year which was defeated. He also has recommended that the \$35 payment which I was successful in getting last year be raised to \$50. I think that payment should be increased at least to \$60 or \$65.

We are making some progress but we are also confronted with the problem that as long as we have a war in Vietnam which is costing between \$2 and \$3 billion a month, as long as we have a balance-of-payments problem and a tremendous deficit which may run somewhere between \$20 and \$30 billion next year, we are inhibited in some respects from taking steps which are vitally important at the domestic level. That is a fact of life we have to face up to.

I am delighted to be here. I congratulate the University of Michigan for perhaps taking the lead in studies of this nature. I am grateful to the members of the panel who are here, I shall read their statements very carefully, and I hope that my colleagues in the Congress will do likewise because this is a problem of major importance and significance to the American people.

Thank you, Mr. Chairman.

Senator MONDALE. Thank you very much, Senator Prouty, for that very, very fine statement. I am sure that the participants here today are well aware of your fine leadership in trying to approve the income maintenance level for our senior citizens.

For a few minutes it might be in order here for the panelists to take up an issue or two with each other that they feel is important. Does anyone want to start?

Dr. Henry.

Dr. HENRY. As the first speaker I will take the opportunity to make the first comment.

Senator MONDALE. That seems fair.

Dr. HENRY. I would like to observe that there are some areas of literature in which it has been commented that there is a certain similarity between children and the elderly. It is a temptation for me to fall into, to notice these recurring parallels at certain levels. I would like to not pursue that particular analogy but to suggest that here is

a similarity in what ought to be our concern for the older person and in what ought to be our concern for the adolescent. You will notice that is not to say the older people are like adolescents, I just said the social issues that deal with people in transitional states may be an important stance which we ought to be taking, which we are to some degree taking toward adolescents in devising procedures, plannings, educations, retraining, for moving them from a dependent preautonomous state into what we choose to call adulthood, meaning by this the ability and the opportunity to defend yourself and to be autonomous within the terms possible in your particular social group.

ELDERLY IN TRANSITION

The elderly in a sense are in a similar transition. It is true enough they are not in a transition into the adult state that they have had and still have, but they are in a period in which they are redefining, in which the society is redefining them and their relationship to that society. As I said, I think they themselves are in a situation in which they are redefining themselves and their relationship to the society. All of the varieties or most of the varieties of pretraining, reexamination of life, career, centers for the integration of the elderly, the post-retired persons particularly, seem to me would benefit from thinking of these as procedures relevant to now another kind of transitional state.

I think the particular point Dr. Burch made that the retraining, reeducation, continued educational ventures cannot really be sensibly conceived except as a community itself provides the articulation to those measures which is the key, it seems to me, to the many successful parts in passing of the UAW program or at least the parts which Mr. Brown claimed to be successful. I don't say I doubt it, all I say is we have not had the opportunity to see the evidence in some realms. That is to say, that the retirees, the early retirees anyway, develop a program with guidance, assistance and they do this in a context with which they are intimately familiar; that is, the cathexis to the sustaining society of the union for the past 30 years.

Both elements, the willingness of that society to continue to sustain them and the willingness of that society to provide new educational devices of various sorts seems to me are the two crucial elements of that program. They would be the two crucial elements of any kind of preretirement, and I would include age 40 as a preretirement relevant period. It seems to me we do have to have those properties, something which the individual can himself do to reconsider, perhaps renewal is a little too pious a word for me to use, but to reconsider his next steps, we must also have a setting, a community, a context—whether it be a school or an entire community, a union membership, a context which is articulated to those programs.

I think in those two circumstances the individual can participate fully in this kind of transition out of the standard definitions of work and into some personally satisfying new formulation of a life style, a life style which might include some work but which the central properties are not the work oriented ones.

Mr. ORBACH. I would like to comment in a sense on what Dr. Weinberg has said about work and retirement and take the opportunity as

a sociologist to disagree slightly with him. I think the points that he has raised about the problem of work and the meaning of work and retirement are valid ones. But I don't think it serves the proper purpose to focus on the retirement period to suddenly discover that throughout the whole life style and pattern of our society there are forces and influences which prevent the individual from achieving a certain self-realization and autonomy. For most people work is an externally imposed thing, it is not a creative activity so that retirement is not retirement out of something which has a positive meaning to the individual. To say that retirement may be a conscious choice, but unconsciously the wrong and a poor choice is only in a sense to go back and say that at the beginning point the individual commencing work may be consciously wanting to do what unconsciously he really does not want to do.

I do not think it helps us to focus upon the particular problem of the individual who having worked for many years and having spent a life of toil and labor in what seems to be unsatisfying or stultifying or boring or physically exerting labor, that it should be suggested to him that his choice for retirement is a choice into oblivion. I don't believe that is the case.

I think that there is developing in our own society, and it is developing in the Western societies, the idea that retirement itself is a valid position, it is a part of the total set of roles one moves through throughout life which has a status and has a meaningful status. I think it is quite clear in our own society that one important aspect of those positions in our society which have positive status both to the individual and to others consciously at least are those which are financially rewarding.

Although I am not as old as Dr. Weinberg, in the course of my research I have gone back and looked at those magazines of 20, 30, and 40 years ago, too, to see that happy couple sailing off into the sunset at a little older age than they do in today's ads and at a little less of an income. The point that we have to realize is that those ads were not addressed to a nonexistent market, they were addressed to an elite segment of our society just as they were addressed earlier to the elite section of British society which constituted, say, the imperial officers' staff and the civil servants who spent 20 years in India and came back and lived a royal life thereafter on a pension for 25 years or whatever it may have been.

I think ordinary people want these things. Industrial workers know that firemen or policemen can retire after 25 years with a fairly good salary and they know that teachers can do so, they know that civil servants can do so, and civil servants are doing so. I refer you to the reprint on Federal employees early retirement I submitted to your staff.¹ In the State of Michigan in the last few years it has not escaped our notice that members of the State legislature can retire after something like 14 years of service with about \$10,000 a year, and many people don't feel that 14 years in the legislature is any more demanding than 25 years in an auto factory.

So I believe we should focus upon the fact that in our society one of the aspects of work which is so central to people is not simply plac-

¹ See app. 1, p. 546.

ing them in terms of giving them something to do but that work is a necessity in order to have the financial wherewithal to do anything at all. If we were to offer to individuals at say the age 25 the choice of \$25,000 a year without any prescribed work or a job with a similar equivalent pay, an interesting research study might be done as to which of these two groups would develop a more creative and personally self-satisfying life.

I am not going to hazard the answer but I would certainly not say that the people who take the income and not the job are going to have higher psychiatric or illness rates than those who do take the job. I think we do need a lot more research in many of these areas and for a number of years I have argued this, but I also think that there are many areas where we have enough research to have clear answers.

For example, there is the question of retirement and health which Dr. Weinberg mentioned. I don't know that a particular study has been done on automobile workers. But other studies have been done on other industrial workers, both in this country and elsewhere. The clear and definite picture that comes out of each and every one of these is that retirement improves the health of the individual. Continued work for many individuals simply drives them closer and into the grave.

Now it may also be true that the individuals who continue to live may have more medical problems and perhaps even psychiatric problems but then you have a choice; do you want to spend your later years seeing a psychiatrist or not have them at all. I don't think that those who choose life in retirement have more medical or mental problems than those who continue to work. The evidence seems to be quite clear in the other direction.

Enough evidence on this matter was clear back in 1959, when Dr. Donahue, Professor Pollack and I studied these things. Since that time there has not been a single study that has contradicted the finding that retirement improves the health of the individual. I hope the UAW is studying this, they have a good basis for doing it. I am quite clear in predicting, and I think most other people in the field would be clear in predicting, what the result would be: that retirement would improve the health, both physical and mental, of most industrial workers.

FOCUS ON MAJORITY PROBLEMS

Now perhaps for the college professor or the elected public official—very few people retire from an elected office voluntarily—this may not be the case. I think what we have to do in looking at retirements is to concentrate on the vast majority of the members of our society and not the specialized segments, the minority segments that have particularly peculiar problems. Most of these special cases, that is, the minority groups—I am using minority obviously in a different sense now, quantitatively—don't have the same magnitude of problems that the vast majority of older persons do. They may have psychiatric problems, that is true, but they usually have the wherewithal to take care of these; they may have medical problems but they have the wherewithal to take care of these.

I think the basic thing that we have to focus on in looking at retirement is the vast majority of citizens who may have the problems, the economic, medical, and psychiatric problems, but no wherewithal to take care of them, and I think it is in this direction that we have to direct our major attention and our major effort. Too often, the academician or scientist in looking at the problem of retirement has viewed it from his own perspective. He has unjustly read his fears and his problems into the ordinary citizen's situation and incorrectly sought to impose them on him.

Senator MONDALE. Thank you.

We are about a half hour behind, according to counsel. I hate to start a new, more stringent, time restriction just when we get to Dr. Weinberg, but since we made him a Ph. D. in social sciences, perhaps he would not mind the restriction in exchange.

Dr. WEINBERG. May I just indicate that one of the charms in social science is that you can prove any point. I think I made it clear that work has different meanings to different human beings, and I had thought that it was covered quite beautifully by Professor Henry as to the fact that there are various groupings that can find work a drudgery. I was speaking for many of these people who find work compensatory not only in the sense of their economy but in terms of the totality of their being.

I think just as the UAW has brought here a group of people who will testify to the efficacy of their retirement practices, I could have brought along six people to match every one who could equally disprove that very item. I tried to indicate the important element is that as human beings we have a variety of experiences and life styles and that it would be well worthwhile for ourselves to evaluate and research these things. HEW is financing a study at Harvard University which is going to contribute greatly to our knowledge of this problem. I do not deny that you can have studies that will prove that the health of the people has improved—physically, certainly; aye, even mentally. The studies must, however, also include, and I would suggest that to UAW, not only on the subjects themselves but the families of the retirees and the impositions which members of the family feel about the liberated time of the other members of the family.

I think there is a great deal to be studied. I have no argument with Mr. Orbach. I wish to point out that there are variables in research. It is not quite as simple to state that work is imposed on the individual. It is, but values are also imposed on the individual and these contain values regarding work, and they become part and parcel of our total being.

You know that as soon as our children learn to take two blocks and put them together we try to move them from play to work, to methods of how they can work. Our religions with their value systems place certain values on work. These incorporated, made part of ourselves, and then when we quit working many of us feel guilty about it. All I need to point to is the numerous Sunday neuroses. A man is perfectly fine until he gets home on Sunday and has nothing to do and then he is a wreck, he can't wait until he returns to work. I have no argument. I think what we are both saying is correct.

Senator MONDALE. Thank you, Dr. Weinberg.

Mr. McGehee.

Mr. McGEHEE. I pass in the virtue of time.

Senator MONDALE. Thank you very much, Mr. McGehee.

Dr. Burch.

Dr. BURCH. With the Senator's permission I would like to donate my 3 minutes to a seventh-inning stretch.

Senator MONDALE. Very well.

We thank the panelists for their very fine presentation. Those of you who have written statements, if you will supply them to us we will make certain they are made a part of the record.

Do you have any closing questions?

Senator PROUTY. No.

Senator MONDALE. Thank you very, very much.

We will take a 5-minute break and return to hear Dr. Kahn.

(Whereupon, a short recess was taken.)

Senator MONDALE. We come back with a very interesting statement by Dr. Reuben L. Kahn, who is professor emeritus of serology, research consultant in dermatology, of the University of Michigan Medical Center. He is our youngest witness and it is his birthday today. I won't ask him how old he is but I am sure everybody in the room joins me in wishing Dr. Kahn our best wishes on his birthday. You can just begin in any way you want.

STATEMENT OF REUBEN L. KAHN, PROFESSOR EMERITUS OF SEROLOGY, RESEARCH CONSULTANT IN DERMATOLOGY, UNIVERSITY OF MICHIGAN MEDICAL CENTER, ANN ARBOR, MICH.

Dr. KAHN. Thank you very much Senator Mondale, for wishing me a happy birthday. Thank you sir, very, very much. I didn't expect anything like that.

Ladies and gentlemen, my presentation is entirely different from what we have heard this afternoon. This afternoon we heard of retirement of masses of people, especially laboring people; those who want to give up work in order to have leisure. But there are certain fields of work from which a person may not want to retire; he may want to continue his work. Dr. Orbach, for example, spoke of academicians who never want to stop work. Most of the medical men at the University of Michigan Medical Center who reach the official age of university retirement at 70, establish private offices and see patients right along. Why? Surely not because they need the income, since generally they are fairly well to do, having been professors throughout their lives. They continue to see patients because they enjoy what they are doing; they enjoy helping patients to become well. I am not a practicing physician. I enjoy carrying on research, and I looked forward to retirement from university duties to devote myself more fully to research. The capacity of self-renewal was mentioned by one of the speakers. I think there is something about doing research which has in it a capacity for self-renewal and, therefore, one can never stop. An illustration of the capacity for self-renewal of research is that of a young person who sits right in front of me in a red jacket (Dr. Wilma Donahue). For 20 years she has had conferences on aging in this university of national and international scope. Each conference was new;

yet, it was a renewal of the previous conferences. Therein lies one of the mysteries of research—that on learning, and as we keep on learning we keep on being young and retirement does not become an essential feature of our lives.

PERSONAL REACTION TO RETIREMENT

In the statement I sent to Mr. Oriol, I attempted to answer three questions submitted to me. One question was to present my personal reaction to 10 years of retirement. I will, with your permission, ladies and gentlemen, read three paragraphs of my statement—it has about seven paragraphs, so three should not take long.

My years of retirement—excuse me, I haven't retired yet. We hear of retirement so much that it just escaped out of me, so to speak.

I meant to say that my years between 70 and 80 have been among the richest in my research career. They were rich because I was able to do precisely what I wished to do. I wished to devote myself to research on the effect of radiation on one of the defenses of the body tissues to infection, the defense which keeps an infection localized and prevents it from spreading.

I was able to carry on research at the University of Michigan after becoming professor emeritus in 1957, because the chairman of the department of dermatology in the medical school, Dr. Arthur C. Curtis, gave me an honorary appointment as research consultant in his department.

I then submitted a research proposal to the Atomic Energy Commission, Division of Biology and Medicine, Washington. In order to carry on research, as you know, one has to have funds for research. The personnel of that Division of the Atomic Energy Commission, I believe, hesitated to accept this research proposal from a man of 70. On visiting that Division, I apparently convinced them that I had the energy and interest to carry on research, and the proposal was approved by the Advisory Scientific Committee of the AEC.

I started by saying that the 10 years between 70 and 80 have been among the richest in my career. The main reasons, I believe, are that I carried on the kind of research I greatly wished to do, as I already mentioned, that I was free from special ambitions connected with salary and academic promotion and there were few things to distract me. I have indeed found that it is easier to work consistently between the ages of 70 and 80 than between, let us say, 30 and 40. It may also be that the interpretation of the research findings is more meaningful between 70 and 80 than between 30 and 40. When interpretation is more meaningful, it means greater satisfaction from one's own efforts.

ANNUITANTS ASSOCIATION OF RETIREES

The next question was for me to give a description of the purposes and scope of the Annuity Association of Retirees at the University of Michigan, and to discuss whether similar societies might be formed in many communities by retired faculties of public schools, as well as universities.

The Annuity Association of the University of Michigan was organized mainly to improve the status of emeritus professors. It happens that I have been president of that association for 3 years so I

know a little about it. When the Social Security Act was approved by Congress, that association urged the university to assist eligible retirees to receive social security. Actually, the university saw to it that all retirees who were eligible did receive social security.

Of particular importance to the annuitants and to the university was to utilize the services annuitants were able to render the university. These annuitants have been experts in special fields. As professors, their services were often sought far and wide nationally and internationally. Many of them possess the health necessary to continue to render important service to the university on a part-time basis.

President Hatcher of the University of Michigan recognized this fact and he asked Vice President Roger Heyns in charge of academic affairs to look into this matter of services to the university by annuitants. That was in 1964. Incidentally, Roger Heyns is now located at the University of California, as you may know. Soon, Roger Heyns and his associate, Prof. Edd Miller, worked out a plan whereby emeritus professors could obtain limited appointments. Indeed, a number of retirees are now doing part-time work for the university, thereby helping to relieve to some degree the shortage of faculty, and at the same time doing work which they enjoy.

These limited appointments are based on salary. The appointment that I originally received from the department of dermatology was, as indicated, an honorary appointment. For 7 years I carried on research without salary because I enjoyed the work. But after the university decided through the effort of President Hatcher and Vice President Heyns that retirees might be appointed on a part-time basis, I also began to receive a small salary.

This salary came from the research fund which I brought to the university from the Atomic Energy Commission. The university can't just give out money without having money coming in, as you well understand. In previous years these research funds could not be used for a salary of a retiree. At that time I was therefore not permitted by the university to draw a stipend from my research fund.

This university policy was understandable. The administration probably felt that if the university pays some salary to one retiree, it would similarly have to pay some salary to all other retirees seeking work at the university, and a large number of retirees are living in Ann Arbor.

Now the university has a definite policy of appointing retirees on a part-time basis. This is a wonderful thing for the retirees as well as for the university. During the years when appointments were honorary as in my case and rare, I would see these men whom I knew in years gone by as world experts in their special fields, whether it was in geology or chemistry, physics, or literature. They showed little general enthusiasm when I would see them at meetings of the Annuitants Association. The reason may have been that they had nothing by which to express themselves; they were not able to give to the world material in which they were expert; material which the world needed. But the situation has changed in Michigan and I am very happy about it.

Now I have another paragraph to read, to answer question No. 2, and that is whether it would be desirable to establish annuitant associations in other institutions and in public schools.

I believe that the establishment of annuitant associations in various universities and public schools should be desirable. They might cause administrators to become mindful that many retirees have the health, ability, and interest to continue to render important part-time service in their respective fields.

Finally, we have come to question No. 3, ladies and gentlemen, and that will be the end of my discussion.

PRESENT-DAY THINKING ABOUT RETIREMENT

The question was whether much of our present-day thinking about retirement is outmoded. Isn't it possible, for example, to envision several changes in work career during a lifetime?

My answer. We must keep in mind that the discussions we have heard about retirement today are not related to my discussion. Automobile workers or others working in factories look upon retirement altogether differently from academic people or special professional people such as doctors and lawyers and, as in my case, research workers. So my answer might not apply to workers in factories and to massive numbers of retired people. My discussion deals with a minority of retirees, such as university people.

Present-day thinking about university retirement, is bound to become outmoded because an arbitrary date is generally taken as the indicator of man's ability to serve society. This ability differs widely in different people in relation to aging, as is well known. Some might do well to limit their work to half days at 50 while others could well work full days at 75.

The time will undoubtedly come when the health and incentive of a person will help determine his retirement age—that is, retirement from research or from academic work—also, the extent to which he enjoys his work. For example, I could not have given up my research at 70 because my life would have become empty without it. I often stated that if, as professor emeritus, I had to pay the university for the privilege to carry on research, I would do so.

To me the possibility of a person changing his work career during his lifetime, which has to do with the second part of question No. 3, would seem a difficult undertaking. It is true that retirees in the Army and Navy have long established themselves in new careers. But generally, new careers require training, which in turn depends largely on the health and incentive of a person. Things we like to do are often easy to do and things we don't like to do are often difficult to do. After 30 years of service in a given field, if one can turn to a type of work he greatly enjoys doing, there is no reason why he should not thereby enrich his later years.

Thank you, Senator Mondale. Thank you, ladies and gentlemen, for listening.

Senator MONDALE. Thank you, Dr. Kahn.

We have heard statements that people are growing older and are remaining more youthful, and we have heard talk about self-renewal and I think that is all embodied in your person here today in your very fine, exciting experience.

Dr. KAHN. Thank you.

Senator MONDALE. Thank you so much.

Our next witness is Roger Andrews who is president of the Detroit Metropolitan Council of Senior Citizens.

As I understand it, Roger, you are a retired auto worker; is that correct?

Mr. ANDREWS. That is correct.

Senator MONDALE. Very well. You just proceed in your own way.

**STATEMENT OF ROGER ANDREWS, PRESIDENT, DETROIT
METROPOLITAN COUNCIL OF SENIOR CITIZENS**

Mr. ANDREWS. My name is Roger Andrews and I am president of the Detroit Metropolitan Council of Senior Citizens. Our organization represents nearly 100 retiree groups located in Wayne, Oakland, and Macomb Counties of Michigan, covering thousands of retirees.

I have been retired since June 1959 and I would like to speak to you about a few of the things I feel are required to assure a happy and a healthy retirement. First on my list would be an adequate income. Without the necessary funds to live at somewhere near the same level a retiree has been accustomed to, he would be frustrated at the start.

Many of our retirees get a small pension and a small amount of social security. Many of them get a small amount of social security and no pensions whatsoever. We agree with you, Senator, that major increases in social security are desperately needed by most retirees.

Second on my list would be a decent place to live. Many of our retirees are forced to live in substandard homes. We believe that low-cost housing and lots of it is needed to alleviate this situation. There is not nearly enough really low-cost housing available or even in the planning stage. The question was previously asked if we thought that an adequate retirement income encourages retirees to remain in their home area. I would answer "Yes" to this question. I have observed that many retirees who have a fairly large pension in addition to the social security prefer to stay in the same neighborhood that they have been living in where they are close to their relatives and friends.

Another requirement for a happy and satisfied retirement is good health care. Medicare is a good start but we think there should be many improvements in the law. We believe it should be extended to include essential health needs such as dental services, eyeglasses and prescription drugs. Also, the present provisions for nursing home care are very inadequate to meet the needs of senior citizens.

The principal objections we have to these provisions are three: the requirement for a patient to spend 3 days in a hospital before qualifying for nursing home care is ridiculous and unnecessary. It is expensive both for the patient and for the Government.

The requirement that the patient pay \$5 per day after the first 20 days is out of line; \$5 a day for 80 days totals \$400 and that is a lot of money for the average senior citizen to dig up.

The third objection is that the 100 days of coverage is not enough. We believe it should be extended to 730 days or a full 2 years.

I would like at this time, Senator, if I may, to say a word on behalf of the retired veterans of World War I. I have found in many cases that these veterans have had their pensions reduced or canceled out entirely due to increases in social security payments. I have

been told that there is a bill in the Senate, S. 16, with an amendment by Senator Curtis, which would exclude social security as income for pension purposes. I would certainly like to see this bill passed by the Congress and hope this committee will support it.

Thank you very much for the opportunity of expressing my opinions.

Senator MONDALE. Senator Prouty.

Senator PROUTY. I have enjoyed your statement very much, Mr. Andrews, and I can assure you, and I am sure I speak for Senator Mondale and other members of the committee, that we are concerned with the problem that you just mentioned with respect to the veterans who may receive an increase in social security and thereby lose some of the pensions to which they are entitled. I have an amendment pending and I believe others have which we hope will take care of that situation.

Mr. ANDREWS. Thank you very much.

Senator MONDALE. Mr. Andrews, I want to thank you for your very well prepared and useful testimony. I am sorry we don't have more time.

Mr. ANDREWS. Well, I did cut it rather short.

Senator MONDALE. But you did very well and made your points I thought exceedingly well, and I find no disagreement with any of them.

Our next witness is Monsignor Suedkamp.

Dr. DONAHUE. He is unable to be here.

Senator MONDALE. Oh, he is in Detroit and, understandably, must be there. He is the director of Catholic Charities of Detroit. Of course if he has a statement, we will be glad to include it in the record.

STATEMENT BY MONSIGNOR SUEDKAMP, ARCHDIOCESE OF DETROIT

(Subsequent to the hearing Monsignor Suedkamp forwarded the following letter to Senator Mondale:)

ARCHDIOCESE OF DETROIT,
CATHOLIC CHARITIES,
Detroit, Mich., August 14, 1967.

DEAR SENATOR MONDALE: I received your letter of August 4th relative to my statement due by August 21st. I appreciate this invitation.

Yes, it is true that it was impossible for me to be with you at the first hearing held in Michigan. Not only was it at the time of our civil disorder, but I had not been notified that the hearings would be held in Ann Arbor rather than in Detroit. I did appear for the hearing at the Rackham Building in Detroit, and the personnel there had been under the same impression, and were only notified at a late date that the hearing had been moved to Ann Arbor. This was unfortunate.

I would like to go on record with a few comments on retirement and the individual. Here in the Archdiocese of Detroit we have taken the initiative of circulating questionnaires in all of our parish churches to people in retirement, asking them to cooperate and respond to the questionnaire. Through this process we are hopeful of discovering what talent is available and how much time the individual retiree wishes to donate, or use at some benefit to himself. Simultaneously, we have asked the various church agencies to fill in a questionnaire to determine what kind of talent and how much time is needed to fulfill their requirements. Both sets of material will be data processed. Hopefully, an office will then be set up to reach the retiree willing to give of his time and talent to the proper agency or institution which needs his time and talent.

I hope I have not over-simplified our project. We are currently awaiting information from Washington as to whether we can qualify for a government grant to help underwrite the carrying out of our study. I do hope we will be successful.

In almost every national meeting I attend in the field of social gerontology, people have as a high priority solving the problem of utilizing the time and talents of retirees who are willing to contribute to the daily living of any community. To this day I have yet to see a successful project completed.

In concluding, I would wish to make this statement—this is not particularly a "Catholic" study. Although we have used the church structure to reach the retiree, we will be most willing to place anyone, regardless of race, color or creed. Unfortunately, I am not in a position to reach all of the un-mined talents of retirees in our community, but I do have at my disposal this means of reaching a great number. If I had appeared at your hearing, I had intended to have a retired vice-president of one of the big three automotive industries and a retired hourly wage man (both of whom filled out the questionnaire) available for your committee. I sincerely believe both have time and talent to be utilized in a community like Detroit.

I hope these few words will help you understand what I am trying to do here in Detroit.

Sincerely yours,

Very Rev. Msgr. W. SUEDKAMP,
Secretary for Charities.

Senator MONDALE. Our next witnesses are Mr. Woodrow W. Hunter, research associate, Institute of Gerontology, University of Michigan, that we heard from this morning, and Mr. Wayne Grimm, director of the Chrysler Institute. We have some very interesting testimony related to preretirement counseling.

STATEMENT OF WOODROW W. HUNTER, RESEARCH ASSOCIATE, INSTITUTE OF GERONTOLOGY, UNIVERSITY OF MICHIGAN

Mr. HUNTER. The teamwork which Wayne Grimm and myself represent at this meeting is an interesting one because it demonstrates the cooperation between a university with skills and interests in a special educational field for older people working closely with a large industry and a labor union in an attempt to build some prototypes in this field of preretirement education.

LEADERSHIP TRAINING

Our first experience in bringing together management and labor in a jointly sponsored preretirement program took place in Waterbury, Conn., where Scovill Manufacturing Co. and UAW Local 1604 decided they wished to sponsor jointly a preretirement program for Scovill employees, and, equally important, that they wanted to use their own people from Scovill and UAW Local 1604 to conduct the program. Our job was to provide the materials and to train teams of discussion leaders, one member of the team representing management, the other representing labor.

Basically what we attempted to do was to work on the premise that personnel men and union leaders teamed together to serve in preretirement education programs was a very useful approach to this problem.

There were not available in the New England area enough professionally trained adult educators to conduct these programs and to some extent we were forced to take this position. But there were other reasons for training indigenous people as discussion leaders. The personnel men and others from the company including the company physician, social worker, and section supervisors had had longstanding associations with the older employees who were about to retire. Indeed the trainees who represented the company knew older employees by their first names and over the years had come to know each employee's

situation on a personal basis. Trainees representing the local union had established equally good rapport after many years of representing the older employees and working on such questions as insurance, retirement, health, and community services.

Without going into detail about how we approached this training effort, let me say basically that it was designed to take lay people who had not had much previous experience of an educational character and to equip them for serving as preretirement education discussion leaders. The training included something about gerontology, aging, retirement, the function of the older person in his society and so forth—many of these things you have been hearing about at length this afternoon. But we tended not to emphasize these matters as we might in an academic course at the university and moved immediately into offering as much as we could about the goals, the methods, and the content of preretirement education programs.

More important than this. A practicum was offered whereby trainees first observed and criticized a demonstration preretirement program which I conducted with a group of older Scovill employees.

Thereafter the trainees practiced these same discussion sessions while the trainees observed and criticized their performance. In sum this is one of the big issues in the field of preretirement education; that is, of providing leaders who can offer creditable programs. We found that on every measure of effectiveness of our training program including the kinds of information which trainees acquired and their self-assessment of many group discussion skills, that there were significant changes. We believe that this training method has merit and could serve as a model for other similar preretirement leadership training programs.

Having had this initial experience we were then given the opportunity by Chrysler Corp. and United Automobile Workers International Union to repeat a similar training effort. Your next witness will discuss some of the results of the Chrysler-UAW program. These are important beginnings. Even so I recommend strongly that we give consideration to implementing training kinds of efforts of this sort in all parts of the country to achieve this goal, it is recommended that the Administration on Aging might undertake the development of some curriculum planning efforts in each HEW region which would bring together at an appropriate university setting experts in the region who would think through how best to train leaders for preretirement education programs. We believe that this pump priming effort by the Administration on Aging would do much to encourage universities to undertake further training of this kind. This is one issue: providing adequate leadership to offer quality preretirement education programs.

SPONSORSHIP

The other issue that I should like to bring to your attention is the issue of sponsorship. Whose responsibility is it to offer preretirement education? Is it management's responsibility? It is labor's responsibility? Is it the Federal Government's responsibility?

It is my position that we should develop preretirement education as part of public education and that we should encourage as much as we can leadership and support from the public education sector. I say

this because I believe that there are competencies within the public education group which could enhance the development of programs. I believe that continuity of programs would be encouraged in this manner and finally I believe that public education sponsorship enables groups of retirees from many industrial or union settings to come together in a community based program. There are many industries in this country which do not have enough retirees annually to conduct a preretirement program. Indeed, the number of these industries is greater than those which have large numbers of preretirees such as Chrysler and Ford automobile companies.

We have been talking about the responsibility of public education and specifically of adult education for a long time but not much has happened in these quarters. We have some reason to believe that management and labor can supply the needed impetus. But there is more to a community based preretirement education program than this. To the cooperative efforts between management, labor, and public education must be added a complement of other organizations, interest and support such as the public library, the employment service, social security, public health, recreation, and so forth.

There is another reason for viewing the development of preretirement education in this fashion. Obviously if one is going to present the maximum kinds of information needed by older people before they retire one must orchestrate many kinds of support in a community and this cooperation should be encouraged from the beginning. Nevertheless someone has to play the lead role and my position is that public education should be encouraged to do this.

NEW PROGRAM DEVELOPMENTS

As you may know from what has been said, most preretirement education in this country is based on the problems of older people. It is a concern about bread and butter issues. We were presented some insights during the panel discussion, on the other hand, which should stimulate our attention in the direction of developing other kinds of preretirement education.

For example, it may be more important in the long run to provide preretirement educational experiences which encourage individuals to assess their own resources for later maturity, to decide on where they stand in the middle years of life and what it is they want to accomplish in the later years of life. It may be more important to provide preretirement education which would help people to assess the basic attributes of maturity such as selflessness or the capacity to reach out and be concerned about other people, or the capacity to have meaningful social relationships.

What we are suggesting is a type of preretirement education that has absolutely nothing to do with money or housing or where you live or what you do with your time, but everything to do with how a person can look inside himself and decide how best to marshal his resources for effective adaptation to his environment. These then are some of the growing edges of preretirement education that we hope may be developed, especially at university centers.

I will summarize quickly by saying that although here at the University of Michigan we have been concerned with the development of

special materials and methods, especially with hourly rated workers, with the training of leaders for preretirement education and with research in the effects of preretirement education, I extracted from these two experiences two issues: (1) the shortage of leaders and effective training methods, and (2) the question of sponsorship.

I thank you very much for the opportunity of speaking to your committee.

Senator MONDALE. Thank you very much, Mr. Hunter, for that very fine statement.

(Subsequent to the hearing Senator Mondale addressed the following question to Dr. Hunter in a letter:)

AUGUST 4, 1967.

DEAR DR. HUNTER:

* * * * *

As I reviewed your testimony, one question occurred to me and I will pose it to you now in hopes that it will be possible for you to reply by August 21 in order for us to include your comments in our final printed transcript.

On pages 93-94 of the enclosed transcript you said that the Administration on Aging could perform a valuable function by sponsoring the development of curriculum efforts for each H.E.W. region. I would like additional discussion of your proposal, with special reference to techniques that would be used to bring management and labor into such a program. As you said early in your testimony, labor-management cooperation and enlightenment is essential.

* * * * *

Sincerely,

WALTER F. MONDALE,

Chairman, Subcommittee on Retirement and the Individual.

(The following reply was received:)

THE UNIVERSITY OF MICHIGAN,
Ann Arbor, August 21, 1967.

DEAR SENATOR MONDALE:

* * * * *

My reference to the Administration on Aging in my testimony was to a proposal that it should sponsor at a university setting within each HEW region a preretirement education curriculum planning conference for purposes of developing a comprehensive preretirement education leadership training effort in each region. Educators, psychologists, gerontologists and other specialists would be invited to come together at a two-day conference, the primary purpose of which would be to identify resources for training discussion leaders for preretirement education programs, to determine the content and methods of the training program and to discuss ways of implementing training programs in one or more strategic centers within the region. This kind of initial effort is most important because educators and universities in general are not giving attention to the critical shortages of qualified leaders.

Having encouraged the training of additional leaders for preretirement education programs it is suggested that the Administration on Aging encourage one or more short conferences at the local community levels in each HEW region for purposes of discussing various ways of implementing preretirement education programs. The emphasis which we have suggested is that of a community based program with public education having primary but not the entire responsibility for developing programs. Labor-management cooperation is essential but so is the cooperation of public libraries, public health departments, recreation departments and so forth.

In sum, one of the first orders of business is that of attacking the critical shortage of trained leaders for preretirement education programs. The second order of business is that of finding ways to encourage cooperative support of the program at the local community level.

Sincerely,

WOODROW W. HUNTER,
Co-Director of Training Program.

Senator MONDALE. Mr. Grimm.

**STATEMENT OF WAYNE E. GRIMM, DIRECTOR, CHRYSLER
INSTITUTE**

Mr. GRIMM. Senators and ladies and gentlemen.

First, as you know, our presentation, I assume, has been submitted in the record so I would only like to capsule that and make a couple of observations.

Senator MONDALE. Very well.

Mr. GRIMM. Briefly for those of you who have not seen the record, the Chrysler Institute merely does a training program in the field of retirement counseling like we do many hundreds of other training programs, so let me make it perfectly clear that my comments should be taken in the context of an educator, which they are, not in the context of a gerontologist which I am not.

I would like to react solely to the experiences we have had in working very cooperatively, and I think quite successfully, with the UAW and with the University of Michigan, and in some other parts of the country with the University of Chicago in developing resource material, training trainers, and putting on these training programs.

In the past our initial experience in preretirement counseling was with a selected management group which started as early as 1959. Our joint efforts with the UAW started in 1964. Just briefly as a result of that particular one, through cooperation with Dr. Hunter we have trained 114 conference leaders. We have put through this program 2,990 people in the past 2 years of which 1,836 were employees and 1,154 were spouses.

Now let me pause at that point and point out one thing. This was made available to anybody 55 years of age or older on a voluntary basis and was presented in regional areas on an after hours basis to permit people some ease with which to get to the location where the presentation was to be made. It involved seven 2-hour sessions. I won't go into the topics because I think they have been repeated many times earlier today.

There were joint conference leaders operating these sessions and in most of the sessions we used community resource people. Where this was possible we went through the medical associations, the bar associations, the local recreation department, the local social security boards and they furnished selected speakers to come in and talk. These programs were put on in UAW halls, in some of our factories themselves, and in many instances we also used a variety of community resources such as churches, libraries, hospitals, conference rooms, et cetera.

The materials, I think, were fairly effectively received. The program has not been going long enough, in my candid opinion, to evaluate its success because many of these people have not yet retired and the net result is in that area. I think it would be highly dangerous to draw firm conclusions at this time. I would urge anybody who attempts an evaluation in this area to be most cautious in the assessment of data for the simple reason that the people who participate in this are volunteers. As a church-going person I always had felt that the people who were there on Sunday were the least in need of the sermon, and I suspect that this may have a very strong bearing in this kind of situation as well.

Now what are some of the problems that I see? One, I find excellent reaction at the community level. Many community leaders who have sat in not as participants but as landlords have said, "Will you train some leaders for us, or will you come out and put on a program for other people in our community who would like to have this kind of thing?" We have had a tremendous number of requests to do that sort of thing.

Another thing that I feel very grateful for is the vital interest shown by the local bar associations and medical associations in supplying people to address these organizations. Herein lies one factor that is a matter of concern to me. I think I agree with the suggestion of Dr. Hunter that perhaps there is a bit of community responsibility here. I see a tremendous amount of interest on the part of the local community to participate, but I see no catalyst in the local community to assume the local role of leadership. In other words, the bar association says, "Sure, we will talk about legal affairs," and the medical association says, "We will be happy to talk about health," but nobody is in a position, as I see it, in the community to develop the leadership role and get the thing organized and get it going. We are very happy to have had a part in that, and to the extent that we can, I am sure we are going to continue to do it, but I think there is a gap in there that somebody has to pick up and do something about.

RESEARCH GAPS IN ADULT EDUCATION

The second matter of genuine concern to me is a matter that Dr. Hunter has already alluded to, that this is really a problem of adult education. One of my basic concerns in the field of industrial education is the fact that in the total field of education we have devoted a tremendous amount of research to the learning process as it is applied in the secondary, the intermediate, and the university level schools but I find practically no research in the field of the psychology of the adult learning process, and I don't know whether we are doing a good job or whether we are not.

I have had many discussions with people in HEW. Dr. Strong, for example, who has a very small piece of research money in the field of adult education is just getting started. As Dr. Hunter and I discussed this on two or three occasions, I have observed to him that in the process of teaching at the college level you have a motivating force that you don't have in adult education. In other words, you can get away with murder teaching a college freshman because he is highly motivated to become a sophomore, but that is not necessarily true in the field of adult education where you are teaching a group of people who are present on a voluntary basis and the learning process has to be treated entirely different under those circumstances, but I don't know how for sure. The research has not been forthcoming to date and I certainly would like to see something done to support research on this level that would give us a logical means for knowing what are the best techniques to use in the total field of adult education as it applies here and most specifically to the educating of those people in the field of retirement counseling.

We appreciate very much the opportunity to talk to you people about this subject area. We are extremely grateful for the cooperation

and enthusiastic support we have had from and the opportunity to work with both the UAW and the University of Michigan in this area. If there is any success, there are a lot of people who deserve credit for it in terms of what we are doing. The Institute is only an agency and other people have really put a lot of hard work into this thing.

Thank you.

Senator MONDALE. Thank you very much, Mr. Grimm.

Senator PROUTY.

Senator PROUTY. Mr. Grimm, I am inclined to agree with what you say about adult education. I think the concentration to date, and it is not a very substantial contribution either, is with people who are still young enough to acquire jobs as they can obtain the necessary skills. That seems to be where the emphasis is being placed now.

I think generally speaking that any retired person should have some hobby or some interest, and where it is developed prior to retirement that is so much better. If they can develop an active interest in something, they will have time to exploit it and study it and become interested. It seems to me that is one of the things that is so important if they are going to live useful and happy lives.

I think Dr. Hunter has made some very brilliant and forceful points in his presentation and I am delighted.

Mr. GRIMM. Senator Prouty, one thing you might be interested in, as I pointed out in the recent program in conjunction with UAW, we have not been operating it long enough to get enough people retired to evaluate the results of it. We have done some modest evaluation of the program that has been operating since 1959 with management personnel. Basically we have covered the same areas as far as instruction is concerned.

The only thing that we find in questioning the people that are retired is that the people that have gone through the program say, "We are enjoying retirement." About two and a half times as many of them say that as those who did not go through it. That is the one area of all the areas we have questioned them in. In other words, they have made an adjustment that they are willing to attest to as opposed to similar people who have not been through a program.

Senator MONDALE. I notice in your statement and I think you said that only 10 percent of those eligible to participate in the programs have done so. Now do you think that is going to increase?

Mr. GRIMM. That is a facetious figure, sir, because that is 10 percent of the people over 55 and I suspect of the people that have volunteered for participation to date, more of them are closer to 62 to 65. In other words, they say, "I don't have to volunteer right now, I have 6 years to do this or 8 years to do this before I need to retire." So that is a facetious figure. I will say this, that we have a higher percentage of participation in the second year of running it than in the first year, and I suspect that it will continue to grow.

Senator PROUTY. Thank you.

Senator MONDALE. I wish to thank Dr. Hunter and Mr. Grimm for the very fine testimony and make this one comment, that running throughout our hearings thus far since the creation of the subcommittee has been this consistent theme; we ought to have preretirement education and preretirement counseling generally available. How to

do it, how to fund it, what should be in the course of work, what should be the nature of the beast is a matter that we hope to thoroughly explore in another series of hearings restricted exclusively to this issue. We hope that you could help us when we get around to it at that time.

Mr. GRIMM. Indeed we will.

Dr. HUNTER. We will do that.

(The prepared statement of Mr. Grimm follows:)

PREPARED STATEMENT OF WAYNE E. GRIMM, DIRECTOR, CHRYSLER INSTITUTE,
CHRYSLER CORP.

My name is Wayne E. Grimm. I am Director of Chrysler Institute of Chrysler Corporation.

We appreciate the opportunity to discuss the educational activities of the Chrysler Institute directed toward the training of those employees who are approaching retirement.

Chrysler Corporation's first experience in pre-retirement counselling was gained in 1959 when a program was started on a trial basis for selected management personnel and revised and expanded in 1965 to include all employees on a voluntary basis.

To describe "Planning for Retirement at Chrysler" we would like to introduce a statement from the Chrysler U.A.W. Pension Board of Administration.

I. INTRODUCTION

In the Spring of 1965 a progressive industry labor-management project was initiated which has resulted in greater planning by employees for retirement and a changed way of life in their older years. The Chrysler Corporation-UAW Pension Board of Administration Pre-Retirement Counseling Program presents an example of employer-union cooperation to satisfy an obvious need. The program was conceived and put into effect in order to explain new pension benefits and relieve employees facing retirement of their fears and insecurity about their future. It was developed against the background of the increasing importance of retirement to Chrysler workers.

Detailed studies are presently being made of the problems of the retirees in the United States but it is now known that there are many problems. Even though our retirees have an adequate standard of living, there are the problems of the aged other than poverty and illness. These problems are difficult to measure but are ever present such as loneliness and friction within the family, even marital discord. Gerontologists and other experts in the field believe that many of these concerns can be lessened significantly by better planning for retirement, particularly in the areas of use of leisure time, housing, health, etc.

II. DESCRIPTION OF THE PROGRAM

In 1964, major changes were negotiated in the Pension and Insurance Program and the affect on retirees was extensive and complex. Both the Corporation and the Union were concerned that employees considering retirement should make their decisions based on factual information with respect to retirement benefits. In addition, the parties recognized that prospective retirees needed to consider other areas beside retirement benefits—health, use of leisure time, living arrangements, etc.

In developing the Pre-Retirement Counseling program, the Corporation and the Union recognized that each employee and his spouse must decide for themselves what is best for them. The Program, therefore, emphasizes individual planning for retirement. Importance is placed upon both the husband and wife planning their retirement together and also giving serious thought to living a useful life after retirement and after one of them is alone. Invitations are extended to employees age 55 and over and to the spouse.

The Program is presented at Chrysler locations, UAW Local halls, public libraries, community centers, churches, and other convenient locations in the metropolitan areas where a Chrysler facility is located. Programs are scheduled periodically in Detroit, Michigan; Indianapolis, Kokomo, and New Castle, Indiana; Twinsburg, Ohio; Los Angeles, California; St. Louis, Missouri; Syracuse, New York; and Newark, Delaware.

The Program consists of two-hour sessions which are held once each week for seven weeks. Sessions are scheduled during non-work hours. Topics discussed include health problems, pension, insurance and Social Security benefits, legal affairs of older people, financial planning, living arrangements and the good use of time after retirement.

Questions taken up at the counseling sessions include:

- What are you going to do once you retire?
- Have you thought about your income and living expenses after retirement?
- What plans should you be making today for retirement?
- What are some of the health problems of older people?
- Should you have a family doctor?
- Are you eating a balanced diet?
- Are you getting enough exercise?
- Should you move, rent an apartment, stay where you are?
- Have you and your spouse considered living arrangements when one of you must live alone?
- Do you know everything you should about Social Security?
- How much will your pension benefits be?
- Should you consider the surviving spouse option pension?
- What kind of hospital-surgical-medical coverage will you have after retirement?
- Do you know what your life insurance will be after age 65?
- Will you be able to live on your retirement income?
- Should you make a will?
- What will you do with your time after retirement?
- What services of the community are available to you?
- How can you be active in the community?

The Program, a joint responsibility of the Corporation and the Union, is an outstanding example of labor-management cooperation. This cooperation extends from the Corporation and Union members of the Pension Board of Administration, which gives broad direction to the Program, all the way to the Program discussion leaders. At each session, one Corporation and one Union representative serve as co-discussion leaders. In most sessions they are assisted by a resource person in generating discussion and exchanging ideas on the topic under consideration. The format of the program and many of the materials used were developed by Professor Woodrow W. Hunter, of the University of Michigan. Materials include films, background reading, case studies, role-playing situations, etc.

The Program has been fortunate to have experts and consultants who offer their experience and counsel in a particular phase of retirement. Such professional people as doctors, attorneys, Social Security representatives, housing and living arrangement consultants, and community recreation specialists serve as resource people in the meetings.

III. EXPERIENCE

Participation in the Program has been high. An estimated 10% of the active employees over age 55 in 1965 and 1966, participated, many accompanied by their wives.

During 1965 and 1966, the experience under the Program was as follows:

	Detroit	Elsewhere	Total
Programs conducted.....	114	29	143
Employee participants.....	1, 526	310	1, 836
Employee and spouses graduated.....	2, 466	524	2, 990
Discussion leaders trained.....			117

Programs are planned for 1967 and thereafter. Naturally the Detroit area where most Chrysler employees are concentrated showed the greatest participation. Participants' post-session response to the programs are even more impressive than mere figures. Many prospective retirees took the opportunity to repeat the course. Here are some quotes:

"Interesting and helpful—I enjoyed listening but the sessions were all too short. I would love to return again."

"We have learned a lot of things too numerous to mention. We have already made plans but have added many others."

"It gave me the push, much needed to prepare budgets, etc. An excellent program!"

"Frank and open discussions—information presented in a very interesting manner by management and union alike."

IV. EVALUATION

The success of any Pre-Retirement Counseling Program depends not only on cooperation between the Company, the Union and the employees, a fact of life in this instance at Chrysler, but on the voluntary support of the whole community. Community responsibility means involvement in the retirement picture by the legal and medical professions, City, State and Federal Government agencies and private and religious social agencies. For example, the Pre-Retirement Counseling Program has information on aids to the retirees and aged sponsored by the community including opportunity for voluntary work in hospitals, poverty projects, etc. Available facilities for recreation, education and medical care were explored. Any such program must have expert information which is factual, up-to-date and meaningful. Above all, the community should be a better place to live for our retirees. The cooperation of the community resource people has been a factor in the success of the Chrysler Corporation-UAW Pre-Retirement Counseling Program.

Has Pre-Retirement Counseling been effective? It is too early to state authoritatively but gerontological studies on adjustment to aging have shown that employee attitudes toward retirement have changed in those companies where there has been some pre-retirement counseling developed. Antagonism and resistance to retirement has been reduced in many cases, and the retirees look forward with optimism to a new way of life.

(Subsequent to the hearing Senator Mondale addressed the following questions to Mr. Grimm in a letter:)

AUGUST 4, 1967.

DEAR MR. GRIMM :

* * * * *

On page 102 of the enclosed transcript you make several comments about the need for more research in the field of the psychology of the adult learning process. At a later hearing the Subcommittee will ask for testimony from the Office of Education on this subject, and additional information from you would provide a wider base for such discussion.

Generally speaking, do pre-retirement programs utilize retired persons as teachers? Would such a practice be effective, in your opinion? It would seem to me that there may be some merit in having older individuals lead certain discussions.

You indicated that gerontological studies on adjustment to aging have shown that employee attitudes toward retirement have changed in those companies where there has been some pre-retirement counselling development. Antagonism and resistance to retirement has been reduced in many cases, and the retirees look forward with optimism to a new way of life.

* * * * *

Sincerely,

WALTER F. MONDALE,
Chairman, Subcommittee on Retirement, and the Individual.

(The following reply was received:)

AUGUST 10, 1967.

DEAR SENATOR MONDALE: In response to the questions posed in your letter of August 4, 1967, the following represent our reactions.

"The Psychology of the Adult Learning Process" represents a phase of education which is singular because of the absence of sound research. Our experience in conducting training (such as Pre-Retirement Programs) clearly points out that the factors which motivate adults to learn are quite different from those which stimulate youth who have not been exposed to the world of work. While experience has taught us to discard many teaching techniques, we are never sure that the best approach is being used. In other words, we are groping because of the

absence of research in the Psychology of the Adult Learning Process which could point out why certain teaching techniques would be more effective than others with adult groups.

The amount of training and retraining which will be required in the next ten years to gain maximum use of our work force clearly points to the significance of this problem.

"The use of retired persons as conference leaders for pre-retirement counseling programs" has been considered and used in our program on a limited basis. From the stand point of group rapport it is excellent. From an administrative point of view it poses three problems: First, not all participants have the combination, capacity and desire essential for potential conference leaders, hence, the screening of volunteers is far more delicate than it is in selecting leaders from the employee group. Second, the retirees are a far more mobile group and less desirous of committing themselves to a long range conference schedule, particularly during the winter months. Third, our program has not been going long enough within the hourly group to produce a volume of candidates that would provide a basis for assessment to-date.

"Studies on adjustment to retirement" have been relatively limited to-date. However, we recently completed through an outside agency, a small comparative study of 200 management retirees. One hundred had taken the pre-retirement program and 100 had not. In response to this question, "How did you find the adjustment from employment to retirement?" Easy _____ Difficult. Three times as many retirees who had participated in Pre-Retirement Counseling checked "Easy" end of the scale. This was a very modest research project and the field is deserving of a more reliable research project before any basic conclusions are drawn.

Sincerely,

WAYNE E. GRIMM.

Senator MONDALE. Our next witness is Richard J. Lutz, assistant manager for programing, WITF-TV, Hershey, Pa.

Mr. Lutz, we are very pleased to have you here. I understand you are going to show a film. You make your statement and then perhaps we will have the film.

STATEMENT OF RICHARD J. LUTZ, ASSISTANT MANAGER FOR PROGRAMING, WITF-TV, HERSHEY, PA.

Mr. LUTZ. I am Richard J. Lutz, assistant manager for programing of WITF-TV, Channel 33, a noncommercial, educational, public television station based in Hershey, Pa., and serving the south central portion of that Commonwealth. I am also project director of "The Time of Our Lives," a service project for the aging and retired whose focal point is a weekly 30-minute television program of that title. This project is supported financially both by our station and by the U.S. Administration on Aging with a title IV grant under the Older Americans Act.

I am very pleased to have this opportunity to give you some thoughts on the role of public television in serving the retired and the preretirement community.

It is the function of our station, like other community educational television stations, to provide an alternative television broadcast service particularly responsive to the general and specific needs of all elements of the community, especially those needs which are not or may not be effectively served by conventional commercial television.

One of these needs identified by WITF-TV just over 1 year ago was for a weekly, timely, and local prime evening time television service to present information, incentives, and some specialized entertainment specifically designed for the retired viewer, nominally 60 to

65 and over, with the basic purpose of equipping the retired viewer to better lead a successful life in retirement. As an important side effect, we felt that such a targeted television service would contribute substantially to the development of a unified subcultural awareness on the part of this audience.

Essentially and briefly, the project consists of these elements:

First, thorough and continuing liaison with interested individuals and organizations so that their needs may be known, so they may guide us in our efforts, and so that the spotlight of television may be focused upon the opportunities they provide to the aged.

Second, to reinforce this, and to provide the project team with continuing feedback from this audience, an elderly area coordinator in each of the nine counties we serve. These people are all over 65, one is 81, they are retired and they are respected members of their local communities looked up to by their fellow senior citizens for leadership.

Third, the weekly program itself, "The Time of Our Lives."

Fourth, continuing efforts to draw an audience of older Pennsylvanians.

Fifth, as an integral part of the effort, extensive followup materials, offered free to older viewers who would write for them. To encourage this process of writing in, all elderly viewers who write us are supplied with postage-paid business reply cards on which they may simply circle preprinted numbers, as announced on the air, to request supplementary material on any subject treated in the telecasts as a basis for followup action by them.

Sixth, and this is the last of the six items, the opportunity for any viewers to ask questions or describe situations which might benefit from professional attention, though the viewer may not himself be aware of which professionals will be most helpful, or how to contact them directly. All such questions are immediately referred for prompt action by counseling and welfare professionals, who have been immensely cooperative with us.

The TV program itself is produced in a magazine format, so that something on almost every program will appeal to some segment of the retired population.

We believe that public television has an important role to play in all phases of education on aging and retirement, and we believe we have demonstrated that it can do an effective job.

IMPACT OF PROGRAM

Let me give you just some brief items on impact.

On the light side, we have evidence that there is a subcultural awareness developing; it is supported by the fact that we know of senior citizens clubs which now open their meetings by singing the original folk song commissioned as the series' theme music. In a few moments you will hear that as part of the film that we have selected for you.

In quantity terms, though the weekly has been broadcast now for just over 20 weeks, we have had requests for several thousands of pieces of literature on program topics ranging from home repairs to selecting a nursing home; opportunities for volunteer activity to income management, maintenance, and augmentation; pottery to nutrition; medicare to quackery; arthritis to foot care; travel to home improvement;

art appreciation to amateur painting; collecting to history and heritage.

Perhaps the best way for me to describe to you the impact of this program is with an individual story, and this is one of many. I can tell you about a particular one, because I was fortunate enough to be personally involved. After a program hobby segment on collecting, I took a call from a widow, clearly of advanced age, judging from her telephone voice. Though she did not consider her eyes sufficiently good to write us, she did apparently read the program credits, for she asked for me by name, as I am identified as executive producer at the close of each program.

I will identify her as Mrs. W. to respect her privacy. Mrs. W. wanted us to present her bird of paradise collection on "The Time of Our Lives" with the object of selling the collection. I later learned that "bird of paradise" was the term used to describe feathers worn in the hair by motion picture female stars at one time and, incidentally, by Mrs. Woodrow Wilson.

I understood from the conversation that Mrs. W. wanted to sell her collection to raise money for some medical care, specifically for her eyes, so that she could once again read, and to me, she understandably said that she wanted to enjoy TV.

We immediately referred this case to her city's welfare council, and then the following forces came into play. I would like to remind you that these came into play because she had seen a television program with which she could identify personally and which seemed to present a sympathetic ear. These were the forces that came into play;

First, she was visited and counseled by a trained professional who could diagnose her real needs, something for which we do not consider ourselves equipped in ETV.

Second, her social security and medicare rights were explained to her, and the proper forms were filed with assistance.

Third, she was determined to be living at a subpoverty level despite a once wealthy family existence. At 87, she had simply outlived her savings and her inheritances. Incidentally, in 1965 about 85 percent of our elderly audience were living in poverty. Local welfare assistance was identified and assigned in this case.

Then an organization called Partners was called in and she now has regular volunteer visitors to look forward to, and this seems to be one of the important needs in her life.

These helpful visitors are also now her companions on weekly visits to a local hospital. This is a social as well as a healthful function for Mrs. W.

Finally, her local police, she calls them her ambassadors in blue, now look in on her regularly as much, I suspect, for her occasional cookies, which I have enjoyed, as out of concern for her.

Well, she called me again recently and she asked for me specifically. Once I was on the line, her first words to me were, "You are a Scorpio, aren't you?" It happens that I am so I admitted this. To this item that she and I have in common she attributes all the good fortune she feels has come her way. She is a proud lady, and I have since met her in person as I would like to meet so many others. She says she has never asked anyone for help in 87 years. I think the marvelous thing is that she still has not. The fact is that she could respond to a

friendly face on the television screen with a program she knew was her program, and then community forces eager to serve her without her having to resort to a cry for help came into play. Her dignity remains as it should be for a proud lady of 87.

She is one example. I am personally this familiar with this one because she considers me a special friend, having talked to me on the phone, and she has told me all about it. We know of other similar cases but the amount of detail available is not as great, of course. We specifically avoid anything which might be considered prying.

We are very frankly most grateful that through the Older Americans Act and the Administration on Aging we have been given this opportunity to serve this very special target audience, and in doing so to develop techniques which we hope will be used all over the country.

My recommendation to you is singular, I think, and very simple: that you will keep in mind the fact that public television is anxious to serve the aging. We have a role to play, we think, in educating, preparing this target group for retirement and assisting them after retirement. I hope other means of communication will of course be used as well.

If you wish, I will be pleased to submit additional material on the role of television in service to retirees and the aged, including the thoughts of some of our viewers on these subjects.

We have arranged for film projection of a single sample from one of the programs if you would care to see it at this time, and after that I will be pleased to answer any questions.

(The transcript of the film follows:)

FILM: PROGRAM EXCERPT

FRED. Last week our judges chose the winner of "The Time of Our Lives" theme song contest. We planned to go to the winner's home to break the news, but then we learned that our winner was planning on coming to the Community Center in Hershey for a meeting, so we set our cameras up—just like "Candid Camera"—and greeted the winner as she came in. Here's what happened as we surprised her with the news.

Good morning, are you Miss Ream?

MISS REAM. I am Miss Ream.

FRED. You're Miss Ream . . . Miss Elizabeth Ream. Miss Ream, I understand that you have been entering some song contests—am I right?

MISS REAM. I did, yes.

FRED. "The Time of Our Lives" song contest?

MISS REAM. I did. I wrote some lines. I worked at it quite a little while . . . worked on it off and on—I wrote some lines, and then I changed them again. I finally had some I thought: Well, that rhymes. . . .

FRED. Well, you sent it in. We've been following you around trying to catch up with you this morning.

MISS REAM. Oh, you have. Well, I've been sort of waiting for the people to come down to the retired meeting today—the Hershey retired meeting. I'm retired from Hershey general office.

FRED. Oh I see. Well, that's fine. The reason I've been trying to follow you around this morning is the fact that you've been selected as the winner of our song contest!

MISS REAM. Oh, you don't say.

FRED. Yes, indeed.

MISS REAM. That's quite an accomplishment—I mean, quite an honor! I suppose I'm just an ordinary—I'm not really a standard musician or something like that. I'm just an ordinary . . . I love music, see? And I sort of taught myself to play a couple of instruments, as you would say.

FRED. I see. Well——

MISS REAM. I do try to compose once in a while—to compose some poems and write some music to it.

FRED. Well, that's fine. We certainly are happy to greet you this morning and tell you that you've been the winner of the contest. Are you surprised?

MISS REAM. It sure is a surprise. I heard you say the other night that there were so many contestants that I never thought I'd ever win anything like it.

FRED. Then you say you're not a professional at it. You just do it because you like to do it.

MISS REAM. I'm just amateur.

FRED. Oh, I'll say that here at Channel 33—"The Time of Our Lives"—we think that you're a pretty good amateur.

MISS REAM. Well, I thought the words sort of fitted the music. That's why I tried to do the words to fit up with the music, you know. I went to the organ sometimes and I tried to play over the words to see if they matched with the music—the notes that were written on the copy that I received.

FRED. Well, the judges here certainly feel that you have matched pretty well "The Time of Our Lives" theme song, I'll say that, in selecting you as the winner. This is a surprise to you?

MISS REAM. Very much so. I didn't know why I was supposed to come down here but I——

FRED. Miss Ream is with us tonight to talk with us and tell us about her lyrics. Miss Ream, it's certainly nice that you could be with us this evening, and again I'll congratulate you. In our little interview the other day I learned that you were interested in music, and I found out some things—that you not only participated and sang in your church choir there, but you've also taught yourself to play the violin, and the accordion, and the piano, and the autoharp and my goodness—anyone who can do that sort of thing certainly must like music, and I'm sure that you do. Have you done much of this sort of thing at all, Miss Ream, before you wrote the lyrics for "The Time of Our Lives"?

MISS REAM. Not very much—just on occasion programs that maybe I thought I needed some material that I tried to compose.

FRED. Well, again, I've been sort of spying around getting information here and there and I find out the number of these meetings of the senior citizens that you attend, and might have a part in, that you might come up with some poetry or some particular thing that fits in and gives life to the program would certainly indicate your interest in that sort of thing, and certainly your lyrics are a demonstration of your interest in this sort of thing. I wonder if we would play "The Time of Our Lives" theme song if you would read your lyrics along with the music for us?

MISS REAM. I can try.

FRED. All right, let's try.

VOCAL QUARTET (recorded song) :

We're building, we're building
The life of our times,
We're living, we're giving
The time of our lives.
We're singing, we're reaching
We're loving, we're filling
With joy to the time of our lives.

MISS REAM (reading to music) :

"We're searching and finding
Each day of our lives
New meaning for living
And strengthening our ties.
We're helping each other
By working together
With joy the time of our lives."

VOCAL QUARTET.

We're finding old hopes
And dreaming new dreams,
We're saving the best
And collecting new themes,
For the singing, the building,
The loving, the filling
With joy the time of our lives.

Miss REAM (reading) :

"We're meeting to join hands
With friends everywhere.
We're happy and willing
Our talents to share,
Reviving our old hopes
With new themes and new dreams
With joy the time of our lives." *

*© 1967, WITF-TV.

FRED. Well, that's splendid. I can hear the people in our viewing audience applauding you, including those who were contestants in the contest also, Miss Ream. And again our sincere congratulations to you. [Presenting award] Now, of course, there is to be an award to go with this, and that award happens to be a painting that was done by Mr. William Rohbeck right here on our set, as your prize for winning our theme song contest, and it's certainly with a great deal of pleasure that I present this painting to you as your prize for winning the contest.

Miss REAM. It's an honor to receive it especially an original painting by a real artist, and which I am very thankful for, and I guess it's been worth trying to get.

Senator MONDALE. We are very grateful to you for your contribution and impressed by what public educational television can do in this field. As one who is excited about the potential of public television and who cosponsored this year's Public Television Act, I must say I agree with James Reston's comment that this proposal could have as much importance in the long run as the Morrill Land-Grant Act, that what we have seen here today is another suggestion of an approach and a purpose it can serve that had not occurred to me. I think it is quite obvious that it is an important medium we can use in achieving the objectives of our subcommittee and I am very grateful to you.

Mr. LUTZ. Thank you, Senator.

Senator MONDALE. We have saved the best until the last, Dr. Wilma Donahue who has chaired or at least called 19 of the 20 Michigan Conferences on the Aging will be our concluding witness. Bill Oriol tells me I would have been negligent if I had not expressed the appreciation of this committee and the Senate to all for your aid in helping us establish this hearing here in the midst of all of your other activities and for your graciousness and all of your courtesies while we have been here. I don't know how you could have done more. When we had to change the location of our hearing and other problems developed, you took care of it for us, you fed us. I won't go on any longer but you have been just as kind as you could be and we appreciate it.

STATEMENT OF WILMA DONAHUE, PH. D., CHAIRMAN, DIVISION OF GERONTOLOGY, UNIVERSITY OF MICHIGAN; AND CHAIRMAN, MICHIGAN COMMISSION ON AGING

Dr. DONAHUE. It has been a privilege, Senator Mondale, to have the opportunity to work with your group, and I might make my first testimony on the fact that they worked terribly hard and have done a miraculous job in restructuring and getting a second wind on producing this. I am greatly impressed, and it has been a real pleasure to do what little we could to expedite it.

I do not really have a prepared statement today. As you can imagine I have had my time rather occupied for some little while on our 20th

annual conference on aging. I would like to react just briefly on some of the things we have heard today because it seemed to me that they gave us some very interesting directives to possible activities in the future.

SUGGESTIONS NOT SUBSTANTIAL

I was interested in the proposals raised in particular by the UAW representatives and was struck by the fact that not only the suggestions which they made but those made by other witnesses have not at all been substantiated. Even though we were offering you straightforward suggestions of what should be done, each time I found myself saying, "But we don't know this, we don't know whether early retirement is a desirable arrangement or not. It is being recommended, it is useful for keeping the size of the labor force down and so forth, but what is the real impact on the individual? Is it the same for the factory worker? Is it true that the factory worker and the white collar worker, the person who has more self-determination in his job, share equally the desire to retire early? Does work mean the same to these people?"

On the matter of phased retirement we really haven't the slightest information yet as to whether it is a good thing to interrupt the life-work of a man, nor do we know what impact it would have on different kinds of industry and occupational groups. It needs research very, very badly.

A question that has been of interest to me but which has not been mentioned is: When does retirement really begin? I suspect that we are overlooking the fact that the process itself, the feeling, the readjustment, the change within the individual begins long before retirement. I suspect it begins at the time one begins to appreciate the finiteness of life and that now one may count and appreciate the length of time between this particular point and the time one will withdraw from the labor force. I think this needs some very serious research.

Another thing which interests me very much, not only in reference to the testimony today but because there is considerable agitation in Congress to pass legislation in this regard, is that we urge older people to give service to humanity as one of their obligations. We tend to couch this in words of giving them the opportunity to do it. It is very possible that it is an opportunity and that it represents a goal which we really want as part of our retirement life, but I think it ought to be researched. I am not sure whether the urging which we are putting into our efforts in this direction are not the result of the middle class values of relatively younger people and that maybe we are actually cracking the whip over the backs of older people to say, "Now get into service regardless of whether we pay you or whether you do it for glory."

I suspect that this is something that varies very significantly between people, and why it should vary is hard to say. The UAW retirees do a good deal of service and they do a great deal of good and I would not want them to do otherwise; still we must recognize that much of this comes from the fact that they are urged again by their leadership to undertake this.

One of the things that I thought particularly interesting in the testimony this afternoon was the question of achievement goals. We strive for retirement because it is an achievement goal. If one thinks of the achievement goals through the earlier part of life, it is easy to tick them

off—education, career, marriage, family, economic independence, health. But what can be the intrinsic achievement goals after people have retired? We should have the answer to this but one reason we do not have it is because as yet we do not have financial security for people and they are not able to do those things which they wish to do. Part of them must work in order to supplement their incomes; others are severely restricted in seeking out the kinds of retirement patterns, the life styles they would like to lead because of this restriction.

Mr. Orbach spoke about giving the young man \$25,000 and seeing what he would do as opposed to the person who must earn this. It seems to me that until we can explore it with a large enough group of people, what they would do with this later phase of life if they had economic security is yet to be discovered.

The other area this afternoon which received a great deal of emphasis was this preparation for retirement. It certainly is true that one can show that people learn something from these programs but we really do not yet know how long or how effective the program results are, nor do we know whether or not they really are resulting in better adjusted people or people who are adjusting more quickly to what is often termed the retirement shock.

NEED FOR LONGITUDINAL STUDIES

We certainly ought to do much more research. As far as I know the University of Michigan and Mr. Hunter's study which he was not yet able to report on is the only study that is of longitudinal nature, scientifically designed so we have both the control and experimental group. In about a year we will be able to report on that. This is only a mere beginning because he used one technique, one occupational group, and we haven't the vaguest notion when we get these results, favorable or unfavorable, whether we would get the same kind of results with the same program with different groups.

So we need a great multiplicity of longitudinal studies with a wide variety of occupational groups and with scientifically designed sampling methods before we are really going to be able to determine whether or not we should follow Mr. McGehee's suggestion and have preparation for retirement a requirement of the society.

I am not sure that Reuben Kahn and others didn't strike the note that ought to be going into the whole adult and all educational programs, that people should develop many life identities and not just a work life identity because if one has other identities then one may take these identities at the time the work identity may no longer be available.

I am sorry you were not here to listen to some of the representatives of the Institute of Lifetime Learning in Washington. Three of them came for our conference and shared with us a demonstration of what having other life identities can really mean—joyful people who are getting a tremendous satisfaction out of life. Unlike Reuben, they are not pursuing the same goals and the same occupations as they did when they were employed but they do have these other life amenities; not substitute ones, others which have real significance to them. I think the question we have to explore is, should we search for substitutes for work, or should we develop life identities of a long standing nature

and not try to substitute because I suspect we never substitute for those things in which we have invested a great deal of energy and emotion?

THREE SUGGESTIONS

I would like to make just three suggestions. These are not developed in any way but it seems to me that we do need a task force of a national stature to study again and more deeply than in the past the meaning of work, the meaning of retirement, and this question of the preparation for retirement.

I would also like to suggest that your committee give considerable attention to the need and possibility of developing institutes of life-time learning nationwide—institutes which might be distributed in every State and in some form in every community. I would like to think that their major goal is one which Dr. Kahn really suggested. This is the perpetuation of use through learning. The eternal revitalization of the personality is one that reconstitutes their thinking, stretches their minds, and promotes the search always for quality and high standards. We should make the major goal of such activities education and not amelioration.

I think we would end with personal renewal and the community renewal which Mr. Burch suggested as one of our important needs. These goals, I think, could be achieved.

Then one other facet it seems to me to which your committee might wish to give attention would be again a national program through which older people would have promoted and find support for their retirement life identity. To select just one area, it seems to me that in the United States we have some isolated examples of the tremendous possibilities of developing arts and crafts, and by this I mean quality art work. The New England arts and craftsmen's program which has endured since the depression days is an excellent example of the mobilization of the efforts of a single State to utilize indigenous materials, indigenous designs, to raise the standards, to train the people and to result for them in enough remuneration at least to supplement their income in retirement. It is not restricted to retirees but they have the time and it is a marvelous program and I would like to see it studied with the possibility of producing a national effort geared to the particular regions of the United States, and especially for older people.

Finally, I would like to suggest that the success of any of the programs, any of the efforts which we have been talking about today must depend upon not only the research I have mentioned but upon training leadership. I have already made a statement to the committee with regard to this, and I presented a paper at the 20th Annual Conference on Aging on the common body of knowledge which should be integrated into all levels of the educational system to make it possible for people not only to achieve a better adjustment to aging themselves but also to increase the amount of trained leadership in the country.

I should like to file this with the committee, please.

Thank you.

Senator MONDALE. Without objection, so ordered.

(The article follows:)

THE COMMON BODY OF KNOWLEDGE *

(By Wilma Donahue)

Since the intent of the title of my presentation—The Common Body of Knowledge—is not immediately apparent, I shall begin with an explanation of my understanding of the assignment.

The common body of knowledge is that knowledge about aging which all persons of all ages should have. But since it is patently impossible to deal meaningfully with so extensive a topic, I shall narrow the scope of my remarks and make them congruent with the subject matter of the conference and deal only with the problem of building aging into the curriculum. I shall not, however, restrict myself to the fixed courses of classroom instruction but broaden the meaning of curriculum to include total life experience.

The common body of knowledge needed about aging cannot be viewed accurately except in the perspective of the times. At the turn of the century when the average life expectancy was less than 50 years of age, when the pace of society was still poised between the old agricultural and the new industrial way of life, when men still put in almost every daylight hour working at their jobs and woman's work was literally never done, the tasks to be performed at each stage of the life course were well defined and sanctioned by society and the rules and expectations were well known to all age groups. A man set the goals for his adult life, launched himself in a career of work, started his family, and found his place in his community. When this adult pattern was established, it tended to remain relatively unchanged, except for catastrophic interventions such as war or economic depression, until, at what is now considered middle age, death overtook him.

But this was the turn of the century. Since that time we have experienced a biological revolution, have gone through the impact of a technological explosion, and are now trying to comprehend and harness the miracles of cybrination.

The biological revolution resulted in a concomitant burgeoning in the number of old people in the population. The sources of this revolution have been dramatically stated in the following paragraph written by Clark Tibbitts.

"The country was settled largely by young adults in the child-bearing ages who found a whole continent rich and ready for development, who greatly expanded the production and distribution of food, who created a fast-moving economy hungry for workers, and who learned how to lead healthier lives by revolutionizing the sanitary environment and the control of infectious diseases."

The effect of having created a soil and climate which nurtured the well-being of the human organism was to catapult the total population from 75 million at the beginning of the century to about 151 million by mid-century. In short, the life cycle, previously truncated on an average at or before middle age, was extended so that three new phases were added to the life cycle—a middle age oriented toward living for an extended period of time rather than toward impending death, a stage of later maturity oriented toward achieving maximum self-fulfillment, and old age itself.

The technological explosion brought the country to a level of unprecedented affluence. By mid-century, the productive energy available to every person had increased by twelve-fold. All but one per cent of this energy was provided by inanimate sources in place of coming from the muscles of men and animals. Technological development had made possible a six-fold increase in the output of every worker and an increase in the total output of goods and services at a rate twice as fast as the rate of increase in the population. The standard of living finally reached a point where it seemed that the best social good would be served by taking other benefits from the increasing productivity, such as a shorter work week, retirement and an attendant social insurance system.

But the milieu and conditions characterizing mid-20th century America are already as much history as are those that prevailed fifty years earlier. For to yesterday's technology and automation has been added cybrination. Productive capacity and consequent affluence are now almost literally beyond imagination. In the past three months alone the GNP increased by \$9 billion one-half of which represented a real gain in GNP (the other half was a reflection of higher prices). The annual GNP is now at \$775.3 billion. And leisure time, for centuries

*Presented at The University of Michigan 20th Annual Conference on Aging, July 24, 1967.

the goal of mankind and now obtainable, hangs like a dark cloud over the culture of our day; the problem of the use of non-work-committed time has become universal encompassing all age groups.

Although the social and economic changes during the century have been profound, goals for the first part of the life cycle have changed very little from those of earlier decades. Yet in a way they are different because they must now be defined within a perspective that extends the life span on an average for an additional 25 years. They must also take into account the kaleidoscopic changes through which society is passing and obviously will continue to do so. This seems to indicate that aging must be built into life experience and into the curriculum at the various levels of our educational system in many subtle ways. We know that in addition to preparing young people to work, to establish families, to become practicing citizens, and to achieve satisfying spiritual lives, they must also be equipped to spend only a few hours each day or week in paid employment, to experience job superannuation and to change their jobs perhaps many times throughout their working lives, to live again as two-person families for 14 or more years after the last child has left home, to experience several years of widowhood, to leave the labor force and achieve the social status of retirees, to employ time and talents to bring about personal satisfaction when they are no longer a part of the work-world, to live on significantly reduced or even poverty line incomes, to face with courage waning physical energy and increasing disability, to accept profound changes in living arrangements which often entail considerable loss of independence, to pass through numerous bereavements as one by one family members and friends are taken by death, and finally to reconcile themselves to their own finiteness.

Obviously such an extensive educational program, spreading not over the 40 or 50 years of yesterday's average life span but over today's 70 or 80 years, cannot be met by any single unit in the educational system, nor at any one time in the life of the individual. I propose therefore to relate education about aging to different levels of the educational system and draw a few conclusions about each.

But first, I wish to point out several things that must be taken into account in all educational programs about aging. First, there is a body of conventional knowledge about aging which becomes the heritage of every child growing up in our culture. According to this conventional knowledge the old are weak, slow, inactive, forgetful, dependent, tired, and in general to be pitied and treated with kindness unless they interfere with attaining other satisfactions. As soon as there are outward signs of aging—the graying hair, the wrinkled skin, the thickened body and slumping shoulder—the individual is perceived as possessing all the qualities conventionally attributed to the old. If the person labeled as old does not conform to the dimensions of the conventional knowledge about aging, he becomes an oddity, an exception to be remarked upon. Recently, my small neighbor, age 9, having watched me mow my lawn, an activity I thoroughly enjoy and do with considerable vim, said to his friend when I had finished, "She did pretty good for an old lady, didn't she?" It takes no psychoanalyst to diagnose the stereotypes and unconscious attitudes toward the old this young man has already acquired. Totally unaware that it was happening, he has incorporated into his thinking the American folk knowledge about oldness, a process initiated by his parents in his infancy. He learned early that old toys are thrown away, old clothes are discarded as useless, old pets are put to sleep, old trees are cut down, old grandpa is pitied because he isn't able to work any more, and old grandma is ugly because she has gray hair and wrinkles. In dozens of ways, parents, albeit unintentionally derogate oldness so that by the time a child begins formal schooling he has already acquired the common negative attitudes and common beliefs about age and being old. Unless he is re-educated his behavior toward old people and toward his own aging will be influenced unfavorably for the rest of his life. My point is that the instruction at all educational levels must provide for the unlearning of the unconsciously learned beliefs and attitudes and for the substitution of factual information about the nature of maturity and the potentials of every age group.

A second general consideration to be taken into account in all instruction about aging is that of the persistence of individual differences throughout the life span. There is too great a tendency to generalize about old people, about their needs, and about the method for meeting them. There seems to be an underlying assumption that age wipes out the differences among people so that they become members of a homogeneous group for which a single social prescription can be

written. Some of the often heard generalizations are that older workers do not wish to retire, that all old people, if life is to have meaning for them, must have a job whether for pay or glory, that all old people want to and should live in their own homes until they require 24-hour nursing care, and that old people have at best only limited potential for further personal development. These and many similar pronouncements reflect society's lack of appreciation of the need to develop a social structure in which old people can maintain their individual identities and status. Education about aging which substitutes facts for generalizations will not only increase awareness of the individual potentialities of old people but will also provide better guidelines for social action.

A third point which needs attention is our tendency to assume that the period of old age is a unitary one in which no change is taking place. By assigning all those aged 65 and over to the single category of old age we are obscuring the factor of changing capacities and abilities. More importantly, however, we have accepted this method to suppress the rough fact that although older people do have real potential for continuing development of personality and for finding individual satisfaction, they are nevertheless climbing up on what Margaret Mead once described as an escalator coming down. This is to say that education must include, at the appropriate time, instruction in coping with diminishing physical and mental capacities; that is instruction about the characteristics and meaning of senescence and involution.

And finally, turning back to the education of the young about old age, one must make the further point that it is patently useless to try to teach youngsters about what it will be like to be old. People of any age learn meaningfully only when faced with a need for specific knowledge. Learning requires the investment of emotion, and what child can invest emotion in his own old age of 70 years hence? The attack must be far more subtle and the curriculum must be viewed not only from that immediate value it has for the learner, but what it is contributing to him that can be drawn upon throughout the years of middle and later life.

Having outlined briefly the demands and threats modern society puts upon aging people and suggested a few points to be kept in mind in the design of education about aging, I shall now turn to discussing a few of the tasks to be undertaken by various educational units both with reference to the training of those who will live a very long time and to the education of those who will serve older people either directly or through research and planning.

The Primary and Secondary Schools

Little has been done yet to introduce aging into the curriculum of the primary and secondary schools. Writers of textbooks should include pertinent information about aging, about leisure, and about measures society has already taken to adapt to the needs of older people. Such texts should also enhance the values of lifelong learning and the acquisition and perfection of skills. As a matter of fact skills which become of greatest value to old people confronted with years of retirement leisure are those which are based on the intellectual interests they developed during youth. Teachers should be encouraged to teach children the principles of hygiene and physical fitness which will result in better nutrition, better preservation of teeth, better posture and walking habits; all attributes that can last a lifetime. The young student should also be taught proficiency in some sports and recreational activities which can be practiced individually for a lifetime. And most important of all, the pleasures, amusement, enjoyment, and satisfaction to be derived from learning, from mental growth which enlarges the capacity of the mind to enjoy the experiences that lie ahead, should be the prime goal of these responsible for establishing the learning habits and attitudes of youth. So equipped, life at every stage has potential for growth and enjoyment.

In *family-life* courses the subject of aging can be approached a little more directly. I have never forgotten my surprise and pleasure when I had finished a brief talk about aging with a family life high school class. These youngsters raised the real questions about old age and they were speaking from experience. They wanted to know what would have happened to old people if social security had not been adopted and what responsibilities their parents still had for giving financial assistance to older family members. They wanted to know what to do with the retired people in their families who had large amounts of time to invest but seemed unable to make satisfying use of it. They wanted to know the extent of the authoritative relationship grandparents have or should have with grandchildren. They showed an understanding of social problems resulting from the

increase in the number of people living to be old. They realized also that society would not tolerate any measures aimed at automatically eliminating the very aged. In short, these young people were at an age when learning about how to cope with three-generation relationships and adaptations required by the presence of many older people in the population had personal significance. They were prime, therefore, targets for instruction cogent to their current need for knowledge about aging.

It appears to me that one basic problem lies in how to arouse the teaching staff of our public schools to an awareness of the need to incorporate aging into their courses. I have long believed that departments of public instruction should be calling the attention of teachers to this new need. I have also felt that the teachers themselves should take a more aggressive role in acquiring information about aging and in redesigning instructional programs to introduce it at the appropriate developmental levels of their pupils. Without success, I have kept watch for a number of years for evidence that public school teachers have included discussions of aging at their own regional, state and national conferences. Our teacher training institutions, from which the leadership should come, have thus far also largely failed to make aging an important aspect of the training of younger teachers. New initiative is needed.

Undergraduate Training

The goals of undergraduate training include, among many others, the preparation of young persons to exploit their talents so that they may achieve the satisfactions of personal expression throughout life, and of contributing to the welfare of their society. To achieve this breadth of training, students are exposed to the physical and biological sciences, to literature, and to the social and behavioral sciences. Each of these areas offer opportunities to introduce either directly or indirectly materials which have implications for aging. For example, there are fascinating examples in classical and modern literature about aging as a personal experience and as phenomena of deep social significance. In almost any of the sciences the concomitants associated with aging, such as in plants, animals, and even in inanimate materials, offer chances to bring the processes of aging to the attention of students. And, of course, in the area of social studies there is ample opportunity to introduce gerontology directly.

In *psychology* for example, the study of individual behavior over the whole life span is now a "must," and even a special course on the psychology of aging can be justified on the basis of the information and scientific data available. In *sociology* the demographic facts about the aging population, the social problems arising from the presence of a large group of old people in the population, and the types of adaptations society is making to accommodate old people, are all subjects for inclusion in the appropriate courses in sociology already in the curriculum. In addition, a special undergraduate course in sociology of aging is now quite commonly offered at the undergraduate level. In *economics* many courses already deal with such pertinent topics as income and resources of older people, pension programs, social insurance and dependency programs, and medical economics and health insurance. *Political science* courses on the other hand do not currently give much consideration to the politics of age, except as related to voting habits of different age groups. I predict, however, that this situation will soon change. The impact of extensive Congressional and State action on behalf of older people, and the expenditure of vast sums of public money on programs serving their needs as well as the organization of older people into pressure groups, makes imperative the inclusion in the general education of undergraduates of instruction on the political significance of the older segment of the population.

Perhaps even more effective in arousing undergraduate interest in aging than the mere introduction of gerontological information into course content is the use of what is now popularly called the out-reach method of instruction. By this means, students are brought in direct contact with the social problems about which they are studying. The method has already been employed successfully at the University of Denver, where undergraduate students studied social gerontology while at the same time working six hours each week in either old-age homes, senior housing projects, or agencies serving older people.

Finally one of the most important outcomes of introducing aging into undergraduate instruction is that students will be alerted to the career opportunities in this new occupational field. Some, perhaps many, will thus be stimulated to seek graduate training in gerontological research or professional services.

Graduate Education

This brings us logically to a consideration of graduate education. The program of *Division I* of this 20th Annual Conference is testimony that the field of graduate education in aging is unquestionably developing. Half of those registering at the conference have chosen *Division I* giving clear testimony to a burgeoning interest in the expansion of such training. The fact that the National Institutes of Health, the National Institute of Mental Health, and the Administration on Aging have excellent training grant programs, which are being administered with keen foresight of needs, has no doubt been largely responsible for awakening the interest of universities in gerontology.

As yet although only a relatively small number of universities provide for specialization in aging, it is, nonetheless, possible by making an appropriate selection from among graduate schools, for a student to take a Ph. D. in psychology, sociology, human development, political science, biology, or physiology with a specialization in aging. Likewise, professional training is available in aging in some schools or departments of social work, public health, public administration, education, architecture, hospital and nursing home administration, retirement housing management, and recreation. Brochures describing many of these programs now available throughout the country, and a new book on *Graduate Education in Aging Within the Social Sciences* will be found among the exhibits here at the conference.

Further evidence that the study of aging has permanency in the graduate curriculum is the fact that universities are planning to build model facilities for use in laboratory instruction. For example, George Washington University intends to build a nursing home in its medical center for use in connection with the graduate program in nursing home administration. As a part of the University of Michigan—Wayne State University Institute of Gerontology, an old-age home is being built on the Wayne campus which will serve as a research institute for gerontological studies and as a laboratory for training students for a variety of occupations associated with the administration, operation, and programming of senior citizen housing and old age homes. We also have a few highly developed aging research centers such as those found at Duke University, Yeshiva University, Miami University in Florida and others.

I predict that the talent appearing on the program of *Division I* of this conference will light some new fires of educational effort, and more training opportunities will emerge.

Informed Training Programs

The role of the university in providing in-service and post-graduate training in various aspects of the problem of aging cannot be overlooked. Increasingly, state and community agencies are calling upon the universities to cooperate with them in presenting short institutes or courses for the training of their personnel. Professional groups and trade organizations, wishing to up-date the knowledge of their members, likewise look to the universities to provide leadership and training.

Consultation on an informal or planned basis is another service which colleges and universities are asked to provide for agencies and professional personnel. Thus, a school of architecture may become a focal point for information regarding the design and siting of homes for older people; or a department of post-graduate medicine may offer short courses or clinics for physicians wishing to up-date or extend their knowledge in geriatric medical problems. Also, schools of education may offer consultation to adult educators in public schools with reference to the types of programs that will interest older people from various socioeconomic classes and of differing age levels. These constitute only a few examples from the gamut of possibilities for cooperative activities between practitioners and university faculties. There is urgent need for expansion in these types of enterprises.

Perhaps the most exciting developments are those which are taking place in the area of education for older adults. Many of these will be described in the program of *Division II* of this conference. Therefore, I shall make only one observation about them. It is that the salient features of these programs are oriented toward creative self-expression and are not directly ameliorative in their goals. Often developed by older people themselves, these programs represent the persistent desire people have for learning and exploiting the potentialities of their minds and talents. A fact that should alert all of us who plan programs with and for older people is that we should strive for the highest

possible quality of instruction and to offer intellectually stimulating learning experiences.

In summary, I hope that even so brief a review of curriculum needs in the field of aging has served to make clear the important roles of educational institutions at all levels. Although much progress has already been made, we stand today on the threshold of a great expansion in educational effort. We are ready to profit from the pioneering work of the scientists early interested in the study of aging, from the financial seeding of the field by the Federal government and large foundations, and from the growing acceptance and acknowledgement that old people are a functional part of our society and thus study into their nature and into the problems they create for society is merited.

Senator MONDALE. Senator Prouty.

Senator PROUTY. Dr. Donahue, the observations you have made and the questions which you have raised I think are highly important to the committee and they certainly merit our serious consideration and study.

I agree with you that life does not have to end at 60 years or 65, we can go on and develop new interests and perhaps be much happier than we have ever been before if we have the will, the know-how, and the time. I am very grateful for your help.

Dr. DONOHUE. Somehow we have to achieve continuity of it rather than a break at retirement.

Senator MONDALE. We have proved that in the U.S. Senate. Sixty-five is almost the minimum age around there.

Senator PROUTY. I might say I doubt if there is a single U.S. Senator who has not at one time threatened to retire, yet when election time comes around and we feel we may be retired we take a different approach.

Senator MONDALE. That is because mankind needs us.

Senator PROUTY. I hope our constituents feel that way.

Senator MONDALE. Thank you very, very much, Dr. Donahue, for what I gather was an extemporaneous comment—didn't sound like it—it sounded like it had been prepared.

AUDIENCE PARTICIPATION

Now I want to profoundly apologize to those who have been waiting patiently to participate in what was advertised as a town meeting. It is now 5:15 and it is quite late and we are going to have to catch a plane. There is available at the back of the room a letter form which would permit you, if we don't have time to get to you today, to write out your remarks and send them to us and we will include them in the record, and I will read them personally.

Do we have anyone who would like to make a statement?

Would you go back to the microphone behind you there and give your name and address to the girl who is standing by the microphone? We are asking, if possible, that you hold your remarks to 2 or 3 minutes.

Mr. Oriol, you are going to be the timekeeper.

Would you give us your name, please?

STATEMENT OF MR. LEO D. SHAFFER

MR. SHAFFER. Thank you, Members of the Senate. My name is Leo D. Shaffer. I am a member of Local 163 of the UAW. I am an early retiree; I retired at age 60 on September 30, 1965, with a pension of

\$362.88 a month. I retired from the Detroit diesel plant, one of the General Motors plants.

Now at age 65 this pension will drop to \$238.88. This includes social security. I retired so that I could do the things that I like to do rather than things I had to do. I could contest some of the learned witnesses you had here today on the subject of liking work and so forth, choosing your life's work. It hasn't quite worked out the way that I had intended it. I still find myself engaged in activities I believe necessary along with the things I like to do, but more of my time has been consumed on these necessary things because they need doing by someone and at the moment that someone happens to be me. Of course, I enjoy doing the necessary things, too.

For example, I am president of the Meyers-Seven-Mile-Schaefer Community Council, and we are presently engaged in collecting food and clothing in the present emergency in Detroit. I could not have done this if I had waited until I was 65 to retire.

My other activities include being president of the UAW Local No. 163, retired workers chapter; chairman of the Housing Committee of the Detroit Retired Workers Council; chairman of the Local 163 Education Committee. I am a delegate to the Community Health Association. I am a medicare representative of local 163. It is amazing how many hours these things take.

Now on the things I like to do, I love to fish. I love to play golf. The fellows working in the plants tell me how good the fishing is; I haven't wet a line this year.

Some of the learned people were wondering if we were not stifled in our old age. I must play golf in the early hours so as not to interfere with my day's plans, or I must play with a guilt complex which spoils my game.

Now unless you gentlemen make it possible for more workers to retire early, I am going to be compelled to be busy for the rest of my days.

Furthermore, dispensing with all levity, and most important, if more workers don't retire early we are going to have millions of young Americans unemployed and unproductive and as automation takes over those presently employed will swell the ranks of the unemployed far above the figures of the pre-Vietnam days. Vietnam will end someday, and there had better be jobs for the returning servicemen and women.

I look forward to the day when I can transfer some of my duties to another early retiree which you gentlemen can make possible. With adequate benefits, many would retire at age 55. It is up to you to provide that incentive.

Now with my pension, even the amount of \$362.88, that will lessen considerably when you consider early retirees are not granted the tax relief and added benefits of medicare, for example. We must take a cut in our basic pension. If we elect to take early social security, we take a 20-percent cut on such benefits. We are not covered by medicare as those 65 years of age and over are. All our pension and other income is fully taxable. We do not have double exemptions as they do at age 65. We are not covered by the homestead exemption tax relief.

If it was not for the fact that my wife works and is the real supplement to our income, it would not have been economically feasible for me to retire early, and I am in a much better economic position than

most senior citizens. I don't feel sorry for my wife, she is doing the work she loves to do and was in full accord with my retirement and my present activities. It also benefits her, too, that I retired early because I can relieve her of some of her household duties. Along with my other activities I take care of some of the washing and ironing and the dishes and the cleaning of the house. Believe me, retirees can have plenty to do.

Senator MONDALE. Better keep that quiet; there are going to be a lot of wives pushing for early retirement.

Mr. SHAFFER. On the question of retirement education, I agree with Dr. Donahue that this is a lifetime thing. You can't take a person 2 or 3 years before he retires and train him into new fields. A few would accumulate something of interest, but it must be done during the period of your life.

I worked for General Motors for 32 years and during that period I was active in the union. This is where I get my retirement interests, from my activities through my lifetime, not what I learned in the last year or two. I hope the committee will consider that kind of training if you want training for the retirement years.

Thank you very much.

Senator MONDALE. Thank you very much, Mr. Shaffer. As you indicated your interests and your activities, you mentioned fishing, and I was wondering why you didn't move to Minnesota.

Mr. SHAFFER. I have been there, I have fished in Minnesota. Very good.

Senator MONDALE. I am glad that you had that delightful experience.

STATEMENT OF WALTER CASSIDY

Mr. CASSIDY. My name is Walter Cassidy. I am a Ford retiree. I worked for the Ford Motor Co. for 41 years. I took an early retirement at age 62.

I had intended to talk just about social security benefits and the fact that they are frozen, but if the committee would permit me I would like to digress just a bit to cover some of the remarks I heard here prior.

One thing that really disturbed me was a remark made here a short time ago by one of the witnesses that factory workers, do they really know whether they want to retire or not? Another remark that quite shook me up was the fact that maybe some of these people love their work. Now I could understand a person in a chosen profession, and most of the witnesses have been professional people—I could understand them having a love for their work but I think that the gentlemen on the platform understand as I do, that working in a factory, which includes about 95 percent of the people on social security, is not a matter of choice. When you go into a factory, it is a matter of assignment. They say, "Do this," and you are assigned to a machine and that is what you do and you repeat it over and over, and over, the same routine little operation, there is no diversification and absolutely no opportunity for persons for knowledge or exchange or anything else—you just stand there all day long, day after day, year after year for a lifetime. And then somebody asks you, "Do you really want to retire?"

To me having put a lifetime in the Ford plants, which I think personally are probably as good as any plants to work in and possibly better than some that I know, it actually alarms me that anybody work-

ing in one of those factories, if you have ever been in one, could question a person's desirability to retire.

Now I think it would be a wonderful thing if the factory jobs could be arranged in such a way as to have some diversification, then the work would be something a person would want to continue, but unfortunately they are not. I would say this. As regards to early retirements—practically every person working in a factory today wants to retire. The only deterrent to people retiring from factories is whether they are going to get a pension on which they will be able to live and support their wife or other dependents in the mode or manner in which they have become accustomed. That is the only deterrent.

So when the Big Three came along with \$400 a month, I immediately retired. There was no question in my mind of whether I wanted to retire or not. It was only a question of having enough to retire on, live in some semblance of dignity, and not become a burden on your family or a burden on the community. That's the big thing with a person retiring from a factory.

Now the thing I wanted to talk about, and I will try not to delay the meeting here, I know the people have been here for hours. Certainly I think it is a privilege to be given an opportunity here to address the committee and the spectators here in assembly. One thing, before I retired I gave it a whole lot of thought; believe me, I thought a long time of what my expenses were going to be, how much I was going to get from the Ford Motor Co. and how that was going to fall from \$400 a month back to \$170 when I got to be 65; how much my social security was going to be because I had to give up 20 percent—20 percent in order to retire at 62, 20 percent less than I would have got at 65.

PENSION LEVELS FROZEN

I gave a lot of thought to the financial aspects of this thing, a lot of thought, because I didn't want to get into a state of privation—not so much for myself as for my wife. Now here is the thing that alarms me, and believe me it is an unnecessary thing. I found out that the pension I am getting today is not as much as the pension I retired on 3 years ago. Our pensions are frozen; social security is a frozen item and so is the company pension. Now while I was working in the Ford plant I became accustomed, believe me, to the periodic escalation of wages to cope with rising costs. Having no escalation arrangement is the thing that really does put people on fixed incomes in a bad position.

Now in the Big Three and other UAW contracts, as the cost of living rises, so, too, and correspondingly your wages rise along with it. Now I got accustomed to that as prices of food, rent, and so forth world spiral so, too, would my hourly wage keep right abreast of it. So I got caught real short, believe me, when I got on this fixed income deal so that I find now that while I had an adequate pension, adequate social security when I retired, I now find that the purchasing power which I had before will no longer make the purchases, will no longer cover my needs. My social security every day in the week is becoming less; so, too, is my Ford pension becoming less. It is becoming less to the needs that I face, so what I am really concerned about is this.

If someone had told me that after I got to be 65 every month my pension from Ford would go down and every month my social security

would go down, get less, I certainly would have hesitated before retiring and I think everyone else would, but that is actually what is happening—not just to me, not just to the factory workers from the Big Three, that is happening to every single person on social security. Now no one can tell me that if these factories like General Motors, Ford, and Chrysler can build in an escalator cost to keep their wages abreast of the cost of living, don't tell me that social security can't be handled on the same basis. I know it can.

I know the fact that we are continually getting less and less purchasing power while we sit still and every cost that we face spirals. I know that that can be corrected and should be corrected and so does everybody else. Here is the thing that really does concern us all, believe me. Just last November when we were in an election, the administration, untimely as it might have been, came out with some recommendations on social security increases, and right away you heard the holler of politics. Then the other party, the Republican Party naturally, probably for their own political reasons, came out and made recommendations which exceeded the administration's and that is what we keep going through.

I think the thing here that needs correction is that there is no set time for considering increases in the social security, there is no time at all. We find out here today, the committee is going to report out, I understand, in September to the Congress. Now, I don't know, and neither do you, if there will be another correction in social security benefits in the next 10 years. There is no guarantee. There should be some time set on when they would adjust social security benefits to the needs and to the costs of the people that are supposed to be the beneficiaries of it.

Right now we have an \$84 a month average social security, and you tell me what is a man and his wife in this country going to do today on \$84 a month? Now you tell me that. I know what they are going to do, they are going to have to fall back on their meager savings or rely on their children or on their friends.

I say this to you. I think at least the committee should recommend to the Congress that we have some date, that we have some period—I would say every year or every 6 months or every 2 years, at least some period when an adjustment would be made in social security benefits in conformity with rising costs.

Thank you.

Senator MONDALE. Thank you very much.

Mr. Cassidy, I feel guilty trying to cut you off because I agree with everything you say and I believe it is important, but if we are going to let the others go on we are going to have to get tough on our time.

Mr. CASSIDY. I have a bad habit of talking too long, I'm sorry.

Senator MONDALE. Well, that is all right. You make sense. We should have more time than we have. What we are going to do now is give you 3 minutes, and if you hear a gavel don't take it personally.

STATEMENT OF MRS. LUCILLE ROBINSON

Mrs. ROBINSON. Mine will be much less than 3 minutes. My name is Lucille Robinson, I live in the west part of Detroit, I retired from the Wayne County Bureau of Social Aid.

My question is not about the beginning of retirement but the end of retirement. I will tell a little story that happened last night. Our next door neighbor had called in the afternoon to her daughter to please bring her two lemons. She lives alone. The daughter came with groceries and mama was laid out, and I said something to her, "Your mother should not live alone, there should be a place for her."

"Oh, I couldn't toss my mother away, she will have to come to my house." This woman already has three generations in her home, the other only daughter has five school-age children.

Now the daughter has refused to accept the idea that mother could live some other place, but she should not live alone, the mother herself. Can something not be done so that we can all accept the fact that we may live to be 91 and we may have to go someplace else. We have no right to be a burden on our children and make our children come 10 miles to bring us two lemons. Can we not dignify the idea of going into some kind of a place, I don't know what.

Thank you.

Senator MONDALE. Thank you very much.

Now I want to be sure. Do we have anybody here from Ann Arbor? All right, we have someone from Ann Arbor.

STATEMENT OF MRS. JUNE McCABE

Mrs. McCABE. I am June McCabe, 414 West Summit, a public relations counsel in community relations.

First a comment and then a question. Social scientists, as well as the lady who just spoke, know that mature older people take a kind of pride in being self-supporting as well as interdependent when they retire from working for a living, and that they don't relish having to receive help from sons and daughters who may enjoy helping in every way, tangible and intangible if they could for some 40 to 50 years. So when these parents' pleasure in retirement is diminished by restriction of their capacity to keep giving as they try to live on social security, their sense of personal security is shaken and their fears, tensions and anxieties augmented to nobody's good physical or mental health.

Now I understand that House Members have killed the rent supplement bill that would have given people in their parents' generation some \$100 million worth of essential basic security. I would like to know what the Senate Members plan to do about it, maximize or minimize the contribution they can make to the self-respect and happiness of their older generation.

Senator MONDALE. I am working hard for rent supplements,⁸ I think they should be greatly expanded and I am proud to be part of that effort. I think we have got to do a far better job with housing than we are all across the line.

Mrs. McCABE. I am glad to hear that on the record.

Senator PROUTY. I might say I voted for it the last time.

Senator MONDALE. That is right. We have a good Republican here, they are hard to find but we got one.

Go ahead.

⁸ On Nov. 3, 1967, Congress extended the Rent Supplemental Program.

STATEMENT FROM WILFRED McGHIE

Mr. McGHIE. Senator, for the record I would like to state that my name is Wilfred McGhie. I live in Detroit and I am a member of Local 235, UAW. I retired from General Motors after 40 years of work. I retired last October 1 at the age of 60. I think that I would have one brief claim to fame and that is I am a graduate of Dr. Hunter's class in preretirement training. I think the gentleman from Chrysler said if you attended these classes you enjoy your retirement much more. I am enjoying mine because I am doing the things now that I like to do.

I think that if I would say one thing to the members from the Senate it would be this: that you are putting too much emphasis on age and not enough on physical condition. The union activity that I had in the plant was a pension committeeman and under the terms of General Motors' agreement we have a management member and a union member. I had the opportunity to sign retirement papers and counsel 2,000 guys since October 1, 1950. Did you know out of those 2,000, more than 300 left those plants totally permanently disabled.

Now we take the blue-collar worker as we call him, and what does that mean? He might be a guy that is working on an assembly line doing real hard work, he might be a shipping clerk, he might have a very light job. The condition of the man, not his age, is what should determine retirement.

Now I am going to say about Dr. Hunter's class that it covered many areas. Where would you live when you retire? I resolved that problem. I am going to keep on living where I have been living for a great number of years.

Then he said about health and retirement. I am working on that problem.

He did bring this up, too, in another course, finances, and I think that is what I am going to briefly discuss with you. Now at the point of my retirement at age 60 I was drawing \$7,000 a year. Retiring at 60, the pension I receive will be \$4,600; that is pension plus the early retirement allowance. So \$7,000 at the time of retirement and from age 60 to 62, \$4,600 a year, I am going to make application for reduced social security benefit at 62 and this will give me \$5,800 per year from 62 to 65. It is at this point that things start to fall apart because when I retired from the General Motors Corp. at age 60 I had to take a 13-percent reduction in my base GM pension.

If I am still around at age 62 and I accept social security that will be a reduction of 20 percent. Now let me sum this up then: \$7,000 at the point of retirement; from age 60 to 62, \$4,600; from 62 to 65; \$5,800; and after 65, \$250 or \$3,000 a year and that's it.

If I had one final message, I would like to say that I am heartily in favor of the UAW's proposal of increasing social security benefits 50 percent for all of our retired people.

Thank you.

Senator MONDALE. Well taken.

I think we will have to take one more and then we are going to have to go or we will miss the plane.

STATEMENT OF JAMES C. PIFER

Mr. PIFER. I am James C. Pifer, executive vice president of Sixty Now Inc., Toledo, Ohio.

I would like to point out these things to the committee. For the past 6 years I have been traveling around over the country talking to people about the improving of social security benefits and the lowering of the retirement age. I find that the majority of the workers throughout the country would gladly invest more money into social security so that they can retire at a younger age with a decent income.

It is my honest opinion that each and every worker in the factories and also in the different service industries looks forward to retirement. All that they need and all that the people who are now retired need is enough income so that they can live in dignity. There is no reason today why we cannot increase our social security benefits by at least 50 percent that Walter Reuther has asked for, by at least the 50 percent that our House resolution adopted before Congress asked for, that we can increase these not only to the people who retire in the future but to the ones who are now retired so that they will have enough income.

I do not think that we have to worry about whether or not these people will be able to take care of themselves after they retire, as far as education and stuff is concerned, if we provide them with the income so that they can live in dignity. They definitely will be able to find something to do with themselves.

I, myself, have 33 years seniority with the Dana Corp. that I am on leave from. I am 56 years old and I expect to retire at the age of 60. I want to retire at the age of 60. In a way you might consider me right now as a white-collar man because I have more or less had a white-collar job for the last few years. Definitely as far as I am concerned, I am looking forward to retirement. All that I say that the people need and they will retire and they want to retire at an earlier age is enough income so they can live in dignity and continue to consume what they would like to consume and not be a drag on our economy but would rather be a help to the economy.

One other point that I think should be taken into consideration here is what does early retirement mean to our economy? What does it mean in jobs to our youth? To give you an example, a very small example, in the shop where I am from we have 2,200 employees. Since 1965 when our first contract went into effect with regard to early retirement, now of that 2,200 employees that was eligible to retire at the age of 65 is about 300. Better than 200 of them have retired.

In other words, the point that I want to make here that two-thirds, and the same thing is pretty much true throughout the UAW, where they have accomplished this early retirement—about two-thirds of those people who are eligible to retire are retiring at an age and at a time whenever they are working overtime and everything else, and they are taking quite a considerable cut from wages to do this retirement. They do want to retire.

I thank you.

Senator MONDALE. Thank you very much.

Mr. BROWN. I would like to make one comment.

Senator MONDALE. Fine.

STATEMENT OF JAMES H. BROWN

Mr. BROWN. My name is James H. Brown. I am an international representative working as a staff representative for the community services and retired workers department under the direction of Andrew W. L. Brown, who is the assistant director of the department.

My experience in handling the problems of retired workers, and it is not restricted to any set of workers, anyone that may come into the office or one of the centers will receive services. One of the big problems that we are having today is that after they retire and they are suffering from the need of money because the increase in the cost of living they somehow engage themselves into some type of employment in order to subsidize their income.

What is happening, the point that you make more than \$1,500, they are disqualified for their supplemental pension. Now under the social security plan, if you exceed that \$1,500, then you are penalized under the provisions of the plan for the period he or she receives more money than the plan permits.

If a person receives supplemental pension and earns more than \$1,500 in the same year, they will be penalized for the duration of that supplemental period. Now, I am of the opinion that the recommendation for an increase in social security should be increased from \$1,500 a year to \$2,500 a year.

Now the pension plan was not negotiated for a person to go out and seek employment. I think the principle was to establish jobs and employment for the youth. Now this is really a key point of interest with these retirees once they realize that under no circumstances they can live on their present pension which they accepted when they retired.

The other point is that the educational program under article 53, of our international union, there is an established program within the chapters that will follow along with Dr. Donahue's program helping the senior people improve their standards and education and keep them active and keep them young.

Thank you very much.

Senator MONDALE. Thank you very much.

I think we ought to give a rousing cheer to our stenographer who has been pounding away all afternoon. Thank you very, very much.

This meeting is adjourned.

(Whereupon, at 5:45 p.m., the hearing adjourned.)

APPENDIXES

APPENDIX 1

ADDITIONAL MATERIAL FROM WITNESSES

ITEM 1. MATERIAL FROM WILLIAM E. HENRY*

THE THEORY OF INTRINSIC DISENGAGEMENT**

(By William E. Henry, Committee on Human Development, University of Chicago)

In an age of anxiety, detachment seems an inappropriate art, and activity a solution. But wisdom and perspective, so commonly though conceivably erroneously, attributed to the elders require a base in leisure. By the term *leisure* I do not mean the common American association to *recreation*, that is, the *utilization* of leisure in particular activities. I refer, rather, to the root definitions of leisure as given in *Webster's New International Dictionary*¹—definition 2, "freedom or opportunity afforded by exemption from occupation or business" and, particularly, to definition 3, "time at one's command, free from engagement." The crucial ideas here are contained in the latter two definitions, and they suggest two important concepts. The first, time at one's command, I take to mean that the individual is able to structure time *as he chooses*, or can *ignore time altogether*, since it is he who commands it, rather than time that commands him. The second idea, free from engagement, implies a possible logic for that kind of choice, that is, that the individual is *free from the sense of being engaged* by various outer events or objects. Thus when the individual is not bound, that is, not engaged with events and objects, time alters its relationship to the individual, the individual alters his view of the importance of being engaged. Objects become less vital and time loses its ability to command.

A conviction that time is important and engagement with persons and objects necessary, constitutes a firm basis for the maximal involvement with outer world events characteristic of middle-age (and possibly middle-class) life. The raising and training of families, the accumulation of personal property, the commitment to social and occupational mobility are in no fundamental personal sense inevitable. They may be *necessary* for the society, as mechanisms of inducting the young and as means of getting the world's work done. And they are perfectly *natural*, in the sense that they are in most societies common or modal events. But to become functional for the individual, they require the commitment of engagement. Once the individual to some degree *commits* himself to such values, the activities and objects related to their attainment constitute the interactive scene of early and middle adult life.

But for some adults such interactive values and activities become impossible and for some possible but meaningless, except insofar as these persons come to invest energy and belief in the outer events and objects characteristic of the adult life scene in their society. This investment is the process intervening between individuals and social actions. It includes intertwining and probably inseparable elements of *commitment to time and cathexes to objects, persons, and events*. This process, including the commitment of energy and the assump-

*See testimony on p. 452.

**Paper read at the International Gerontological Congress, Copenhagen, August, 1963.

¹ *Webster's New International Dictionary* (2nd Edition) 1959, p. 1414.

tion that time can command, constitutes the necessary basic condition for the engagement in societal activities at certain life periods. It is the dissolution or perhaps only the reassignment of the energies involved in this process that constitutes the basic condition for the disengagement of later life.

Disengagement theory as initially phrased,² proposes in rough outline, a severing of ties between a person and others in his society, a reduction in available ego energy, and a change in the quality of those ties remaining. It proposes that the changing quality of remaining ties may stem from "an altered basis in the person for the reception and initiation of social events." We have suggested that this changed basis in the person resides essentially in a realignment of the relation of inner events to outer events in such a manner that the former take on an increasing centrality, that interiority becomes increasingly important. It is consonant with this that normatively governed considerations and hierarchally structured social relations should be less prominent. The proposal of the increased role of inner events in the reception and initiation of social events also permits the observation, variously made in other contexts, that the older person becomes increasingly "like himself," that as Havighurst and Neugarten³ comment, he remains engaged with self. If these are reasonable observations, then they are so to the extent that new adjustments to changing norms become less common. The individual thus does not become more like the social scene, changed or unaltered as it may be. He becomes more like his own inner events, the sameness and continuity of which now have every opportunity to be maximized.

I believe it to be a fact that engagement and the derivation of a sense of commitment are in themselves developmental events. In at least some formulations the schizophrenic is the individual who, at an early age, and presumably through uniquely traumatic circumstances, has never developed the sense of involvement characteristic of most persons. The more common developmental pattern, of course, is the one in which psychic and material gains are the clear-cut rewards, and subsequently, the motives, for a demonstrable degree of interest or investment in significant persons in the immediate environment. This process of developing reciprocal involvements is presumably facilitated by firm identifications with these figures and comes to diffuse to include actually and symbolically related persons and events. With increased ego differentiation and the development of autonomy in ego and in other spheres, there probably occurs a fairly stable level of involvement—one to some degree reflective of the past experiences of the individual. It would seem logical to assume that this level of involvement would become greater at some times than at others. For one thing, it perhaps increases at points of new interest—at adolescence when the advent of an activated sexuality encourages an enlivened sense of involvement with the objects of that process, as well as a heightened tenseness around commitments in other areas.

But in spite of the probability of alterations dictated by special circumstances—and certainly retreat from involvement is also possible—it seems worthwhile to posit a general personality characteristic residing in this level of involvement. The issue would be one of the psychic distance or closeness of the individual to the common objects and events of his environment. Closeness, in this sense, implies that the individual maintains a high awareness of the presence and the stimulation of others and that he himself experiences some sense of need to respond to that stimulation. Distance presumes a reduced awareness of such environmental events and a reduced felt need for response. Phrased somewhat differently, the presumption might be that individuals equilibrate themselves at some characteristic distance from others and, other things being equal, tend to maintain that distance. It does not follow from this notion of level of involvement that either closeness or distance carries with it any particular state of awareness of one's own inner states, though some relations of the two may be common for certain ages and/or for certain persons differing in other personal attributes. Thus it would be consistent with this proposal that highly engaged persons in mid-adulthood would experience high involvement, closeness to other persons and events and that during that period formal attention to inner states decline. During classic periods of "negativism," that of the 3 year old American child, perhaps, and the "selfish" periods of adolescence, one might imagine a preoccupation with inner states to the exclusion of formal attention to involvement with environmental events. It is, of course, also

² Cumming, Elaine & Henry, William E. *Growing Old*. New York: Basic Books, 1961.

³ Havighurst, Robert J., Neugarten, Bernice L. & Tobin, Sheldon S. "Disengagement and Patterns of Aging." Paper read at International Gerontological Research Seminar, Sweden, August, 1963.

our suggestion that "the older people are, the more likely they are to be equilibrated at a quite considerable distance from their fellows and the more preoccupied they are likely to be with their own inner states."⁴

In this context, engagement and disengagement became a general form of personality dynamic, and the disengagement of the aged, a special case.

The degree to which disengagement is an intrinsic process seems still an open question, and one related in part to how biologically-determined one assumes an intrinsic process to be, and where one places the causality in these various interrelations of social fact, personality, and self-estimate. To this point it would seem sound to me to suggest that processes of disengagement, in their complexity and interaction with various life events, are intrinsic in the sense that social environmental events are not sufficient to predict them, and that they appear clearly related to various personality processes generally understood to be of long duration. They are thus ego processes, having a developmental history, a discoverable course of their own, and a positive power that can influence reaction to external events and choice of response to them.

But there is one further highly complex question which I think none of us working with these data have dealt with directly.⁵ That is the question of *intentional outside activation*, its utility in social planning, and its effect upon the aged. There are of course some implications for this in the present work. There is a presumption that low activity is good because we find examples of it in persons of good morale: there is a presumption that high activity is good when one finds examples of it in persons with high morale. In this context both the Activity Theory and the Disengagement Theory—acknowledging less distinct and separate than so-naming them implies—carry the burden of their titles. But as I think has been amply shown by the work reported, neither of them is sufficient to account for the fact we now know. And neither deals explicitly with the question of the effects upon the persons of specific plans for increasing or decreasing their activity, or for plans of providing one kind of activity as opposed to another. There are, of course, many personal reports, of casual as well as intense professional work. As far as I am aware, these reports lend themselves to either or both general theories. And those that appear most substantially to support the implications of one or the other position, have arisen from unsystematic circumstances without controls. I take this to be an open and challenging field of research, in social action and psychotherapeutic management.

Neither of these theoretical formulations have been based explicitly upon data from studies of planned changes in lifestyles. But the complex of findings from the Kansas City Studies, regardless of how one organizes them by theoretical orientation, do, I believe, provide many highly suggestive leads for the analysis of action programs and for the design of new experiments in that field.

PERSONALITY DEVELOPMENT IN ADULTHOOD AND OLD AGE*

(By WILLIAM E. HENRY, University of Chicago, and ELAINE CUMMING, New York State Department of Mental Hygiene, Syracuse)

It is self-evident to us all that changes in those attributes of persons normally called personality do indeed occur in the years subsequent to early adulthood. Yet the discovery and clarification of the particular nature of these personality events seems to remain a difficult task. This difficulty may stem in part from our general conceptions of personality as a characteristics of persons which shows the most marked changes and development in the re-adult years. We are inclined to think, not without some justification, that personality becomes "established"—and by this we seem to mean "fixed"—rather early in life; by five years of age possibly, or by the end of the developmental trials of adolescence, depending upon our theoretical preferences, or upon the particular aspects of personality at which we choose to look. It may also be that we are partially blinded to changes after adulthood by our own middle-age-determined bind to the verities and stabilities

*Paper read by William E. Henry as presidential address of the Society for Prospective Techniques at the Convention of the American Psychological Association, Cincinnati, September, 1959.

⁴ Cumming, Elaine. "Social Change and the Aging Process." Paper read at the 13th Annual Conference on Aging, University of Michigan, Ann Arbor, June, 1960.

⁵ These persons include also Dr. Richard H. Williams and Claudine Wirths whose paper on "Styles of Life and Successful Aging, II" has been reported here and at the Research Seminar in Sweden.

of middle-class life. In spite of these possible personal or theoretical resistances to the notion of describable personality changes in the later years of adulthood, we all are aware that such changes do occur—at least in other persons.

I should like to call attention first to the possibility of certain conceptions in our views of old age which may lead us to see that age-group more in terms of its similarity to middle age than in terms of attributes inherent in old-age itself. In review, I will suggest that our conceptions predispose us to use the middle-age status as a model of desirable social and personal development, and hence to see any deviation from this model as negative and undesirable. This may perhaps result in a failure to conceive of old-age as a potential developmental stage in its own right, having features qualitatively different from middle-age.¹

Our thinking about old age might be described in terms of several themes. The first of these is the theme of middle-age and middle-class bias. Understandably enough, we are inclined to set the standards of behavior of this group as the model for the elderly. It has been noted before that studies dealing with issues of morale and personal adjustment find lower-class persons systematically lower in morale than middle-class persons. We also find ourselves using as indicators of morale for the elderly such questions as "Do you feel useful to those around you?", interpreting the response "No" as an indicator of lowered morale. Feeling useful is certainly an appropriate middle-age virtue, especially to those involved in family life. The implication of higher morale stemming from service to others also appears to be a highly functional middle-class attribute. What remains unclear is whether the older person should and does feel the same bind in this respect as does his younger counterpart.

A closely related second theme is the assumption of continual expansiveness. We place considerable emphasis, in our own lives, upon keeping up our own contacts. Our presumption is that such continued participation in the events of the social world is also a necessity and desirable condition of adequate adjustment beyond the middle years. Thus we advise the older person to continue to develop new interests and new contacts, to replace such interactions as may disappear through retirement or death of associates. This logic seems entirely sound if we have in mind the development more characteristic of the years before middle age, in which an extension of knowledge, experience, and interaction indeed seems appropriate to the eventual goal of active family and social participation in middle age. When the goal and endpoint is, however, death, the model of continued expansiveness seems less appropriate and somehow to ignore the retrenchment and eventual removal from the social nexus of interaction involved in this approaching endpoint.

A third theme deals with the quality of interpersonal relations in the later years. We do assume some change in these relations yet appear to expect that the aged continue to desire instrumentality, that competence in the active management of the environment so valued in the middle years. Thus "feeling wanted," as well as "feeling useful" appear to us as desired attributes of the aged. In a society where in the older years being useful to others is not inevitably linked to being adequately cared for, it would seem more logical to anticipate a desire to be valued not for *being* useful, but for *having been useful*, for a history of successful instrumentality.

In this model of active, rich, outgoing, satisfying and useful relations which we appear to hold of older persons, it seems odd that we choose to withhold the assumption of active sexuality. While it is clear that we are ambivalent about whether or not sexuality should or should not be present in the older persons, a fourth theme would appear to assume its absence. This is, of course, contrary to Dr. Kinsey's findings, who, while he suggests no marked activity, does clearly indicate that the rate of declining sexuality in those years is a rate no greater than that starting after the peak years of adolescence.

¹The work which I will describe is the result of the research being conducted by the Committee on Human Development of the University of Chicago by a group of persons of which I am only one. This is the Kansas City Study of Adult Life financed by the National Institute of Mental Health. The study is under the direction of Robert J. Havighurst, Bernice L. Neugarten, with myself as Principal Investigator. The Director of the research is Dr. Elaine Cumming. The work on the sociological and social interaction aspects is centrally that of Dr. Cumming, assisted by Dr. Lois Dean and Mr. David Newell. The theory of disengagement, which constitutes the central axis of this paper is the conception of Dr. Cumming and has been presented by her in another section of this Convention. I will focus today on the personality aspects of this project and report work undertaken by Dr. Louis C. Schaw, Dr. David Gutmann, Miss Jacqueline Rosen under the direction of Dr. Bernice Neugarten and myself.

The interaction of these various themes seems to imply that old age is not a state into which we move, a state possibly having its own unique attributes, but rather that it is a period of moving away from some previous and more desirable period—"the prime of life" or the "years of usefulness." From this we can only infer that we see the middle-age state as much preferable to the old-age state, and that to retain indefinitely its features constitutes successful aging.

An alternative model of aging would seem to us to have to take into account the possibility of some attributes qualitatively different from those of the middle years and, in particular, that one special "behavioral" feature of age, the inevitability of death. I should like now to state such an alternative theory—a restatement of a theory of disengagement proposed by Dr. Elaine Cumming and stemming from the Kansas City Study of Adult Life. In overview, we see the aging individual as changing gradually from a state of full engagement with the world around him (middle age) to a state of disengagement from it (old age). This process should have aspects similar to the developmental tasks or focal conflicts of the earlier years, at least in that it may be thought of as occurring typically in several stages. If this proposal is reasonable, we would imagine a series of steps somewhat as follows:

Stage one must involve some changes in the perception of time. It is said that the young person never really believes that he will die. This first stage must bring with it some realization of the mortality of life. The thought must occur that time is not infinite. One characteristic of this changed perception may well be the end of the habit of measuring time from birth on and a tendency now to measure it by the distance from our death. Loss of enthusiasm for some kinds of activities and involvements may be the result of this feeling that time is running out and hence must be apportioned according to some principles—saving money becomes less important than traveling, the time required to paint the living room would be better spent in reading. The hidden agenda come to the fore—agenda put off perhaps during the long years of socialization when we learned how to delay personal gratification in exchange for the accomplishment of something others expected of us. It may be the abandonment of the faith that everything is possible because life is long which constitutes the first step in disengagement.

The second stage of disengagement may be concomitant with the vision of the briefness of life, or it may follow shortly after it. It is a shift in saliency between the inner and the outer world. This may in some take the form of religious concerns. In others it may take the more general form of asking oneself what one really is and has been. In whatever format, it would appear to be a stage in which introspection and the contemplation of the inner thoughts begin to replace concerns with outer world demands.

A sharpening of the sense of the shortness of time may be the third stage. Here the thought "time is finite" becomes "time is running out." One of our respondents reports: "I used to read very rapidly when I had all the time in the world left, but now that I am old, I piece my books out, a little each day." He seems to have attached the passage of time to the reading of books and has so arranged it that his life will last as long as his supply of reading matter. A crucial element of this sense of the ending of time seems to be a redefinition of the self as less bound into the surrounding network of social interaction including an anticipation of being more distant from persons nearby. This is in a sense a practicing of loss through a sense of already being disengaged from immediate relationships.

We believe that this sense of social separation is accompanied by a restructuring of the boundaries of the ego—in particular a reduction in object cathexis. This may occur in both the sense of a constriction of ego boundaries which leaves fewer objects in direct contact with the ego and in the sense of a shift in the order of involvement so as to place a higher priority on some kinds of objects as opposed to others.

We would see both of these effects occurring at the point where the psychic investment turns from outside to inside.

In stage five there occurs an actual curtailment of direct contacts with other people—the movement anticipated in the previous stage. This stage is one in which the number of hours of each day spent with people is reduced, even though the number of categories of associates—friends, colleagues, relatives, neighbors—may remain the same. Contrary to general expectation, we think the older person experiences some rewards, rather than loneliness or despair, in this inward turning. As well as finding pleasure in this re-experiencing of the

inner life, the aging person may also find new rewards in quite casual contacts which he did not find in the past. He will find himself more responsive to undemanding contacts with comparative strangers, and less interested—unless dependent upon them for food and shelter—in becoming involved in a close and binding way with his own relatives.

It is at this time in his life cycle that the aging person can for the first time since childhood afford to be carefree. With the thinning of his ties of obligation to others, he can gratify some of his more personal desires and ignore some of the harsher strictures of social life. In a study of the deliberations of juries by James and Strodbeck, Miss James comments that it is the older and the younger people who reach the most lenient verdicts. It is the middle-aged persons, bound to the task of keeping society's rules, who reach the hardest ones. One woman encountered in our study told us that she had returned to work when her children left home, not because she needed the money, but because there they told her just what she was required to do. She remarks that this is much easier than the responsibilities of community organizations she formerly had. "Let the young women worry about the community," she said. "I don't even want to give advice to the young girls I work with, so I don't even eat with them—it's so nice to be free." As Lady Astor, at 80, regrettably not one of our subjects, is quoted by *Time* magazine as saying, "I used to worry about being old. I thought I wouldn't be able to do the things I'd want to do. Now I find I don't want to do anything after all."

This all suggests that the very old person is free to die because he has long since withdrawn himself from the on-going stream of life. In his last years he may pick up old trains of thought, and while enhancing those aspects of living that are immediate and have no consequences, turn back to the thoughts of his own past to relive those older enduring and now undemanding relationships. As one old lady says: "I do so love to be alone. I can think then."

Finally, the movement into extreme old age, readiness for death, leaves the aged person almost totally preoccupied with inner states and with the most instantly gratifying of outside contacts. His pleasures reside in meals, outings, and in friendly, undemanding companionship. In general, he displays behavior characteristic of one who has withdrawn his investment from the world around him and reinvested it in himself.

If the old person faces a crisis appropriate to his age, it may be that of accepting or rejecting the past which supplies the content of his inner life. As Grotjahn (3) comments: "The task of integrating one's life as it has been lived and the final acceptance of one's own death are problems of existence. To deal with them is the great task of old age. They are essentially different from the tasks of infancy, childhood, adolescence, and maturity."

This process of disengagement involves changes of a social and of a psychological nature. The arguments and data related to the social interaction side of disengagement are presented by Dr. Cumming in her paper at this Convention (1) and elsewhere (Cumming, 1960). I have presented this overall theory here in order that you may more clearly envision the context within which we believe personality changes occur.

The first group of hypotheses which we have which appear to suggest personality changes with age related to the theory posited above are those stemming from a study of younger and middle-aged persons. This is a study conducted quite independently of the Kansas City work principally dealt with here. It involved the Thematic Apperception Test responses of three groups of men employed in administrative positions in business—one group with a mean age of 30 years, one 40, and the oldest group with a mean age of 50. The method of this study is based upon a system for describing and grouping dominant themes and is described elsewhere in a monograph by Schaw and Henry (5). In this analysis emphasis is placed upon three central elements of personality reflected in the TAT:

1. *The nature of their view of the outer world*—that is, the assumptions regarding the characteristics of people and situations around them.

2. *The nature of the assumptions regarding their own inner world*, that is, their view of the techniques and resources they can bring to bear upon the solution of outer world problems or the attaining of their personal needs and desires.

3. *The nature of the interaction* proposed between these two worlds and the outcome of this interaction.

For our purposes here, I may briefly summarize our findings. It is apparent, first, that these three groups of men do indeed show changes in these attributes that appear to be related to their differences in age. In particular, the *thirty-year-old group* displays a substantial agreement and consistency in their view of the outer world as achievement-demanding, in their agreement to follow assertively the cues provided them by that outer world, and by their confidence that whole-hearted devotion to these achievement demands will result in the successful accomplishment of their personal ambitions. Thus their preoccupation with inner world contemplation is minimal, their conflict over possible routes of action is minimal as is their discharge of affect and emotion, since their techniques of relating themselves to self-simplified outer world goals are direct and efficient.

The *forty-year-old group* tends to view the world outside them far more in terms of potential conflict elements and attempt their solution through the utilization of introspection and inner resources. The aim of these problem solutions seems to be an effort to reestablish a sense of personal integrity through a reexamination of their inner drives and goals and a concomitant questioning of the outer world achievement demands—demands which to the 30's seem so right and reasonable. In this situation the direct awareness of their own emotion and affect becomes heightened.

The *fifty-year-old group* continues, as did the 40's, to experience outer world events as conflictful and demanding, yet appears to find a resolution in immediate experience. They move to a heightened involvement with abstract integrative systems with which they preoccupy themselves as an instrument of avoiding specific commitments to action. As in the 40's, increased personality differentiation and complexity occurs. However, in the 40's this complexity appears to serve the ends of integrating inner and outer world to the end of adequate problem solution, whereas for the 50's these processes suggest a compartmentalization within an increasingly isolated inner world.

These findings tentatively suggest the possibility of describing personality changes with age in terms of established personality integrations undergoing rephasing under the necessity to adjust to internal and external changes. The consistency with which these changes appear in these data suggests that in middle maturity normal working business men experience a need for the reconsideration of established personality patterns. If these factors do indeed constitute an age trend, the rephasing leads away from the possibility of finding immediate and satisfactory resolutions in terms of the 30-year-olds' conflict-free active mastery, and suggests a movement of energy into an internalized form of passive mastery of an ideal abstracted inner world—a world of their own creation, governed by their own rules.

The basic nature of this principle of change appears to be a movement from an *active, combative, outer world orientation* to an *adaptive, conforming and abstract inner world orientation*.

A further test of this proposal is provided by some parts of a study undertaken by Dr. David Gutmann. Dr. Gutmann's study is based upon TAT material from a group of men ranging in age from 40 to 71.

In a preliminary examination of subjects Gutmann proposed a system of five personality types which appeared to account for the major personality variation found within the sample. In order to submit to examination the question of the relation of these types to age, he composed a larger sample of 145 subjects covering a 40 to 71 year age span and coded each record in such a manner as to disguise their age. He then analyzed each record in terms of its fit to the five personality types and subsequently decoded them and arrayed them by age against type. This permits an estimate of the occurrence of each type by age and a statement of trends with age.

The types in question are themselves arrayed along a continuum analogous to the principle of change appearing in the first study described above—a continuum from the *active, combative outer world orientation* to the *adaptive, conforming inner world orientation*. For the sake of simplicity in presentation, I shall merely identify these as type I through V, it being understood that I and V represent the extremes of this continuum and II, III and IV represent intermediate steps. There is in these types no assumption of adjustment or maladjustment, though such a relationship may appear upon subsequent investigations. Thus a predominance of types I and II suggests a group of persons actively involved in relating themselves to the world of outer events. A preponderance of types III, IV, and V suggests a movement away from such outer world involvement and an increased emphasis upon internal, self-oriented events.

Before the relation of type to age was tested for significance, one further analytic judgment was made. Each case was judged to be either an *Externalizer* or an *Internalizer*. This judgment was made, again blind for age, on the grounds of a series of predetermined criteria related to the extremes of the outer world to inner world orientation discussed earlier. On the theory that personality change, if it appeared, would be clearer if related to initial overall personality type, the cases were examined within each overall type, that is, the Externalizers were examined for the relation of age to type, and then the Internalizers. In the Externalizers we find a relation of types to age which on a Chi Square method is statistically significant at beyond the .01 level. This clearly suggests an overall trend with age in the direction of increased preoccupation with inner world events and an increased isolation from outer world stimulation. At the same time it implies a reduction in the assertive combative elements and an increase in conforming passive mastery through inner life contemplation. In the Internalizers an identical trend is found, though significant at between the .02 and .05 level of confidence. This slightly different confidence level may be an artifact of the sample, and may indeed reflect a tendency for those who are basically more prone to Internalization to change less noticeably—even though still in the direction of increased internalization. Combining the group shows the same trend significant at the .02 level.

These data are in effect clinical judgments which may or may not be reproducible by another person. We are now in the process of investigating the reliability with which these judgments may be made. However, Dr. Gutmann has already devised a system of scoring, in a more objective fashion, certain elements of TAT stories which reflect, or so we believe, the same psychologic issues embodied in the types. The first test of this system, when related to age in the same sample of subjects, shows developments paralleling the shift in types already seen. These changes are significant at the .05 level when we divide them by three age groups, and at the .001 level when we deal with only the bottom and top third (4).

These data appear to us to suggest the same kind of disengagement from the social nexus of interrelation posited by our overall theory. They would appear to contain one element in addition to the increased interiority required in that theory. That element is the seeming reduction in active energy, or at least a shift from active to passive modes of problem solution which accompanies the shift in saliency from the outer to the inner world.

In another quite independent study, Miss Jacqueline Rosen has undertaken to examine age changes in personality in the same basic sample of cases. Her sampling permits attention to categories of class, and sex, as well as age. Cases were again rated blind for all these sample components, each index being rated separately to avoid the possible halo effect of one index upon another.

The issues dealt with stem from reflections upon Zygmunt Piotrowski's discussion of the Rorschach M-response but should not necessarily be seen as a test of that concept.

The issues may be roughly called estimates of *ego energy* and divided into—

1. Estimates of the extent of *involvement of ego in outer world events*.
2. The *qualitative nature* of these involvements.

The *ego involvement* issues are measured by two scores:

1. The number of introduced figures in stories. Here the logic proposes that it requires more spontaneous ego involvement to burden a story with figures not actually pictured in the stimulus than to compose a story dealing only with the picture figures.
2. The presence in a story of any element of content involving "conflict" or "controversy." By this is meant the introduction of any reference to issues requiring decision, choice, self-denial, argument—the proposal being that it requires more ego involvement to do so than is required to either merely describe and enumerate or to compose a plot completely devoid of such impeding or controversial points. This applies whether or not the story is negative or positive in tone.

The *quality of ego energy* is measured by two indices:

1. The rating of emotional intensity, based on an estimate of the extent to which any effect states described actually play a role in the story.
2. A count of whether the activity described is assertive rather than passive.

These four indices once decoded and distributed by age, sex, and social class were submitted to an analysis of variance. Neither the social class nor sex components account for any significant proportion of the variance in any of these indices. Age, however, does.

All four indices show significant declines with age, the breakpoints differing somewhat.

1. The ego involvement measures both decline, the count of posing of conflict and controversy breaking between 40 and 50, and the count of introduced figures holding up until between 50 and 60.

2. The quality of involvement indices also shows declines with age, the shift from assertive to passive affect occurring between 40 and 50, and the intensity of affect declining progressively but showing significant differences only when comparing the 40's with the 60's.

These results, framed in somewhat different concepts, appear to us to strengthen the definite shift toward internal preoccupations and to passive techniques of problem mastery seen in the material presented earlier.

When seen in the light of our overall theory of disengagement, these personality changes seem consistent with, and a necessary accompaniment of the gradual process of disentangling the self from the network of mutual responsibilities, social interactions, and strong object cathexis so characteristic of the middle-age years.

I have not dealt as yet with the crucial question of how these developments in the psychological and social aspects of older age relate to issues of morale and of successful adaptation to the demands of deriving for oneself a state of mind consistent with a personal universe shrinking both from inside and from without.

We do, however, have some, as yet insufficient, evidence of that accompanying sense of passive enjoyment and that sense of isolation without desolation which our theory proposes. We also have an Index of Morale, reliable in its derivation and independent of social class factors, which we hope will be the key to these relationships. Now I can only report that those individuals who are age—inappropriate in terms of the developments described—whether among our middle-aged or our old-age subjects—tend to be those of low morale. We do imagine that it will turn out that there will be, within the overall framework of this disengaging trend, more than one style of aging positively correlated with high morale.

If any major portion of the findings of this research can be substantiated in parallel investigations, we believe that we do indeed have evidence of developmental demands characteristic of old age and qualitatively different from the developmental stages of childhood, adolescence, and adulthood. If so, the central axis of this stage is the process of disengagement—which serves as the mechanism for integrating one's life as it has been lived and the final acceptance of the reality of death, as Dr. Grotjahn has commented—and as a logical parallel of Erik Erikson's focal conflict of this age, ego-integrity versus despair, and of the psychological modality of that period, "To be, through having been to face not being," (2).

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ITEM 2. MATERIAL FROM HAROLD L. ORBACH*

SOCIAL AND INSTITUTIONAL ASPECTS OF INDUSTRIAL WORKERS' RETIREMENT PATTERNS**

(By Harold L. Orbach, Division of Gerontology, the University of Michigan)

INTRODUCTION

It is now almost 75 years since Bismarck in one of his messages to the German Reichstag calling for the adoption of a system of retirement pensions pointedly

*See testimony on p. 458.

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noted: "Why should regular soldiers and officials have old age pensions, and not the soldier of labor? This thing will make its own way: it has a future."

That future is here today. Retirement of the "soldier of labor" is now an accepted part of the normative structure of modern society attested to by the almost universal existence of legislation providing for social security and old age pension systems of various types, some entirely through governmental agencies, others through a combination of governmental and private structures. What was once a privilege for the few is now becoming the universal right of all, although there is great variance from nation to nation and within nations in the structure, justifying value system or ideology, and consequent level of retirement income of different retirement systems.

The entire question of the function of retirement systems, the level of benefits they should provide, their relationship to the general economic and social structure of society is a live and important one in current political and economic debate.¹ In at least one country, our host, it became the major issue of two elections. In others it remains an important one in one form or another.

At stake here are conflicts of underlying social values which dominate the nature of solutions offered and thus the character of retirement as an institutionalized form of social life comparable to education or work.² The institutionalization of retirement involves the provision of a social position which every surviving member of society can look forward to occupying at the close of his working life just as the development of universal education provided a similar position for children.

Despite the obvious difference between a process which serves the function of education and socialization for a position *in* the economic order and one which serves to accommodate socialization for a position *outside* of the economic order, there are important parallels between the social implications involved in these two examples of institutionalization. In both we can see the process through which new social positions are created with attendant roles for the occupants of these positions: a process which involves a break with traditional patterns of social roles and the creation of new ones through the establishment of formal structures which while setting the limits of the roles, leave the actual day-to-day content to be developed in the course of time.

We can imagine that just as the first generation of retirees today are meeting an unstructured, vague and ambiguous social role, lacking in normative guidelines and endowed with a certain negative social connotation to a society which is the historical inheritor of the value of work as the ultimate good, so the first generation of students must have faced somewhat similar situations in a society which while respecting the value of learning, especially by its elite, also had somewhat critical reservations of the value of book-learning as opposed to the "school of experience." The shock introduced into the then normal socialization process whereby children early became a part of the work-force cannot have been an easy one.

The parallel must not be overdrawn however, and the differences recognized. But the basic process by which one order of society imposes its norms and values upon another existing one and the clash of values and sentiments which accompany such new institutional growth is the common element which interests us. Because it is as the needs of the order which reflects the direction of social change in society become more manifest and clear that the process of change and institutional growth is heightened and the outlines and character of the new social roles defined more adequately. The conflict between the demands of universal education and the authority and claims of the family to the economic value of the young member is finally resolved through the changing character of the

¹ For an examination of some of these issues in the United States today, see Harold L. Orbach and Clark Tibbitts (eds.) *Aging and The Economy* (Ann Arbor: University of Michigan Press, 1963). See also for other countries and earlier debates in the United States: Hans Achinger, "The Economic Resources of Old Age," in Proceedings of the IVth Congress, International Association of Gerontology (Fidenza: Tipografia Tito Mattioli, 1959), Vol. 3, pp. 17-29; John J. Corson and John W. McConnell, *Economic Needs of Older People* (New York: Twentieth Century Fund, 1956).

² A detailed discussion of the growth and development of retirement and its institutionalization over the past two decades in the United States can be found in Wilma Donahue, Harold L. Orbach and Otto Pollak, "Retirement: The Emerging Social Pattern," in Clark Tibbitts (eds.), *Handbook of Social Gerontology* (Chicago: University of Chicago Press, 1960), pp. 340-401. This topic is further explored in Harold L. Orbach, "Notes Toward Theory of Retirement," paper presented to the Annual Meeting of the American Sociological Association, St. Louis, 1961, and "Social Values and the Institutionalization of Retirement," in Richard H. Williams, Wilma Donahue and Clark Tibbitts (eds.), *Processes of Aging*, New York: Atherton Press, 1963), Vol. 2, pp. 389-402.

economic order and of work (and the family in consequence) as well as the experience and successful example of those who receive the benefits of the new institution's offerings.

The institutionalization of retirement in contemporary society is proceeding at a pace reflecting the differential demands, requirements and potentialities of the dominant trends in the economic order as these confront the traditional patterns of work during the life cycle and the facts of population resources. In this process a shift in social values is inevitable, both for society at large and for the individuals who must undergo the role changes and transition of social position. Here, too, it is obvious that a critical factor for the individual's ability and desire to make the transition is the experience and successful example of those who precede him. The rate of the transition is dependent on the social and institutional pressures generated by the felt social need as they develop in different segments of the society and are transformed into social and institutional policies and upon the response to these pressures by the affected individuals.

THE MATURATION OF INDUSTRIAL RETIREMENT SYSTEMS AND SOCIAL SECURITY

In the 1950's both the Social Security system and private pensions, largely spurred by the novel introduction of collectively bargained industrial pensions, grew at a rapid rate in the United States. By the end of the decade, the beginnings of a truly matured institution of retirement was evident in the 10.8 million persons receiving income under Old-Age and Survivors Insurance, and the total of almost 13 million receiving OASI or other public pensions. At the same time, the maturation of private pension systems had reached the point where almost 22 million workers were covered, representing 43 per cent of the employed Labor Force.³ The growth rate during this period of both coverage under private systems and recipients of OASI benefits was spectacular, representing the rapid filling of an existing void.

While Social Security benefits by themselves are far from adequate as a total source of retirement income, their function being conceived still as a minimum "floor" to bar economic insecurity, when combined with private pensions the total retirement income of a growing number of workers is approaching the standards for a "modest but adequate budget" for retired couples as measured by the Bureau of Labor Statistics.⁴

The maturation of industrial retirement systems has thus introduced an important and major dimension to the environment in which many workers come to approach the end of their working life. Many workers are now able to look forward to a large measure of economic security, unimagined at the commencement of their working days. This institutional growth represents the basis at the same time for the creation of a retirement climate or milieu for those who follow in the footsteps of the earlier retirees.

As the maturation and experience of the functioning of the pension systems becomes an established fact in the work environment so, too, does the creation of a large body of retirees provide a basis for the adoption of new and modification of old attitudes toward retirement based on the knowledge and experience of those already retired. Under such conditions of stable, institutionalized retirement, the retirement patterns of workers can provide an important source of information as to the future trends that may be expected and to the factors that are most important in making retirement choices.

Earlier studies of retirement attitudes and choices have taken place in a different environment than that which prevails today.⁵ The experience of retirement systems was almost non-existent and a body of retirees was only in the process of formation. Also, there were greatly different aspects in the general economic climate which prevailed in the early and middle 1950's.

Today the impact of the rapid technological change that is occurring, the experience of the recurring recessions of the 1950's with the attendant growth in the unemployment rate, especially among younger workers, and the ominous

³ Lenore A. Epstein, "The Aged in 1960 and their Income Sources," *Social Security Bulletin*, 24 (July 1961), 3-10, 36. Alfred M. Skolnik, "Growth of Employee Benefit Plans, 1954-61," *Social Security Bulletin*, 26 (April 1963), 4-17.

⁴ Cf. the discussion of this by Helen H. Lamale, "Budgeting for Older Persons," in Harold L. Orbach and Clark Tibbitts, *op. cit.*, pp. 146-53.

⁵ For example the excellent pioneering studies in Eugene A. Friedmann and Robert J. Havighurst (eds.), *The Meaning of Work and Retirement* (Chicago: University of Chicago Press, 1954) and Gordon F. Streib and Wayne E. Thompson, "Social Adjustment in Retirement," *Journal of Social Issues*, 14, (1957), No. 2.

pressure of the impending entrance into the labor market of the large numbers of new workers representing the "baby booms" of the postwar years are combining to produce a series of pressures for more and earlier retirement and for a larger use of mandatory retirement practices.

These pressures come from various sources and take different forms representing the varying needs and concerns of the respective sources. In the immediate political arena, there is a renewed demand for a lowering of the minimum age for receipt of social security benefits. The age having already been lowered to 62 with reduced benefits, there is further demand for a lowering to age 60 with no reduction in benefits, almost before the experience of the recent changes can be gauged.

From the unions there is also a demand for better pensions, greater flexibility of choices and provisions available to workers, and more adequate vesting provisions. From younger workers there are demands for more retirement of older workers who are able to retire but choose not to so that more and better job opportunities may become available. From employers there are various pressures to increase retirement of older workers reflected in the increasing use of automatic age limits for retiring older workers.

FACTORS IN RETIREMENT PATTERNS

The need is great for a renewed examination of the structure and dimensions of retirement in the context of today's conditions. We are lacking in information and studies of the factors involved in the formulation of retirement policies by the different organizational entities involved in the retirement scene, the inter-relationship of these factors, their effects, the various types of pressures, and inducements directed at the worker approaching retirement, and above all on the attitudes toward and evaluation of retirement by newly retiring workers.

What are some of the important questions that require study?

1. What is the major reason for retirement today of older workers? Is it a question of sufficient retirement income? How important is health, attachment to work, desire for rest and leisure? How important is compulsory retirement at fixed ages? Is this likely to become a greater problem in the future?

2. What are the effects of an institutionalized retirement milieu on older workers approaching retirement? Does the experience of prior retirees tend to create favorable or unfavorable attitudes? Under what type of economic and social conditions?

3. How important are the attitudes and views of family and friends in decisions to retire? To what degree is there the development of a retirement environment in the community?

4. How are pressures and inducements to retire exerted on older workers by a) employers, b) unions, c) younger workers? Which types are important in making retirement decisions?

5. How do changes in the Social Security Act influence the trend in retirements? Are social security changes having a positive or negative effect on the freedom of choice of the older worker in making his retirement decisions?

6. What are the types of factors presently involved in the concern of many employers for stepping up retirement of older workers? Are these temporary or permanent in nature?

RETIREMENTS IN THE AUTOMOBILE INDUSTRY

Some clues and suggestions to answering these questions can be obtained from an examination of the retirement patterns in the automobile industry in the United States. This analysis is a follow-up to an earlier examination in 1960.⁶

The automobile industry is particularly suited for study of retirement patterns. In the first place, it is now some 14 years since the first negotiated pension plan was adopted and 10 years since the installation of a compulsory retirement age of 68. We have, then, a system which has been in existence for a good number of years and in which a sizeable number of workers have retired. The basic structure of the industry is dominated by the "Big Three" companies, General Motors, Ford and Chrysler, which have accounted for almost all production since the 1950's. Examination of these 3 companies allows an overall view of the industry as a whole. Since they are the "pace-setters" or leaders in terms of contract provisions for employees and since the basic provisions of their retirement systems are virtually identical, there being only minor differences mainly concerned with variations in the seniority credit system, they are readily com-

⁶ "Social Values and the Institutionalization of Retirement," *op. cit.*

pared with one another allowing the structural and organizational differences between them to be an important variable.

For example, General Motors has the most stable record of employment of the three. Its plants are located in different cities mostly in and around Detroit in the main, and it has separate divisions for a large number of production functions. Ford represents a firm whose operations have in the past been mainly concentrated in one huge factory just outside Detroit. It has had greater fluctuation in employment than General Motors and has been a different "type" of company—a family-run, personally directed company identified with its originator. Chrysler, smaller in size than the others, has had a period of severe economic difficulties for a number of years. It has been, in comparison to the other two, less efficient in production methods, utilizing older plant facilities, etc.

All three companies also allow for examination of differences related to size, location, and type of plant, with units of varying size, location in cities of various sizes, and type of production function and degree of automation. In addition there are differences in the stability of employment of different categories of skilled employees and of different units of the company. These factors are not dealt with in the present analysis, but they are to be considered in a further more detailed study based on the results of this preliminary survey.

In addition, the United Auto Workers which represents the automobile workers is one of the largest and most influential unions in the United States, being a leader of the industrial union group and at one time the largest union in the country. It has a strong and well-developed program for its retired workers which includes retirement drop-in centers for social and political activity and social services. Retired members retain membership and some voting rights in the union and their participation is generally encouraged.

The workers represent a wide range of ethnic and social backgrounds including both foreign-born and native groups and a sizeable number of nonwhites, mostly Negroes, in some areas. Some of the plants are located in or near what are ethnically homogenous communities and a large proportion of the labor force of these are community members. Because of the concentration of auto production near Detroit in the past, most retirees are from the southeast Michigan area although other sections of the country are also represented. This makes for the possibility of the development of a retirement milieu or atmosphere for a large number of both present employees and retirees.

Finally, the industry has been subject to a series of economic fluctuations over the past decade including both boom and sorely depressed years, especially for Chrysler Corporation. At the same time, there has been a large degree of automation, technological change and new plant construction resulting in increased efficiency and a declining labor force. One consequence of this has been that there has been little new hiring in recent years and seniority issues have been very important for continued employment. Older workers have thus been able to keep their positions while younger ones have been unemployed for considerable periods during the recession years heightening the tensions between younger and older workers.

AUTOMOTIVE WORKERS RETIREMENT PATTERNS: 1953-62

The earlier study of the retirement experience in the automobile industry in 1960 covered data from 1953 up to and including 1959. The results of this analysis revealed a sharp decline of from 60-80 per cent in the proportion of workers who waited for the "automatic" retirement age of 68, an increase of 30 to 50 per cent in the proportion retiring at the "normal" ages of 65-67 and a steady but slow increase in the proportion choosing to retire early, accentuated in part in 1959 by the introduction of "special early" retirement which had been previously available at General Motors, at Chrysler and Ford.

This option differs from "regular" early retirement, which involves actuarial reduction of the pension by the number of months the worker is under 65, in that the worker receives *double* the "normal" age 65 pension payment that he would be entitled to until he is 65, when it reverts to the "normal" pension payment. It is under conditions of mutually agreeable conditions or at company option, and covers two main categories of persons—those whom the company feels it could better do without because of their capacity and those who feel unable to continue work, but are not eligible for disability pensions. It has also been offered in given circumstances to workers whose plant has closed down and who otherwise might have transferred their seniority to a new plant.

The experience of all three companies shows that there has been little use by the companies of their option provision, and in almost all such cases the matter

was discussed with local union representatives. The major use of "special early" has been by workers who apparently find the additional financial incentive sufficient to retire.⁷

The year 1959 showed especially strong trends toward virtual relegation of automatic retirement to a minor position. Only 14 per cent of all retirees waited until age 68 to retire with but 10 per cent at Ford and 9 per cent at Chrysler.

Carrying this analysis up to date (Table 1) shows a slight slowdown in 1960-1961 of this trend and a marked acceleration again in 1962 with one notably new feature—a sharp decline in the proportion electing normal retirement of eight per cent in one year. Individually the companies showed interesting differences for these years:

(1) At Chrysler the general patterns continued virtually uninterrupted although there was a slight reversal of the automatic age trend and the new low point of 8 per cent was little at variance with the 9 per cent recorded in 1959. Especially notable was the large increase, the largest percent shift ever recorded from 28 to 48 per cent of all retirees between 1961 and 1962 electing early retirement. With this change, early retirement for the first time in any of the companies accounted for more workers than normal retirement.

(2) Ford showed a strong shift back to automatic retirement for 1960-1961 and an equally strong shift back to the over-all pattern of early retirement in 1962. The per cent waiting until age 68 fluctuated from 10 to 26 to 19 to 9 per cent, while early retirement varied slightly and the trend toward a decline in normal retirements continued.

(3) General Motors showed little variance from the long-run tendency in the 1960-61 period, remaining virtually stable, then continued the early trend again in 1962 with a sizeable increase in early retirements and a decline for the first time in 3 years in the proportion waiting until age 68.

There are a number of possible explanations for these trends. First of all it should be noted that since 1953, contract renewals in the auto industry have taken place every three years so that the years 1956, 1959, and 1962 represent years in which pension changes have been introduced. Each change has seen a) higher monthly rates for all pensioners, b) substantial improvements in other aspects such as the special early option at Ford and Chrysler in 1959, and c) with one or two exceptions a sizeable jump in the number of men retiring in the "new pension" year as opposed to previous yearly increases. This was especially the case in 1962 and it should be noted that 1960 and 1961 were the second and third lowest years in number of retirements for Ford since the commencement of the pension system. Similar drops did not occur at Chrysler and General Motors in the proportion choosing early retirement so that if there was a "waiting" factor, which seems to operate according to union officials, it showed itself only at Ford unless the General Motors and Chrysler trends continue. When we average the years 1959-1962 as opposed to 1953-1958 (Table 2) and the average for the entire period, the over-all differences show up clearly, however, and also illustrate the fact that most of Chrysler's retirements, unlike the other two companies, have been since 1959.

Further indication of the nature of the age changes is seen in Table 3 which gives the mean ages of retiring workers by type of retirement at Chrysler Corporation for selected years from 1953-1962. Shown here is the fact that regular early retirements have fluctuated around age 62 (in the first two years there were only a total of 27 cases). The largest *single* category under this type of retirement has been age 64 until 1962 when age 62 replaced it. The total percentage of men age 63 has never been higher than one-third of the early retirees.

The normal age has decreased in mean age from 65.74 in 1953 to 63.37 in 1962. Age 65 has always been the single largest age category by a wide margin. The automatic age curiously shows an increase in mean age. This is due, as noted, to the post-68 retirees who are included in this category.

EARLY RETIREMENT BONUSES

The 1962 changes require special attention because they involve a number of significant alterations in the pension plan favoring early retirements. Attractive bonus inducements were added to the regular and special early plans to make

⁷ We might note here two minor differences in the pension plans. While Ford reduces early retirement benefits by .59 per cent per month, Chrysler reduced .58 per cent before 1962 and .59 per cent after 1962, and General Motors reduces them by .60 per cent. Also, Ford alone has a clause giving the company the sole right to discharge any employee 65 or over who is unable to satisfactorily perform work assigned to him.

them more attractive over and above the general 12 per cent increase in the basic pension rate. These changes show an interesting interrelationship between union, company, and government policies.

In 1961, the Social Security Act was changed to allow men to retire at age 62 with actuarially reduced benefits. This immediately affected workers retiring under the special early plan for they could at age 62 now receive reduced social security benefits if they desired. The 1962 contract agreements ratified this by writing in a provision that the special rate would only be reduced to the normal rate when the retiree became eligible for unreduced social security benefits. This makes possible a sizeable increase in monthly retirement income for the three years from age 62-65. Thus, here was an example where the change in social security was quickly utilized by both union and management to promote earlier retirement possibilities by allowing a sizeable increase in retirement benefits at the retiree's option. The result was larger than usual increases in proportion of men electing special early retirement at Chrysler and General Motors. Ford curiously moved slightly in the other direction. This may be a result of a tighter policy on this option at Ford, in contrast to the easing of restrictions at the other companies. At any rate, Ford workers in a pre-retirement education course were reported to have complained about the lack of opportunity to take the special early option because of management restrictions.

The other bonus was even more of an inducement for early retirement. For workers retiring before age 62, a new option allowed them to elect to receive a monthly additional benefit of \$96.00 per month minus .59 per cent (.60 for General Motors) for every month they were less than 62 for a *minimum* additional monthly benefit of approximately \$82.00. This was payable until age 62 at which time \$96.00 would be deducted from the previously received monthly benefit. The two year income gain for a worker at age 60 would require 14 years of reductions (until age 74) before the deductions equalize the extra income received in the 2 years.

The immediate effect of this bonus is readily apparent in the unprecedented increases in regular early retirement in 1962. Whereas the largest increase in any given year had been one case of 4 per cent in 1959 at Chrysler, all of the companies recorded abnormally high proportions with increases of from 8 to 15 per cent in the proportions. The effect on the industry total was to more than double the proportion from 8 per cent in 1961 to 17 per cent for 1962.

The other effects can be noted in Tables 4 and 5 which show, first, a large increase in the average and high monthly benefits paid to regular early retirees in 1962, and, second the fact that in 1962 for the first time the age group receiving the highest monthly pension benefit among the regular early retirees was the 60 year old group and that the increment over 1961 was more than one-third.

THE INCOME FACTOR IN RETIREMENT

More concern has been expressed in the past decade over the problem of compulsory retirement at fixed ages restricting the free choice of workers to continue in paid employment if they desire to do so. In the course of this there has perhaps been a tendency to overlook the more obvious fact that low retirement income prospects are a more serious restriction on the worker's freedom of choice.⁸

The changes in the monthly income level of pensions for automobile workers have been regular and sizeable. The original pension plans called for a \$100 a month pension based on both social security and the pension plan benefit. This was discarded in 1953 in favor of a graduated system of monthly benefits based on years of service, independent of social security benefits. The pension renewal agreements in 1956, 1959 and 1962 have been sizeable increases in the monthly rate for credited years of service from \$1.50 to \$2.80. Each time up to 1962 previous retirees also benefited by increases in their rates.

In Table 4 we can observe for a number of selected years the changing level of average monthly retirement income of workers at Chrysler which has been taken as an example. Over the 10 years, all categories have shown sizeable increases, mostly related to the increased rates, but also partially reflecting more years of seniority in certain categories. Thus the generally lower pension for automatic retirees as compared to normal retirees reflects a difference in years

⁸ Margaret S. Gordon, "Work and Patterns of Retirement," in Robert W. Kleemeier (ed.), *Ageing and Leisure* (New York: Oxford University Press, 1961) pp. 18-53.

of seniority despite the fact that the automatic retirees have had from 2½ to 3 years more potential seniority years based on the mean age of the retirees.

If one reduces the rates for the special early retirees in half to determine their comparable status to the normal and automatic retirees, the result is \$59.58, \$58.05, and \$78.08 for 1960, 1961 and 1962 which is about equal to the reduction in mean years benefits expected for 1960 and 1961 based on the age average of the workers, and an indication of higher years of seniority in 1962 for the early than the normal retirees despite the more than three years difference in age (See tables 3-4).

The implication clearly seems to be that the availability of higher pensions does serve to facilitate earlier retirement. This is further supported by the data in Table 5 where the age group receiving the highest average monthly pension in the given years are compared according to the type of retirement. Thus for the 62-year-old special early retirees, average monthly benefits are higher (when the doubling factor is removed) than those for the 65-year-old normal and 68-year-old automatic retirees in 1962 despite the greater years available for obtaining credit years of the latter men. The figures for the regular early group are compounded by the new system of optional bonus benefits, but the implication is clear that the bonus' effect of lifting these benefits to levels equal to or higher than the other types of retirement does induce additional numbers of retirements at this early age. The percentage increase of the regular early retirement groups proportion of all retirees (Tables 1 and 2) are thus most evidently a direct result of these changes in income levels.

It should also be noted that the workers retiring in 1962 had the option for the first time of insuring survivor benefits for their spouses at a slight reduction in their benefits. We do not now know how many took this option and what the resultant diminution in monthly pension amounts was, but the union has been strongly encouraging this new option through educational material.

The conclusion that one may tentatively draw supports the argument that graduated pensions in general seem to induce more widespread retirement of workers from the labor force in general because they come closer to providing a decent retirement income.⁹ When we include the additional effect of private pensions as a supplementary factor we may add that together they also tend to induce earlier retirement.

INDUCING EARLIER RETIREMENTS

Many employers have adopted various types of inducements to promote earlier retirement of older workers, both with and without support of unions. These generally can be reduced to one motive force—insuring an adequate income. For example, one employer in Michigan has evoked a plan to offer men aged 60-64 up to *two years of full pay* to retire early. The reason in this case is that because of automation of production hiring has all but ceased for many years and the projected labor force in 10-15 years will be 50% over age 50. Foreseeing a problem of having to hire too many men per year for a number of years and having a relatively older labor force, they would prefer to have a more normal age distribution and calculate that the overall cost because of lower starting salaries for younger men would be relatively small and in the company's best interest.

Unions have pressed for pension terms which would promote earlier retirements out of different motives—most generally to meet the pressures of unemployed younger men displaced by shrinking work forces due to automation. An example of this is the Steelworker's "carrot-stick" which provides extra retirement vacation credits for men retiring at 65 which are reduced for each month men continue working after age 65.

Whether in the context of a fixed retirement age or not, the general pressures for earlier retirement are increasing and are resulting in various types of devices. The results of the experience of the automobile industry suggests that they are effective, and that the problem of compulsory retirement may become an insignificant problem in a few years if present trends remain stable, even if no large further increases in earlier retirement occur.

All this suggests that we can hypothesize along the following lines:

(1) Workers are favoring earlier retirement in the automobile industry insofar as they feel they will be receiving enough retirement income.

⁹ Margaret S. Gordon, "Income Security Programs and the Propensity to Retire," in Richard H. Williams, Wilma Donahue and Clark Tibbitts (eds.), *op. cit.*, pp. 436-58.

(2) The problems of job attachment are not as great for older men as has been thought in the past.

(3) Retirement is coming to have a positive image in the minds of these workers and it is becoming more of an anticipated feature of the life-cycle which is seen as normal and good and not as a disruption of one's life.

(4) There is also developing a general climate or milieu in which retirement is viewed positively by others close to the worker, whether in his family, among friends or in co-workers.

(5) One of the main reasons for working as long as possible involves the problem of retirement income sufficiency.

RETIREMENT PLANS AND ATTITUDES OF 110 AUTO WORKERS*

An opportunity to examine the validity of some of these hypotheses concerning the attitudes and factors involved in retirement decisions is afforded by a current study of auto workers taking a series of pre-retirement education courses offered by the Division of Gerontology with the sponsorship and cooperation of the United Auto Workers.¹⁰

While the subjects involved in this study do not represent a cross-sample of all auto workers, being a self-selected sample of Ford and Chrysler workers who accepted a free ten-week course in pre-retirement education under joint University and Union sponsorship during the winter of 1963, their answers to a number of items on the preliminary questionnaire administered before the commencement of the program provide a valuable overview of the retirement milieu among auto workers approaching retirement.

The 110 men and 78 wives included represent three different Chrysler plants and three sections of the giant Ford River Rouge factory. They include both white and Negro, native and foreign-born workers and a wide range of occupational categories within the industry.

In Table I, the age distribution and planned retirement age of the workers is given. The publicity for the courses, carried on through mailings and announcements at union meetings and in the local newspapers, announced that the course was open to all workers 60 and over. The first interesting point to be noted is that 11 per cent of those attending were under 60, while the total 62 or under was 52 per cent. Only 18 per cent were 65 and over. Yet, as seen in Table III, 32 per cent expected to retire within 6 months. The results here indicate a general anticipation of retirement at or before age 65 rather than the automatic age of 68. This is borne out by the planned retirement dates of the workers; 39 per cent plan to retire before age 65, 20 per cent at or before age 62. Another one third plan to retire at 65 for a total of 72 per cent at or before 65, and a total of 84 per cent plan to retire before the automatic age of 68. Only 10 per cent plan to wait until age 68. It is generally the presently older worker who plans to retire at the older ages. Interestingly enough, Chrysler workers generally reported earlier planned retirement ages than Ford workers reflecting the ten-year pattern in these companies of actual retirements. The results are indicative of a cross between the actual rates given in Table I for the year 1962. It should be again noted that Chrysler, because of cutbacks in the late '50's has a work force with generally very high seniority and thus retirement credits. The reliability of planned retirement ages for all of these men is estimated as exceedingly high because of (1) their self-selected interest in the course, and (2) the fact that about half will be retiring in one year or less.

When we turn our attention to the reported reason for retirement (Table II), the results are equally supportive of a favorable climate for early retirement, 39 per cent checked as the most important reason "I will want to retire." Another 25 per cent indicated concern over health and being able to do their job although there were no persons being considered for disability retirement. This represents the concern of a continuing large proportion of older workers to safeguard their health and physical energies by retiring from arduous work, 27 per cent checked "I will reach the age when I have to retire" although the pattern of retirements in these two companies and the stated retirement plans of the workers

*The tables referred to in this section were not available to the subcommittee at the time of printing.

¹⁰This study is concerned with the development and evaluation of suitable materials to be used in pre-retirement education courses under Grant 04789 from The Office of Education, U.S. Department of Health, Education and Welfare. The data reported are used with the kind permission of Woodrow W. Hunter, Project Director, and Theodore T. Curtis, Research Associate. They represent first-run tabulation of items on the preliminary questionnaires administered before the start of the pre-retirement program.

would indicate that only some 10-20 per cent will probably wait past age 65. This suggests many are viewing age 65 as the "age when I have to retire."

When we turn to the most important reason for continuing to work at the present time (Table III), only 11 per cent checked reasons involving attachment to work or keeping occupied. 36 per cent gave the lack of enough money to retire on while another 7 per cent who gave "other reasons" showed indications of financial considerations are predominant whether through direct mention or mention of waiting for an early retirement age. Not uncommon was the indication that a worker would be happy to retire earlier if he could get the "special early" retirement benefit which would double his unreduced benefit until age 65.

The topic of continuing to work after retirement also provides an interesting set of responses (Tables IV, V and VI), especially since we are able here to contrast the worker's views with their wives. Thus 47 per cent of the men and 45 per cent of the wives do not anticipate any work after retirement while 25 per cent of the men and 17 per cent of the wives are undecided 27 per cent of the men and 35 per cent of the wives indicate attitudes of planning to continue work, almost entirely on a full-time basis.

When the reasons for plans to continue working are examined, the large undecided category seems to vanish with the largest percentage indicating a disposition to work. A total of 44 per cent of the men and wives now indicate planning to work. The interesting result here is that a much larger percentage of men than wives (16 to 8 per cent) give financial considerations as the most important reason, while a higher percentage of wives than men (27 to 18 per cent) indicate having something to keep one occupied. The percentage not planning to look for work rises to 51 per cent for the men and 52 per cent for the wives.

Finally, when asked if they would continue working for their present employer if it were up to them alone, 42 per cent of the men but only 31 per cent of the wives say "they would do so." In the case of the men this suggests some sort of job-attachment work-dream being evoked since less than half (more probably less than one-third) of these men *actually* will retire because they are forced to upon reaching age 68. Most will retire earlier at their own election. The wives seem more consistent in attitude here since 35 per cent of them again indicated preferring to have their husbands continue working after retirement (Table IV). The high figure for the men is also somewhat contradictory to expressed views in the course of the pre-retirement education program concerning the stress and strain of the work. The later multi-variate analysis of these data will resolve the question of consistency of attitudes by holding the different items constant with respect to one another and other variables.

In Tables VII and VIII, we have revealed a rather strong pre-retirement attitude on the part of both workers and wives, with the workers being more favorably inclined. Thus 85 per cent of the men as opposed to 74 per cent of the wives feel retirement is "mostly good for a person" while only 12 per cent of the men as opposed to 23 per cent of the wives feel it is "mostly bad for a person." Similarly 75 per cent of the workers as opposed to 60 per cent of the wives "look forward to" their own retirement; an almost equal proportion (10 and 9 per cent respectively) "dislike the idea." Twice as large a proportion of the wives (30 as opposed to 13 per cent) are undecided about their feelings.

Taking this item together with some of the earlier items suggests a core of about one-fourth of the workers who are anti-retirement in one degree or another for reasons of personal preference or finances. This is a rather small percentage and again is fairly reflective of the objective data on the retirement choices of the auto workers over the past ten years given the potential biases of this sample.

Finally, Tables IX and X afford some small indication of the retirement milieu and the influence of significant others, an imprecise but useful look at the development of a general orientation toward retirement in an "institutionalized" environment. Thus, 52 per cent of the workers indicate their children are "mostly in favor of" their retirement while only 2 per cent are "mostly against" it. 38 per cent "don't know how my children feel about it." This may be a partial reflection of closeness of contact with children which will be checked in the later analyses.

At the same time, the report of friends' attitudes (Table X) suggests a similar pre-retirement milieu for these men and their wives. 42 per cent of the worker's friends favor his retirement and 27 per cent of the wife's friends favor their own husband's retirement while only 2 per cent and 6 per cent respectively are against

it. Here there is a much larger "don't know how they feel" statement as would be expected, especially considering the relatively young age of these workers, and the consequent younger age of their friends.

The question of informal pressures toward retirement came up quite often in the discussions in the course of the program. Woodrow W. Hunter has pointed out that many workers mentioned the attitude of younger workers who joke and sometimes more seriously give hints to the older workers about their retiring now that they are able to do so. This seems to be especially true for those over 65 who continue to work for some time.

CONCLUSION

The results so far obtained suggest a trend toward a positive acceptance of retirement at ages below the fixed-age for automatic retirement in the automobile industry. The trend toward early retirements is also quite clear in the face of various extra economic inducements.

What is now planned is a study of the workers retiring to directly determine their attitudes toward retirement and the reasons for their choice of the type of retirement they elect. The degree of their knowledge about the option available, their income prospects when social security is added, and their future plans would go far to adding to our knowledge of the way in which industrial workers are viewing retirement today in the context of institutionalized retirement.

In addition, such a study will involve additional interviews of significant others, family, friends, and co-workers, as well as analysis of the current attitudes and policies of local union officials and local company personnel in addition to the expressed views and policies of the international union and the home offices of the company to gauge the degree of their agreement or divergencies.

In this fashion we will be able to take a closer and more direct look at the process of retirement choice and the transition from work to retirement, adding immeasurably to our knowledge of the growing diversions of the institutionalization of retirement.

TABLE 1.—NONDISABILITY RETIREMENTS IN THE "BIG THREE" AUTO COMPANIES UNDER UNITED AUTO WORKER'S NEGOTIATED PENSION AGREEMENTS, 1953-62

[Percent distribution ¹]

Type of retirement	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	Total, 1953-63
Chrysler:												
60 to 64 early ²	2	2	2	5	8	10	24	27	28	48	45	19
Regular.....	2	2	2	5	8	10	14	13	13	24	20	11
Special.....							10	14	15	24	25	8
65 to 67 normal.....	50	60	57	64	67	70	67	62	61	44	45	61
68 automatic.....	48	38	41	31	26	20	9	12	12	8	10	20
Number of cases.....	(508)	(663)	(852)	(1,172)	(1,204)	(1,467)	(1,740)	(1,490)	(1,432)	(1,698)		(12,220)
Ford:												
60 to 64 early ²	(4)	1	2	4	5	7	15	12	18	31	32	10
Regular.....	(4)	1	2	4	5	7	6	6	4	19	16	6
Special.....							9	6	14	12	16	4
65 to 67 normal.....	57	56	68	67	75	81	75	62	63	60	59	67
68 automatic.....	43	43	30	29	20	12	10	26	19	9	10	23
Number of cases.....	(1,996)	(1,610)	(1,968)	(2,075)	(1,926)	(2,376)	(2,160)	(1,857)	(1,792)	(2,416)		(20,176)
General Motors:												
60 to 64 early.....	7	8	9	12	14	15	19	17	20	31	34	17
Regular.....	3	4	4	5	6	6	7	7	8	14	16	7
Special.....	4	4	5	7	8	9	12	10	12	18	16	10
65 to 67 normal.....	39	45	53	58	58	62	61	63	60	54	59	56
68 automatic.....	54	47	38	31	28	23	20	20	20	15	10	28
Number of cases.....	(2,088)	(2,266)	(2,556)	(2,824)	(2,820)	(2,959)	(3,085)	(2,911)	(2,967)	(3,836)		(28,312)
"Big Three" combined:												
60 to 64 early.....	4	5	5	8	10	11	19	18	21	35	35	15
Regular.....	2	2	3	5	6	7	8	8	8	17	15	7
Special.....	2	2	2	3	4	4	11	10	13	18	20	8
65 to 67 normal.....	48	51	59	62	65	71	67	63	61	53	51	60
68 automatic.....	48	44	36	30	25	18	14	20	18	12	13	25
Number of cases.....	(4,592)	(4,539)	(5,376)	(6,071)	(5,950)	(6,796)	(6,985)	(6,258)	(6,191)	(7,950)	(6,405)	(60,708)

¹ Some subtotals and totals may differ from 100 percent because of rounding errors.

² All 3 of the auto companies have had since 1950 a system of regular early retirement at age 60 to 64 with actuarially decreased benefits. In addition, General Motors has had a special early retirement system with retirement at the option of the company or by mutually satisfactory agreement which provides double the normal age 65 retirement pension rate for years of credited service until the retiree reaches age 65 and attains social security, at which time the pension is reduced to the normal rate. This system was incorporated in the Ford and Chrysler systems beginning in 1959. Since the social security changes of 1961 provided for actuarially reduced benefits starting at age 62 or thereafter, this special early system also provides since September 1961, that the worker's pension shall

not be reduced until he reaches age 65 or any time at which he is entitled to receive an unreduced social security payment.

³ This figure is percent of all retirements since 1953. Since this option actually came into existence in 1959 for Chrysler and Ford it has constituted 17 percent of retirements at Chrysler and 10 percent at Ford. The corrected percent for the combined "Big Three" total is 11 percent of all retirements where this option was available.

⁴ Less than 0.5 percent.

Source: Communications from the United Auto Workers, Chrysler Corp., Ford Motor Co., and General Motors Corp. to the author.

TABLE 2.—NONDISABILITY RETIREMENT IN THE "BIG THREE" AUTO COMPANIES UNDER UNITED AUTO WORKERS NEGOTIATED PENSIONS AGREEMENTS, 1953-58, 1959-62, AND 1953-62 COMPARED

[Percent distributions ¹]

Time period	Early retirement, age 60-64			Normal retirement, age 65-67	Automatic retirement, age 68	Total	Number of cases
	Regular	Special	Total				
Chrysler Corp.:							
1953-58.....	6	-----	6	63	31	100	5,860
1959-62.....	16	16	32	58	10	100	6,360
Total, 1953-62.....	11	18	19	61	20	100	12,220
Ford Motor Co.:							
1953-58.....	3	-----	3	68	29	100	11,951
1959-62.....	9	10	19	65	16	100	8,225
Total, 1953-62.....	6	14	10	67	23	100	20,176
General Motors:							
1953-58.....	5	7	11	53	36	100	15,513
1959-62.....	9	13	22	59	19	100	12,799
Total, 1953-62.....	7	9	16	56	28	100	28,312
Big Three Combined:							
1953-58.....	4	13	17	60	32	100	33,324
1959-62.....	11	13	24	60	16	100	27,384
Total, 1953-62.....	77	18	15	60	25	100	60,708

¹ This figure represents "special early" as a percent of all retirements for the given time period. Since this category did not exist at Chrysler and Ford before 1959, the proportion is not a valid measure of the actual frequency of its occurrence in relation to its possible value as are the proportions for other types of retirement before 1959. It is a useful artifact, however, for gauging the impact of this type of retirement.

² Subtotals do not add up to this figure because of rounding errors.

Source: Based on table 1.

TABLE 3.—MEAN AGE OF RETIREES, CHRYSLER CORPORATION BY TYPE OF RETIREMENT, SELECTED YEARS

Year	Type of retirement			
	Regular early	Special early	Normal	Automatic ¹
1953.....	61.63	-----	65.74	68.10
1954.....	62.31	-----	65.71	68.09
1960.....	62.40	61.81	65.40	68.11
1961.....	62.69	62.13	65.36	68.18
1962.....	62.42	62.08	65.37	68.91
1963.....	62.36	61.82	65.39	68.16

¹ Automatic retirement includes workers past age 68 who, at company option, are allowed to continue at work. No credit for retirement pension is earned, however, for years after age 68 and their retirement is considered as of age 68. As the percentage of workers waiting until age 68 has declined rapidly, the proportion of those over 68 in the automatic group has increased from an insignificant 1 percent to almost 16 percent of the group in 1962. It should be noted that the average and highest pension payments for these workers are almost without exception lower than those for workers at age 65 or 68.

Source: Records of UAW-Chrysler pension plan.

TABLE 4.—AVERAGE AND HIGH-LOW RANGE OF MONTHLY PENSIONS CHRYSLER CORP. RETIREES, BY TYPE OF RETIREMENT, SELECTED YEARS

Year	Type of retirement			
	Regular early	Special early	Normal	Automatic
1953				
Average.....	\$31.65	-----	\$41.38	\$41.29
High.....	44.70	-----	52.50	52.50
Low.....	16.57	-----	17.50	17.50
1954				
Average.....	33.20	-----	41.07	41.60
High.....	50.14	-----	52.50	52.50
Low.....	20.65	-----	17.50	17.65
1960				
Average.....	44.18	\$119.16	64.59	61.52
High.....	96.69	207.37	117.79	110.93
Low.....	15.12	34.13	24.03	24.88
1961				
Average.....	44.92	116.10	67.33	62.90
High.....	100.46	202.50	115.23	110.08
Low.....	18.12	29.05	24.08	24.67
1962 ¹				
Average.....	62.26	156.15	76.24	69.29
High.....	168.82	258.07	132.07	129.73
Low.....	17.78	47.60	24.57	19.56
1963				
Average.....	68.60	154.27	79.86	78.68
High.....	164.70	261.80	141.17	136.50
Low.....	19.77	52.75	23.53	28.70

¹ It should be noted that 1962 was the 1st year in which workers were able to elect an optional survivor's spouse that reduces the worker's pension.

Source: Records of UAW-Chrysler pension plan.

TABLE 5.—AGE GROUP RECEIVING HIGHEST AVERAGE MONTHLY PENSION, AND AMOUNT OF PENSION, CHRYSLER CORP., BY TYPE OF RETIREMENT SELECTED YEARS

Year	Type of retirement			
	Regular early	Special early	Normal	Automatic
1953.....	64 (\$39.21)	-----	65 (\$41.72)	72-75 (\$52.50)
1954.....	64 (42.14)	-----	65 (41.66)	70 (42.95)
1960.....	64 (52.56)	63 (\$126.93)	65 (65.36)	68 (62.26)
1961.....	64 (58.12)	60 (132.33)	65 (68.28)	72 (78.10)
1962.....	60 (83.94)	62 (160.76)	65 (77.26)	68 (70.90)
1963.....	61 (92.72)	64 (168.28)	65 (81.74)	68 (79.93)

Source: Records of UAW-Chrysler pension plan.

"THIRTY-EIGHT YEARS IS A PLENTY"

(By Elizabeth F. Messer, Assistant to the Deputy Director, Bureau of Retirement and Insurance, U.S. Civil Service Commission)

"Thirty-eight years is a plenty."

"If you work to the day you die, you're missing something good—like never being a boy."

That is the way two annuitants answered the Civil Service Commission's question about why they retired early from their Government jobs. "Early" means between the ages of 55 and 60, after at least 30 years of work in the Federal service.

And would they do it again, if they had it to do over? They would, indeed! Said one homespun philosopher: "I live alone and am as happy as two bugs in a rug. I have my flowers and cameras and hi-fi, and I do not have to answer to anyone. I am in Hog Heaven. I am healthy and ornery as they come, do my own cooking * * * sleep as late as I want * * * give the housework a lick and a promise when it gets too bad * * * watch any TV program I desire, cuss the TV commercials—who would want more?"

These annuitants, and the 2,999 others who responded to a recent Civil Service Commission questionnaire about early retirement, recount an absorbing and richly human story of their motivations, their post-retirement life, and their attitudes about early retirement. This is the story, told partly in their own down-to-earth words.

All of them retired between the ages of 55 and 60, and all had at least 30 years of Federal service. Because they had not yet reached the "normal" retirement age of 60, the annuities of all were permanently reduced a specified percent for each year or part of a year they were under age 60. Those who retired in 1956 did so under considerably less liberal provisions of law than the others: they took a greater reduction for each year they were under 60, their annuities were computed under a less generous formula, and exercise of the right to provide an annuity for their survivors cost them more.

THE EMPLOYEES WHO RETIRED EARLY

Many of the early retirees had more than 30 years of Federal service to their credit when they left, and some had as much as 40, 41, and even 42 years.

Most left jobs that paid in the \$4,000 and \$5,000 brackets and that offered limited promotion opportunities. A surprising 4 out of 10 had been post office clerks or carriers, and an additional 1 had done other postal field work; 2 had been in trades or technical fields or were unskilled workers; 2 had been in non-professional white-collar jobs; and I had been an engineering, scientific, or other professional worker. Most said that they were foremen, supervisors, managers, or executives at the time they retired, and most were men.

Their civil service annuities ranged from less than \$100 a month in 19 instances to as much as \$1,000 a month in 2 instances, but 6 out of 10 received annuities between \$200 and \$299 a month.

A third of them retired during their 55th year, the earliest in which they were eligible. A fifth (631) of them, however, were already in their 59th year before they exercised the option and so had worked practically to normal retirement age.

WHY THEY RETIRED EARLY

Most said they left early because they wanted to enjoy retirement before it was too late, but economic reasons, dissatisfaction in Government, and health and family reasons were cited frequently. Their views of the reasons others retire early followed the same pattern.

The one most frequently given reason was "wanted to quit while still able to enjoy retirement." Over half of all who responded gave this as one of the reasons, and over a fourth gave it as the main one. They often elaborated:

I was spending all my time making a living, so that I had no time to live. When I found myself going to sleep over the newspaper, I decided it was time to quit.

I wanted to travel more. I had never been abroad and I knew that if I waited too long I would never make it.

I was tied down to work and study from the age of 14 years until I had 33 years of service. * * * It was a long drag, and I felt that I would like more time to myself.

My father's family has a long history of sudden death from heart attacks * * * I was not going to take a chance with suddenly dying without a few years of not working.

Lots of my coworkers have kept on working since I retired, and today they are dead. I had my home paid for, a small farm, three rental units, and have a garden, chickens, birds, pigeons, and geese. Do lots of fishing, hunting, trapping, and enjoy myself generally. I have not worked one day since retiring except a few days jury duty. I enjoy raising flowers and have a mint julep at the end of my day.

Many, especially ex-postal workers and professionals, left for economic reasons (the second most frequently cited reason):

I put in over 39 years and had to quit and get another job to have a living salary for my old age. I have enough quarters now for social security, but I had to quit my lifetime job to get it.

My wife is a registered nurse. For us to get some place where she could work as much as required is the only way we could give our three children a college education. Merely a business matter.

I worked 36 years; 16 of that I was compelled to work a dual job. Having a family, I decided at 55 to retire. My pension plus a job would enable me to live better, and my health would not be impaired by two jobs.

As a trial lawyer for the Government, I dealt continuously with outside lawyers who were getting from two to five times my salary for comparable work. On my frequent assignments away from home, I had to stay in third-rate hotels and eat cheap meals, and still pay an average of \$5 to \$10 for the privilege, while opposing counsel on the same cases lived well at the expense of their clients. * * *

Why shouldn't employees retire early when they can earn more than half as much social security in 6½ years as they acquire in 37 years of Federal service? And I have earned these benefits So——So——much easier! Some—the professionals more than others—had become dissatisfied:

Believed I had reached the end of the road at GS-16, wanted a new challenge.

I served 38 years, 3 months, 10 days in the service, and felt tired of the same job. I was very tired of the same work, and no promotions.

Too much time spent justifying your existence. Not enough time spent on work which has taken years to learn and for which you are qualified. Too many persons not engineers, telling engineers how, and where, also how much. Too many auditors with too much power.

I hated junk mail. * * *

If Post Office would stop counting the mail and start delivering it, the unemployment figure would probably rise to an all-time high. * * * Anyone who doesn't retire from a large post office at the earliest possible date either can't afford it or is already crazy.

And some retired for health and family reasons:

The winters seemed to get longer, the weather colder, the load heavier, and the strain greater. And just the opposite in summer—hotter and more miserable. [A former letter carrier.]

I did piecework for 39 years and piecework is a very nerve-racking job. It is especially hard to keep up the pace after you are 50. * * *

I had an invalid father to take care of, my wife was sick in the hospital, I was run down because of the strain. * * *

* * * tension kept mounting so as to be almost unbearable. If you made a mistake, it could cost 150 to 200 lives and several millions of dollars worth of equipment. [A former air traffic controller.]

There were a variety of other reasons: desire to devote more time to farming or other family business; dislike of "bumping" other employees during reductions in force; a feeling that good performance on the job demanded a younger, more vigorous person. On this latter point, one annuitant said: "I saw older people in the same work trying to hold on and having to be carried by the balance of the crew, and I knew how much extra work I had to do to carry them.

That helped me decide to retire before I got in that class." And several men suggested to the Commission that perhaps its questionnaire designers weren't really on the ball: "This questionnaire seems to assume that all of the decisions are made independently by the subject. Can it be that the U.S. Civil Service Commission underestimates the power of a woman?"

No change in work, or in working conditions in Government, would have held them longer, said 4 out of 10. But some others said that they might have stayed if they'd had a raise in pay, different supervisors or co-workers, more interesting work, or better working conditions (traffic and transportation problems were often mentioned here).

Three out of 10 reported that they made the retirement decision rather suddenly, but 2 had made definite plans, far in advance, to retire as soon as they could. The required reduction in annuity delayed the retirement of over a fourth of them (28.8 percent) until some time after they first became eligible.

THEIR EMPLOYMENT STATUS

The majority of those who retired early have worked some since leaving Government—usually for short periods of time and in less demanding and less full-time jobs. A higher proportion of postal employees, especially clerk-carriers, worked than did employees in any other pay system or occupation. Those who held scientific, engineering, or other professional positions in Government ranked next highest, followed by blue collar and technical workers, and other white-collar workers.

Over half of all who have worked at any time since leaving Government, however, did so only temporarily, part-time, or occasionally (Figure 1). An unknown, but substantial, number of those who worked at some time after retiring no longer do so. Well over half put in fewer hours on the job than they did in Government; only 187 worked more hours outside than in the Federal service (Figure 2).

Most who have worked seem to have taken easier jobs than they had in Government. Many have been self-employed, and many others went into service occupations. Most of the post-retirement jobs have been in clerical or administrative fields, with unskilled, semi-skilled, and technical employment next most frequently reported. Very few early retirees (218) said that they have done professional work since they left. The kinds of post-retirement jobs listed and the write-in comments indicate clearly that post-retirement earnings are usually modest. One person explained that there is quite a demand in private industry for retired civil servants because "salaries are not high (mostly nearer the minimum wage law), and young people cannot raise families on the small income."

THE JOBS THEY'VE HELD

The specific kinds of jobs early retirees have held since leaving Government have been even more varied than their reasons for retiring:

Bought a farm and raised Christmas trees * * * I sold my Christmas tree business last year and have retired for good, I think.

I have a small route of coin-operated vending and service machines.

I am a part-time waiter and a full-time cab driver.

I have regarded remodeling this old house as self employment and have enjoyed myself tremendously. I will probably sell it and either remodel another or build new, if health permits.

I deal in used furniture and antiques. * * * It's work, but mostly fun.

I do maintenance work on my own rental property.

Have a real estate license and work when I take a notion.

Some other examples of their jobs: babysitter, bank messenger, band player, barber, bartender, beekeeper, book salesman, cabin steward, cattle breeder, chauffeur, farmer, freelance advertiser, fruit grower, gas station operator, guard, handyman, innkeeper, janitor, landscape foreman, livestock judge, locksmith, movie usher, music teacher, newspaper dealer, parking lot attendant, peddler, repairman, school crossing guard, shipping clerk, short-order cook, upholsterer, yard worker.

A few hold more spectacular positions. One of these devotes full time to a merchandising corporation which he helped organize while still in Government and which he says now grosses some \$40 million a year. Another studied accounting while still employed and, beginning then, acquired accounts which now bring him a greater income than his salary did; "If I reach the age of 65," he says, "I plan to sell my practice, apply for full social security benefits, and then travel with the Mrs." The retirement of another "has worked out fine. We organized a new life insurance company. My position is its president."

Even less typical is the story of a former meteorologist who felt that inadequate education was now keeping him from the professional status he used to enjoy; he returned (after 40 years) to his university for a full academic course plus part-time meteorological research work, obtained a B.S. degree in 1962, and expected to receive the M.S. degree in Earth Science during August of 1964, after which he would be given professional status in teaching and research at the university. And the story of the former Navy engineer who, with his family, founded and now operates a private school for gifted children (IQ's ranging from 130 to 170) on a Long Island estate which they bought and converted; the school already has students ranging from nursery school through high school, plans to expand to include a 2-year liberal arts junior college. And that of the erstwhile research scientist who found that too many applicants for professional jobs in Government lacked—and disliked—math and science; deciding that his experience could help make these subjects more interesting to students, he enrolled in evening school, qualified for a high school teacher's certificate, and took a teaching position as soon as he became eligible for retirement.

THEIR REASONS FOR WORKING

Those who have worked at any time since retirement were asked why they did so. Their replies—consistent with their reasons for retiring—show that they

worked primarily for economic reasons or because, having to continue earning, they needed easier work. They believe that others work for the same reasons.

By far the most frequently given reasons for working after retirement were economic—"had to have more money," for example, was marked by 786 people, and "wanted to qualify for social security benefits" was marked by 1,126. Almost half (45.5 percent) of all responses to the question had to do with need (or desire) for more money, and this was given as the MAIN reason by twice as many people as gave any other:

I needed more money and I could get a job at Boeing, so I took it.

When I had to start paying taxes on my total annuity, I had to return to work. * * *

The retirement income is sufficient if I stay home and putter around and die in a chair of old age. But for travel, hobbies, etc., which unfortunately cost money, I find it desirable to work for a while and then spend the money. * * *

I could not live on my retirement pay, that is why I am working.

The second most frequently given reason was need for less demanding work. "Had a chance to work just part of the time" was marked by 504 retirees, and "was able to get work that was less tiring, and caused me less strain, than my Government job" was marked by 708.

Almost as many started working again—or kept on working—just because they wanted to: 480 did it because they had a chance to do work they really wanted to do, 279 because they were bored, and 222 because they'd had a break and were ready to start again:

Our daughter graduated from college, my husband was retired, and we both wanted very much to go to the Mission field where we were very much needed * * *. Have been training natives in the Mission Hospital (Nigeria) and find much satisfaction in this work.

The days are long and there comes a time when one isn't too welcome around the house constantly * * *. People who are engaged in public business are too busy to visit with those who have retired * * *. One MUST keep himself busy.

I found myself depressed * * *. I sought temporary or part-time work and am still employed doing what I like, with the happy thought of being in circulation.

Some were approached by private employers and asked to work; 304 of these went back because they felt they were really needed.

AND THEIR REASONS FOR NOT WORKING

Paid employment holds no attraction for many, however. They are not interested in working, they have income sufficient for their needs, and they are too busy with their hobbies, community activities, recreational or educational pursuits. These satisfied, and unemployed, annuitants tell why they don't work:

I like to hunt, fish, golf, play bridge, garden, care for my yard. I love music, good literature, sports, and just plain loafing, which is an art in itself * * *. Work just took up too much of my time.

I always wanted a better education * * *. I am going to school, studying electronics. I decided this was a good course for either young or old. Sometimes I think I am too old, and again I feel that age is no barrier * * *. It could mean additional income for me in the future; if not, it still should be a nice hobby.

One of the things I have enjoyed is freedom of movement * * *. My brother and I took a trip to the West Coast. No one should miss seeing the beauty and vastness of this great country * * *. My only complaint is that time, each day and year, passes too quickly.

I wanted to travel some before I died, and I also wanted the time to do just as I pleased. Now I spend my summers on a nice northern Michigan lake and my winters in Florida, and between times I just travel around and visit my children and friends. I play golf about twice a week and fish all summer.

* * * many activities such as visiting sick at hospitals, volunteer community work, taking old ladies to grocery, etc. Would not desire any employment except in national emergency.

I read from 5 to 6 hours a day. I studied German for 2 years at the university. Tomorrow I begin a course in "Introduction to the New Testament. I do not have to do anything under tension.

There were, however, 231 checks for items dealing with inability to obtain work and 558 of those dealing with health and family responsibilities. Some say: "There doesn't seem to be anything much for ex-tax collectors who can't do manual labor"; "businesses do not hire women 58 years old so readily"; "I am totally disabled and not allowed to do any work"; "my aged parents require more help"; and "no success as yet in finding work. I've written to my Congressmen for suggestions * * * It's rough * * * Discrimination against age is terrible here."

HOW THEY ARE FARING FINANCIALLY

One question asked in the survey sought to determine how well early retirees are living now. This question read: "All of us can, of course, use more money at any time. We would like to know, however, whether the *total income* of employees who retired before reaching age 60 allows them to maintain a reasonably good standard of living now. Will you please check the answer that is most nearly right for you: (1) Live better than before I retired; (2) Live about as well as before I retired; (3) Don't live quite as well but am doing all right; (4) Have had to reduce my standard of living drastically in order to get by."

Over 83 percent answered that they are doing all right or better. Some were doing it on annuities plus saving and return on investments, but more than half have worked at least some of the time since retiring from Government. In addition, many volunteered that they have a spouse working or receiving an annuity, or are also drawing social security benefits or a veteran's pension, or—surprisingly often—have come into a small inheritance. They say:

My income (outside) for only 8 months of work per year far exceeds the maximum of grade 15, the salary I was paid at the time of my voluntary retirement!

If you are a married woman, as I am, with a working husband, the amount of retirement is not bad, but if you are a married man with a wife who does not work, it is close picking * * *

Some of the 12.6 percent who have had to reduce their standard of living drastically say: "If you have recently tried living on \$173 a month, the answer is obvious"; "The doctors', hospital, and high-priced medicine bills make it very difficult to make ends meet"; and "I still have the same expenses I had when I worked and more, too, because the gas and water and sewage have gone up, the house is older and needs more repairs * * * everything goes up * * *"

Ex-postal employees had the highest percentage of persons living better than before and wage-board employees had the lowest, with GS's in between. Among occupational groups living better than before, those who had engineering, scientific, or professional positions in Government ranked highest, followed by clerical-carriers in close second place; others were all low. Men were doing better than women. All groups that were doing better had relatively higher rates of post-retirement employment than those who were hard up.

The more recent the retirement, the more likely the person is to be living better and the less likely he is to have had to reduce his standard of living:

	Percent living better	Percent living worse
1956 retirees.....	10.6	17.6
1959 retirees.....	17.3	12.2
1962 retirees.....	21.1	9.9

Write-in comments strongly suggest that a major explanation—apart from the less liberal benefits paid the earlier retirees—is that the 1956 and 1959 retirees had already exhausted the income tax exemption on their annuities, while the 1962 retirees had not yet done so.

HOW THEY FEEL ABOUT EARLY RETIREMENT

The survey asked annuitants whether they would still retire early if they had it to do over again and would recommend that others do so, and also inquired about the extent to which the early retirement option influences employee decisions to remain with Government for full careers.

Practically all said that they "certainly" or "probably" would retire early again under the same circumstances, and most of them had no doubt whatever about it:

This is living!

I knew what I wanted, so I did it, and my wife and I are very happy here. You can have all that ice and snow back there. I would rather mow my lawn than shovel snow off the sidewalk.

I enjoy retirement and am glad I retired early. I believe people make better adjustments at an early age. * * *

Have had a balanced spiritual, mental, and physical retirement; opportunity to enrich my spirit, enlighten my mind, maintain my health, enjoy the companionship of my wife; time to become and be an informed citizen. * * *

Retirement life is wonderful—no bosses, no telephones, no budgets!

A surprising number, including many who have done some work since leaving Government, added comments like, "My retirement gave a chain of promotions to younger people with families" and "I firmly believe if a guy has put in 35 to 40 years, he should retire to make way for the younger fellows coming up. * * *

A few say that if they'd known then what they know now, they would not have retired. Most of these are people who have been ill and feel that they might perhaps have been able to retire on disability; who were forced into retirement by family problems which no longer exist; or who find themselves hard up financially. Several, however, seem simply to have decided that they made a mistake in judgment: "One seems to lose importance when retired. * * * Had my foresight been as good as my hindsight, I would have worked on to at least 50 years"; and "[It's] not what a fellow figures it to be before he retires. * * * I was a lonesome man for quite a spell. * * * Even now, after 5 years, my mind runs back to the old gang."

Many hedged their answers about recommending whether others should retire early. Most often they said it's an individual problem on which each person must make his own decision, or "yes, if—" The "ifs" nearly always turned out to be if you're sure you can make it financially, or if you've got something definite you want to do—"nothing is sadder than a man who doesn't know what to do with his spare time."

Others didn't hesitate to make a definite recommendation—but their views conflicted:

Early retirement is a waste of manpower.

Retirement a must at 55 or 60. After this age almost all employees just mark time and pick up their pay checks. Make them get out and give the man in the next lower bracket a chance for advancement.

I am in favor of continuing work. * * * The greater percentage of retired people do not live much beyond 2 years after retirement. I believe this to be because inactivity leads to death.

[Note: Over half of all retiring Federal employees live at least 12 years after retirement.]

Older people slow down and cannot produce the same amount of work as when younger. Why keep a doddering old man on the job when he would be much better off on the retired list?

Retire before 60—the younger you retire, the easier it is to adjust yourself to the change.

Advocate retirement as soon as possible. That is the reason for the retirement law. It was passed so that older people may enjoy their declining years and to make an open job for a young person. They need a regular job to raise a family and maintain a home.

In response to the questions about the effect of the early retirement option on employees' decisions to remain in Government, they acknowledge—but rated relatively low—the "holding power" of this option so far as they themselves were concerned. Interestingly, however, they considered it a much more powerful influence on the decisions of *other* employees—the only instance in which there was any noticeable inconsistency in the answers they gave for themselves and the answers they thought applicable to others. Annuitants who were clerk-carriers while in Government rated the early retirement option a more important consideration than did others.

OTHER VOLUNTEERED COMMENTS

A great many people took advantage of the opportunity offered them to make additional comments "about retirement before age 60." A few stated flatly that

they consider the present (not the pre-1956) optional retirement provisions entirely adequate, but most who commented favored liberalization: "All employees should be given the option to retire after 30 years of service, regardless of age and without a reduction in annuity. I believe it is unfair to penalize a person who comes into the service at an early age." "I know of Federal employees with 35-38 years of service who are fed up but cannot retire because they are not 55 years old."

Some believe that liberalization would benefit the Government as much as it would employees, and several argued that early retirement would stimulate employment and promotion opportunities, thus influencing qualified people to seek and hold Government jobs. But one observed, almost as if in answer to that argument, that "while employees fight for more liberal optional retirement provisions, very few seem to take advantage of such retirements when they do meet the service and age requirements—so why liberalize?"

Many feel that civil service annuities should be tax-exempt, especially since railroad retirement and social security benefits are exempt. Social security benefits for Government workers are desired by many—one thinks that "if the Government would put postal employees under social security, very few men would retire before age 62 or 65."

A number want the same treatment for former annuitants as is accorded those who retire now and in the future; liberalizations, they say, should apply to persons already on the rolls. Some advocate various kinds of gradual retirement plans.

Quite a few have regrets about the unused sick leave they "gave back to the Government" and still want some kind of retirement credit, or other compensation or recognition, for it.

And, in contrast to those who had criticisms such as the ones already quoted, a great many volunteered favorable comments about Federal service and expressions of gratitude for the benefits the Government provides its employees:

My career was wonderful!

I am very grateful that I have this annuity and can work a little or not, as I am able or desire; I think Government service is tops.

I thoroughly enjoyed my career as a postal employee and shall be forever grateful for its retirement benefits.

To my Government I say thanks for the privilege and opportunity to serve. * * * I am proud of the opportunity to have done so.

Annuitants Answer Key Questions

These are the results of key questions asked in the Civil Service Commission's survey of persons who retired early from the Federal service. Figures in columns marked (*) are percentages of the total number of *responses* to questions allowing several answers. All other figures are percentages of the sample group of 3,302 *respondents*.

REASONS FOR RETIRING EARLY

Why did you retire before reaching 60 years of age? (Up to 4 answers allowed.)

	<i>Percent*</i>
Wanted to quit while still able to enjoy retirement.....	22.6
Economic reasons (better paid job, better off with annuity plus outside earnings, wanted to qualify for social security benefits).....	21.8
Dissatisfied with job, working conditions, supervision, management.....	17.9
Health or family reasons.....	13.6
Organization reasons (would have had to take unwanted job, was RIF'd, urged by agency to retire).....	4.3
All other (work part time or for self; move elsewhere; take break, then start again; just had enough, etc.).....	19.8

INTENTION TO WORK

When you retired, did you intend to work at something else, either immediately or after you'd had a good rest?

	<i>Percent</i>
Yes	57.3
No	41.1
No answer, or qualified answer.....	1.6

ACTUAL EMPLOYMENT

<i>Have you actually worked at something else since you retired?</i>	Percent
Yes	57.7
No	41.6
No answer, or qualified answer.....	.7

TIME WORKED

<i>How much have you worked?</i>	Percent
Full time since starting.....	26.1
Full time for temporary periods.....	7.7
Part time but fairly regularly.....	13.5
Only occasionally.....	9.0
No answer, or haven't worked.....	43.7

REASONS FOR WORKING AGAIN

<i>Why have you worked? (Up to 4 answers allowed.)</i>	Percent*
Economic reasons (had to have more money; to buy "extras"; to qualify for social security benefits).....	45.5
Chance to do less demanding work (part-time, less tiring, less strain than in Government job).....	25.2
Just wanted to (bored; had break, ready to go again; chance to do something really wanted to do).....	20.4
All other.....	8.9

KIND OF WORK DONE

<i>What kind of work have you done?</i>	Percent
Unskilled (laborer, building maintenance, etc.).....	8.1
Guard, law enforcement.....	2.9
Skilled, mechanical, technical.....	6.2
Engineering, scientific, professional.....	3.9
Clerical, stenographic, typing, filing, office machine operation.....	12.7
Sales.....	6.0
Finance, insurance, real estate.....	3.6
Other nonprofessional white-collar.....	5.2
All other.....	6.4
Haven't worked, or no answer.....	45.0

ADEQUACY OF INCOME

We would like to know whether the total income of employes who retired before reaching age 60 allows them to maintain a reasonably good standard of living now.

	Percent
Live better than before retiring.....	17.2
Live about as well.....	34.4
Not quite as well but all right.....	32.2
Have had to reduce standard of living drastically to get by.....	12.6
No answer, or qualified answer.....	3.6

DO IT AGAIN

If you had it to do over again under the same conditions, would you still retire when you did?

	Percent
Certainly would.....	68.0
Probably would.....	24.1
Certainly would not.....	5.7
No answer, or qualified answer.....	2.2

SOCIAL VALUES AND THE INSTITUTIONALIZATION OF RETIREMENT*

(By Harold L. Orbach)

Retirement represents the creation in modern society of an economically non-productive role for large numbers of people whose labor is not considered essen-

*Reproduced from *Processes of Aging*, edited by R. H. Williams, C. Tibbitts & W. Donahue, New York, Atherton Press, 1963. Vol. II, pp. 389-401.

tial to or necessary for the functioning of the economic order. Although departure from a life-long career may serve as the basic operational indicator of retirement, sociologically retirement raises problems of the dynamics of social and institutional roles and relationships of a more basic nature than those associated with a change in occupational role. As a social process, retirement is the prescribed transition from the position of an economically active person to the position of an economically inactive person in accordance with the norms and procedures by which society defines and determines the nature of this change.

From this standpoint, the basic problems of retirement must be approached in terms of the issues involved in the transition from one social role to another, with the consequent implications of the status changes which accompany this role change.¹ On the individual level, this means the problems of varying conceptions and definitions of appropriate individual behavior which problems are derived from the person's self-concepts' growing out of his total social life experience. In the process of role change, the norms for behavior of significant others and of significant reference groups play a crucial part in determining what the nature of one's social role is and ought to be. It is here that the details of a person's retirement role are conceived, refined, and in practice organized into a coherent pattern.

On the societal level, retirement raises the issue of the basic social definition and valuation and brings into focus the value systems underlying the retirement policies and attitudes of society at large and of such major organizations as business and labor, which are directly concerned with the management of retirement systems. It is here that the framework and nature of retirement as a societal phenomenon is built.

In the last analysis, the personal aspects of retirement are the areas to which our interests and inclinations naturally turn. This should not, however, deter us from considering the historic dynamics of retirement as a social phenomenon and from analyzing the character of the basic value systems which have developed on the societal level to deal with this emerging social pattern. It is only through the history of retirement as a social phenomenon and the structural and value questions it poses for modern society that we can develop a systematic understanding of its nature and deal with the individual and social problems it poses.

THE INSTITUTIONALIZATION OF RETIREMENT

Retirement is a product of modern industrial society. This emerging pattern of social life has no precedence and represents the development of a new and distinct social role that is becoming universally available. Previous socioeconomic systems have had varying numbers of older people, but none has ever had the number or percentage of aged that obtains in the industrialized societies; more important, the older people of previous societies were not retired people. Never before has there been a retirement role, although there were clearly defined roles for older people (Simmons, 1945). Indeed, as Simmons and others have shown, in many primitive societies reaching a state of total productive incapacity implied a loss of the right to live, and appropriate procedures for doing away with non-productive older people were part of the culture.

The development of retirement is a result of complex related technological, social, political, and demographic changes in modern society. They can be roughly summarized by four developments.

1. *The creation of a technology which is based on the scientific approach to knowledge and which has shattered, and continues to shatter, conceptions of the potentialities for producing the food and goods necessary for the sustenance and improvement of the conditions of life.*

2. *The development and extension of political and social order through powerful national states.* This is a corollary of the growth of rational economic methods inherent in industrialism, which have been able, through modern technology and communication, to exercise an ever increasing purposeful control of man's natural and social environment.

3. *A unique demographic revolution which has witnessed the growth of human population in the past one hundred years in a measure previously unheard of.* As industrial societies have matured, this revolution has ushered in the aging of populations.

¹ For a fuller treatment of these issues, see the discussion in Donahue, Orbach, and Pollak (1960), in which more detailed presentation of a number of the arguments presented in this paper may be found.

4. *The reorganization of man's economic and social life, as a consequence of the new systems of production and consumption, into a distinctly new set of social roles based on an altered relation between man and the tools he works with and, in consequence, the manner and form in which he reaps the rewards of his labor.* The industrial system of production with its rational division of labor, separation of the laborer from control of the instruments of production, and wage system of economic exchange have altered the older systems of social relationships and profoundly changed the structure of the institutional arrangements in man's life.

Each of these has contributed to the economic, social, and political conditions necessary for the institution of retirements. By virtue of its productive capacity, modern society can readily support a nonworking segment of its adult population; the political organization of the national state can provide structural apparatus for the operation of universal retirement systems; the demographic revolution has created an aged population, a large number of which will live far beyond their years of maximally potential economic life; and the changing social relationships which have arisen as a consequence of the industrial system have rendered untenable the types of social and economic accommodations which previous societies had created for their older people.

As is usually the case in human affairs, the values and norms of behavior have not kept pace with the changes in the material conditions of life. In order to have retirement, there must be some structural differentiation of the work life and of the conditions of work so that a period of retirement is defined and the retiring worker can clearly move from the role of an economically active person to the role of an economically inactive person. It is fairly easy to define the time period by chronological limits and, in the case of the wage-earning or salaried employee, to clearly alter the role through a formal retirement procedure. This procedure, however, has not always meant retirement from the world of work so much as it has meant retirement from some specific remunerative employment. But, more important, what of the character of life beyond work? What is the social role of the retired person? We are in the process of slowly adapting to the new conditions which have been thrust upon us. The result is the lack of any clear-cut role for the retired person; there is ambiguity and lack of clarity in the behavioral expectations for the members of this new social position.

Unlike other social role changes throughout the life span which are marked by a series of role transitions and gradations from one more-or-less clearly defined social role to another and which encompass forms of anticipatory socialization for the role through informal preparation, the retirement role lacks socially defined appropriate behavior inasmuch as it also lacks clearly defined position in the social structure. In one sense, retirement is a negation of the traditional values that surround work in Western society, and men are loath to surrender the social identification which a job bestows. Organized preparation for retirement, a notion which has received much attention in recent years, is an attempt to fill the gap in the normative structure of the present by defining, thus readying the individual for, the new social role.

Insofar as one of the most crucial sources of role expectations and behavior is the reference group of position holders of any social role, one of the problems of the retirement role has been the lack of a viable group of people in this category. This feature is, of course, rapidly changing today because of the maturation of the institutional basis of retirement in the United States. As a consequence of Old-Age and Survivors Insurance and the industrial pensions since the end of World War II, we have witnessed, in twenty years, the growth of an institutional economic foundation for retired people as a social category. In other countries, too, similar phenomena have arisen, but only in the past generation have these phenomena achieved the degree of importance to merit attention as the beginning of a new social role.

Although preoccupation with retirement began as a concern for the protection of the wage earner and his family when health and age made it impossible for him to continue working for a living, retirement today involves matters of general social policy, as well as institutional needs and demands. Old-Age and Survivors Insurance was adopted in the United States partly to relieve the pressures of unemployment during the Depression of the 1930's, and it was structured and has been viewed as such almost throughout its history. Similarly, industrial pensions and executive retirement represent calculated policy decisions for the renewal and replacement of labor, skills, and vitality in the market place. Finally, the growth of unionization and its cardinal principle of seniority generated similar

pressures for opening up opportunities through the retirement of senior workers holding prized positions.²

The development of institutionalized retirement has had more far-reaching consequences than was intended by the mechanisms which brought it about. The continual changes in society, which are accentuated by new demographic characteristics, and automation have served to create further demands for more extensive retirement even as they have raised questions of changes in general work conditions. And yet, we seem unwilling or unable to adjust our work-related values to the acceptance of retirement as a desirable conclusion of the working life. We are faced with seemingly contradictory demands: a demand for freedom to prolong working life and a demand for extension of retirement.

SOCIETAL VALUES AND RETIREMENT

Part of the problem of retirement can be traced to the basic value orientation which underlies the conception of retirement as a form of social life. By and large, the worker of today still sees retirement in such negative terms as economic deprivation, loss of status and function, and nothing to do with the free time (Donahue et al., 1960; Tuckman & Lorge, 1953). These are issues related to the social and individual definition of the retirement role, based on an entirely realistic appraisal of the status and position of the retired person in today's society. However, the basic societal values which underlie institutionalized retirement systems also are operative. The role of government as an agent ensuring the welfare and well-being of its citizens is a major issue, as is the social nature of retirement and, thus, the nature of pensions or retirement benefits.

On one hand, conceptions of social responsibility have, from the earliest pension systems, been clear in defining retirement pensions as a form of social welfare or assistance which society grants out of charity and self-interest. On the other hand, more recent trends have suggested that retirement pensions are a form of social reward or deferred pay—a form of social justice—which accrues as a matter of right. Shenfield (1957) has put this issue clearly:

"Are pensions to be regarded as a way of discharging community responsibility to those unable to maintain themselves in the same way that support is organized for other disabled persons, or are they a reward for a lifetime of effort, a kind of deferred pay to which everyone should be entitled after a named period of work attendance and contributions? If the latter, then pension schemes should create a right to retirement for all workers on a pension which is adequate to meet their basic needs, while they enjoy their well-earned rest. Those who choose voluntarily to continue to work should gain, either by receiving pension and wages, or by a deferred pension ultimately drawn, in recognition of the surrender of leisure which might otherwise have been enjoyed. The notion of creating a 'right' to a pension at a certain age is emphasized by the device of insurance as a method of financing old age" (pp. 103-104).

In the United States it would appear that we have institutionalized a system of rights without accepting the values and normative system that it implies. This is undoubtedly a reflection of the continuing ideological struggle that has been waged since the end of the nineteenth century over the nature of the United States political system, directly expressed in the debates about the federal government's powers and functions which dominated the early years of the New Deal. Indeed, the Social Security Act was in the center of this raging controversy, and the federal system of old-age and survivors insurance was not ideologically accepted by the Republican Party until 1944, when its platform advocated "extension of the existing old-age insurance [system] * * * to all employees not already covered." In the realm of rhetoric at least, this issue continues to animate contemporary politics, and the political controversy it arouses has made the development of our Social Security and retirement system a matter of piecemeal attachments under a restrictive covering justification. In the 1950's, when Old-Age, Survivors, and Disability Insurance benefits were "universalized" or "socialized" by extending them to new categories of workers (including the self-employed and others who do not earn wages) on the basis of equity, not presumed need, the concept of wage-loss offset, which is the official basis of Social Security legislation, was not changed. We still maintain a system of insurance plus welfare assistance, but the insurance system has an underlying orientation of basic subsistence, rather than a reasonable income that ensures a standard of decent living. Retirement systems organized on an insurance basis or involving a notion

² See Breen (Chapter 47, *supra*) for an analysis and discussion of the functional aspects of retirement.

of social reward should, however, provide such a standard as a matter of consistent policy, and the German and Swedish systems have moved in this direction. Their point of view has been stated by the German Federal Republic: "A pension is no longer a grant-in-aid toward a person's subsistence, but will in future ensure maintenance of the living standard acquired" (Achinger, 1959, p. 26).

Industrial pensions have arisen to fill the gap between subsistence and a decent living standard in the United States, for unions do look on pensions as a right in the form of deferred pay although no similar inclination is currently expressed by employers. Only since the 1949 Supreme Court decision in the *Inland Steel* case (based on the Taft-Hartley Act, which certainly was not intended as pioneering social legislation) has the right to bargain collectively for pensions been recognized. This decision gave rise to the tremendous growth of union-negotiated industrial retirement systems in the 1950's, just as the development of unions followed similar legislative and legal decisions in the late 1930's.

Clearly, one of the important problems in the further institutionalization of retirement is the need for a consistent expression of social policy on retirement rights in order to clarify the basic social values involved. With the forces inherent in the process of institutionalization itself, a clarification of values, accompanied by appropriate social action, will better define and structure the social function and status of retirement and thus aid the development of the individual's role conception and attitudes.

Retirement must have a positive meaning and be endowed with sufficiently rewarding economic, social, and cultural values if it is to be an acceptable form of social life for the older person and a successful form of social policy in relation to pressures on the labor market. Such a course must imply movement toward equality of rights in retirement since only one-third of the labor force is currently covered by private or public pensions that supplement Social Security benefits (Holland, 1959), although the basic support for private retirement systems comes from tax exemptions to employers for contributions and, thus, the general public indirectly (Witte, 1951).

ORGANIZATIONAL ATTITUDES AND RETIREMENT SYSTEMS

The difference in attitudes and, consequently, policy positions of labor and management concerning freedom of choice to retire are indicated by the figures in Table 1. The two studies of retirement policies which are compared are of interest because in the first (Brower, 1955) non-union companies comprised 29 per cent of the total; the pension plans of the other companies were not necessarily developed by union-management negotiation. In the second, carried out by the U.S. Bureau of Labor Statistics (Levin, 1959), only union-negotiated plans were sampled. The striking differences in the percentage of workers covered by involuntary or compulsory retirement practices represent differing conceptions of the locus of norms for decisions concerning retirement. At the same time, the union-negotiated plans with involuntary provisions also have greater flexibility in that only 19 per cent of the employees have conditions of automatic retirement at a given age without the possibility of continued employment, whereas 65 per cent of those covered by the other plans are so governed. These differences suggest that the unions' influence in obtaining pensions as a right is matched, to some degree, by a demand for greater freedom of choice in exercising this right.

TABLE 1.—TYPES OF RETIREMENT PROVISIONS AND PRACTICES IN PRIVATE PENSION SYSTEMS, 1954 AND 1958

[In percent]

Type of provision or practice ¹	Brower, 1954		Bureau of Labor Statistics, 1958	
	Companies (N=327)	Employees (N=4,100,000)	Plans (N=300)	Employees (N=4,900,000)
No compulsory fixed-age retirement.....	1 25	1 10	40	45
Compulsory retirement.....	1 67	1 83	60	55
Automatic retirement.....	48	67	23	19
Nonautomatic retirement.....	19	16	37	36

¹ 8 percent of the companies have a combination of involuntary and voluntary policies for different workers; these policies cover 7 percent of the employees.

Source: Adapted from Brower (1955, table 5) and Levin (1959, table 2).

The effects of unions and unionization can be measured in other ways. For example, a New York State Department of Labor (1957) study found that 89 per cent of the establishments with 2,500 or more employees had pension plans, but that only 14 per cent of the establishments with fewer than twenty employees had them. The relation to unionization, which is more prevalent in large firms, is apparent. Pension coverage also varies considerably with industry, another feature obviously related to the extent of unionization—compare steel or auto workers with service or domestic workers.

Generally unions have opposed compulsory retirement on the grounds that it is a negation of the seniority rights, thus presenting another area in which the worker's economic security must be protected. This does not imply opposition to compulsory retirement as such, but to the employers' imposition of the conditions of retirement under circumstances which result in involuntary economic deprivation. It is not surprising, therefore, that "as retirement incomes have risen, so has union acceptance of automatic retirement schemes" (Bers, 1957, p. 83). Union attitudes have clearly reinforced the willingness of labor to accept compulsory retirement systems under conditions approved and sanctioned by union members. This means, however, restriction—which management has been reluctant to accept—of management's right to unilateral decisions on the criteria of continued employment for older workers.

An interesting example of the effect of the institutionalization of a retirement system and the provision of more adequate retirement benefits can be obtained by examining changes in the retirement practices of auto workers covered under the Big Three auto companies' pension plans with the United Auto Workers. The UAW has, since its original pension plans were negotiated, obtained improvements in benefits and coverage at each of its bargaining talks with the automobile manufacturers. In addition, the UAW has operated a very active program for retired workers, including preparation-for-retirement courses, drop-in centers for retired workers, and other activities designed to assist UAW members' adjustment to and conditions of retirement. The 1958 contract negotiations saw a number of marked improvements in the pension schemes, especially at Chrysler and Ford.

In the light of this example, it is interesting to observe the changes in the auto workers' retirement patterns since 1953 (Table 2). It is evident from the data that there has been a large decline in the proportion of workers in all three companies who wait for the compulsory retirement age of sixty-eight and an increase in the proportion of those who elect early retirement benefits. In all three companies, too, the proportion electing early retirement with reduced benefits has shown a steady, if slow, increase. The category "special early retirement," which is governed by a mutually satisfactory agreement or company option and mainly covers employees in failing health who are not eligible for disability benefits, controls early retirement for health reasons. When these cases are removed, however, there is still a continually increasing proportion of early retirees in all three firms over the eight years, and a complementary decline over the same period in those waiting until the compulsory age. If we view the combined totals for the Big Three as an indicator of the whole auto industry, a clear trend seems to have been emerging since 1953, the year in which automatic retirement at sixty-eight was first accepted by the union as a concession for better pension arrangements and more adequate benefits. To what extent other institutional and idiosyncratic features—the changes in the auto industry because of technology, the age distribution of the work force, and the recurring recessions of the 1950's—are responsible for these patterns and will be responsible for future retirements clearly requires more study.

Nevertheless, this study suggests, as have others (Baker, 1952; Donahue et al., 1960), that increasing the financial rewards of retirement make it more acceptable. More detailed study of the auto industry's pension experience and similar studies of other industries would help establish a more coherent picture of the relative effects of financial incentive, retirement planning, and the general atmosphere of stable institutionalized retirement systems on individual and social values and attitudes.

TABLE 2.—NONDISABILITY RETIREMENTS IN THE "BIG THREE" AUTO COMPANIES UNDER UNITED AUTO WORKERS NEGOTIATED PENSION AGREEMENTS, 1953 AND 1956-59

Year	[In percentages]			Normal retirement: 65-67	Automatic retirement: 68	Total	Number of retirements
	Early retirement: 60-64 ¹						
	Regular	Special	Total				
Chrysler:							
1953.....	2	-----	2	50	48	100	508
1956.....	5	-----	5	64	31	100	1,172
1957.....	8	-----	8	67	26	² 101	1,204
1958.....	10	-----	10	70	20	100	1,462
1959.....	14	10	24	67	9	100	1,774
Ford:							
1953.....	(9)	-----	(9)	57	43	100	1,996
1956.....	4	-----	4	67	29	100	2,075
1957.....	5	-----	5	75	20	100	1,926
1958.....	7	-----	7	81	12	100	2,376
1959.....	6	9	15	75	10	100	2,160
General Motors:							
1953.....	3	4	7	39	54	100	2,088
1956.....	5	7	12	57	31	100	2,824
1957.....	6	8	14	58	28	100	2,820
1958.....	6	9	15	62	23	100	2,959
1959.....	7	12	19	61	20	100	3,085
"Big Three" combined:							
1953.....	2	2	4	48	48	100	4,592
1956.....	5	3	8	62	30	100	6,071
1957.....	6	4	10	65	25	100	5,950
1958.....	7	4	11	71	18	100	6,797
1959.....	8	11	19	67	14	100	7,019

¹ Since 1950, all 3 of the auto companies have had a system of regular early retirement at age 60 to 64 with actuarially decreased benefits. In addition, General Motors has had a special early retirement system with retirement at the option of the company or by mutually satisfactory agreement. The system provides double the normal age 65 retirement pension until the retiree reaches age 65 and attains social security, at which time the pension is reduced to the normal rate. This system was incorporated in the Ford and Chrysler systems beginning in 1959.

² Differs from 100 because of rounding.

³ Less than 0.5 percent.

Source.—Communications to the author from the United Auto Workers, Chrysler Corp., Ford Motor Co., and General Motors Corp.

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APPENDIX 2

REPORTS FROM PRIVATE INDUSTRY AND UNIONS

(Subcommittee Chairman Mondale wrote to selected business firms and unions requesting retirement plans, comments, suggestions, and information related to early retirement and its ramifications. The details of retirement plans and related information are retained in committee files. The pertinent replies follow:)

ITEM 1. NORTH AMERICAN AVIATION, INC.

NORTH AMERICAN AVIATION, INC.,
El Segundo, Calif., July 14, 1967.

DEAR SENATOR MONDALE: This will acknowledge and thank you for your letter of June 30 regarding the hearings to be conducted by your Senate Subcommittee on Retirement and the Individual to be held in Detroit, Michigan, on July 26.

We are pleased to cooperate with you in this subject which is of significance and importance to so many members of our society.

As requested in your letter, we are forwarding copies of booklets (1) "Retirement Plan for Employees on the Hourly Payroll", (2) "Retirement Plan for Employees on the Salary, Advanced Technical and Weekly Payrolls", and (3) "Group Insurance Plan for Retired Employees and Dependents." The plans provide for retirement with reduced benefits as early as age 55, with ten years service, and retirement at age 62 with unreduced benefits. Supervisory approval is not required for early retirement.

Also attached for your information is a copy of our manual "Planning for Future Living," which is used by North American counsellors in assisting our employees to prepare for their retirements, and is presented to each retiree in accordance with the schedule as outlined in the manual.

In the event we can be of further assistance, please let us know.

Sincerely yours,

J. L. ATWOOD, *President.*

ITEM 2. CITRIN OIL COMPANY

CITRIN OIL COMPANY,
Detroit, Mich., August 7, 1967.

Mr. B. J. Schafer, International Secretary-Treasurer of the Oil, Chemical and Atomic Workers International Union, had arranged for me to make a statement at your Committee's hearings which were originally scheduled to be held at Detroit, Michigan on July 26, 1967. . . My written statement is, therefore, enclosed herewith for inclusion in that record.

Very truly yours,

TOBY CITRIN.

[Enclosure]

STATEMENT OF TOBY CITRIN, CITRIN OIL COMPANY

I am Toby Citrin, of 14445 Linwood Avenue, Detroit, Michigan 48238. I am the employer co-chairman of the Board of Trustees of the Oil, Chemical and Atomic Workers Union-Industry Pension Fund. My purpose in making this statement is to point out ways in which a pension fund such as the OCAW's can ease the burdens of aging and can offer assistance in meeting the problems of adjustment to retirement and old age.

The OCAW fund is relatively new, having been established in 1965. Already, however, the fund covers over 2000 workers employed by over 40 companies in the oil, chemical, atomic and related industries. The OCAW pension plan is administered by a joint board of trustees with equal voting power held by representatives of labor and management. The co-chairman for the employees is Mr. R. J. Schafer, International Secretary of the Oil, Chemical and Atomic Workers International Union.

An industry-wide pension plan such as ours offers a method by which the economic problems of retirement can be eased for employees of small and large companies alike. By pooling assets and consolidating administrative and actuarial work, our plan can offer employees of small concerns pension benefits which formerly were available only at prohibitive costs to small groups of employees. Thus, the economic security necessary for a meaningful retirement is now within the reach of all employees in our industry, regardless of the size of their employer.

Although administration and investments are consolidated in our pension plan, much latitude is still allowed the individual employee in planning for his retirement. Under the plan, the benefit level for each group is selected by that group through collective bargaining on the rate of the employer's contribution. Each individual employee can elect early retirement, retirement at age 65, or later retirement, without forfeiture or penalty. If he retires early, he can elect to have his pension benefits adjusted to create a level monthly income when combined with social security, with the pension benefits increased during the years before social security benefits commence. Through these and other provisions, much scope is left to adapt the plan to individual requirements and local conditions, while still offering the substantial cost savings resulting from consolidated administration and investment.

Finally, in establishing our pension plan we recognized the need for retirement counselling, and provided for a measure of such counselling as a part of the plan. Through an arrangement with Retirement Advisors, Inc., a professional retirement counselling service, we mail to each covered employee a series of 20 booklets during the 5-year period immediately preceding retirement. Each of these booklets contains information on a different aspect of retirement (e.g. housing, Medicare, travel), and the complete series provides a basic pre-retirement counseling program, assisting our employees in planning for the difficult adjustment period which lies ahead.

Once one of our participants retires, he receives monthly newsletters from the fund, containing useful information and suggestions to help him with retirement problems. In addition, retirees are encouraged to communicate with our retirement counselling service if they need answers to questions they may encounter during retirement. Each such communication is answered either with information requested, or with guidance to the source from which such information can be obtained.

While this program of written information and communications is obviously not a substitute for personal retirement counselling, it does point up a way in which pension plans can assist in the psychological and sociological problems of retirement, rather than limiting their functions to the mailing of a monthly check.

In this statement I have not attempted to give a complete description of our plan or its operation, but only to point out several aspects of the plan which are particularly relevant to the problems of retirement which your committee is investigating. We will be happy to submit any further information on our plan which your committee might request.

ITEM 3. CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.,

New York, N.Y., July 21, 1967.

DEAR SENATOR MONDALE: This is in reply to your letter of June 30, 1967 as to the experiences of the Consolidated Edison Company in the matter of early retirement.

By way of background information, Consolidated Edison has had a formal noncontributory retirement program since 1936. It was designed, basically, to provide benefits for employees when they reached normal retirement age as well as some retirement income for those who are retired earlier for disability or other reasons. Originally such "earlier" retirements were granted solely at the discretion of management.

Recognizing a developing trend in industrial pension systems to make early retirement, other than for disability, a matter of employee election the Company established in 1950 an early optional retirement provision. Under this arrangement, employees who meet specific minimum age and service requirements (currently age 50 with an age/service total of at least 80 years) can elect to retire early. Benefits range from 17.6% to 64.9% of a 30-year career average salary based on the employees' age and years of service at the time of early retirement. Details of this provision are explained on pages 3-5 of the attached booklet.

At the time this provision was established it was the Company's objective to provide some reasonable but modest retirement income for life for those older and long service employees who for personal reasons (other than disability) would elect to retire from the Company prior to normal retirement age. Because we consider it more desirable to retain skilled, experienced employees in active employment until normal retirement it was never intended that this provision of our program should operate as a vehicle for any large scale exodus from the Company.

Our experience over the past 15 years indicates that these objectives are being realized. As of June 30, 1967, with more than 11,000 retirees and widows receiving benefits under our program, only 2.7% of the total (294) are early retirees. Over the past 10 years, we have been averaging about 25 new early retirement elections each year out of a total of approximately 24,000 employees. Prompting such elections have been such personal reasons as:

1. Relocation in other parts of the country because of personal or family reasons.
2. Personal business opportunities and ventures.
3. A desire to seek or accept more remunerative employment elsewhere.

Few of these employees, to our knowledge, retire permanently from active employment.

By way of additional comment on this matter of early retirement, the following observations and suggestions are offered for consideration:

1. However discounted, early retirement benefits should not exceed the actuarial equivalent of what would be available to an individual at normal retirement age.
2. Such benefits should not be generous to the extent that they will induce skilled experienced employees, who may have years of productive activity ahead of them, to retire early. It would be sociologically and economically unsound for a large percentage of our older and more experienced workers to withdraw from the labor market and put added pressures on public and private benefit programs. If employers, because of surplus labor or other conditions consider it desirable to encourage older and long service employees to retire early, they may provide special monetary inducements. However, such supplements should be provided independently rather than as an integral part of the early retirement provision.
3. Early retirement at an employee's option should be treated apart from early retirements which are dictated because of employee disability. Preferably, separate provisions should be made in a retirement program for each class of retirement.

In this way, it is possible to provide more generous benefits for disabled retirees recognizing their inability to continue in their regular or other lines of work and the probability of a shorter tenure of benefits than would be anticipated for employees who elect to retire early.

I trust that these views based on our experience in the matter of early retirement will be of assistance to your Committee in resolving this matter of early retirement and its far-reaching implications.

Very truly yours,

JOHN V. CLEARY.

ITEM 4. NATIONAL MARITIME UNION OF AMERICA

NATIONAL MARITIME UNION OF AMERICA,
New York, N.Y., July 18, 1967.

DEAR SENATOR MONDALE: This letter is in response to yours of June 30th in which as Chairman of the Sub-committee on Retirement and the Individual, you wrote me. I am enclosing a copy of the Regulations of the NMU Pension Plan as amended to date, for whatever helpfulness it may provide.

To begin with, a few comments on the questions set forth in the first paragraph of your letter would be in order. First, with respect to why individuals retire

early. We can give you only what the seamen tell us as to their desires in this regard.

Obviously earning one's living at sea is not an easy life from either a sociological or physical point of view. After 20 years of service, many men, in my opinion, feel they yearn to work in a field less burdensome than they have endured. Related thereto, many pensioners with special skills earned over a long period of years with the industry, wish to try their hand at comparable or close to comparable jobs in shoreside occupations. They feel that if they begin while they are still in their middle years, they will have a chance to enjoy the advantages of more normal home life than they can have at sea.

Whether these feelings, that are frequently expressed by members who retire early, are solidly based is something that is not too easily analyzed. Only time and more experience with our program will enable us to tell.

As to the effect upon the availability of skilled labor, we have begun tabulating the ratings of seamen, at date of retirement, in order to enable us to more intelligently evaluate the effect upon our membership and our needs for recruiting new members into the industry. For what value it may have, I list below a tabulation covering the period since April, 1966 which involves 2095 members who have retired. I should caution you that these ratings refer to all categories of pensioners and not merely to service pensioners.

Ratings of seamen retired on pension April 1966-July 1967

<i>Ratings</i>	<i>Total</i>
Bosun -----	87
AB -----	354
Deck Maintenance -----	36
Electrician -----	42
Oiler -----	162
Fireman-Water Tender -----	164
Chief Steward -----	34
Cook -----	92
Waiter -----	51
All Others -----	1, 053
Total-----	2, 095

An analysis of the ratings of our service pensioners alone would undoubtedly indicate an even higher concentration in the skilled ratings. This is one of the special problems about which the industry is concerned at the present time. This is the reason, in fact, that we have worked jointly with representatives in the industry, to establish through the NMU Pension & Welfare Plan, our Upgrading and Retraining School which began operation in June 1966. Through the operation of the school we are making significant progress in providing replacements for the skilled ratings who are going on pension at comparatively early ages.

At this point, it would be helpful to give you a tabulation of all active pensioners as of July 1, 1967. This is a preliminary tabulation but should serve adequately for statistical purposes. This list follows:

Active pensions as of July 1967

<i>Type</i>	<i>Number of pensioners</i>
Service -----	2, 494
Normal -----	1, 191
Reduced -----	891
Early Retirement -----	570
Disability -----	1, 366
	6, 512

A few definitions would be in order. In our terminology, the service pension applies to any seaman who has 20 years of pension credit, without regard to age. The normal pension is a pension for 20 years of service at age 65. A reduced pension is a normal pension (that is age 65) with less than 20 years of service. The early retirement pension at this stage, refers only to seamen with fewer than 20 years of service, between the ages of 60 and 64. Originally, before the establishment of the service pension in 1964, the earliest that a man could retire was age 60, and then with not less than 15 years of pension credit and up to and including 20 years of service credit. A disability pension applies to any seaman

with 15 to 20 years of service without regard to age. There is also a special 10 year disability pension and a 5 year service-connected disability pension.

We have done a tally of the age distribution for the 241 applications approved by the Board of Trustees during the past two months for service pensions. By five-year age groups, they are as follows :

Age group :	<i>Number of pensioners</i>
Under 40.....	16
40-44.....	61
45-49.....	31
50-54.....	35
55-59.....	44
60-64.....	54

The earliest age represented is 37, with one at that age. There were seven at the upper end, that is age 64. The age distribution for this group is probably typical of the entire 2494 seamen in terms of age at date of retirement.

Perhaps not surprisingly, we have found that the men who retire at the earlier ages (45-55 and below) tend to stay ashore. The older men find it harder to adjust to shoreside life and harder to find suitable employment ashore. These are the ones who most often return to sea.

I hope these thoughts and the information presented will be of help to you.

Sincerely yours,

JOSEPH CURRAN, *President.*

ITEM 5. INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
Washington, D.C., July 20 1967.

DEAR SENATOR MONDALE: This is in reply to your letter requesting the point of view of the International Brotherhood of Electrical Workers, AFL-CIO, on early retirement.

We are enclosing Pension Surveys prepared by our Department of Research and Education for various branches of the industries where we have negotiated pension plans. You will note that most of these plans include provision for early retirement which are tied to age and years of service.

We have found that the desire for early retirement is stronger in direct ratio to the physical demands of the work a member is doing. For example, a lineman is more anxious to retire early than an operator in a powerplant. Health is another factor that influences the choice of retirement age. Still another factor is the amount of retirement income available. If the plan provides benefits that are adequate for comfortable retirement living, more people are inclined to choose early retirement.

We have one plan which provides for partial retirement at age fifty five, with the employee continuing to work on a part time basis. This gradual approach to complete retirement seems to have advantages because it eases the transition from full-time work to complete retirement.

These brief comments will, we trust, convey some of our thinking in regard to early retirement.

Sincerely yours,

GORDON M. FREEMAN,
International President.

ITEM 6. LOCKHEED AIRCRAFT CORPORATION

LOCKHEED AIRCRAFT CORPORATION,
Burbank, Calif., July 18, 1967.

DEAR SENATOR MONDALE: I am sorry that my reply to your recent letter concerning our retirement plan has been delayed.

Under our plan, normal retirement is at age 65 but an employee having attained age 55 and 10 years of service may retire early without company consent. If such retirement occurred prior to August 1, 1965, the benefit earned to the date of early retirement was actuarially reduced to conform to the employee's then attained age. At that time our plan was amended, and an employee retiring after August 1, 1965, receives a benefit based on his years of service as follows:

(1) No reduction if the participant's then attained age plus his years of service equals or exceeds the number eighty-five (85).

(2) 2½% reduction for each number of the participant's age plus years of service do not equal the number eight-five (85), or

(3) 2½% reduction for each year the participant is under age sixty-five (65) if such reduction is lesser.

As you will recognize, this amendment represented a substantial liberalization of the benefits payable to early retirees. We think that the change has met with the approval of the employees and the unions involved.

You will find enclosed a copy of the plan which covers most of our hourly-paid employees.

Do not hesitate to call upon us if there is any additional information you would like to have.

Sincerely,

D. J. HAUGHTON.

ITEM 7. MINNESOTA MINING AND MANUFACTURING COMPANY

3M Co.,

St. Paul, Minn., July 19, 1967.

DEAR SENATOR MONDALE: Thank you for your letter of June 30. I am pleased to learn that the Senate Subcommittee on Retirement and the Individual of which you are Chairman has concerned itself with retirement problems—in particular early retirement and its implications. I will be interested in the result of your hearings.

For a number of years 3M Company has also interested itself extensively in its employees' retirement problems, including improvements in our pension plan and a formal retirement preparation and counseling program for those approaching retirement age.

3M has adhered to a flexible retirement policy not only to make it possible for some employees to continue working beyond the accepted retirement age 65, but also to make it possible for some to retire prior to normal retirement. We believe this is a sound policy and that consideration should be given to early retirement of certain employees because of health, personal wishes of the individual, or for other compelling reasons. Accordingly, we assist our people in establishing a mutually satisfactory early retirement plan.

Incidentally, in consideration of the fact that age 65 has become commonly accepted for normal retirement, it is interesting to note that the people who framed and enacted the original Social Security legislation were not in favor of 65 as a basic retirement age. Age 65 is a compromise, and this is one of the reasons 3M favors a flexible retirement policy, recognizing that people grow old biologically, not necessarily chronologically.

3M's retirement preparation program consists of individual counseling on an annual basis, commencing five years in advance of normal retirement. At these counseling sessions, the employee is informed of his ultimate retirement benefits from 3M, as well as other benefits, such as Social Security, Veteran pensions, etc., to which he may be entitled. Specialized assistance is provided in the areas of finance and budgeting, and considerable time is devoted to the area of utilization of post-retirement leisure time. Frequently, members of the family are invited to participate in these sessions, and if health is a factor, the family doctor may be consulted.

It is our experience that as a result of specialized assistance in retirement preparation, and because of improvements in Social Security and private pension plans, more and more employees are interested in early retirement not because their jobs are being eliminated, but because they wish to enjoy the fruits of their many years of labor, and look forward to a number of years of active, interesting and satisfying leisure.

In your opening statement to the Senate Special Committee on Aging, June 7, 1967, you indicated that, "Ours is a work-oriented society in which the individual derives his status and meaning from the position he holds, the kind of work he does and the amount of money he earns. We value productivity and we have a tendency to downgrade those who have retired because of their unproductiveness and dependency." This has not been our experience at 3M. We find, instead, that the vast majority of our employees are respected and envied by those who look forward to their own retirement. Retirement for the prepared individual is a new and very satisfactory way of life.

I am pleased that medical advances continue to produce greater longevity so that 3M retirees will have a great many more years to enjoy leisure time. It is

true that retirement frequently deprives a company of highly valuable and skilled specialists, and it is also true that greater longevity will add considerably to industry's cost of defraying company pension plans. Nevertheless, I still would not attempt to discourage the man from early or normal retirement who has reached the decision that he no longer wishes to be required to produce daily for his employer. You are undoubtedly aware, however, that a number of our people who are capable and desire to continue work beyond normal retirement age are encouraged to do so, and we most assuredly appreciate their continuing efforts and contributions.

I am convinced that problems facing some of the older workers today can be solved, or at least minimized, through a combination of retirement preparation, advance planning and a flexible retirement age. An increasing number of industries have initiated counseling and assistance programs for employees in advance of normal retirement age.

May I wish you success in your hearings, and, again, I will be most interested in the results.

Sincerely,

HARRY HELTZER.

ITEM 8. CATERPILLAR TRACTOR CO.

CATERPILLAR TRACTOR Co.,
Peoria, Ill., July 24, 1967.

DEAR SENATOR MONDALE: Your letter of June 30 requested information about our pension plan and how its design relates to the problems of early retirement.

Although Caterpillar had previously established a plan for all employees before 1950, our pension plan since then for most hourly workers closely paralleled the plans negotiated between UAW and the automotive companies. These plans provided a flat rate amount to retiring employees based upon their service with the Company, with no relationship to level of earnings.

Caterpillar contracts with UAW expire approximately one month after the automotive contracts, and as bargaining progressed in 1964, we viewed with concern the early retirement features of the automotive pension plans. These provided a basic pension rate for an employee retiring at 65 of \$4.25 per year of service, with no actuarial reduction for retirement as early as age 62. They further provided substantial bonuses or supplements upon early retirement which would pay additional pension until age 65. The pre-65 supplement was designed so that the long service employee (30 or more years' service) could retire at age 62 with as much after-tax income as if he continued working. As a result, we understand the vast majority of UAW employees in the auto industry are retiring early.

Obviously, we were in no position to judge the wisdom of encouraging early retirement in the auto industry. But we knew that a plan designed to encourage early retirement would not serve the best interests of Caterpillar and its people. Our employees over age 60 are among the most productive and efficient of our entire work force, and forcing their early retirement would only have relieved us of a valuable human asset which is in short supply. Therefore, we proposed a plan with a higher basic pension formula, but without the early retirement supplement negotiated in the auto industry. The agreement eventually signed further increased the regular pension benefit from \$4.25 per month (as established in Detroit) to \$6.00 per month, which is the basic rate in our plan.

Our experience since 1964 has justified this approach to the pension area. The rate of early retirements among Caterpillar UAW employees is substantially less than that reported from the auto industry—but once retired, our retirees enjoy a higher lifetime retirement income.

Not only is this arrangement beneficial to Caterpillar in its efforts to retain an efficient work force, but from our standpoint it is inadvisable to provide a very high pension benefit which tempts employees to retire early only to have such pension drastically lowered when the employee reaches age 65—when he is less employable or more likely to be physically limited.

A leaflet which describes the 1964 pension plan as now in effect is attached.*

Sincerely,

R. T. KELLEY.

*Retained in committee files.

ITEM 9. CARSON PIRIE SCOTT AND COMPANY

CARSON PIRIE SCOTT AND COMPANY PRE-RETIREMENT PLANNING PROGRAM

The Carson Pirie Scott and Company Pre-Retirement Program is divided into two parts.

PART I. PREPARATION FOR RETIREMENT COURSE

The preparation for retirement course entitled "Making the Most of Maturity" is based on the one given by the Industrial Center of the University of Chicago. The material for this course was prepared by authorities in the field and is available to trained discussion leaders through the University of Chicago. Carson's has presented this course two or three times a year to groups limited to 20 individuals. Enrollment for the classes is on a voluntary basis and is open to all employees who qualify for pension benefits. Interest in the course is increasing among employees in their late forties and fifties. However, our classes consist predominately of employees sixty and over for whom some of the subject matter in the course comes too late in life. The recommended timing for the course is approximately ten years before retirement. The scope of the course is indicated by the lesson titles:

1. The Challenge of Later Maturity
2. Nutrition and Health in Later Life
3. The Physical Side of Aging (This one is led by our Medical Director)
4. Mental Health in Later Life
5. Financial Planning for Retirement
6. The Meaning of Work
7. Getting the Most Out of Leisure
8. Increasing Your Retirement Income
9. Family, Friends and Living Arrangements in Later Life, and
10. Where to Live When You Retire

The course is given on company time once a week in one-and-a-half hour sessions over a period of nine weeks. The weekly interval between lessons permits him to think about the subject matter presented and to study the booklet given to him in preparation for the next session. The possibility of improved attitudes toward the later years of life is enhanced. Participants in the course receive framed certificates for completing the nine sessions. Each certificate bears the signature of Dr. Robert Burns, Director of the Industrial Relations Department of the University of Chicago and Mr. C. Virgil Martin, President of Carson Pirie Scott and Company.

In the course all the gimmicks of good teaching are used—slap-on posters, points made by the class listed on a flip chart, movies and extra materials and literature pertinent to the subject being discussed. Each lesson is conducted as a conference.

Although information is given in the course, the real purpose of the sessions is to help people face the later years of their lives and begin preparing NOW for a fruitful life after work. Each person must solve the problem for his own life. There is no particular answer. What is right for one person may not meet another's need. The course hopefully stimulates people to think and to plan for his own life after retirement.

PART II. ANNUAL INTERVIEW

A part of our program is the annual conference. This is an interview with each employee in the store, starting at age 60 and continuing until retirement. In the case of employees working part time after retirement, a similar annual interview is held. The interview takes place in a sound proof office and is on company time. Absolute privacy is maintained. The interview may be concluded in fifteen minutes or may be extended to as long as an hour depending upon whether this is a first or follow up interview. If many or complicated problems arise the discussion continues until all questions are answered. Essentially, the employee should feel that this time is his.

The voluntary retirement program is explained in this interview. We tell the employee that Carson's does not have a compulsory retirement age. He may work after 65 if he maintains a good job performance record, his health is good and he is needed in the job.

We review with him his job performance which has been rated by two of his supervisors. This job performance record helps us to spot potential trouble ahead. Is his attendance poor? Does he get along well with others? Is he alert

and accurate or is his production slipping? If there is a difficulty we discuss it frankly to help him find a solution. When the report is good he is given praise for his accomplishment.

Carson's Pension Plan and Profit Sharing and Savings Plan is explained briefly. A booklet on Carson's retirement benefits is presented to the employee. This booklet covers qualifications for retirement benefits. We also give him the booklet "Your Social Security" and "Look Forward to Your Retirement", the first issued by Social Security and the latter by the Chamber of Commerce of the United States.

We discuss the potential retiree's hopes and plans and start him thinking of the retirement years ahead. We help him realize that he should be prepared financially, socially, emotionally and mentally. We encourage him to take part in community service activities or anything that gives him interest outside of himself.

In these sessions we attempt to cover each phase of retirement planning, questions on health, financial provisions, a place to live, something to do, and when to retire.

At the close of the interview the employee is given his annual physical examination by the company doctor. The role of the medical department in handling the physical examination for older workers cannot be overestimated. When the doctor finds a borderline case, a three month or a six month check-up is recommended. In most cases a later examination shows improvement in health as a result of the doctor's recommendations. If real trouble is found the doctor submits a rejection slip. This usually results in an immediate or near term retirement.

What has this interview accomplished? It has helped the individual to make realistic plans for retirement. It has helped him maintain his work standards. Physical condition is maintained and often improved. Because Carson's is interested in him his morale is improved, also.

1. Methods of emphasis that make our program unique

The Preparation for Retirement course is *not unique*. A great many companies conduct classes on preparation for retirement for their employees. In the Chicago area, for example, there are programs at Abbot Laboratories, Acme Steel Company, Avon Cosmetics, Bell and Howell, Commonwealth Edison, Inland Steel, Sunbeam Corporation, Swift and Company, to name a few.

One feature of our program that may be unique is the annual interview. We interview all employees age 60 and over every year in their birthday month. This interview is designed to bring the employees into an atmosphere of confidence in themselves and in the company. The atmosphere is warm and friendly and the interview is confidential. Problems are discussed that would not be brought up in group meetings.

2. Importance of the program to the employer

An important addition to the companies' benefit program.

Offers an opportunity to state qualifications for participants and benefits of Carson Pirie Scott Retirement Plan including Pension Plan and Profit Sharing and Savings Plan and to promote a better understanding of the Retirement Plan (Pension Plan and Profit Sharing and Savings Plan).

Is a good morale builder before employees retire.

Majority of employees retire voluntarily and more are taking early retirement because suspicions are allayed and resistance is overcome.

Contributes to good Public Relations. (An employee retiring at age 65 has an average life expectancy of 15 years. He can sell the company in his community and to his friends.)

Adds to productivity and maintains health by dispelling anxieties.

Spots troubled areas early and saves employees for continued work in later years.

(Carson Pirie Scott and Company allows part time work after retirement for further adjustment and for supplementing income.)

3. Importance of the program to the employee

Receives information concerning Social Security and Carson Pirie Scott and Company benefits which makes it possible to plan ahead.

Improves employee attitude and retirement becomes a desirable achievement.

Becomes aware of the need for planning ahead.

Helps employees lead interesting and meaningful lives in retirement.

Enables employees to make better adjustments and face changes realistically when they know what is ahead.

Creates a positive attitude.

Identifies with group through meeting with fellow employees and sharing common problems and ideas in retirement classes.

Prestige among fellow workers.

Confidence in the future.

4. *Suggestions for ways in which our experience might be helpful in planning pre-retirement programs for Federal agencies*

We have come to the conclusion that retirement classes should be made available to employees age 45 and up. An early start in planning for retirement has advantages:

1. Financially plans can be developed over the high earning period.

2. Actual retirement is still years away, and can be contemplated with a certain detachment, free of the anxieties that beset the person who hasn't lived with the idea. In fact, most people in the middle years enjoy think of the time when family responsibilities will be lighter and personal freedom for hobbies, travel etc. will be possible.

3. Publications:

Public libraries can supply bibliographies and references upon request.

United States Government Printing Office, Washington, D.C., Superintendent of Documents has an excellent annotated bibliography: Education on Aging, Bulletin 1958, No. 11, prepared by the Office of Education. (A new, up-to-date bulletin may be available.)

Consultant Services:

University of Chicago, Industrial Relation Center, 315 Park Avenue South, New York, N.Y. 10010

Chicago Commission for Senior Citizens, 185 N. Wabash Avenue, Chicago, Illinois 60601

Harvest Years, Guide to Pre-Retirement Planning, 104 E. 40th Street, New York, N.Y. 10016

Retirement Advisors, Inc., 3 East 54th Street, New York, N.Y. 10000

MARGARET SAWYER,

Director of Counseling and Employee Activities.

ITEM 10. AMALGAMATED CLOTHING WORKERS OF AMERICA

AMALGAMATED CLOTHING WORKERS OF AMERICA,

New York, N.Y., July 11, 1967.

DEAR SENATOR MONDALE: In reply to your letter of June 30, in connection with the hearings on retirement practices, I am enclosing the most recent report of our insurance and retirement program. Although there is no special impetus for early retirement in our industry, nevertheless we have undertaken fairly extensive programs to assure that those who retire will be able to enjoy productive and enjoyable years. In a number of cities, our affiliates have set up retirement centers, which offer recreation and education facilities and programs. In one city, Philadelphia, we are in the process of building an apartment house for retired members, specially designed to meet their needs. Finally, prior to retirement, a number of our affiliates have sponsored educational programs to prepare older workers who are about to retire.

I do not write with any particular sense of satisfaction that we are doing all that should be done. I am sure there are many areas where we could play an even larger role in helping our retirees fulfill themselves in their later years, and I am hopeful that your Committee's hearings will help point the way.

With best wishes, I am

Sincerely yours,

JACOB S. POTOFKY,

General President.

ITEM 11. INTERNATIONAL BUSINESS MACHINES CORP.

INTERNATIONAL BUSINESS MACHINES CORP.,

Armonk, N.Y., July 26, 1967.

SIR: In response to your letter request to Mr. H. W. Trimble, Jr., of June 30, 1967, there is enclosed herewith a copy of the pages (dated 1/67) from our

employee benefits booklet which explains the IBM Retirement Plan as it is presently constituted.

Our Plan was first established in 1945, and has been amended since from time to time. Normal retirement has been at age 65 from the start.

In 1950 the Plan was amended to provide for early retirement for the first time. Such early retirement was permitted with the consent of the company at any time after age 60, provided the employee had 20 years of service. In such event the employee's normal retirement income was first computed, based on his length of service and earnings to his early retirement date, and this amount was then reduced by one-half of 1% for each month he retired prior to his normal retirement date.

As your letter indicates, the early retirement provisions of the IBM Plan have been liberalized since 1950.

In 1959, the Plan was again modified, and early retirement was thereafter permitted at or after age 55. The service prerequisite for early retirement was reduced to 15 years, and the requirement that the company consent was replaced by a rule that the employee give the company six months notice of his intention to retire early. (Today, when circumstances warrant, this six-month notice requirement may be waived.) His normal retirement income was again reduced by one-half of 1% for each month he retired early for up to 60 months, and then by one-third of 1% for each month over 60 months.

Again, in 1962 the Plan was amended to permit "levelling"; an employee retiring early before his Social Security is payable may elect to have his monthly income provided by the IBM Plan adjusted to provide, as far as practical, a total monthly retirement income, including Social Security, at the same level, both before and after Social Security begins.

In 1965, the amount by which an employee's normal retirement income under the Service and Earnings formula is reduced by reason of early retirement was lowered to a straight $\frac{1}{4}$ of 1%, or 3% per year (previously 6% per year from 60 to 65 and 4% per year from 55 to 60), for each month he retired early at or after reaching age 55. Finally, last year we amended the Service computation of retirement benefits (as distinguished from the Service and Earnings computation), increasing the monthly retirement benefit from \$4.50 to \$6.00 for each year of service, and providing for a reduction of $1\frac{1}{4}$ cents for each month of early retirement.

You have indicated that the primary concerns of the Subcommittee's hearings will be such subjects as: the reasons individuals retire early, the advantages or disadvantages to the retiree, overall effect upon the availability of skilled labor, and effect upon the retiree's adjustment.

We do not inquire of an employee the reasons for requesting early retirement. Our own experience with early retirement is so relatively limited as not yet to qualify us to make more generally constructive comments with regard to your areas of particular concern other than to note that our own rate of early retirement has been gradually increasing to date.

At the end of 1966 we had approximately 130,000 regular employees on our domestic payroll subject to the IBM Retirement Plan. Through 1966, and from the inception of our Plan in 1945 (when we had slightly more than 18,000 domestic employees), we have had a cumulative total of 2,575 retirees. Of this number, 480 (or 18.6%) have been early retirements.

In 1957, six of 76 retirements were early, or 7.9%. By 1960 the percentage was 11.9%, and in 1964 it reached 26.9%. Last year the figure was 45.2% (132 out of 292 employees chose early retirement). The average age at retirement of those who retired early was 60 years and five months.

We very much hope that the foregoing information may be of some assistance to your Subcommittee.

Respectfully yours,

ROBERT C. RANSOM,
Corporate Counsel.

ITEM 12. UNION CARBIDE CORPORATION

UNION CARBIDE CORPORATION,
New York, N.Y., July 21, 1967.

MY DEAR SENATOR MONDALE: We have received your request for information related to your Senate Subcommittee on Retirement and the Individual for use in connection with the hearing you have scheduled in Detroit, Michigan, on July 26.

You specifically asked for details of our retirement program related to early retirement. We are enclosing a booklet entitled "Your Union Carbide Retirement Program." Our provisions for retirement under age 65 are stated in general terms at the bottom of page 5 and on page 6.

We are also attaching a "Description of the Non-Contributory Pension Plan for Employees of Union Carbide Corporation." Should you wish detail on the method of calculating our early retirement benefits, this is covered on page 3, Section 4a and b, and in Table 1 which follows page 10.

It is our impression that our employees generally wish to continue to work and receive the greater income associated with full-time employment until about age 65, which seems to be generally accepted as a normal retirement age. We have endeavored to design our retirement program so that those employees who have personal reasons—short of total and permanent disability—that are sufficiently compelling, can elect to retire after age 55 and before 65 if they have been with us at least 10 years. To do this they must be prepared to accept lesser benefits from us and the Social Security program.

We trust that the information we have provided concerning our retirement program will prove helpful to your study. Thank you for the opportunity to comment.

Very truly yours,

KENNETH RUSH.

ITEM 13. OIL, CHEMICAL AND ATOMIC WORKERS INTERNATIONAL UNION

OIL, CHEMICAL AND ATOMIC WORKERS INTERNATIONAL UNION,
Denver, Colo., July 24, 1967.

MY DEAR SENATOR MONDALE: I am very pleased that you make inquiry about OCAW with respect to our Sinclair Early Retirement Pension Agreement for the purpose of obtaining information for your Senatorial Subcommittee on Retirement and the Individual.

In the winter of 1963-64 we conducted a number of preliminary conferences and studies with the Sinclair Company on the feasibility of negotiating improvements to our pension plan for the Sinclair employees covered under our contract with that Company. We pointed out that we would like to establish a pension plan that provided a normal retirement at age 62. Because of our early retirement planning and interest in this subject Sinclair, working with their pension specialist, and we, working with specialists from the Industrial Union Department, explored with the Company many potential approaches. While both parties recognized this might be, at that time, rather revolutionary and expensive the Company nevertheless evidenced much interest in working out with us a possible approach such as we were suggesting. At that time the Union was pursuing a course of obtaining improvements in benefits primarily instead of substantial wage increases.

The Sinclair Company was expressing concern as to the Company's lack of profitability with respect to Company operations, and indicated they were not sure that they could afford to go this route. However, the Company has been forced to make rather substantial cuts in the number of employees represented by our Union in the prior two years to this time and many of these people were young employees. In fact, the Company at that point had reached the point where in a number of their operations they were up to 15 and 16 years seniority on the youngest employees still on the Company work force. We pointed out that the Company could, throughout its operations, probably save a considerable sum if they provided a normal retirement at age 62 because many employees, offered the attraction of retiring at age 62 without a 15% discount, which would have been the practice under the then existing agreement for retiring 3 years early, would have elected to retire thus eliminating older employees without hurting them, and providing the Company with an opportunity to retain younger employees. This would not only be true for the people we represented but also company-wide throughout its operations, including many salaried categories. The Company was topheavy at that point and this would, as a result, be an obvious efficiency to the Company in terms of utilizing the manpower they had which we thought would redound to the benefit of the Company.

In addition, the oil industry is particularly highly automated in our refiners, as much as 50% of the work force works shift work. There are, naturally health problems that the application of normal sick leave, along with the cost of hospital

care, becomes an expense factor that we have handled through sick leave and hospital premiums. A sick leave paid for entirely by the Company. The cost of hospital premiums paid for jointly. It was pointed out that frequently the health picture seems to be more prevalent in the older people as a cause for lost time after many years of shift work. These arguments were persuasive to the Company and at that point the cost of the agreement arrived at providing normal retirement at age 62 was something in the neighborhood of 4¢ per hour. Of course, since less than three years has elapsed since this plan went into effect on January 1, 1965, our experience is not well known to us, particularly myself, since I no longer am responsible for this phase of our operation. It is apparent to me, however, from things I have learned from the Company since, that our agreement has been proven out and that the Company feels that the agreement was demonstratively satisfactory in the long run, and I feel was accepted as part of the Company's move towards improving its efficiency overall.

In the period shortly after the agreement quite a few people did retire. In essence the basic improvements to the pension plan at that point were the provisions that a person should not be discounted for retiring at age 62 and the provision to modify the normal annuity accrued of the first 1.5% on the first \$400.00 on salary, and 2% on the excess to 1.45% of the U.S. Social Security base and 2% on the excess which provided a greater earning power based on the Social Security base instead of a fixed salary formula. Finally, for employees who had not earned pension even though they went to work at age 21 until they reached age 25, we provided for credit for the years prior to age 25 and provided, in addition thereto, for the elimination of the 40 year maximum which had prevailed up to that time.

In essence these are the broad and salient points in the negotiations as one of the participants who handled these negotiations, even though I have been away from this problem now over two years in the capacity as Secretary-Treasurer of the Oil, Chemical and Atomic Workers International Union. I think, however, you will find the general statements conform with the Union's side of the situation reasonably well. Because of the importance of this question I think you may find the memorandum, which I am providing, highlights this agreement and may be of value to you. I am attaching a photo copy of this memorandum.*

I neglected to say we modified the discount formula for the period under age 62 to encourage people who might have reasons to retire earlier than they might otherwise so they would not be made to suffer as greatly by reason thereof as they would have under the old plan.

If I can be of further assistance, please feel free to call on me.

Yours very truly,

B. J. SCHAFER,
Secretary-Treasurer.

ITEM 14. INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS,
Washington, D.C., July 13, 1967.

DEAR SENATOR MONDALE: I was very pleased to receive your letter of June 30, 1967. The hearing of the Senate Subcommittee on Retirement and the individual should prove of great value.

You asked for details of the retirement plans in effect at Lockheed Aircraft Corporation . . . I am pleased to send you a copy of the Lockheed Aircraft Corporation Retirement Plan. Section 3.04 on pages 23 and 24 of the enclosed plan deals with early retirement benefits.

I should like to call your attention to a program of medical insurance to cover the period from early retirement to age 65. This program is not a part of the retirement plan, but is a program an individual may elect to participate in upon early retirement.

I am informing the officers of the various Lockheed locals of your hearing. Should they wish to make any comments they will communicate directly with you.

Sincerely yours,

P. L. SIEMILLER,
International President,

*The memorandum is printed with the material received from the Sinclair Oil Corporation, p. 577.

ITEM 15. INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION

INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION

San Francisco, Calif., August 2, 1967.

DEAR SENATOR MONDALE: * * *

I am pleased to learn of the creation of your Subcommittee. We at the ILWU have long taken the position that the problems of aging and retirement have been too often overlooked as a question of national policy. I anxiously await to learn of the proceedings and outcome of your hearings, and can assure you that our pensioners are watching with great interest.

Rather than belabor you with my personal views on the problems you are attempting to confront, just let me briefly summarize the development and provisions of our pension plan and mechanization agreement in the longshore industry.

The Longshore Pension Plan first went into effect on July 1, 1951. At that time a longshoreman with 25 years in the industry at age 65 was eligible for a pension of \$100 per month, commencing July 1, 1962. At the same time in 1951, the mandatory retirement age of 68 was made a part of the pension agreement.

On July 1, 1956, a disability pension was created which provided a pension of \$100 a month for disabled persons with 25 years in the industry who had not yet reached age 65.

On October 1, 1957, the pension agreement was amended to provide that a widow and/or unmarried dependents of a pensioner could receive his pension benefits for one year after his death.

On July 1, 1961, both pensions, regular and disability, were raised to \$115 per month.

On November 1, 1961, the pension plan was amended to provide for a pro-rata pension for a person with 13 to 24 years in the industry at the age of 65.

On January 1, 1962, the above pro-rata provision was extended to disability pensioners.

On June 15, 1965, both pensions were increased to \$165 per month.

On July 1, 1965, the plan was amended to provide that a pensioner's surviving widow would receive one-half of his pension for life.

On July 1, 1966, the plan was amended to provide that those men retiring on or after July 1, 1966, would receive pensions of \$235 per month with 25 years' of service at age 63. In addition, it was agreed that there would be a cost-of-living review on July 1, 1971. Also, the plan was amended so that if a man with 25 years in the industry by age 60 died before retiring, his widow would receive his pension for life.

On July 1, 1961, the by-now famous Mechanization and Modernization Agreement went into effect. That agreement set up three separate funds wholly-financed, like the pension plan, by employer contributions.

The first fund was for vesting and disability benefits. (Note all of this and that which follows is in addition to the pension plan.) Under that fund, a man reaching age 65 with 25 years' service was eligible to receive \$7,920 upon retirement. Or, if a man had his 25 years in by the time he reached age 62, he could retire at that time and draw \$220 a month on his M&M money until he reached normal retirement age of 65, at which time he would then go on to his regular industry pension. This is how we were able to supplement our pension program with an early retirement scheme.

The fund also provided for men leaving the industry disabled before retiring. In this case, a man with 15 years' service could get \$2,640 upon retirement for disability, and that this could go up to \$7,920, at the rate of \$528 for each additional year of service.

The second fund created a death benefit. Under this provision, for a man who died with 5 through 15 years in the industry, his survivors got a death benefit of \$2,640. This increased at the rate of \$472 per year up to 20 years' service, with a maximum of \$5,000.

The third fund created under the original M&M Plan was the Wage Guarantee Fund. This protected the men against a decline in work opportunity by giving them a guaranteed 35 hours of pay per week. As I explain below, this fund was never once utilized in the five years of its existence.

The M&M Agreement was amended on July 1, 1966. The vesting and disability benefits were increased to \$13,000 payable with 25 years' service at age 62. (Note the pension age was then reduced to age 63. Thus, we were able to retain, in

part at least, an early retirement program.) This \$13,000 is payable in a lump sum upon retirement or in monthly installments over either four or five years at the retiree's option.

At the Union's insistence, the Wage Guarantee Fund of the M&M Agreement was discontinued. It had never been tapped in the previous five years, and the accumulation of unused money there created an enormous problem as to just who the money belonged to.

For your further information, I have enclosed the Pacific Coast Longshore Agreement, together with the 1966 amendments to that agreement. Also enclosed is a copy of *Men and Machines* which details the provisions of the M&M Agreement, amended to include the 1966 changes, and contains some useful information on the management and union philosophies with respect to the agreement.

Should you or your Subcommittee require any additional information, please feel free to call on us at any time.

Sincerely yours,

BARRY SILVERMAN, *Research Associate.*

ITEM 16. THE RATH PACKING COMPANY

THE RATH PACKING CO.,
Waterloo, Iowa, July 12, 1967.

DEAR SENATOR MONDALE: This letter is in response to your letter to me dated June 30, 1967.

The Rath Packing Company maintains two retirement plans for its employees. "The Rath Packing Company Pension Plan" covers all employees who are employed by the Company in a bargaining unit represented by a union. "The Rath Packing Company Retirement Plan" covers salaried and wage and hour employees not covered by a collective bargaining agreement with a union. I presume from your letter that it is the Pension Plan that covers unit employees that you are interested in and I will limit my information and comments to this Plan.

Rath has approximately 3,750 unit production employees covered by the Pension Plan. Three thousand of these employees are at our main plant in Waterloo, Iowa, and the remaining 750 employees are located in smaller plants throughout the United States. The 3,000 Waterloo unit production employees, as well as 250 unit production employees located in four processing branches at Decatur, Illinois; Birmingham, Alabama; Dallas and Houston, Texas, are represented by United Packinghouse, Food and Allied Workers, AFL-CIO, under a Master Collective Bargaining Agreement.

In our negotiations with the UPWA for a new collective bargaining agreement commencing September 1, 1964 and continuing for a three-year period, we had offered all of the contract improvements established as the industry pattern by Armour & Co. These contract improvements included increased benefits effective January 1, 1965 to the existing Pension Plan. Our Pension Plan is patterned after and is almost identical to that provided by Armour & Co.

The basic features of our Pension Plan, as amended effective January 1, 1965, are:

1. The Pension Plan is an exempt Pension Plan approved by the Internal Revenue Service and is funded by the Company. The Unit employees make no contribution toward it.
2. Normal and mandatory retirement is at age 65. An employee retiring at age 65 receives a monthly pension based on \$3.25 for each year of credited service he has with the Company. An employee with 30 years' credited service would receive a monthly pension of $30 \times \$3.25$, or \$97.50.
3. Early retirement may be taken by a male employee at age 60 and a female employee at age 55 if they have 10 years or more of credited service. The amount of pension payable to an early retiree is his monthly normal pension reduced by .5% for each calendar month such employee is under the age 65.
4. Total and permanent disability retirement may be taken by an employee who becomes totally and permanently disabled prior to his attainment of normal retirement and who has 10 or more years of credited service. An employee is totally and permanently disabled if he cannot engage in any occupation or employment for wage. His monthly pension would be based on \$6.50 for each year of credited service until such time as he qualifies for F.I.C.A. disability benefits or reaches normal retirement age. At that time his pension drops to \$3.25 for each year of credited service.

5. Partial disability retirement may be taken by an employee who is 60 or over, has 10 years of credited service and is unable to perform the duties of any position in the employ of the Company to which his seniority entitled him. His benefits would be the same as an employee on total and permanent disability.

6. Special early retirement may be taken by an employee who is 55 years or older, has 20 or more years of credited service, and who is entitled to separation pay. His monthly pension would be based on \$4.875 for each year of credited service until age 62 when he would revert to the \$3.25 for each year of credited service. This special pension would be in lieu of severance pay.

7. An employee may elect a survivorship pension option with payments continuing to his surviving spouse after his death.

8. An employee at age 40 and with 15 years of credited service is eligible for a vested deferred pension when he breaks his continuous service with the Company by reason other than death.

9. Widow and orphan benefits are provided to a surviving spouse or children in the event an employee with 10 years' credited service dies prior to his retirement.

The industry pattern improvements to our Pension Plan were not acceptable to the UPWA in our 1964 negotiations. Our employment at Waterloo had been dropping over the previous 5 years and several hundred employees were on extended layoff. The UPWA felt that something should be included in the 1964 agreement to provide jobs for the employees on layoffs. The Company refused to offer more than the industry pattern and a three-week strike resulted.

The strike was settled by the Company agreeing to provide a fund so that employees covered by the UPWA Master Agreement could retire at age 62 and then receive a supplement to make up the actuarial reduction on the Company pension and Social Security benefits. This was not a part of the Pension Plan and was not being provided by any other major meat packing company.

The first early retirees receiving supplemental early retirement benefits under this agreement with the UPWA retired November 1, 1964, and since that time 79 employees have retired between the age of 62 and 65 and are receiving supplemental benefits.

The average monthly supplemental benefit being paid to each retiree is \$27.55. Actuarially computed reserves in the amount of \$358,903.44 have been allocated to fund these supplemental benefits. This amounts to an average funding requirement of approximately \$4,543 for each early retiree.

Approximately 20 to 25 employees per year were retiring early prior to the effective date of the supplemental early retirement benefit. These people would receive the actuarially reduced company pension without any supplement. In 1965, the first full year the supplement was in effect, only 28 employees elected to take early retirement which was not much over the prior year's average. This number increased by about 50% in 1966 when 41 employees elected to take early retirement. About the same ratio of employees have elected early retirement in 1967.

Females compose about one-third of the employees electing to take early retirement although they only represent about one-fifth of our work force. The majority of the females taking early retirement are married and the reason is usually that their husband retired at age 65 and wants them to quit also. Most of the males taking early retirement are single men who have provided adequately for their retirement and want to quit working prior to 65.

Only about 10% of the early retirees appear to be taking early retirement because of health reasons. If their health is such that they qualify as permanently or partially disabled, they elect the disability retirement provisions in the Pension Plan.

The provision for full pensions upon early retirement at 62 provides no benefit for the Company since approximately 90% of these early retirees were skilled employees who had the physical ability to continue until age 65. In most cases they were employees with good steady attendance records. This has not had any harmful effect on the Company the last three years because of the special circumstance that skilled employees with 10 to 12 years' seniority were on layoff and available to fill the openings created. However, if it was necessary to hire new people to fill the openings made by early retirees the Company would have the problem of training them in the necessary skills.

The inducement to retire early has created some job openings, but most of these employees would probably have retired early even without the added inducement.

ment. The full pension at age 62 appears to be merely an increased benefit for employees already inclining toward early retirement.

In the contract negotiations recently completed with the UPWA we agreed to the industry pattern on the Pension Plan improvements which apply, effective January 1, 1968, to all employees retiring after February 22, 1967. These improvements increased the amount per year of credited service from \$3.25 to \$5.00. A provision was also added to provide that an employee may retire at age 62 with a full pension. An employee's pension rights also vest after 10 years of credited service regardless of age.

The UPWA apparently felt that the experience with the Company on supplemental early retirement benefits was favorable from their viewpoint since it was included in their demands to all the major packers and became a part of the Pension Plan. There is no provision for a supplement to Social Security, but the increased pension benefits will more than offset that. An employee with 30 years' service will now receive \$150 per month rather than the \$97.50 he was previously entitled to.

The Company will not be providing any supplemental early retirement benefits for employees who are eligible for the improved pension benefits. The new provision for full pension at age 62 will completely replace the supplement.

Please advise if you need further information and we will attempt to provide it.

Very truly yours,

HARRY G. SLIFE.

ITEM 17. SINCLAIR OIL CORPORATION

SINCLAIR OIL CORPORATION,
New York, N.Y., July 21, 1967.

DEAR SENATOR MONDALE: Your letter dated June 30, 1967 to Mr. Carson, Secretary of Sinclair Oil Corporation, has been referred to me for consideration and reply. We enclose a copy of our employees Retirement Plan as requested and also certain releases made by the Union at the time the plan was negotiated.

We have yet to reach any definitive conclusions on the matters of interest to your committee mentioned in the first paragraph of your letter. These questions, among others, will ultimately be reviewed by us prior to renegotiation of the Plan in late 1969.

Very truly yours,

M. E. STONE,
Vice President of Employee and Community Relations.

[Enclosure]

UNITED STATES

O. A. Knight, OCAW President

A precedent-shattering agreement to improve the pensions of workers who wish to retire earlier than age 65 has been negotiated with the Sinclair Oil Corp. by the Oil Chemical and Atomic Workers' Intl. Union.

By providing financial incentive for an employee to retire, at his own option, at an age earlier than the normal 65 years, this agreement is expected to enhance the job security of younger men whose jobs are threatened in some cases by the decline in work forces caused by automation and new work methods.

The new agreement also provides five weeks annual vacation for employees of 25 years or more company service. Due to the fact that an extraordinarily proportion of Sinclair workers are long-service employees, this vacation benefit will apply to more than a third of the hourly-rated work force within the next two years.

The agreement is subject to ratification by the rank-and-file union members.

OCAW President O. A. Knight announced in Denver July 13 that the union's National Bargaining Policy Committee had voted to approve the Sinclair agreement as being in line with an oil industry-wide negotiations program laid down last January. At that time, the policy committee announced that the union would not ask oil companies for any increases this year, but instead would ask that the equivalent of a five percent basic wage increase be applied to improvements in fringe benefits. The Sinclair pension and vacation improvement is estimated to be the equivalent of about a 4.5 percent wage increase.

The reaching of an agreement with Sinclair is expected to have a strong bearing on negotiations now underway with other oil companies, so while it is not predicted that a pension or pension agreement will necessarily be gained from other companies, where circumstances may be different, it is expected that the Sinclair pact will stimulate other companies to make concessions to the union on various fringe benefits.

The union's contracts covering most of its members in the oil industry are now open for negotiations and the union is in position to strike in support of its goals. However, Knight said that with negotiations now showing some progress with several companies, no immediate strike action was contemplated.

Knight hailed the Sinclair agreement as a major step toward enhancing job security in the oil industry, which has suffered sharply declining employment the last half dozen years because of automation and new work practices.

"Much has been said about retiring older men on decent pensions and thereby opening up jobs for the young men," Knight declared. "This agreement, the first of its sort in any major industry, accomplishes just that on a voluntary basis. Our members working for Sinclair now can retire at any age between 55 and 65. If under 62, the member would have to accept a reduced pension, but beginning at 62 he can claim 100% of the pension earned. The 62-year-old retiree would receive only a few dollars per month less than if he worked on until 65.

"The Sinclair pension is calculated on the basis of 1% of monthly average earnings for the last five years of service multiplied by number of years service. Thus the typical hourly-rated man can retire at 62 with \$200 a month or more company pension, plus his wife's social security, plus the benefits of certain tax exemptions applying to pensions. We predict a high percentage of the men 62 or older will take advantage of this."

OCAW Vice-President B. J. Schafer headed the union negotiating team and V. R. D'Alessandro, Sinclair's industrial relations director, headed the company team which was in session for three straight weeks in Kansas City, hammering out the agreement.

Schafer declared the settlement will be recognized as a giant step forward making age 62, rather than 65, an employee's normal retirement age. D'Alessandro said, "The new pension plan should enhance the job security of young employees by providing a substantial incentive for the older employees to retire when 62 or even earlier."

The agreement directly covers 5,500 Sinclair employees in refineries at Marcus Hook, Pa.; East Chicago, Ind.; Houston, Tex.; Sinclair, Wyo.; research facilities in Harvey, Ill.; and all Sinclair oil and gas production employees, who are located in several states.

ITEM 18. RETAIL CLERKS INTERNATIONAL ASSOCIATION

RETAIL CLERKS INTERNATIONAL ASSOCIATION,

Washington, D.C., August 9, 1967.

DEAR MR. CHAIRMAN: Transmitted herewith are 15 copies of the statement of the Retail Clerks International Association prepared in response to your recent request.

Thank you for granting us the opportunity to present our views regarding the problems of retirement and the individual and, particularly, with the problems of early retirement and its ramifications.

Cordial regards.

Sincerely,

JAMES A. SUFFRIDGE,
International President.

[Enclosure]

STATEMENT OF THE RETAIL CLERKS INTERNATIONAL ASSOCIATION

Mr. Chairman and Members of the Subcommittee on Retirement and the Individual:

The Retail Clerks International Association genuinely appreciates the opportunity granted us to submit information, comments, and suggestions respecting the subject of early retirement and its ramifications.

Prior to commencing our presentation, we wish to congratulate this Subcommittee for its efforts and interest in this increasingly important subject field.

We particularly wish to commend the Chairman and Members of this Sub-

committee for focusing the attention of the hearings upon the impact of retirement upon the individual retiree. Certainly there are grave social issues involved. There is unemployment, the potential creation of new job openings, poverty among older persons, health problems and others. But these issues, as social problems, have been and are being explored, if not solved, by others. This Subcommittee's focus upon the individual is useful, needed, and refreshing. The needs and desires of retirees as individuals, rather than as an abstract sociological class, are worthy of the attention and study of this Subcommittee and the concern of the nation.

Others have covered the statistics of the problem. It has been demonstrated that the issue is becoming increasingly vital as the population enlarges dramatically, longevity increases in larger and larger increments, "youthfulness" continues into life periods previously considered "old", and the nation's productivity grows more rapidly than employment. These are facts of life. It would be shameful and catastrophic if we were to sit back and mourn these developments because they bring with them change, and change raises problems and necessitates adjustments and adaptation. Rather, we should welcome the challenge and recognize the possible benefits. It is the challenges and the benefits that have caught the attention of this Subcommittee. It is a positive, creative response that is required.

MATERIAL NEEDS

At the threshold of the problems of retirement we have recognized the need for material sustenance. We, as a nation, have not yet adequately met this initial and basic challenge. More than thirty years ago the passage of the Social Security Act demonstrated an awareness of the material needs of those who have left employment due to age or infirmity. But the Social Security Act, as significant as it has been, has never in its history caught up with the needs of the individual. The minimal Social Security benefits are disgracefully low and the average Social Security benefits provide substantially less than the Department of Labor's "modest but adequate" income levels. Benefits even remain below recognized poverty levels, which would provide bare subsistence. Even with the proposed 1967 increases in Social Security benefits, we will still lag desperately behind what is needed, and the Congress appears to be legislating less than is proposed.

It is clear that, should the Social Security retirement age be reduced to 55 or 60 years of age, the levels of benefits are far too low to induce early retirement. This would even be true if the benefits were not actuarially reduced, as they are, to provide for the differences in cost resulting from lengthier periods of payments to younger retirees.

The advent of Medicare is, next to Social Security itself, the most important legislative development affecting retirement and the elderly. While we still deplore the delay in the enactment of this much needed legislation, we must lay this aside and look to the impact of the program. Its utilization bespeaks volumes regarding its need and importance.

The time is rapidly approaching for us to reexamine and reevaluate the content of the Medicare program to determine the need for expanded coverage and benefits. The question of program eligibility is of essential import to the problems of early retirement. There are no longer serious doubts regarding the reality of the dilemma of multiplying medical needs and costs contemporaneously with declining income for the older worker and the retiree. Now that the critics and doubters have been routed, it is time to plan and implement the next steps in health security for the older population.

Up to this time we have spoken of governmental actions respecting retirement and the individual. Though we have not covered the field, not having discussed such programs as housing for the retiree, retiree communities, educational, social, cultural, and recreational activities for retirees, and income tax benefits for retirees, we will move on to private initiatives respecting the problem. Later we will return for additional comments and suggestions regarding the role of the federal government with respect to retirement and, particularly, early retirement.

The Retail Clerks International Association has accepted the challenges of retirement as an opportunity to serve its members and the nation. Our Locals have vigorously bargained for and secured pension contributions from employers in every section of the country. Joint Union-Employer Pension Funds have been established, are being established, and are being actively sought for all employees organized by the Retail Clerks. Our Pension Plans are seeking to provide realistic benefits for participants upon retirement. At the same time, consistent with

adequate retirement benefits, we are striving to secure reasonable vesting provisions and prudent funding of pension trusts. We are initiating reciprocity agreements among funds in several states which will serve to allow Clerks to transfer from one area to another without losing service credits and, thereby, reducing or forfeiting pension benefits. Virtually all of our plans provide for early, as well as disability retirement. Early retirement is in each case strictly voluntary on the part of the participant, who may elect to take an actuarially reduced benefit depending upon how early he retires. We are then, positively and aggressively attacking the problems of retirement security.

In a closely related area, we are bargaining for and have achieved considerable health and welfare coverage for our members. This coverage is in many instances maintained by the member subsequent to retirement. Nine Southern California Retail Clerks' Locals, as an example, have adopted separate funds for retired employees' benefits in the food and drug industries.

Collective bargaining for retirees' benefits is crucial to the welfare of superannuated workers. The right to bargain for retirees, to maintain their benefit levels as the cost of health and welfare increases, and to improve such benefits, is at this moment being challenged in litigation. We draw this to your attention, not because we anticipate that this right will be lost, but because we recognize the serious risk and believe it should be well publicized.

NON-MATERIAL NEEDS

The Retail Clerks International Association recognizes that retirement adjustment, fulfillment, and contentment are not controlled solely by material factors. We have encouraged programs within communities to assist older employees in planning for retirement, to promote cultural and recreational activities for retirees, and to foster retiree interest and action in his community.

The program for retirees conducted by RCIA Local 692, Baltimore, Maryland, is representative of the programs conducted by many RCIA Local Unions. The Local 692 Retirement Program encompasses the activities of approximately 80 retirees. It includes both pre-retirement counseling and post-retirement activities. The program is coordinated by a former executive board member of the Local Union, himself a retiree.

Pre-Retirement Counseling: Each member is advised to notify the Local Union of his intent to retire within the year preceding retirement. The member is referred to retirement coordinator who, along with a committee of present retirees, begins counseling the member regarding retirement. Counseling includes specific advice on such technical problems as applying for Social Security and for negotiated retirement and welfare benefits. The counselee is told of the problems he will face and alternative solutions. He is advised on budgetary problems, insurance matters, hobbies, recreational opportunities, and related matters.

Post-Retirement Activities: The retirees regularly meet as a group and plan continuing social activities matched to their interests. The Union Hall is frequently used for both the meetings and activities. Activities are frequently related to needs of the Union in order to generate feelings of usefulness. Even for strictly social events the retiree is advised that he is "needed to represent the Union." But this usefulness is not a sham. The retirees perform many functional and community services on behalf of the Local. They assist with the mailing of Local Union newsletters, stuffing envelopes, and the general run of periodic clerical needs. The retirees participate in national and Local Union shows and exhibits, do volunteer work in United Fund drives, and engage in non-partisan political activities such as voter registration and get-out-the-vote drives.

Such activities are intended to meet President Kennedy's concern which was that "It is not enough to add new years of life; Our objective must be to add new life to those years."

In part then, this is what our organization and the federal government are doing to prevent retirement from becoming a time of crises and despair for the individual. It is what we are currently doing to eliminate the widespread feeling among retirees of uselessness, helplessness, and depression. It is what we are doing to make retirement a period of recreation in its literal sense; a period of leisure, but not boredom; a period of security with dignity.

We have not, however, achieved our goals. The combined efforts of private and public agencies, complementing each other, have not accomplished what is needed. For those who do not receive benefits secured by labor unions through collective bargaining, or benefits created by employers competing for employees

with organized employers, the economic problems of retirement are magnified considerably.

With retirement at age sixty or over still presenting widespread and severe problems, it is not timely to recommend mandatory retirement at age sixty-two or sixty-five. It is certainly not timely to suggest mandatory early retirement, that is, retirement before age sixty. Rather, efforts must be concentrated on making voluntary retirement at present retirement ages conform more closely to our stated goals. We cannot in good conscience compel a man to leave the labor market at a certain age when we have not been able to attract him from work with acceptable retirement conditions.

TO SATISFY THESE NEEDS

What then should we do? Though this Subcommittee is not studying retirement income maintenance, the issue is so much at the heart of quality retirement as to forestall any attempt to evade it. The government, representing the American people collectively, must provide sufficient retirement income to all individuals to allow them to live in quiet dignity. The Social Security System presently provides the best vehicle for attaining this goal through extension of coverage and a substantial increase in benefits. It is not satisfactory to merely avoid abject poverty.

The complement to Social Security retirement benefits provided by private agencies, such as union-employer pension trusts, should not be required to make up for the deficiencies in the public system. Such pension benefits should be considered in the same light as private savings, as a personal and private gain resulting from deferred income enjoyment. Private pension benefits should be able to raise covered retirees from "modest, but adequate" levels of income, to be provided by the public system, to levels of comfort not far below those enjoyed during their working life.

The private retirement system has grown enormously in the last twenty-five years. This growth has been encouraged by federal laws, most particularly the National Labor Relations Act and the Internal Revenue Acts. This encouragement to the growth of the non-public retirement system should be continued. Certainly quality and security in private pension plans should also be fostered, but caution must be exercised to prevent the creation of bureaucratic encumbrances and unjustified cost factors which would inhibit this twenty-five year old growth pattern.

Private health and welfare plans for retirees ought to be encouraged also. While private plans cannot be a substitute for universal public plans, they can provide a complement comparable to that which is provided to the public retirement system by the private system. At the same time that the private system is expanding, medical care for the aged under Social Security should be kept up to date.

The government can also do far more to promote and develop retirement communities, low-cost housing for retirees, community services focusing upon the needs and desires of the retired, recreational and cultural outlets for retired persons, and similar programs to make retirement enjoyable and meaningful for those who have contributed so much to their families, neighbors, communities, and nation.

The Office of Economic Opportunity's Volunteers in Service to America (VISTA) is an avenue that has barely been used in this area, but which offers immense opportunity. VISTA is serving a dual purpose for older Americans. It utilizes older volunteers and serves aged clients. Both approaches are valid and useful. Both deserve serious study to determine whether they can be usefully expanded. The utilization of older volunteer workers, in particular, holds enormous potential for preserving, in fact fostering, the productivity of many of our ablest and wisest citizens. The fact that we are a work-oriented society, and tend to downgrade the unproductive, is too deeply embedded in our religious and ethical beings to be quickly changed. Many an unproductive retiree will become depressed and guilty because he is not contributing to the society and is no longer earning his keep. For such people, we can overcome the loss of the social aspect of the work situation, that is, the fellowship of co-workers, by creating a new fraternity of retirees through community and neighborhood activities. But the guilt and depression caused by lack of work can only be met by creating work. A system of voluntary social employment such as that offered to VISTA volunteers may be the answer. Such social employment would not reduce job opportunities for younger persons desiring gainful employment.

Private charitable groups must also be encouraged to promote voluntary participation by retirees. It is unchallengeable that there exist today social problems within our country that can be, in part, alleviated by organized and directed voluntary workers. If this can be done, while at the same time providing new meaning to the lives of retirees, what is holding us back?

Mr. Chairman and Members of the Subcommittee on Retirement and the Individual, the Retail Clerks International Association thanks you for granting us the privilege extended today to discuss these important matters with you.

ITEM 19. TRANSPORT WORKERS UNION OF GREATER NEW YORK

TRANSPORT WORKERS UNION OF GREATER NEW YORK,
New York, N.Y., August 7, 1967.

DEAR SIR: At the request of Francis O'Connell of our organization, I am transmitting to you the following information, which is of necessity in capsule form, because of the time element. Unfortunately, I have been away on vacation and just returned to the office.

Please be advised of the following:

In connection with transit workers in the City of New York, the New York City local consists of approximately 31,500 transit workers, of whom 26,000 are employees of the New York City Transit Authority and about 5,000 are employed by the Manhattan and Bronx Surface Transit Operating Authority and the remainder are in a number of small companies operating in the metropolitan area.

The employees of the NYCTA are in a pension fund known as the New York City Retirement System which is vested and funded. Currently, it provides for optional retirement at age 55, but does not provide for one half pay, since the retirement allowance is based on the best five years. The retirement allowance for these employees consists of a pension which the employer pays in its entirety representing one half of the retirement allowance and the other half consists of an annuity which the employee pays for. Retirement is based on optional retirement after twenty-five years of service. There is no provision for early retirement except through disability.

In the MABSTOA group, the pension plan is on a pay as you go plan, paid for entirely by the employer. Pension benefits are based on 1% per year of service based on the best five years. Retirement is at age 65 and mandatory with a minimum of 25 years of service.

The small private companies have pension plans which provide for retirement at 65 years of age with various formulas none of which achieve one half pay.

In our recent negotiations and in our current contract with the New York City Transit Authority, we have provided for \$500 annual supplemental pension payment to those who retired on and after January 1, 1966. This supplement helps to overcome the deficit in the pension, caused by the average based on the best five years, but it only actually does so, for those who are in the lower rates of pay or salary groups.

Optional retirement at age 55 is not economically feasible for our members because of the fact that there is a gap for receiving social security benefits until they reach age 62.

At age 62 it then becomes economically feasible for our members to retire, and the trend to retire beginning at age 62 is prevalent amongst our members in the New York City Transit Authority. Early retirement is a physical necessity for transit workers for the following reasons:

There is a high prevalence of intestinal and respiratory disorders. For bus drivers, the average healthful work span is approximately 15 years. Motormen, Conductors and Towermen are subject to hypertension, nervous disorders, as well as intestinal and respiratory disorders. All of the above classifications are required by the Transit Authority to periodic physical examinations once every two years up to age 49 and every year from the age of 50. The rate of disqualification is extremely high when compared to the average level of disqualification. Some of these workers are transferred to other jobs available, but the transfer to other jobs seriously affects their pension retirement allowance and their annuity.

All of the other workers who work in the tunnels and the right of way are subject to the same physical ailments and the same problems, but since they are in non passenger operation the TA does not require them to submit to the same

physical examinations. However, the rate of physical disability or debility amongst these workers is as high because of the same exposure, but it is not as readily detected, because of the fact that they are not required to report for periodic examinations.

The position of this union, as already submitted in the contract proposals which will be submitted to the New York City Transit Authority, MABSTOA and the private companies at the end of this year, will call for optional retirement after twenty years of service, at half final pay, regardless of age.

It is absolutely necessary to make it possible economically for a man to retire, before he is physically deteriorated to the point where he can find no other employment.

Because of the situation with our members, it is our position that consideration should be given through legislation on social security to lower the eligibility age to age 55 for retirement, that is for normal retirement, to persons employed in occupations which tend to debilitate their health. The average hiring age in the Transit Authority is 28 years.

If we had more time to submit more pertinent data supporting our claim, with more detailed statistics, we would do so.

Very truly yours,

ELLIS F. VAN RIPER,
Secretary Treasurer, Local 100 TWU.

ITEM 20. HUMBLE OIL & REFINING COMPANY

HUMBLE OIL & REFINING COMPANY,
Houston, Tex., July 14, 1967.

DEAR SENATOR MONDALE: Your recent letter asked for information on Humble's retirement benefits in connection with a hearing to be conducted soon by the Senate Subcommittee on Retirement and the Individual.

Enclosed is a brochure used to explain the provisions of our annuity program to employees. Among other things, it outlines the formula for calculating both normal and early retirements and gives examples of annuity results in comparison with our previous formula.

We are also enclosing a copy of a research report prepared by the National Industrial Conference Board on the general subject of preparation for retirement. This article was published in "Studies in Personnel Policy, No. 190" and deals with the retirement practices of almost 1,000 companies engaged in various types of businesses. You will notice that it contains a listing of retirement literature distributed by many of the companies participating in the NICB study.

We hope the information furnished here will be useful to the Senate Subcommittee in its consideration of this matter.

Sincerely yours,

L. J. WEIGLE.

ITEM 21. WM. WRIGLEY JR. COMPANY

WM. WRIGLEY JR. COMPANY,
Chicago, Ill., July 17, 1967.

DEAR SENATOR MONDALE: This is in reply to your letter of June 30 requesting some information on the Wrigley Company's Retirement Plan.

Enclosed are two copies of the employee booklet that describes the Retirement Plan and also two copies of supplemental information commenting on the delayed retirement feature of our Plan. Believe these enclosures will provide you with the information you desire but should you have any specific questions, or should you wish to obtain additional copies of the enclosed information, please let me know.

Sincerely yours,

WILLIAM WRIGLEY.

[Enclosure]

WRIGLEY RETIREMENT INCOME PLAN

SUPPLEMENTAL INFORMATION CONCERNING DELAYED RETIREMENT

The booklet entitled "Your Retirement Income" describes our basic Retirement Income Plan in considerable detail with the exception of the procedure we follow

in handling the cases of those employees who wish to continue working after reaching age 65. This summary supplements the regular Retirement Income booklet with information specifically related to the gradual retirement concept.

If an employee would like to keep on working after reaching age 65, he takes a one month's leave of absence without pay during the first year, two month's leave of absence without pay during the second year, and so forth, which is in addition to the regular vacation period. This leave of absence plan was put into effect in July of 1950. At the same time we amended our Retirement Income Plan so that an employee's retirement income is increased each year that retirement is delayed. This particular feature of our Plan is explained on Page 14 of our Retirement Income booklet.

Here is how our leave of absence plan and the revision to our Retirement Income Plan would affect an employee making \$7,200 per year at age 65, with a retirement income available to him of \$3,600 per year. If this employee is permitted to continue with the company for three more years, or until he attains age 68, his annual wage would be \$6,600 during his 66th year, \$6,000 during his 67th year, and \$5,400 during his 68th year. Again referring to Page 14 of the booklet, the \$3,600 of retirement income which was available at age 65 would be increased by 17% per year starting at age 67 and by 28% at age 68. Since this employee would also be entitled to a Social Security benefit of more than \$1,600 per year, he would have a substantially greater income if he retired from company service at age 68 than he would have if he continued in the employ of the company.

By handling post-normal retirement date cases in this manner, we are trying to help these employees get adjusted to living on a little less income each year and perhaps, of greater importance, to wean them away from their work with the hope that they will find other things of interest to occupy their time. Also, during the progressively longer leave of absence periods, younger people will have the opportunity to gradually take on more responsibilities and the company will have a better chance to determine whether they can handle them. And last, but not least, the company may be able to retain the skills, training and experience of the older employees for a period of years on an equitable and non-discriminatory basis.

After a number of years' experience we feel that this procedure which permits gradual retirement is serving the purpose for which it was intended. We have also found that the procedure is practically self-administering. By this we mean that employees are making up their own minds about how many years they would like to continue working after reaching their normal retirement age, and they can more or less make up their own minds as to how fast they want to give up active employment. In our opinion, the very fact that the employees have a choice in the matter seems to be one of the most appreciated and successful aspects of this procedure, although the company still reserves the right to deny an employee's request to continue working past his normal retirement date. This right of the company, however, is exercised only where it is apparent that the employee is not able to carry on his work adequately.

As a matter of interest at this point, we should add that the vast majority of our employees choose to retire at normal retirement time or within one year thereafter. The main factor in our plan does seem to be that the employee has the choice in almost all cases and exercises the freedom to choose.

We recognize that any plan which attempts to deal with or solve the problems inherent with retirement or old age will be lacking in some respects. Ours is no exception and it is always possible that additional experience with this arrangement will prompt us to make some revisions in it to meet changing needs and circumstances.

WM. WRIGLEY JR. COMPANY.

ITEM 22. UNITED STEELWORKERS OF AMERICA

September 27, 1967.

DEAR SENATOR MONDALE: In response to your letter of August 22 to Frank Hoffmann for information on early retirement, you will find enclosed a statement prepared by our Senior Citizens' Committee.

Sincerely,

JOHN J. SHEEHAN.
Legislative Director.

[Enclosure]

STATEMENT SUBMITTED BY THE UNITED STEELWORKERS OF AMERICA

The purpose of this submission is to provide the Senate Subcommittee concerned with retirement and the individual with additional pertinent findings and comments as regards to early retirement.

The United Steelworkers of America has had considerable experience with retirement programs and planning for such programs.

In the early 1950's a survey among some 500 of its retirees revealed the fact that the wives of retirees were in the main younger than the retirees. The value of a reduced age for wives' eligibility for Social Security benefits was quite evident. Our Union supported legislation which reduced the age of eligibility for wives' benefits.

This survey and others conducted later on among steelworkers as well as other organized groups disclosed the need for provisions for retirement before the so-called normal age of retirement. Though the need for provisions for early retirement for the disabled was generally recognized, provisions for early retirement for reasons other than disability were seldom considered.

Early retirement because of less than permanent and total disability; because of increasing tensions; because of company and younger worker pressures; because (under many work agreements) of being passed over—because of ones age although never stated as such; perhaps because one wants to enjoy some specific opportunities afforded them in retirement "before it is too late" such as traveling, pursuit of a hobby, preparation for second careers; or because a plant shuts down and no one will hire you are all valid reasons for early retirement provisions.

The latest survey made among steelworkers retirees (1961) revealed that the average age at retirement was above 65. With the adoption of early retirement provisions in major steel contracts and the use of such a benefit the average age at retirement may now be lower, however information on average age of retirement on a comparable group of steelworkers as studied in 1961 is not available.

In contrast however in an organized industry with less job security protection we found the average age of retirement to be age 63. Over 50% were found to have been forced into retirement before age 65. The basic reasons were found to be:

1. heavy work loads which made it impossible for many with declining health and physical strength to undertake.
2. being passed over in favor of younger workers.

The United Steelworkers of America sees a need at present for provisions for early retirement. Many older workers are hit by ill health, the consequences of automation, and unemployment before age 65—before the age when full retirement benefits are available. We also recognize that breakthrough in the knowledge of the aging process may make it possible for a longer healthy life span. At such time we may instead of provisions for early retirement be calling for provisions for preparation for second careers.

As we see it the need for providing for early retirement and adequate financial benefits is one of economics. It, at this point of time, does not provide only for those who are compelled to retire early but also provides the economy with an additional "way out" of the bad consequences of automation and pressures of younger unemployed workers.

Perhaps at some later date we would be willing to be deeply concerned about some of the "bad" consequences of early retirement such as boredom, the "unproductive" characteristics of retirement years, etc.

May we thank the Subcommittee for the opportunity to make this statement for the record.

APPENDIX 3

REPLIES FROM INDIVIDUALS AND OTHER ORGANIZATIONS

(Subcommittee Chairman Mondale wrote to various individuals and organizations requesting details of various projects, comments, and suggestions. The details of the projects are retained in committee files. The pertinent replies follow:)

ITEM 1. GEORGE KATONA STUDY

SURVEY RESEARCH CENTER,
INSTITUTE FOR SOCIAL RESEARCH,
THE UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., July 5, 1967.

DEAR MR. ORIOL: Senator Mondale was good enough to invite me to testify before the Subcommittee on Retirement and the Individual in Detroit on July 26. To my great regret, I shall be in Europe at that time and therefore unable to attend.

It so happens that my colleague, Prof. James N. Morgan, and I have just prepared a summary of our findings both on the economic position of the retired and on early retirement. This paper was prepared for the Symposium on Old Age Income Assurance before the Joint Economic Committee of Congress. Enclosed you will find a copy of the paper.

Our work on early retirement continues; we shall have more data late this year.

Sincerely yours,

Prof. GEORGE KATONA,
Program Director.

[Enclosure]

RETIREMENT IN PROSPECT AND RETROSPECT

(By George Katona and James N. Morgan, Survey Research Center,
The University of Michigan*)

CONTRIBUTION TO SYMPOSIUM ON OLD AGE INCOME ASSURANCE, JOINT ECONOMIC COMMITTEE OF CONGRESS

Differences in the income of different groups of retired people as well as in the expected retirement income of those not yet retired are presented in this paper in order to shed light on changes in the economic position of the retired during the recent past and on probable changes in the near future.

I. DIFFERENCES IN INCOME AMONG THE RETIRED

We know far too little about the current economic situation of retired people and the factors which make for the prevailing great differences in the well-being of the retired, some of whom are well off while others are not. Some data collected in the 1966 Survey of Consumer Finances will be presented here in order to—

- indicate the importance of some crucial factors that influence the financial position of the retired,
- stimulate more intensive work on these issues, and
- provide a tentative basis for predictions.

*Substantial contributions to the analysis presented in this paper by Ismail Sirageldin and Richard Barfield are gratefully acknowledged.

The tabulations are based on data from 675 respondents and therefore on a fairly small number of cases. Yet they are derived from a carefully drawn representative sample. The total sample of the 1966 Survey consisted of close to 3500 families and single individuals. In about 18 percent of that sample the head of the family, or the single person living without close relatives in a selected dwelling unit, was found to be retired in 1966.¹

Three criteria were selected for the purpose of comparing the economic position of different groups of retired: their current age; their age at retirement; and planned as against unexpected retirement. The three criteria are interrelated. Nevertheless, in studying the influence of the three variables, only the second and third variables will be combined. This method of presenting the findings was chosen because of the probable predictive significance of data on the differences between currently younger and currently older retired people. Since the older retired people have much less formal education than the younger ones, and since many older retired people have neither social security nor private pensions, it is probable that in a decade or so the financial position of the average retired American will resemble the position of the younger ones among those who are now retired, rather than the average of all currently retired people.

Table 1 presents the distribution of the retired people by their age, as well as the relation of age to the age at retirement. It appears that in 1966 only 27 percent of all retired (family heads and single persons considered together) were less than 65 years of age, while more than half were 70 years old or older. Naturally, all retired people in the two youngest age groups retired "early," i.e., before they were 65 years of age. Yet early retirement as defined was much more frequent: it comprised more than one-half of all retired. Nevertheless, the majority of those who were over 70 years of age in 1966 retired "late," i.e., at a time when they were 66 years old or older.

TABLE 1.—DISTRIBUTION OF RETIRED PEOPLE BY CURRENT AGE AND AGE AT RETIREMENT

[In percent]

Age in 1966	Total	Retired		
		Early ¹	At 65	Late ²
Under 60.....	17	17	0	0
60 to 64.....	10	10	0	0
65 to 69.....	22	12	8	2
70 to 74.....	23	8	5	10
75 and older.....	28	6	5	17
Total.....	100	53	18	29

¹ Retired at age 64 or earlier.

² Retired at age 66 or later.

Following the question about their age at the time of retirement respondents were asked: "Had you planned to retire then, or did you have to?" Most respondents who did not answer that they retired as planned said that they retired unexpectedly (and frequently referred to health considerations). Some respondents explained that they had plans to retire but had to change them. These respondents are included among those who retired unexpectedly. Planned retirement is most common among people who retired at the age of 65; both early and late retirement are more frequently unexpected:

Among those who retired at the age of—

64 or earlier.....	39 percent retired as planned; 61 percent retired unexpectedly.
At 65.....	70 percent retired as planned; 30 percent retired unexpectedly.
66 or older.....	46 retired as planned; 54 percent retired unexpectedly.

¹ For a description of the methods of the survey as well as for some additional data on the retired, see the monograph, *1966 Survey of Consumer Finances*, published by the Institute for Social Research, Ann Arbor, Michigan.

It should be noted that retired wives and retired people who live with their children are not counted separately because the analysis in this article relates to retired heads of families. A single retired person is counted as the head. The analysis also excluded older females who have never worked and call themselves housewives or widows rather than retired, even if they live alone or are heads of units.

Income level represents a crucial question in assessing the economic status of the retired. The cash income of all respondents is determined in the Surveys of Consumer Finances by asking not fewer than 18 questions regarding the amount received from various kinds of income sources of the family head, as well as of other family members. The tabulation of total family income before taxes of retired people (Table 2) results from questions asked in January and February, 1966 regarding income received in the calendar year 1965.

TABLE 2.—FAMILY INCOME BEFORE TAXES IN 1965, BY AGE OF THE RETIRED

Age in 1966	Median income	Proportion in age group in percent with income of—	
		Less than \$2,000	\$7,500 and over
Under 60.....	\$3,770	20	29
60 to 64.....	3,650	28	21
65 to 69.....	3,610	20	17
70 to 74.....	2,690	32	10
75 and older.....	2,350	44	10
All retired.....	3,140	33	16

The younger the retired family head (or a single retired person), the higher is his income on the average. The median income of retired people who are 70 years of age or older is particularly low; in these age groups income of less than \$2000 is frequent and income of more than \$7500 infrequent (Table 2).

How can these substantial income differences be explained? One may assume that earned income makes for a difference because the younger a person, the greater the probability that he will be able to work during retirement to earn some money. All retired people were asked: "Did you work for money at any time during 1965?" In reply, 13 percent answered in the affirmative. Surprisingly, the proportion was somewhat lower both among the younger and older retired people, and higher only among those 65 to 69 years of age. On the other hand, receipt of old age insurance payments and of private pensions makes for some difference among the age groups. The most crucial difference among age groups is in their education, a factor known to be related to income level among those not retired. The distribution of educational attainment among the retired is related to their current age in Table 3. Close to 60 percent of the retired who in 1966 were 70 years or older had 8 grades of schooling or less; among those younger than 60, the proportion is 34 percent. No doubt, the older retired people had much lower incomes before retirement than the younger retired people, both because their retirement was at an earlier time, and because they had less education.

TABLE 3.—DISTRIBUTION OF RETIRED PEOPLE BY AGE AND EDUCATIONAL LEVEL IN 1966

Education of head	In percent]					
	Younger than 60	60 to 64	65 to 69	70 to 74	75 or older	All retired
0 to 5 grades.....	10	13	18	23	23	19
6 to 8 grades.....	24	39	38	39	33	34
9 to 11 grades.....	20	11	14	12	14	14
12 or more grades.....	37	27	25	18	22	25
College degree or more.....	9	10	4	5	6	6
Not available.....	0	0	1	3	2	2
Total.....	100	100	100	100	100	100

Median family income of the retired people is related to their age at retirement and to planned versus unexpected retirement. Table 4 shows that people who retired when they were fairly young had much higher incomes during retirement than people who retired when they were older. Furthermore, those who retired when planned had much higher incomes than those who did not. In these respects, earned income makes for a difference: Those who retired as planned worked for money far more often than did those who did not retire as planned. In addition, we again find some difference in education related to income during retirement.

TABLE 4.—MEDIAN FAMILY INCOME IN 1966 BY AGE AT RETIREMENT AND PLANNED VERSUS UNEXPECTED RETIREMENT

Age at retirement	Retired when planned		Retired unexpectedly	
	Amount	Percent ¹	Amount	Percent ¹
56 or younger.....	\$4,950	8	\$3,500	12
Between 56 and 64.....	3,830	10	2,850	16
65.....	3,900	11	2,520	5
66 or older.....	3,500	12	2,200	14

¹ Figures indicate the proportion of all retired people in each group. They add to less than 100 percent because retired people for whom planned versus unexpected retirement could not be ascertained are excluded from the table.

We may summarize the findings as follows: The group of retired people with the highest incomes consists of those who retired at a relatively early age as planned. Two groups with low income during retirement may be singled out: Those who are fairly old, and those who retired late and unexpectedly. The same people often fall into other groups, but others fall only into one and not the other group. Probably both considerations make for a difference.

Income represents one indicator of economic position, but the latter no doubt depends on several additional considerations as well, such as the available assets and the expenses of the retired. The expenses will vary according to the number of people dependent on the family income and also according to the accustomed standard of living. Rather than generating somewhat arbitrary measures of economic welfare, we asked survey respondents for a subjective evaluation of their standard of living in comparison with the one they had before they retired. In this respect practically no differences were found among younger and older retired people (Table 5). In each age group about one-third said that their current standard of living was lower than the one before retirement and a small percentage (approximately 5 percent) that it was higher than the one before retirement. The majority of retired people said that their standard of living was the same. (Some respondents could not answer the question; all that may be said about the not ascertained group is that they did not have a clear notion about a deterioration or an improvement in their standard of living.)

TABLE 5.—DISTRIBUTION OF RETIRED PEOPLE, BY AGE AND CHANGE IN THE STANDARD OF LIVING¹

Present standard of living compared to preretirement standard	[In percent]					
	Younger than 60	60 to 64	65 to 69	70 to 74	75 or older	All retired
Better.....	5	7	4	5	5	5
Same.....	39	48	55	55	61	53
Lower.....	32	32	33	34	30	32
Not available.....	24	13	8	5	4	10
Total.....	100	100	100	100	100	100

¹ The question asked was: "Considering income and expenses, is your standard of living about the same as before you retired, not quite as good, or what?"

It appears then that the substantial income differences between younger and older people did not make for major changes in their feelings about their standard of living. This finding reinforces the notion, derived from the relation between the age of the retired and their education, that the income differences among the retired are greatly influenced by differences in their preretirement income.

It should be added, however, that planned versus unexpected retirement was found to make a difference in the changes in the standard of living people reported. Among people who retired as planned 22 percent said that their standard of living was lower than the one before retirement, while among those who retired unexpectedly 44 percent said so.

An additional question asked in the survey is relevant for an understanding of income differences among retired people. Table 6 shows how the retired reported the ratio of their retirement income in 1965 to their income in the year

before they retired. The answers may not reflect the true income differences correctly because the recollection of preretirement income—often an income earned many years earlier—will be faulty or even biased in many cases. But the answers do reflect people's impressions about how retirement has affected their income. The findings on all retired people are presented here in order to provide a basis for comparison with data obtained in the future (and not for the purpose of demonstrating that one-third of all retired people had a retirement income of 25 percent or less than their preretirement income).

TABLE 6.—SUBJECTIVE EVALUATION OF DIFFERENCES BETWEEN RETIREMENT AND PRERETIREMENT INCOME
[In percent]

Ratio of preretirement income to current income	Age of head					
	Under 60	60 to 64	65 to 69	70 to 74	75 and older	All retired
Less than $\frac{1}{4}$	4	11	5	8	11	8
About $\frac{1}{4}$	15	23	27	32	27	26
Smaller, don't know how much.....	1	4	4	6	6	4
About $\frac{1}{2}$	27	25	29	24	26	26
About $\frac{3}{4}$	3	7	5	5	3	4
Nearly as large.....	11	13	17	11	14	14
Larger.....	5	7	3	4	4	4
Don't know, not available.....	34	10	10	10	9	14
Total.....	100	100	100	100	100	100

¹ The question was: "How does your income last year compare with your income the year before you retired—is it closer to $\frac{1}{2}$ as large, $\frac{1}{2}$ as large, or almost as large as before you retired?"

Older and younger retired people gave substantially the same answers. The impression about the extent of the reduction in income because of retirement does not vary by age. If we recall that actual retirement income varies greatly by age, we again reach the conclusion that the income differences among the retired are influenced primarily by differences in preretirement income. Preretirement income influences retirement income to some extent because of higher social security benefits, and to a greater extent because of more frequent or higher private pensions; earned income, and returns on capital.

II. IMPROVEMENT IN THE INCOME OF RETIRED PEOPLE DURING THE LAST FEW YEARS

Data on the income of retired people a few years ago may provide the proper perspective for the discussion presented in the previous section. To be sure, the available data, taken from the 1960 Survey of Consumer Finances, are based on a very small sample (273 retired people). Nevertheless, they indicate a substantial improvement in the income of the retired during the six years prior to 1965.

The median income of retired people was \$2200 in 1959 as against \$3140 in 1966 (Table 7).² An upward adjustment of the 1959 income data by approximately 10 percent, needed because of the greater purchasing power of the dollar in 1959, does not alter the comparison greatly. (The consumer price index stood at 101.5 in 1959, at 109.9 in 1965 and at 113.1 in 1966.) In 1959 close to one-half of all retired had a family income of less than \$2000, while in 1966 only one-third of the retired fell in this income bracket. The difference between the retired in a very favorable economic position (income of more than \$7500) and those in a highly unfavorable position appears to have been even larger in 1959 than in 1966.

The lower half of Table 7 is indicative of income differences in 1959 and in 1965 among younger and older retired people. In 1959 a smaller proportion of all retired than in 1966 were 64 years of age or younger. It appears that a pronounced income differential by age prevailed in 1959 as well.

² The definition of the retired was the same in 1959 and in 1966. In complete families only the retirement of the family head was considered and the total family income was taken into account.

TABLE 7.—FAMILY INCOME OF RETIRED PEOPLE IN 1959 AND IN 1966

Income	1959	1966
Less than \$2,000.....percent..	46	33
\$2,000 to \$2,999.....do.....	19	18
\$3,000 to \$7,499.....do.....	24	33
\$7,500 and over.....do.....	11	16
Total.....do.....	100	100
Median.....do.....	\$2,200	\$3,140

PERCENT WITH LESS THAN \$2,000 INCOME

Age	1959	1966
Under 65.....	37 (17)	23 (27)
65 to 74.....	40 (52)	26 (45)
75 or older.....	60 (31)	44 (28)
All retired.....	46 (100)	33 (100)

Note: The figures in the parentheses represent the proportion of all retired in each age group in percent.

The relative income position of the retired is compared with that of the non-retired in different age groups in Figure 1. The relation of the median income of the various groups to the median income of all family units is shown for 1957 and 1965. Thereby the absolute growth of income and the effects of inflation are disregarded.

As expected, the income of the retired is lower than the income of the non-retired. But it is only slightly lower than the income of people aged 65 or more who are not retired.³ Figure 1 shows that the relative income position of the retired improved considerably in the last few years. In 1965 their median income was 47 percent of the overall median; in 1959 it was 42 percent, in 1957 37 percent. To be sure, the income position of all age groups (except those under 25 years of age) improved in this period, but the proportion of improvement was the greatest among the retired.

III. LOOKING FORWARD TO EARLY RETIREMENT

There is some evidence of an increasing desire to retire early. Table 8 shows, for selected relevant groups, the proportions planning to retire before they are 65 years of age in 1963 and in 1966. While some difference in the questions and in what preceded them may have had some effect, it seems clear, first, that younger people are more likely than older people to think of retiring early and, second, that this difference reflects at least in part a difference resulting from developments during the last few years. Therefore the difference between 1963 and 1966 may presage a trend toward more purposeful early retirement.

In the past early retirement has been frequently associated with trouble: illness, obsolescence of job skills, unemployment. But people at the other end of the scale may constitute a new source of early retirement in the future: those who planned and saved and retired early because they could afford it. While at present the majority of those who had retired early did not retire as planned (see Table 8), in the future a different relation between planned and unexpected early retirement may prevail.

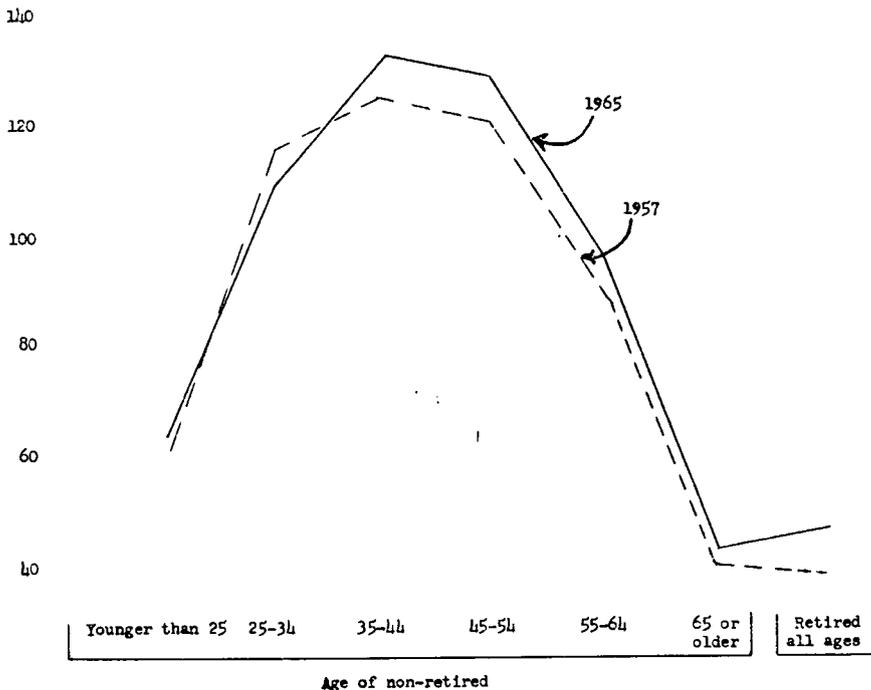
The distributions of *when* people said they planned to retire are given in Table 9. The table indicates that members of the labor force may be divided into three almost equal groups, those who plan to retire early, those who plan to retire at the age 65 to 69, and those who wish to work as long as possible or do not think of retirement.

³ Many of those 65 and over and not retired are not in the labor force either (being widows).

Figure 1

Median Income of Age Groups and of the Retired, Expressed in Percent of Median Income of All Families, 1957 and 1965*

Percent



* Income of spending units in 1957 and of family units in 1965.

Source: 1958 Survey of Consumer Finances and 1966 Survey of Consumer Finances.

TABLE 8.—PLANS TO RETIRE EARLY, BY AGE

[For family heads in the labor force, 35 to 64 years old and with family income \$3,000 or more; nationwide samples]

Age	Proportion who plan to retire before they are 65 (percent)	
	1963 surveys	1966 surveys
35 to 44.....	25	43
45 to 54.....	23	33
55 to 64.....	21	22

Note: In surveys conducted in 1963, in connection with a study of individual saving and participation in private pension plans, the following question was asked: "Now I have a few questions about retirement. When do you think you will retire from the work you do; I mean at what age?" In surveys conducted in 1966, in connection with a study of early retirement, the question asked was: "When do you think you will retire from the main work you are now doing; I mean at what age?" The 1966 question followed other questions about retirement and about what things would be like later on. The 1963 studies were restricted to the group indicated; the 1966 question was asked of a broader group but was retabulated for the indicated group. Both studies were made possible by grants from the Social Security Administration to the Survey Research Center.

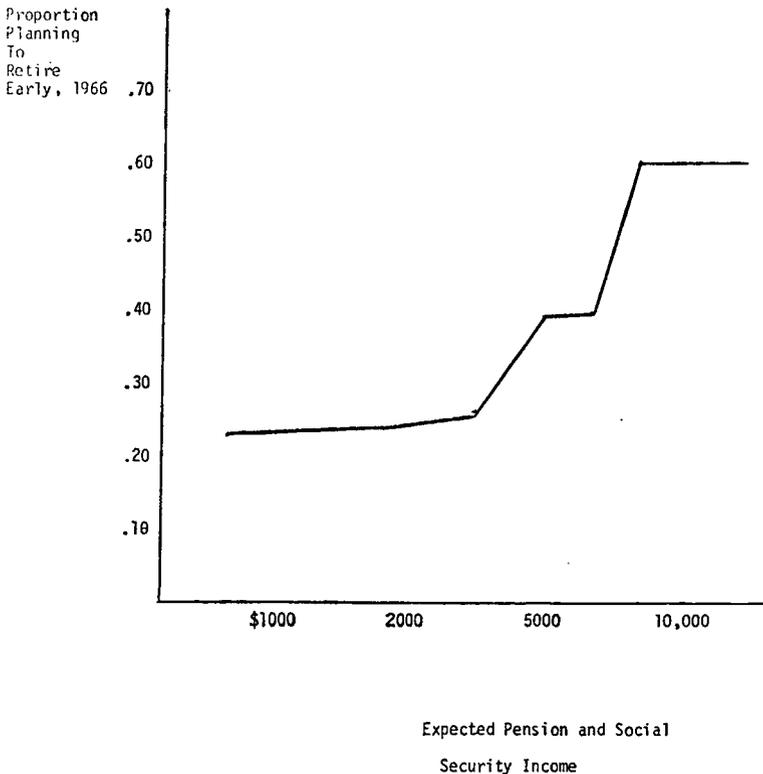
TABLE 9.—WHEN PEOPLE PLAN TO RETIRE

[Heads of families]

When plan to retire	35 to 64, in labor force, with family income \$3,000 or more		All those 35 to 64 and in labor force
	1963 surveys	1966 surveys	
Before age 60.....	4	10	9
60 to 64.....	20	25	25
65 to 69.....	50	37	35
70 or over.....	3	3	4
Will work as long as possible.....	23	25	{ 13
Don't know when will retire.....			
Total.....	100	100	100
Number of cases.....	1,853	1,463	1,853

The 1966 sample of 1853 family heads, 35-64 years old and in the labor force, were asked not only about retirement plans, but also about related facts and expectations. The most powerful single factor leading people to plan to retire early (before 65) was the size of their expected pension income. Figure 2 shows, however, a threshold at about \$4,000 below which differences in expected retirement income did not matter. Several other economic forces were also important: Having a mortgage that would not be paid off in time, or having dependents who would still be a burden, deter plans for early retirement. On the other

Figure 2



Expected Pension and Social Security Income

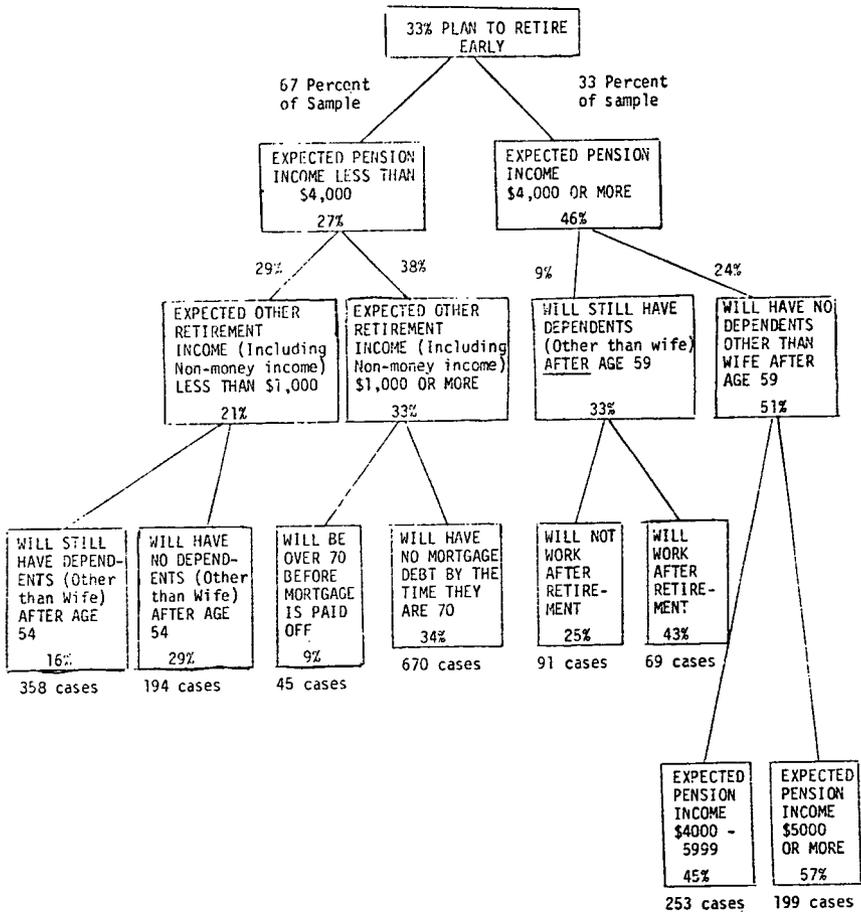
hand the vision of other ways of earning some money after retirement or the expectation of substantial other (non-pension) income encourages such plans. A major form of other income is the non-money benefit of a home that is paid for, and we have included an estimated such non-money income in our analysis.

Figure 3 shows, that after dividing the sample according to their expected pension incomes, such other economic forces as obligations to dependents, non-pension income, or not ending mortgage payments account for further differences in people's retirement plans.

By looking at differences within the four groups (third row of Figure 2) and pooling them, we can investigate whether any of a much broader range of things affects people's plans to retire early. It turns out that nothing else makes a substantial difference, except having talked with one's wife and being convinced that she wants one to retire early, and that may be a result rather than a cause! A number of things appear to be related to early retirement plans, (associated with a moderately larger proportion having such plans).

Figure 3

WHO PLANS TO RETIRE EARLY - ECONOMIC FACTORS



We asked the question,

"Now about your income and financial situation after retirement. Some people feel sure that they will be fairly comfortable at that time, while others think that retirement will cause financial problems for them. How is it with you?"

Those who thought it would cause no financial problems were somewhat more likely to plan to retire early.

Younger people are more likely to plan early retirement, and older people less likely, even if one allows for the fact that at the older ages some of the earlier retirees have already disappeared from the sample, and adjusts for differences in economic expectations.

Age	Actual proportion planning to retire early	Expected proportion adjusted by fig. 3, row 3 (percent)
35 to 44	42	38
45 to 49	36	35
50 to 54	31	31
55 to 59	28	30
60 to 64	16	21

Still adjusting for differences of Figure 3 (row 3), union members, and non-whites were somewhat more likely to plan early retirement, as were those who thought that the unions were putting pressure on people to retire early, and those who knew someone else who had retired early. Similarly, thinking that young people felt that older workers should retire early and make room for others was associated with more desire for early retirement, particularly if the respondent agreed with the proposition.

The relatively few who admitted disliking their work were 12% more likely to plan early retirement. Early retirement plans were also more frequent among those who had thought of changing jobs to "get into some more interesting or more promising work", and among those in a semi-skilled occupation, or who ranked security as the least important aspect of a good job.

Those who had lost some time from work owing to illness during the last five years were also more likely to plan to retire early, particularly if not too many days were lost. (Presumably extensive periods lost require added work to make up.)

Finally, in a more positive vein, there were some who were looking forward to more time to spend on sports and games and travel, or were just looking forward in general to retirement as something positive and enjoyable; and they were more likely to be planning early retirement.

Since measures of attitudes, expectations and perceptions taken at a point in time are possibly as much the result of a man's plans for the future as a cause of them, we can only say that there are some sensible interrelationships between *attitudes* and *plans* in the area of retirement, and that they are considerably weaker than the (likewise meaningful) associations between economic factors and planned retirement. Some of these economic factors are positive: expected money and non-money income or earnings after retirement. Some are negative: expected obligations to dependents or to a mortgage lender. Indeed, there appears to be an appreciable number of people with obligations that do not end until after they are 60, which make early retirement difficult.

It is also interesting to note the *reasons* people give for retiring early or planning to do so. The simple finding is that the reasons given for planning to retire early are mostly financial: "I'm able to afford it". But a negative reason, poor health, is also given by a substantial minority to explain their plans, and by most people who did retire early to explain why they did so:

14% of the non-retired mention health reasons for planning to retire early, and

20% also attribute to their wives health reasons for her preference that they retire early, and

27% give it as a reason they think *other people* decide to retire early;

48% of the *retired* who retired early give it as a reason for retiring when they did.

Indeed, among the retired who retired early and *unexpectedly* according to their report, seven in ten mentioned health as a reason. And as is clear from other data in our report, these people are in the worst economic circumstances.

Plans about retirement, particularly those expressed many years in advance, might not predict what people will actually do. A closer approximation to the forces affecting the actual retirement decision might come from a study, not yet completed, with a sample of automobile and agricultural implement workers 58 to

61 years old. In preparation for an interview study, a mail questionnaire was sent to a sample of such workers, and among the 3811 replies, it was again clear that two *economic* factors mattered: seniority (which affects the size of the UAW-negotiated supplemental early retirement benefit) and whether the worker owned his home debt free. Neither age, sex, education, nor whether the spouse worked mattered. In this group of workers with relatively high retirement benefits the proportions planning to retire early varied from about half among those with the least seniority to more than nine-tenths among those with the most seniority.

IV. PRIVATE PENSIONS AND INDIVIDUAL SAVING

Clearly, the income position of retired people has improved in the recent past and will improve further in the future. This trend resulted from the spread of collective security arrangements (old-age insurance and private pension plans), as well as from the fact that on the average those who retired during the last few years, and those who will retire during the next decade, had and will have higher preretirement incomes than those who retired many years ago. It should be noted that the impact of private pension plans on the economic position of the retired was fairly restricted up to now: Because of the recency of many private plans, in ten or twenty years a much higher proportion of the retired will benefit from private pensions than of those currently retired. It has been frequently assumed that these changes influence not only the standard of living of the retired, but also the saving performance and the inclinations to save of the nonretired.

Some theorists argued that collective security arrangements would reduce the need for private reserves and therefore would reduce individual saving. It was assumed that when people are assured of some resources after retirement they would cut down on putting money in savings accounts, securities, or life insurance, and would spend more freely on the good things of life. This argument was supported by the finding that providing for retirement was one of the strongest motives to save, especially among working people 40 to 60 years of age.

Certain psychological considerations pointed, however, to the opposite direction. It appeared possible that the retirement income assured by collective arrangements would seem insufficient to many people; yet being assured of some funds during old age, the provision of adequate funds would no longer seem an unsurmountably difficult problem. Being closer to the goal would stimulate people to work harder to achieve the goal, and therefore private pension plans would stimulate individual saving.

It was not possible to test these assumptions with regard to social security because a comparable control group, i.e., people not covered by social security, did not exist. But during the last few years it was possible to find out whether those who participated in private pension plans saved more or less than those who did not participate. The studies were restricted to a "crucial group," consisting of heads of complete families in the labor force, age 35 to 64, with a family income of more than \$3,000 in 1963. Saving was defined as net additions to financial reserves (deposits in banks and savings and loan associations, and purchases of stocks and bonds), disregarding contributions to pension plans which for the "rational man" would provide substitutes to individual saving efforts.

Since the findings of surveys conducted in 1963 were published in detail,⁴ they will not be reproduced here. It may suffice to state that a positive correlation was found between coverage by private pension plans and individual saving. Those with private pension plans were found to have added more than those without such plans to bank deposits and securities during the year before the survey, as well as in two preceding years, and their interest in saving ("saving-mindedness") was also higher. The findings were obtained on the basis of a multivariate analysis in which such crucial factors as income level, age, and amount of financial reserves were held constant.

The findings support the assumption, confirmed in a variety of studies of consumer behavior, that felt needs and wants are not static. Under the impact of favorable developments, levels of aspiration are stepped up.⁵ Concrete and at-

⁴ George Katona, *Private Pensions and Individual Saving*, Institute for Social Research, Ann Arbor, Michigan, 1965. For a study with similar findings, based on a rather special (nonrepresentative) sample, see Philip Cagan, *The Effect of Pension Plans on Aggregate Saving*, Occasional Paper 93, New York: National Bureau of Economic Research, Columbia University Press, 1965.

⁵ George Katona, *The Mass Consumption Society*, McGraw Hill, New York, 1964.

tainable rewards stimulate behavior. On the other hand, the feeling of being very far from one's goal tends to accentuate the perceived difficulties and may stifle motivation.

We conclude, then, that the spread of private pension plans has not restricted individual saving by the American people, nor their desire to add to their individually accumulated financial reserves. In 1963, apparently, private pension plans even increased individual saving and the desire to save. Possibly the latter finding is a function of the recency of many private pension plans. Behavioral findings may not be generalized for all time. Whether or not the stimulating effect on individual saving of the private pension plans will endure must be checked by further studies. But the notion that collective security arrangements necessarily reduce individual saving can be contradicted.

ITEM 2. MERTON C. BERNSTEIN

THE OHIO STATE UNIVERSITY,
Columbus, Ohio, June 27, 1967.

DEAR SENATOR MONDALE: My congratulations upon the scheduling of hearings on problems of early retirement. Normal retirement benefits are quite inadequate; stimulating early retirement overburdens presently inadequate financial resources. Some of my views are set forth in the enclosed copy of an article from the May 1965 issue of *Industrial Relations*. The points made may suggest some avenues of inquiry.

* * * * *

Many thanks and good luck.
Sincerely,

MERTON C. BERNSTEIN,
Professor of Law.

[Enclosure]

THE ARGUMENTS AGAINST EARLY RETIREMENT

(By Merton C. Bernstein)*

Financial inducements to retire before 65 neither make good retirement policy nor insure employment security for younger workers.¹ The same funds—and they are substantial—can be better used to improve retirement security, promote employment, and make the entire economy more productive. In this analysis I focus on the 1964 early retirement plans of the United Automobile Workers and the major auto companies because they attempt to minimize the adverse impact of early retirement and they may set the pattern for other bargains.²

WORSENING THE PLIGHT OF THE ELDERLY

The elderly now live in economic exile. Once separated from work, the older person's financial resources shrink suddenly and drastically. Most rely on Social Security whose benefits are pitifully small, averaging \$125 a month for couples, \$80 for single men, and under \$70 for widows. More than 800,000 OASDI beneficiaries must resort to Old Age Assistance, which employs a needs test. Typically, savings are negligible and nonfinancial substitutes are meagre. With advancing age, income, assets and the ability to substitute effort for money all deteriorate. Even a large portion of the select group with private pension supplements are necessities. Widows have low public program benefits and typically no private plan benefits other than small life insurance lump sum payments. The Social Security Administration's 1963 Survey of the Aged showed that over half the couples with one member over 65 and in receipt of Social Security benefits had 1962 incomes *under* \$3,000, roughly the amount called for by the bare-bones-

*Lawyer, labor arbitrator, and lecturer at the Yale Law School.

¹ Under both Social Security and most private plans, age 65 is the normal retirement age, i.e., when the employee can stop work and receive full pension plan benefits. Early retirement is a common feature of single employer pension plans; it is less usual under multiemployer plans. In the usual form of early retirement an employee may retire before age 65, but with a reduced benefit; the reduction persists throughout retirement.

² Under the 1964 UAW-motor company plans, an eligible worker retiring before age 65 receives a pension benefit plus a supplement payable until full Social Security benefits are being received—either at age 65 or on total disablement. The supplements are sizeable.

but-better-than-subsistence BLS 1959 budget for an elderly couple. Only 3 per cent enjoyed cash income of \$4,000 or more.³ Quite clearly, large additional resources must be devoted to improving retirement income programs, both public and private, if our elderly are to approach what we flatter ourselves is an American standard of living.

The older one becomes, the greater is the gap between resources and requirements, since assets and income are based on savings and earnings of a constantly receding past. Intervening inflation only worsens the comparative position of the retired who "participate" in price increases but seldom in the compensation advances of those actively employed.

Yet financial inducements to retire early divert large amounts of funds, some of which could bring retirement and disability benefits closer to adequacy. In addition, early retirement means fewer years for savings and more occasions for drawing on savings which, for the generality of retirees, are much too small to generate income and are sufficient for only a few rainy days.⁴

Perhaps most alarming is the fact that Social Security and private pension benefits combined replace, even for long-service retirees with the best industrial jobs, only about two-thirds to one-half of the retiree's employment income, for example, in steel and autos (including the 1964 boosts). If preretirement income of working wives is taken into consideration, the portion of total income replaced by retirement program benefits is substantially smaller. Furthermore, even combined benefits usually fall below the BLS "bare-bones" budget. For short-service retirees and those with less well-paid jobs, hence lower Social Security and pension benefits, the BLS Budget for the Elderly is no more than a mirage.⁵

INCOME EFFECT OF EARLY RETIREMENT

Paradoxically, retirement earlier than 65 means both a more costly pension system and one which pays lower benefits to those 65 and over. Costs are much greater because at younger age limits more people live to qualify, because benefits are payable for a longer period on the average, and because less interest can accumulate on contributions.

One union estimate puts the cost increase of a plan at 50 per cent where retirement age is lowered from 65 to 60 without a reduction in benefit amount.⁶ For better or worse, no cost estimates are available on the UAW early retirement system. But the added cost must be very much more than 50 per cent (all other factors being equal), because the supplement payable under the induced early employment scheme is considerably larger than the usual benefit. So, for example, a 25-year man retiring "early" at age 60 would receive a monthly benefit of \$333 until he is 65, in contrast with the normal retirement benefit of \$103.25. How much more costly such an arrangement is depends on how many employees retire early. Pretty clearly, the potential cost increase is formidable.

But, such a retiree receives less income even while the supplement is being paid—a shade less than \$4,000 a year in comparison with employment earnings (and I am using the UAW's own illustrations) of from \$6,150 to \$6,765, based on

³ "Income of the Aged in 1962: First Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, XXVII (March, 1964), 3, 17. As pointed out by Lenore Epstein, the data on income of couples is raised by the earnings of couples where only the wife is over 65 and the husband is working. Margaret Stotz, "The BLS Interim Budget for a Retirement Couple," *Monthly Labor Review*, LXXXIII (November, 1960), 1141-1157. One need only read the budget description to see how threadbare it is. Also see Merton C. Bernstein, *The Future of Private Pensions* (New York: Free Press-Macmillan, 1964), pp. 141-170.

⁴ "Assets of the Aged in 1962: Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, XXVII (November, 1964), 3-13, esp. Table 2: Janey Murray, "Potential Income from Assets: Findings of the 1963 Survey of the Aged," *Social Security Bulletin*, XXVII (December, 1964), 3-11. In 1962 the median value of assets of elderly couples was \$11,180 with nonfarm homes accounting for about one-third of total assets. Excluding nonfarm homes, the median drops to \$2,950. Even including homes, the median value of the assets of nonmarried elderly men was but \$2,950.

⁵ Private pension benefits often are overstated by employers and unions (whose puffing is understandable, but regrettable), popular journalists, and, unfortunately, official sources such as the Bureau of Labor Statistics. These overstatements derive from assuming a typically long service of 30 and 35 years, whereas actual data for steelworkers, for example, show an average of no more than 26 years. As most single employer plans (which cover about 85 per cent of employees with plan coverage) multiply specified benefits by years of credited service, such exaggerations can account for benefits 50 per cent or more above the actual average for a plan. Worse yet, the BLS only counts the "future service" element of benefit formulas for the latest contract, which usually, accounts for but one or two years of benefits with the bulk of the actual benefit computed at lower annual service amounts.

⁶ *Pension Plans Under Collective Bargaining* (Washington, D.C.: AFL-CIO, 1964), p. 81, Table 15. Estimates and actual cost will vary according to the age composition, service requirements, benefit levels, etc., of the actual employee group.

a 40-hour week for those making \$3 and \$3.30 an hour (see Table 1). Of course, overtime is common and wage rates are frequently higher, so the difference would be even greater. The rare 30-year man could command early retirement benefits of \$4,800, so long as that did not exceed 70 percent of his former straight-time pay.

TABLE 1.—PENSION INCOME COMPARISON FOR A WORKER AT EARLY OR NORMAL RETIREMENT DATES UNDER UAW PLAN¹

Worker who earns \$3.30 an hour	Annual income, ages 61-64	Pension and OASDI total at and after age 65	
		Retiree alone	Couple (wife 62)
Retires at age 60, with 25 years' credit, no earnings before 65, receipt of OASDI at 65.....	\$3,996	\$2,246	\$2,688
Retires 5 years later at 65, with 30 years' credit.....	6,765	2,886	3,390

¹ Assuming no changes in next 5 years in wage rate or pension and OASDI benefits.

On reaching age 65, the retiree feels the full adverse financial impact of early retirement. The supplement disappears and the private pension benefit is smaller than it would have been had the worker remained employed until 65. The benefit, beefed up to \$333 a month, drops to \$92 (25 years of service \times a benefit of \$3.68—instead of \$4.25). Had the employee stayed on the job until 65 his benefit would have been \$127.50 (30 years—instead of 25— \times a benefit of \$4.25). This would be a typical result, because most private plans multiply specified benefits by years of service.

Perhaps the most unfortunate—and most unexpected—effect in this example is the reduction, also permanent, in Social Security benefits (a reduction which, in addition, is made inescapable by the UAW plan's \$1,200 annual limit on employment earnings).⁷ The Social Security benefit varies according to the retiree's average monthly credited earnings. The average is computed by adding credited earnings from 1950 to the date of application for benefits and dividing by the number of months in the same period (after subtracting from both earnings and elapsed time the five years of lowest credited earnings). The maximum creditable earnings were \$3,600 a year in the period 1951-1954, \$4,200 a year during 1955-1958, and \$4,800 a year since. If a worker retires in 1965 rather than in 1970, he must count more low limit years and fewer high limit years; as a result the average earnings on which benefits depend will be lower. Thus, instead of a primary OASDI benefit of \$113 he will have but \$96.⁸ For a couple the difference is amplified because a wife receives a benefit of one-half the retiree's primary benefit if they first receive it at 65; if she begins receipt at 62 (wives, on the average, are three years younger than their husbands) that benefit is reduced by 25 per cent. So, if OASDI benefits are also applied for at age 62, post-65 benefits will be yet another 25 per cent lower.

The discrepancy between early and normal retirement OASDI benefits may increase because in all likelihood creditable earnings will be raised soon. Hence lost years of earnings will bring other losses in OASDI benefits.

FORCED ECONOMIC DEMOTION

Quite clearly, earlier retirement results in significantly lower income prior to normal retirement age and after it as well. It remains to be seen how many will be lured by the financial inducement to retire under such circumstances. Frankly, the inducement reminds me of the handful of grain with which one lures a horse out of a green pasture into a barn stocked with old hay.

⁷ If this earnings limit is exceeded, the retiree loses the right to the supplement thereafter. (Under the similar but less stringent Social Security earnings limits, benefits are lost only when wages, salary, or self-employment income exceeds stated amounts.) Without such an earnings limit the UAW might just export its surplus to compete in other industries.

⁸ All of the published reports of the UAW motor company settlements assumed that after 65 early retirees would have OASDI benefits of \$175 a month, the maximum where the wife is 62. This report was based on UAW summaries. In fact, highest possible OASDI benefits for a couple, with the man stopping full-time work at age 60, would be \$142 (if he had maximum postretirement earnings of \$1,200 a year) or \$132 if he did not. Failure to report this not inconsiderable difference undoubtedly was the result of the pressure of bargaining at the time. But the more permanent record should show the lower actual income available to retirees.

Even worse, many employees will not be led into early retirement, but will be driven into it by their coworkers. According to a comment made to me by a member of the Advisory Council on Social Security, younger workers anxious about scarce jobs often exert irresistible pressure on older workers once they are eligible for reduced Social Security. The overwhelming pressure of the rank and file in the shops forced the UAW leadership to give top priority to earlier retirement. The union leadership did not resist. Auto and farm implement management did not resist. Despite union officials' statements that they plan to educate members so that no one will be forced into unwilling retirement, the membership which so adamantly sought the contract provisions are not about to let them go unused. Some surely understood how much the early retirement arrangements cost in terms of other compensation foregone. It is naive in the extreme to expect that having sacrificed alternative benefits, they will forego the fruits of their sacrifice.

LOSS OF PURPOSE AND STATUS

In our society, work provides purpose and status, and the workplace often is the pivot on which the employee's social life turns. This is especially true for men, and it is, for the most part, men's jobs that are the focus of earlier retirement efforts.

Several studies show that large groups and probably the preponderance of workers approaching the retirement age of 65 want to continue to work.⁹ Many may have well-developed, even intense, interests in other activities, such as church work, hunting, fishing, golf, or less strenuous hobbies. For some, these nonwork activities will be an adequate substitute for a vocation. However, despite the fact that work often is onerous and frustrating, it nonetheless provides the principal thread which connects our days in seeming purpose and has replaced other institutions and activities as the core of individual concern.

The workplace often plays a commanding role in leisure as well. Many recreational activities are job-based, for example the bowling teams in which millions participate with the fervor of medieval crusaders. One's closest associates are frequently coworkers and the tie that binds are the affairs of the place of work. "Talking shop" is a national pastime; without it many have all too little to say.

Respite from work usually is welcome and the increase in leisure time surely is one of the great advances of the last generation. But one need not be in the grip of Calvinist compulsion to savor recreation only when it is the condiment of work. Indeed, for better or worse (probably the latter) much of our recreation is designed for self-improvement rather than for immediate enjoyment and not infrequently is valued as improving or rendering us more fit to resume work.

Perhaps our values are askew and should be reconstructed. Indeed they may be, and probably are being, redesigned by the generations approaching or recently arrived at maturity. But, it is not their earlier retirement we are considering. For the next two decades, at any rate, it is older groups, those already 40 or over, with strong work-oriented values who will feel the impact of retirement decisions now under debate. With many, if not most, of these older workers, the work ethic has permeated to the bone and it will take more than pre-retirement orientation programs to exorcise it. If leisure is to be exalted over work, younger generations will have to learn the lesson. But older workers will make slow and reluctant learners at best, and most probably would prefer to drop the course.

And what does leisure profit a man (or woman) if he can't afford it? We have already seen the substantial reduction in income brought on by earlier retirement. There is not much leeway in such cash income for expanded recreational activity. The "new leisure" of the new retirement will either be a spartan or a decidedly sometime thing.

DOES EARLY RETIREMENT OPEN JOBS?

Enhanced job security for younger workers in the face of shrinking job opportunities is the reason older workers are asked to forego substantial income both before and after age 65. Anxiety over job tenure has a firm basis in reality,

⁹ See Beatrice Brower, *Retirement of Employees: Policies, Procedures, Practices*, Studies in Personnel Policy No. 148 (New York: National Industrial Conference Board, 1955), pp. 13, 47-48. In addition, large numbers of workers defer retirement past age 65 under OASDI and the Railroad Retirement Act. Demands for relaxation of the work-income limits on OASDI beneficiaries also attests to the desire of many to work after 65.

especially in manufacturing industry where pension plans are now most common. The forces of technological change, rapidly shifting defense procurement patterns, mercurial swings in consumer tastes, greater import competition, and the growing practice of serving foreign markets from overseas plants have all cost large blocks of manufacturing jobs.¹⁰ Even in the face of growing markets many industries have fewer production jobs.

The rank-and-file hope is that the threat of unemployment will be removed or mitigated if older workers leave several years early. One union official estimates that early retirement could open up in excess of thirty thousand jobs in the Big Three auto plants alone;¹¹ apparently this would happen only if all eligibles retired and all their positions were filled. However, he did not expect all eligibles to choose earlier retirement, although his stated expectation is that as time goes on more and more will do so.

Whatever the number of actual early retirements, it is highly questionable whether each results in a job opened or even a job not closed out. For one thing, many of the jobs which have disappeared in recent past have gone because of plant shutdowns. For example, in 1956, 1957, and 1958, the Ford Motor Company shut down six plants with the loss of 6,535 hourly rated jobs. The displaced employees were offered jobs at other plants. Except for some 1,200 employees who were able to shift to jobs in the same vicinity as the old plant, most of the displaced workers chose not to follow their jobs.¹² In most cases, solid job offers are not made and the *right* to transfer is not assured; under only a few contracts are moving costs paid for hourly workers. Pretty clearly, earlier retirements at either the old or the new plant will do little or nothing to alleviate job loss due to unit shutdown and shifts. Moreover, jobs vacated by retirees may remain unfilled. Little data is available, but at least one company has reported that it replaces only one out of every eight retirees, phasing the introduction of new equipment to coincide with retirements.¹³

Efforts to open jobs by early retirement can be self-defeating. Management has little incentive to encourage employees to retire early from jobs which require replacement if it must then pay the same rate to have the job performed, as well as pay out the early retirement supplement (equivalent under the auto plan to about \$2 an hour for a retiree with 25 years' service). Management might seek to discourage retirement by sweetening jobs with overtime (thereby diminishing the work available to others) and other informal arrangements concocted at the workplace.¹⁴ Where it is suspected that management is doing this, tension and ill feeling between employee groups and employee groups and management—which can be costly as well as mighty unpleasant—are to be expected.

Early retirement will be costly and unproductive for both employees and management where older, long-service employees have skills which cannot readily be matched. In the auto contracts, it has been agreed that the companies may rehire workers whose skills are needed, paying *both* retirement benefits and regular pay. These workers will surely retire early and be ahead of the game—but they, usually highly compensated workers, are not the ones for whom the costly new arrangements were made.

For all of these reasons, it seems that the UAW rank and file have made an expensive bet on an unborn, let alone unproved, horse. She may—and very likely will—prove to be shortwinded and heavy; as a brood mare of jobs, she may prove barren.

ALTERNATIVES TO EARLY RETIREMENT

Those facing either retirement or possible unemployment have real problems which collective bargaining may help to ameliorate. Employees obviously are willing to forego current benefits to mitigate these hazards. I suggest that early retirement funds could be used more effectively to promote job security, retirement security, and the expanded output of goods and services on which higher standards of living depend.

Of course, one way to achieve the latter goal would be to cut prices, which the fabulously profitable automobile companies regrettably refused to do. Failing

¹⁰ For example, see Bernstein, *op. cit.*, chaps. III and IV.

¹¹ As reported in Bureau of National Affairs, *Labor Policy and Practice* (December 24 1964), p. 7.

¹² *New Views on Automation*, U.S. Congress, Joint Economic Committee (Washington, D.C.: 1960), 247 at 250-53; also summarized in Bernstein, *op. cit.*, p. 99.

¹³ See Geneva Mathiasen, editor, *Flexible Retirement* (New York: Putnam's, 1957), on the experience at Consolidated Edison in New York.

¹⁴ See, for examples of such arrangements, James W. Kuhn, *Bargaining in Grievance Settlement* (New York: Columbia, 1961), especially chap. IV.

that, the question becomes, how could some of the labor earnings be used to promote job and retirement security?

There are repeated reports that despite large-scale chronic unemployment, hundreds of thousands of jobs are unfilled. They remain unfilled because the unemployed do not possess the skills to man them. And apparently it has not seemed profitable to train the unemployed, generally those with the least basic education, skill, and amenability to training, to fill them. But many of the *employed* who fear displacement do have the education and skill potential. So, it would seem to make sense to relieve the pressure on scarce jobs by using some of the funds available for earlier retirement to train talented younger employees for better jobs.¹⁵ In this way, the younger workers' earnings would be better, *their* employment outlook enhanced, their new employers could expand production, and required goods and services would be in more ample supply. Meanwhile, we would maintain the before-age-65 income of the possibly tens of thousands of those who otherwise might be beguiled or bedevilled into earlier retirement—and improve their post-retirement income as well. Moreover, in truly declining job situations it is a dubious favor to a middle-aged employee to enable him to hang on to a job that may vanish when he is so "old" (today that often means only 40 or 45) that his employment and training potential are impaired.

Some of the large amounts that earlier retirement require could be devoted to *improving* retirement, rather than subsidizing early permanent unemployment, a more accurate description of the program under discussion. Private pension plans have serious shortcomings which require larger contributions for their cure. Only a handful of plans—the UAW's among them—contain meaningful widow's benefits, an area in which OASDI badly needs supplementation.¹⁶ As plans are presently constructed, we can expect that substantially less than half of plan participants actually will get pension plan benefits. Employee mobility, which often is necessary to individual advancement and a reallocation of manpower resources, is at war with a plan design which requires retirement at, say, 65, after long service with one employer or within a geographically confined industry group—or one which requires service of 10 or 15 years, usually with an additional requirement of age 40 or 45 or even higher, for vesting. Where employees do achieve vesting, their pension benefits may be small because they are usually based on so few years of service. At the least, then, we need more liberal vesting to improve the proportions of workers eligible for benefits and, thereby, the amounts of benefits of the average retired worker.¹⁷

What can be done when approximately equal resources are applied to boost normal retirement benefits is demonstrated by the 1964 UAW-Caterpillar Tractor Company pension agreement (see Table 2). Instead of the early retirement supplements agreed to by other farm equipment companies—much like those of the auto companies—net year normal retirement benefits will be boosted to \$6 a month for each year of credited service. A Caterpillar 30-year man thus will have a \$180 private pension benefit to add to his \$113 primary OASDI benefit (\$155 for a couple).

TABLE 2.—COMPARISON OF POST-65 RETIREMENT BENEFITS UNDER 2 AUTOWORKERS' PLANS

Caterpillar		Chrysler	
30-year man with normal retirement at age 65.	¹ \$180 ² 155 <hr/> ³ 355 ⁴ 4,020	25-year man who retired at 60.....	¹ \$92 ² 132 <hr/> ³ 224 ⁴ 2,688

¹ Pension.

² Couple's OASDI.

³ Per month.

⁴ Per year.

¹⁵ Neil Chamberlain and George W. Taylor have made similar arguments for upgrading young workers in preference to giving older workers nonproductive extended vacations, the device with which the Steelworkers attempt to fend off job loss.

¹⁶ The quite common joint and survivor options afford little or no help to widows because, according to what little evidence there is, few workers exercise them. I believe that their design is conducive to this nonexercise. What we need are widows' benefits which are net additions to benefits and do not detract from inadequate benefits payable only during the retiree's life.

¹⁷ We need more than that, but the subject of vesting methods requires detailed treatment. See Bernstein, *op. cit.*, chaps. IX and X.

The income of the motor company early retired couple falls below the BLS budget, whereas the Caterpillar couple's private and public retirement system income exceeds it—with about \$1,000 to spare. Considering the parsimonious nature of the budget, the margin may be regarded as essential to a decent standard of living.

Another possibility is the encouragement of later retirement by a system of partial employment-partial retirement. Under such an arrangement, the employee might work less than full time (paid in part by wages and in part by a portion of his retirement benefit) at jobs which otherwise would not be undertaken (such as in-plant employee training, or as stand-by substitutes for absentees, or in experimental work requiring their skills but not warranting their usual full rate). This would (1) enhance output without pre-empting or competing with regular, full-time jobs, (2) improve the income of those past 65, which is good for them and makes them better consumers, and (3) make possible improvement of pension benefits when full retirement is physically necessary or really wanted.

Today retirement often is, or soon becomes, a kind of living purgatory. We should enable employees to delay its onset and, when retirement is unavoidable, devote more resources to making it a time of ease and dignity. The key to the alternatives suggested is to use funds to amplify productive capacity rather than to encourage unnecessary idleness. By encouraging production we can improve the lot of retirees, apprehensive younger workers, and the entire economy.

JULY 20, 1967.

DEAR PROFESSOR BERNSTEIN: Your observations are quite helpful to us as we prepare for our hearing, and I welcome any other comments or suggestions you may have particularly with reference to the partial employment-partial retirement alternative to early retirement suggested in your article.

Sincerely,

WALTER F. MONDALE,

Chairman, Subcommittee on Retirement and the Individual.

THE OHIO STATE UNIVERSITY,
Columbus, Ohio, July 28, 1967.

DEAR SENATOR MONDALE: My thanks for your letter of July 20. It is gratifying that you found my article "*The Arguments Against Early Retirement*" useful. Of course you have my permission to include it in the hearing record.

I enclose two other excerpts for your possible use. The Apeco copy is from my book, *The Future of Private Pensions* (New York: Free Press, 1964) and is responsive to your inquiry about further comments upon "partial employment-partial retirement."

The typewritten excerpt is from a paper I gave on June 1, 1967 at the Princeton University Conference on Social Insurance which emphasizes that *involuntary* retirement (really job loss) before age 65 has become a serious problem.

The *Industrial Relations* article (accompanying my earlier letter) stressed the hazards of *inducing* retirement before age 65. The excerpts from the book emphasize that we can and should be more inventive in using the considerable capabilities of "elderly" workers for their benefit, for the improvement of retirement systems and for the economy as a whole. And the last excerpt calls attention to the difficulties of those who are *forced* into retirement by economic developments and skill obsolescence. Early retirement has many faces and its several characteristics call for differing measures.

Sincerely,

MERTON C. BERNSTEIN,

Visiting Professor of Law, Columbia Law School.

[Enclosures]

FUTURE OF PRIVATE PENSIONS

RETIREMENT AGE PROPOSALS

Cost is a major, perhaps *the* major factor in the consideration of any improvement in a plan. Whoever is to bear all or most of the *direct* cost—usually

the employer—will resist if that cost is a net addition to existing burdens. Of course, plan improvements are made constantly: probably they are acceptable in inverse proportion to their cost.

By modifying retirement age policy, two paths to improved coverage and benefits are available—with less cost and hence, perhaps, greater chances of being attained: (a) using a higher retirement age or substituting flexible for mandatory retirement when employment opportunities are good, and (b) introducing "partial employment-partial retirement."

Precedent for the modification of one plan element to provide funds for financing other more desirable benefits is provided in the OASI program. So, for example, in 1939, the benefit formula was changed so as to reduce the long-range benefits of single retirees and eliminate the refund where total benefits were less than contributions; these changes helped meet the cost of an increase in benefits and the addition, for the first time, of benefits for survivors.

Higher or Flexible Retirement Age

Initial net savings for a plan might be as high as 9% for each year added to the normal retirement age. Total savings by raising retirement age from 65 to 68 conceivably could be as high as 25% (as demonstrated above); these possibly substantial savings could be applied to improvements of other plan features, such as "vesting," higher benefits, and benefits for survivors. If retirement were permitted on a limited basis as necessary at age 65 or earlier—as is now often possible under early retirement provisions—some part of the "savings" would be cancelled out; however if such "early" retirements were permitted only with actuarially reduced benefits the savings would not be reduced. An argument can be made for the proposition that retirements after age 65, but before normal retirement age, "due to declining health or physical capacity or the request or insistence of the employer, should be with full benefits.

Higher retirement age might increase the cost of health and workmen's compensation programs, although the less hardy employees could be expected to drop, or be forced, out early in any event. Improved technology and its resultant safety gains may more than offset slightly increased health maintenance costs.

Some actuaries estimate that the longevity gains of recent decades will continue, so that an increasingly large group will qualify for benefits over longer periods, resulting in increased costs for plans. One insurance company suggests that raising the retirement age by one year each decade would offset the cost increases attributable to improved life expectancy. If this is so, an alternative source of financing for the longevity-caused increased costs would have to be found if higher retirement age is used as a method of freeing funds for plan improvements. The cost of improved longevity may be met out of earnings from long-term productivity gains; its importance for any one employer may well decrease as the ratio of labor input to output decreases.

Other actuaries believe that longevity improvement does not portend greater retirement costs because in recent years there has been no significant improvement in the longevity of older white males; to the contrary, their mortality has increased.

Dr. Hilary Seal has observed that the decrease in mortality among those who retire at or after normal retirement age may be due to the fact that many of the less durable "lives" retire under early retirement provisions, which accounts, he says, for a substantial number of retirees. In other words, the costs of improvement in longevity of those retiring at or over age 65 are being offset by the frailty and lesser longevity of early retirees.

Hence, it may well be that the savings which could result from a higher retirement age or the substitution of flexible for mandatory retirement need not be dedicated to meeting the costs of improved longevity.

Optional Partial Employment-Partial Retirement

Employment and retirement need not be an all or nothing affair. Reduced workloads and responsibilities (with or without reduced compensation) are not uncommon for executives and professionals. In somewhat similar ways optional partial employment-partial retirement could be used for wage and salary employees so as to obtain many of the benefits of both continued employment and retirement. Such a program might lower payroll costs to employers and at the same time provide higher incomes to employees than those derived from retirement benefits alone. In addition, new jobs might be opened up for younger employees.

This device could be employed in several ways. Perhaps the simplest method would be to continue employees with decreased vigor but undiminished skill or acumen on their regular jobs but with shorter hours. Other partial retirees would man the job for the remainder of the hours required. Part-time employment might not be feasible in some situations; an employee may not be fit to do his regular job, but be capable in another, either full or part time.

Assuming that such services would be worthless than former earnings, compensation could be paid equal to the value of the work performed and then supplemented by a partial benefit from the pension plan. In other words, both payroll and plan costs would be reduced but those who would otherwise be retired could have larger incomes.

Unions may well insist that whatever payment is made for the work performed at least should be proportional to the compensation of a full time job so as to avoid cut-rate competition. Employees in unrepresented units also may feel that should be an irreducible minimum. However, there are instances of unions agreeing to lower than usual wages for the aged and infirm.

There undoubtedly would be variations in arrangements and pay practices. Some may feel that an employee should have no greater income under this arrangement than from regular employment; others might feel that only an increase in total compensation would provide sufficient inducement to an employee to continue work past normal retirement age or to help offset any psychological difficulty of impliedly being incapable of full-time employment at his former job. Possibly employees would feel "cheated" out of a portion of pension benefits if the partial benefit were a small percentage of the full retirement benefit. Probably the problem would be marginal because many full benefits are small in any event and employees will value the opportunity and higher income of working.

One may wonder whether employers would be willing to pay employees the full or pro rata compensation for work performed when they also receive a part pension payment, especially if together the payments came to more than the former full time compensation. In a National Industrial Conference Board pension survey of 277 companies, it was found that when employees worked beyond retirement age, 203 plans deferred pension payments, 19 provided for payment and deduction from the wage, and 38, several of them quite large, provided for both full wages and full pension. Presumably, a plan calling for the partial payment of regular compensation and partial pension benefits would be even more acceptable, especially if linked to improvement of the pension plan with advantages to all parties.

Some managements may feel that substantial compensation for such partial employment would make it difficult to actually retire those deemed unadaptable to further employment. This problem could be met in three ways. A new but higher mandatory retirement age could be set; or the partial employment benefit could be put on a declining scale, perhaps causing total compensation to dip below compensation for equivalent work after several years of partial employment; or the two arrangements could be combined. (Other devices may recommend themselves). In addition, partial employment-partial retirement would be in competition with full retirement from a particular job with a full private benefit, plus a full Social Security benefit, plus possible earnings from another employer or self-employment which are within the Social Security earning limits. Presumably when partial employment income falls near or below full retirement income, partial employment-partial retirement would lose its allure.

Transforming regular positions into less than full time jobs may be difficult, although—where continuity of the individual's tasks is not essential—parts of full time positions could be cumulated to provide full-time manning.

This method of providing partial employment to individuals may be simplest, at least administratively. Tens of thousands of jobs are filled on a part time basis; part time arrangements can be extended where new purposes are served.

Finding open and appropriate jobs for partial employment may not be easy. The necessary coincidence of availability, appropriateness, and retirement may seem difficult to find. But in a large enterprise, especially, the conjunction of these elements may not be unusual. Shifting older employees into such open slots may require modification of existing seniority rules or the acquiescence of more than one bargaining agent. In some situations these problems may be insuperable and in others quite manageable. Joint bargaining by several unions is not unknown and they frequently harmonize the interests of their members; indeed, their interests may not be in conflict.

The feasibility of such jobs is attested to by the fact that something like what is proposed here already is in operation in some establishments, unrelated however to the pension plan. Mention has already been made of instances in industry as reported by the Bureau of Labor Statistics.

Many collective bargaining agreements in the railroad industry provide that if an employee is found unfit for his job, every effort is to be made to find him a job he can do. These rules are of long standing and have not, to my knowledge at least, been the subject of much difficulty or discord. A handful of Canadian collective bargaining agreements have been found which provide for transfers of older employees to jobs for which they are capable.

After this material was drafted, an agreement between Local 1031 of the International Brotherhood of Electrical Workers and Staucor Electronics was reported under which employees over 62 with 10 years of service would be eligible for greatly reduced work, about 3 hours a day, so as to have employment earnings up to the limits permissible under the Social Security Act without loss of earnings. Of course, the proposals made here are entirely harmonious with such an arrangement—and may provide greater flexibility than a plan based upon preserving OASDI benefits alone. Since the OASDI earning limits are rather low, availability for work is perhaps too limited, except for standbys. Of course, as employment earnings drop, OASDI benefits will pick up some of the slack. But while vigor and earning power remain, compensation plus a partial pension often will exceed earnings within OASDI limits, even when supplemented by the full OASDI benefit. For some employees, the OASDI earnings limits may enforce long periods of unwanted leisure. Obviously, the combination of partial work, partial pension, and full or nearly full OASDI benefits provides considerable scope for experimentation. However, the partial pension payment could not be regarded as wages for OASDI earnings limit purposes. Such an interpretation is reasonable where plans are formal and funded.

Just as new machines have made possible the performance of new tasks in industry and business, a new class of employees—experienced personnel available for part-time work—may make possible the performance of work which formerly had not been feasible. For example, a job may be desirable but unfilled, because required and normally expensive skills make the cost prohibitive. Compensation for such a job could be rated at its value to the employer and supplemented by a partial pension payment to the employee. In this case, no younger employee's potential job is threatened by continued employment of the older worker. For example, in some industries regular extras substitute for absent regular employees or supplement them when demand is heavy. Most industries, however, do not maintain regular "standbys." This may be because skilled employees are not readily available, or "call in" pay may be too low to attract qualified workers. However, otherwise-superannuated employees might be pleased to go into standby status at a low "call in" pay, supplemented by a partial retirement benefit, with the opportunity to earn full-time wages when called. This may be welcomed by other workers who suffer downtime because of absentees. Otherwise-superannuated personnel could fill in for vacationing employees where continuous performance is desirable but has not been feasible, e.g., because of reluctance to hire new employees for short terms with the considerable costs that accompany hiring, training, and separation. Seasoned hands may be the answer to training problems, where skilled employees have not been available to train new employees because of worker shortage or the pay rates involved. Possibly desirable training does not require full-time employees and hence is left undone, or is poorly or uneconomically done by adding it to the duties of regular employees.

In short, there are several possibilities in positions that have not previously existed for employees who otherwise would be retired, and without disadvantaging younger employees. If these new jobs are part of existing full-time jobs, albeit at different times, the result would be that fewer jobs would be vacated to make way for younger employees. This may diminish or cancel the attractiveness of such an arrangement, but may be acceptable to some. In short, there are numerous ways of providing partial employment-partial retirement and adapting the approach to many varying situations.

Those in management who prize ease of administration will not be greatly attracted to such arrangements (although they may not be as difficult as they sound at first). Some companies report that under flexible arrangements they keep on some unsatisfactory employees to avert both administrative difficulties and the ire of disgruntled employees. A few managements add that administrative

difficulties arise because unions resist "discriminations" and seek equal treatment for all employees. But unions can be cooperative. One employer with a flexible policy reported a "tacit" understanding with a union whereby below par employees were kept on until age 65 and then were terminated with no "fusses" and no grievances filed. Many unions are mature enough to be reasonable about the necessity of retiring employees who cannot meet reasonable standards, especially if the over-all system is operating to maximize employment opportunities for their members.

If the advantages of partial employment-partial retirement seem great enough to the parties to the employment relation they may be able to overcome the obvious problems.

There may be no direct and measurable financial gains to an employer from partial employment-partial retirement. If the savings of the new method are translated into improved coverage or benefits, the company has no *direct* financial stake in the change, unless the savings make it easier to meet an improvement that was more or less imminent. There may be indirect advantages in morale, loyalty, public relations, and the like, for which employers often are willing to spend money.

Actually, the employer may incur additional costs. Decisions about employee competence will be required. If the capabilities of a sizable number of employees are to be assessed the task may be substantial, and require increased supervisory and guidance personnel. Not only must the ability to continue certain tasks be gauged, but if the employee is found wanting, other suitable work must be sought. These management decisions may have to be justified to the satisfaction of the employee, a union representative, and possibly an arbitrator, if the arrangement is made subject to the grievance-arbitration procedure. But these same kinds of problems are met and solved (some well, some not so well) in many other employment situations, such as job evaluation, merit increases, the setting of work loads, and piece and incentive rates, which, if anything, are more complex and often involve something less than fully scientific and objective standards. If some or all of the savings of partial employment-partial retirement were put into improving benefits, those really unfit to continue work would have greater inducement to retire. For many employees, the most unpleasant aspect of retirement is the inadequacy of income; and so they resist as long as they can. More ample benefits would remove this obstacle and retirement would be more easily and pleasantly achieved where management desired it. Once retired on a more nearly adequate income, the inducements to seek other employment would be diminished, and to that extent the elderly would provide less job competition. This argument might not be terribly persuasive to the younger employees in the company, however.

The savings and inducements of partial employment-partial retirement would be equally available under flexible plans and plans with higher than age 65 mandatory retirement. The probable savings to be made under a flexible plan might be somewhat harder to assess and translate into improved coverage or benefits. In a flexible plan, partial employment-partial retirement could improve inducements both to continue work and to retire by improving the benefits of each.

Adjustable Retirement Age—Harmonizing Conflicting Interests Of Young And Old Employees

When workers are in short supply there are inducements to employ these in groups not favored for employment in "normal" times. So, during World War II and the Korean War, stock objections to employing women, the elderly, Negroes, and other minority group members dissolved where once they were impenetrable. These people were lured into the job market by the tens of thousands, and their performance seemed by and large wholly satisfactory. But when jobs are scarce employers becoming exacting in their requirements, and those in the disfavored groups, experience proportionally higher unemployment than others.

Younger employees are said to favor mandatory retirement at lower ages in the interests of maximizing job opportunities. This may be so. But I have found no instance in which this attitude was the asserted cause for lowering the retirement age or making it mandatory. However, this attitude—or the belief that it exists—may be a deterrent to raising an existing retirement age, substituting flexible for mandatory retirement, and introducing partial employment-partial retirement. This is especially so at a time when automation and other forces are causing apprehension about job security.

Recently unions have stressed lower the *optional* retirement age as a practical measure to offset serious unemployment and the job effects of automation. In the 1955 congressional hearing on automation, Walter Reuther advocated "general reduction of the retirement age to age 60" as a "first step," with perhaps earlier retirements for workers in industries requiring great physical strain. The research director of the chemical workers' union reported at that time that his organization was seeking to obtain age 55 as the "early retirement" age. Job opportunities have been shrinking in the areas in which his union's members seek their livelihood.

In sum, the interests and emphasis of employers, employees, and unions vary as the economic and job situations change. Whenever decreased employment opportunities are a major concern of unions, it is to be expected that organized labor will tend toward favoring earlier optional retirement and be comparatively unreceptive to higher retirement ages and flexible retirement. Perhaps potential resistance to higher retirement age and partial employment-partial retirement could be reduced by provisions for compulsory retirement at lower ages whenever unemployment reaches designated proportions. The measure of unemployment—whether in the nation, the industry, the craft, or even in the firm (perhaps as measured by layoffs)—would be a matter to be decided upon by the parties in bargaining. When employment revived sufficiently, as indicated by objective standards, retirement age and practices could revert to encouraging work as long as possible, consistent with ability and desire for it.

In this way the savings of higher retirement age could be obtained for the plan during periods of relatively full employment, thereby gaining funds with which to improve effective coverage or benefits. When jobs became scarce, reversion to the lower retirement age would satisfy the desire to retire older employees to improve the employment situation of younger workers.

Such a system of "adjustable retirement age" (as I call it) would introduce a possibly unwelcome element of uncertainty into the future of older workers. Whether this is worse than the shortcomings of fixed retirement at age 65 is to be decided by all those with stakes in a plan: the employees, the employer, and the union (if there is one). Present day uncertainties about continued employment seem at least as objectionable.

The actuarial computations for such a system would be more complex than they are without it. How is an actuary to foresee or construct assumptions as to the periods during which the lower and higher normal retirement ages would obtain? Estimates which are conservative would tend to offset the "savings" of the higher age and partially defeat the purpose of the scheme. With optimistic estimates, the employer would bear the risks of higher than anticipated costs if benefits or coverage were increased in reliance upon the estimates.

If actuaries can establish formulae for "adjustable retirement age" their estimates would probably be acceptable to the Commissioner of Internal Revenue under the requirements of the regulations that benefits be actuarially ascertainable. Or the regulations might be modified to permit a special separate fund built from "savings" due to higher retirement age to provide larger than usual benefits scaled according to the funds on hand.

The adjustable retirement age scheme has the benefit of providing potential savings to make possible improvements in coverage or benefits and also assuring positions for younger employees during periods of job scarcity; in periods of fuller employment, work and earnings would be available to older people. The retirees should have greater benefits under this formula and the younger workers greater job security.

Perplexed as we are by substantial hard-core unemployment involving millions, the prospects for a tight labor market in which jobs go looking for men and women may seem remote to the point of being fanciful. Technological advance may prevent any such employment recovery despite a general business improvement. But upsurges in defense, education, health expenditures, and accompanying construction (requiring large quantities of services and manufactured goods) could conceivably change the prospects rapidly. In this area, confidence as to precisely what the future holds seems unwarranted. We must be ready for any reasonable eventuality. In some specialized areas higher retirement age and partial employment-partial retirement may be practical even today. In other areas, greatly expanded employment opportunities may be necessary. Plans should be readied to capitalize on either situation, to assist retirees and bolster the economy as well.

There are other, possibly more important, factors determining the balance of labor supply and demand, but they lie outside the scope of this study. It should

be mentioned that the rate of entrance of young people into the labor market is a key element, and this in turn is affected by the duration of education. As that increases, labor market entries will be reduced. Heavy pressures exist for major expansion of educational opportunities for their own sake. Certainly the trend toward entering the labor market at a later age has been steady.

Another element in the complicated equation of employment and manpower is the length of the work week. In fact, the work week has been shortened substantially and drastically during a relatively short span. In 1850, 70.6 hours was the average factory work week, whereas in the 1950's 40 hours a week had become practically standard. Further shortening may lie ahead, especially as a means of "sharing" the fruits of automation and combating unemployment. Certainly union pressures for a shortened work week are growing. Whether such a device would allow also for increasing job availability for older workers cannot be foretold. It is a possibility, at least, in some situations.

The Potentialities of Later Retirement

Some believe that few people past age 65 are willing *and able* to work; hence continued employment past age 65 would provide only an infinitesimal patch on the problem of pension adequacy. Dorfman drew this conclusion from the results of a 1952 special survey by the Bureau of the Census which found very few *unemployed* people 65 and over who considered themselves "well enough to work," "interested" in working, or both "well enough" and "interested." The latter averaged 4% of the surveyed group.

A survey of OASI beneficiaries in 1957 shows some significant differences. A much larger percentage (10.6%) believed themselves well enough to work and wanted to do so. The results of this survey, however, indicate that use of the *average* for all over age 65, as in the 1952 study, obscures the more significant characteristics of the constituent age groups. The 1957 survey shows that the highest percentage who said they were able and interested in working—17.3%—was in the 66–67 age group; presumably 66-year-olds had a higher percentage than those aged 67. In the 68–69 bracket, ability and interest to work was 12.8%, and the percentage decreased down to 5% for those 80 and over. Among those who said they felt able to work, the interest in doing so was quite high—about 48% for retired men.

But very large percentages—very likely a large majority—of people 65 and over would be, in their own estimation, not well enough to work and not interested in doing so. This supposedly unavailable group might be smaller if confronted with the actual option of a full or near full-time wage. However, the evidence, which is patchy, indicates that some fraction well under one half of those reaching 65 would be available for work if work were available. If this is roughly the case, the higher retirement age device is to that extent limited as a savings method. However, it should also be noted that the small percentage reportedly willing and able to work in these surveys is not harmonious with the strong interest in working past age 65 reportedly held by active employees approaching retirement.

SOME EARLY RETIREMENT PROBLEMS AND SOME PROPOSALS

The employment difficulties of many older workers, resulting from the decline of industries and obsolescence of skills, need no fresh documentation. Some older workers also experience failing health which falls short of the extreme disability required for Social Security benefits. These factors show up starkly in the retirement figures for men under age 65. Ever since OASI benefits became available to men between age 62 and 65, roughly half of those retiring have been in that category. Such early retirements result in actuarially reduced benefits; the deductions, which can be substantial (20% if retirement occurs at the earliest time permissible) persist throughout retirement. Not only are benefits actuarially reduced but the Social Security average monthly wage computation takes account of the months remaining between retirement and age 65 in the divisor; as there are no credited earnings for that period the AMW is reduced accordingly and *then* the actuarial reduction is made. In contrast early retiring women have their AMW figured as of the date of retirement excluding the time remaining until age 65. At least as much should be done for early retiring men many of whom are actually out of the labor market when they "elect" early retirement.

Involuntary early retirement should merit a full benefit without actuarial reduction—an innovation that seems preferable to reducing retirement age

for all which could induce some otherwise employable workers to quit. The special needs of this group require prompt and sympathetic attention and action.

ITEM 3. COPPER COUNTRY HEALTH AND WELFARE COUNCIL, INC.

COPPER COUNTRY HEALTH AND WELFARE COUNCIL, INC.,
Hancock, Mich., July 12, 1967.

DEAR MR. MONDALE: Enclosed is information regarding our Senior Citizen's Center in Laurium, Michigan. In our initial proposal we requested the approval to establish more than one center in the Copper Country of the Upper Peninsula of Michigan. We were finally given approval to initiate our plans to establish a second center in the city of Hancock.

I personally believe the success of our Center is due to the approach used by our Director, Mr. Gordon Smith and our Coordinator, Mr. Bud Petersen, to the village of Laurium. Mr. Petersen was successful in getting a cross section of local citizens interested in the Center and gradually gave over the responsibility of the Center.

I believe that the information which is enclosed will give you an idea of the success of the Center. If our Council can be of assistance in any way, please feel free to contact us.

Yours truly,

KENNETH M. BRAY, *President.*

ITEM 4. STATE OF MICHIGAN DEPARTMENT OF CIVIL SERVICE

STATE OF MICHIGAN,
DEPARTMENT OF CIVIL SERVICE,
Lansing, Mich., July 20, 1967.

DEAR SENATOR MONDALE: In your letter of July 11 you invited me to provide your subcommittee with a statement describing the work of this department in the area of retirement and preparation for retirement. I hope the following information will be useful to your subcommittee:

1. For the past four years we have conducted a pre-retirement counseling program. These one-day sessions, held two or three times each year, have focused on social security, Medicare, retirement benefits, insurance benefits, financial management of retirement income, estates and trusts, and the making of wills. We invite experts in these fields to discuss their specialties, and have found that state employees contemplating retirement are most interested in the areas mentioned.

The groups usually have numbered from 25 to 45 people. We have not attempted individual counseling, but have referred questioners to their attorneys, doctors, or other experts for advice on specific problems.

2. State employees may continue their group life insurance and basic and major medical health insurance programs after retirement. They pay the full premiums on these policies, since the state does not contribute to the payment of retirees' premiums, but they have the advantage of moderate rates which otherwise would not be available to them. During the most recent contract year of the insurance programs, retirees' insurance was subsidized to the extent of \$276,000 for the health plan and \$135,000 for the life plan. That is to say, benefits paid to retirees exceed the premiums paid by them in the above amounts.

3. We have frequently used retired state employees as member of oral appraisal boards, to interview and examine candidates for appointment to classified position in the state civil service.

4. On a limited basis we have utilized retirees on our hearing boards. The hearing board is a step in the appeal process for aggrieved employees.

5. Retirees are invited to return to their departments for open house occasions, retirement receptions and parties, and similar functions, helping them to continue their association with former co-workers.

6. The department is a co-sponsor of the annual Conference on Aging at the University of Michigan. Our representative there also acts as representative for the International Public Personnel Association, of which this department is a member.

Sincerely,

FRANKLIN K. DEWALD,
State Personnel Director.

ITEM 5. MIDLAND COUNTY COUNCIL ON AGING

MIDLAND COUNTY COUNCIL ON AGING,
Midland, Mich., July 21, 1967.

MY DEAR SENATOR MONDALE: We appreciate your letter of July 11 regarding the special committee hearing on problems of the aging.

Our project at Coleman is just getting nicely underway, and it is too early to determine the total effects or evaluation of this project. It is, however, serving the need in the community in that there was no opportunity for holding either health clinics or a meeting place for recreation and informal programs for these people. Coleman is a small community in the northwest portion of Midland County, and it is not convenient for the individuals in this age bracket to drive into Midland City where many of these types of programs are in operation and are quite satisfactory in performance.

With regard to a statement at your hearing, we have developed and discussed factors of closest concern to our senior citizens at our most recent Council meeting. These are stated briefly in the statements below:

1. There is much concern for the lower middle income individual including housing. More should be done for the lower middle income class of people where they have through the years done a rather satisfactory job of handling their financial affairs and now find inflation, high rents and medical care making it impossible for them to lead a reasonably normal life. With this in mind, it is their belief that there should be more emphasis on providing proper housing for this age group. Presently this is handled under the HUD, but has not been a very popular program with those attempting to provide housing for this age bracket.

2. There should be some type of retraining program considered, in particular, because of the early retirements and forced early retirements.

3. Medical costs and drug costs have been considered in past legislation. More study on this problem might find greater benefits for the individual with less cost to the Federal Government.

4. Efforts should be made to make these individuals feel they are needed. Without some program to help them in this respect, their morale drops and in turn, their general usefulness to society. Many of these people have fine skills which should be utilized. Efforts should be made to hold inflation down and stabilize prices in order that these responsible people can continue to provide their own manner of support.

Sincerely yours,

EVERETT N. LUCE, *Chairman.*

ITEM 6. NATIONAL RETIRED TEACHERS ASSOCIATION

NATIONAL RETIRED TEACHERS ASSOCIATION,
Southfield, Mich., July 28, 1967.

DEAR SENATOR MONDALE: I was very much impressed with your talk on the Retirement and the Individual at the U of M Conference on Aging, July 26th.

It showed a real understanding of the problems involved and a sincere desire to solve them.

The older retired teachers of Michigan are living examples of the tragic effects of the lack of planning and provision for retirement. They are teachers of the era of unbelievably low salaries and equally low pensions, with no Social Security supplements—Michigan teachers did not accept the Social Security program until 1956.

The majority are on pensions of \$1800 per year, for the 30 years, or more they served, with no provision to meet the ever-rising cost of living. Thus their economic problems increase at the very period of life when failing health and general disabilities require more and more expense.

I enclose a copy of our State publication which gives a brief account of some of these needy cases. They are true stories!

Please keep me informed of developments in your committee that I may tell others.

Most sincerely,

HAZEL G. ROBINSON,
NRTA State Director.

[Enclosure]

[From the East Lansing Vanguard, April 1967]

FROM THE FILES OF HAZEL G. ROBINSON, NRTA DIRECTOR FOR MICHIGAN

It is regrettable that there has been no survey of the real economic conditions of the older retired teachers of Michigan! And it is particularly pathetic that details of many of the lives of those teachers come to public attention only through their death notices.

The notices show that all too many who served Michigan's schools long and well, spent the end of their days in the state of unbelievable poverty!

One well known case is of the retired teacher who moved to Florida where it was thought her meager pension check might cover the cheaper living expenses of a warm climate. It didn't! She was found later living alone in a small cottage with only cat food in her cupboard.

The stories often tell of the early teaching contracts under which teachers labored. They show pitifully low salaries which covered neither living nor burial expenses. One story well publicized throughout Michigan tells of a teacher who served the Michigan Educational System for 55 years. Her first contract read, "\$25 per month and a pair of new shoes." It is doubtful that her pension check could be stretched to give her a new pair of shoes at her burial.

Another story of an Oakland County teacher reveals details of her teaching contract which read, "\$1.25 per week, paid when convenient."

Still another case, well known to our NRTA members, shows the inevitable results of the public's indifference, over the years, to teachers' low salaries, low pensions and rising living costs. One Central Michigan teacher lived out her last years on welfare checks (which in some cases offer more than pension checks). She was buried at public expense and only through her old teacher acquaintances was attendance at her burial service swelled to four persons.

While the era of the unusual teaching contract is past, the effect of those early pensions is very much with us and that effect grows increasingly tragic as the cost of living goes up and up.

All of this in the midst of the affluent society of the Wonderland of Michigan!

ITEM 7. THE JACK WOLFRAM FOUNDATION

THE JACK WOLFRAM FOUNDATION,
Lansing, Mich., July 14, 1967.

DEAR MR. MONDALE: In reply to your letter of July 6, concerning the subject of retirement, during my career I had numerous opportunities to observe the various effects retirement had on men of management, achievement oriented leaders who had lived very active lives not only on the job but also in civic and social activities. Upon retirement many of them regressed rapidly seemingly to the detriment of their total health while others continued to lead meaningful lives.

Several months ago I was asked to participate in a comprehensive seminar held jointly by the Oliver Wendell Holmes Association and Michigan State University concerning the subject of retirement of leaders and decision making people. I chaired one of the sessions. In preparation for this I put together my ideas and observations in a presentation entitled "Making Life Worthwhile After Retirement."

I am sending a copy of this talk concerning the aspects of retirement in upper management or any professional leadership positions. Please feel free to use this as you see fit.

I am also enclosing my brief résumé.

Sincerely,

J. F. WOLFRAM.

[Enclosures]

J. F. WOLFRAM RÉSUMÉ

I am Jack F. Wolfram, age 67, born in Pittsburgh, Pennsylvania. I am married and live in Lansing, Michigan at 1341 Cambridge Road. I am in good health, after a history of several coronary infarctions.

I retired on January 1, 1965 from Oldsmobile Division of General Motors Corporation in accordance with their mandatory retirement program. My employment with them began in 1928 starting as experimental engineer, subsequently becoming chief engineer and beginning in 1951 was general manager of Oldsmobile and a vice president of General Motors until my retirement.

Currently I am president of the Jack Wolfram Foundation which is interested in sponsoring programs in education and health. Specifically the Foundation is working with colleges and universities in promoting the teaching of communication, i.e., the study of verbal and non verbal interpersonal communication with all of its extensions and projections.

Also under the category of education the Foundation sponsors events to widen public appreciation of serious music with emphasis on opera.

Under the heading of health, the Jack Wolfram Foundation is interested in the subject of the effect of total retirement on total health.

I am also chairman of the Board of Trustees of the newly created Michigan Fine Arts Foundation, a state-wide organization whose purpose is to expose fine arts appreciation to more and more people throughout the state of Michigan, specifically in the areas which have not been sufficiently exposed to high cultural standards in all of its disciplines both urban and rural.

As to my civic activities, I have just been appointed a Fire Commissioner for the City of Lansing to serve on an eight man Board.

I am happy in my "retirement."

MAKING LIFE WORTHWHILE AFTER RETIREMENT, MARCH 16, 1967

ALTERNATIVES FOR 20TH CENTURY MAN

Gentlemen, I am delighted that you invited me to speak to you concerning the topic "*Making Life Worthwhile After Retirement*" because this fits so well with the title of your seminar—alternatives for twentieth century man.

And today we do have many many alternatives.

We live in a country with so many new and interesting things to see and do, a country alive with new ideas, new ways of doing things to bring happiness within reach of more people.

Advances in science and technology are creating history almost faster than we can record it.

Reading the morning newspaper is no longer anticipated with mild pleasure—but looked forward to with excitement and suspense.

Today we have more opportunities for individual growth—more educational and cultural opportunities—more years to our lives, more opportunities to make the most of our working careers and our leisure time more pleasurable and meaningful—and we have so much to look forward to.

It is a wonderful time to be living—fascinating—startling.

Across the earth people are awakening to this startling new world in which they have to live and for which they are responsible.

Does not man's technical knowledge today make it possible for him to build heaven on earth, if he will only put his mind to it?

Does not historical knowledge make it possible to avoid those deadly shoals on which every past civilization destroyed itself? I think so.

Is it not up to us—every one of us—to decide we have the freedom to choose—we have the education to use the power of knowledge for the benefit of man—his development as an individual with the intelligence and freedom to choose and let his conscience be his guide.

But does not our freedom of choice have to be earned each day anew—everyone involving himself with things of consequence—young and old? We need the impulsive, youthful enthusiasm coupled with the "*Wisdom*" of maturity. Everyone taking an active interest in what's going on—and *why*. And speaking his mind. Our nation needs every responsible thinking person's help to guide its planning within the framework of our cherished freedoms which have made our nation the greatest place on earth.

That's the reason the Jack Wolfram Foundation, among other projects, is involved in and seeking further involvement in active support of basic and clinical research into the influence of total retirement on total health—a situation which will confront every working person.

I have no quarrel with compulsory retirement from any specific job responsibility at a chronological age, such as 65. But I do *not* believe that this should result in "Total Retirement" or freedom from life's responsibilities or boredom.

Therefore, our Foundation seeks to know for the reason of one's health (if for no other reason) is a substitute needed for the stimulation and discipline of work, and if so, what and when should a person prepare for it?

Why do some people continue to live happy, active, purposeful lives after retirement while others disengage themselves from the outside world, become unhappy, lose their self-esteem, which is seemingly detrimental to their health?

Certainly total retirement from a business or professional life is a severe environmental change. This poses the scientific research question—is environmental change such as total retirement or loss of any long time stimulation reflected in change of endocrine gland function?

Is a balanced endocrine function primary to mental activity or secondary?

Does a normal healthy male at 65 years of age have, upon retirement, a decrease in mental activity because of decrease function of endocrine physiology? Or is such decreased mentation reflecting a fear of competition—fear of incompetence and after a crucial period cause an actual decrease in endocrine function?

I cite these scientific questions to show the depth in which we want to encourage biological researchers to take. So far this phase of our inquiry is still in the exploratory stage. We of the Jack Wolfram Foundation would be pleased to discuss this subject with any researchers who might be interested and we would consider the possibilities of giving financial help.

I want to mention another phase of the foundation's work concerning retirement. Through the cooperation of Albion College we held an assembly which brought together for a three-day seminar a number of students from Lansing Community College, and veterans from business and professions. These students and veterans attended to discuss in small groups the subject "The Individual in a Changing Society".

This was an experiment to determine whether a rapport could be established between college students at the sophomore level and retired people in a mental recreational atmosphere. Would the student learn something from the older person and thus would the retired person be contributing his experience and know-how to the benefit of the student?

During the three-day period the students and their elders were in close association. I am happy to report that an excellent rapport was had. Incidentally, I might mention, we had one rule that everyone, regardless of status, was on a first name basis.

The veterans of business and industry also seemed to be very much interested and were amazed at the cooperative attitude and sincerity and intelligence of the students.

I had intended to repeat the assembly this year, however a shortage of help and other commitments delayed it.

You will be interested to know that the Jack Wolfram Foundation is sponsoring psychiatric research at the Menninger Foundation—specifically the relationship of retirement on mentation—making life worthwhile after retirement.

The late Dr. William Menninger put it this way:

"If each of us can be helped by science to live a hundred years, what will it profit us if our hates and fears and loneliness and remorse will not permit us to enjoy them? What use is an extra year or two to the man who kills what time he has?"

The research work at Menningers is not finished. While there is not yet sufficient data to make a formal report, psychoanalysis has made through the cooperation of 14 healthy retired people. I am free to discuss some of these cases with you.

Case Number One—This man I am now thinking about was a structural engineer with a state highway department. His work was out in the field and as he put it, he learned to like the smell of asphalt and cement. He made rapid progress in his career—and was quite happy. In his late 50's he was promoted to an inside management position. While he could handle his assignment very well he became very dissatisfied and longed for the on-the-job smell of asphalt and cement.

In due course he sought an early retirement and soon developed an outlet for his interest in concrete work by a non economic goal. He made himself available as a neighborhood consultant for "Do-it-yourself" people who were concerned with concrete work such as retaining walls, driveways, etc.

Needless to say he feels needed and respected and looked up to by his neighbors—he is doing the kind of work he likes, when he likes, and for him making life even more worthwhile after retirement.

I think the important thing here is that in retirement he was able to participate in the same job characteristics which he loved in his working career—in this case, outdoor work planning and building with asphalt and cement.

Case Number Two concerns a retired man who started as a teacher and worked himself up through the ranks to superintendent of schools. His achievements were reasonably in line with his expectancy and he certainly considered his life worthwhile during his career—he liked to be actively associated with people—but a year or so before compulsory retirement he found that his school board was not acting on his advice and issuing more directives. This depressed him.

He was retired at age 65 in line with policy. He and his wife left the city and retired to a farm where he putters around the house, much to the consternation of his wife. He also putters around the farm, much to the consternation of his farm help.

He says he is the happiest he has ever been; his wife says he is not happy and neither is she. As a matter of fact subsequent psychoanalytical tests indicate that he is unintentionally but literally driving her to a mental hospital. This last was triggered when the teacher completely redid her kitchen while she was away on a visit.

Obviously this is a problem retirement—at least for the wife, because the man actually believes he is making his life worthwhile after retirement.

Is he not the sole judge? Isn't that what counts towards his happiness—that which he himself believes? But inevitably this will prove an empty edifice because this man's self concept is too far removed from his real self and he is hurting another person.

Case Number Three involves a graduate nurse who spent her career with the visiting nurses and ultimately became the director, and as far as the job was concerned enjoyed making her life worthwhile. After retirement from this directory position she accepted a less demanding part time position in a small health agency which utilized her executive nursing ability. This job did not hold her interest. She would get sleepy at work—finally she gave it up and went back to her original job as a visiting nurse and this has been going on now for several years—and she is very happy—probably the happiest she has ever been.

This is another situation where a person is truly making life worthwhile after retirement by seeking out work with job characteristics that originally attracted the person to his life career. That's one viewpoint—I have an added one—this is another situation where the person continued to benefit others after his retirement—his reward—a sense of self fulfillment.

I cite these cases as examples.

In my retirement I find fulfillment in pursuing several interests—one related to my career in management concerning the need for more effective inter personal communication—talking and listening and looking in any organizational effort. I work with schools and universities on this. The other is a participating interest in fine arts, especially opera. I promote appreciation of fine arts as well as research. I developed this interest about ten years before retirement. I actively participate in analysis of U.S. foreign affairs by my associates with the Council of Religion and International affairs. I have since been elected chairman of the Board of Trustees of the Michigan Fine Arts Foundation, also appointed as a commissioner of the Lansing, Michigan Fire Board.

And then too, there is the matter of management obsolescence. Situations where new complex technological methods take the place of past practices. Some of this work is of such a nature that demands more technical knowledge than the incumbent department manager is mentally equipped to handle. This can cause much anxiety and job frustration on the part of the older executive. Compulsory retirement at 65 may save his self concept and pride.

Now from a corporate viewpoint the compulsory retirement opens up a series of promotions for the oncoming generation with their new ideas and enthusiastic drive. It prevents the growth of a hierarchy which could stifle progress within the corporation management team.

Let me ask you—should not a person endeavor to live up to his biological capabilities—mentally and physically—even after he retires from his business career?

You may not agree with me, but if you do then I must warn you it's not as easy as it sounds and here's why:

Our country is youth oriented and it expects a retired person to step aside—perhaps take a long trip abroad—come home and tend the flower garden, cut the grass, play golf and fish and visit with his cronies.

Now, far be it from me to stand up here and tell you or anyone when he should retire, or what he should do when he retires from his business endeavor. But, I must say this—you can catch a lot of fish in a year. Golf every day—perhaps—puttering around the house? That could make you sleepy! (But worse than that) You probably would get on your wife's nerves.

Trips are fine—that is, if you have something to come back to.

No, it's not as simple as this. I think retirement is a very personal thing—just like you had to choose and prepare yourself for your working career, so it is with a retirement career. It all depends upon what you want out of life—how bad you want it—and what you are willing to do to reach that objective.

No one can tell you what to do or how or when to prepare for it except to urge you to take whatever steps you require to keep mentation above your boredom threshold—most of the time.

I strongly recommend that whatever one decides to do with his retirement—whether you decide to continue to serve mankind in some reduced capacity or to enjoy recreation or cultural activities, by all means one should have a plan compatible with *your* values and circumstances. Each of us has his own philosophy of life—here is mine: I strongly believe that man lives for man and only in so far as one contributes to the benefit of his fellow man as an individual—then can he himself live a full life all of his life.

ITEM 8. LAWRENCE L. SUHM

INCREASED LEISURE TIME—ITS EFFECT UPON HEALTH*

(By Lawrence L. Suhm, Director, Center for Leisure Resources Development, University of Wisconsin, Madison, Wis.)

Professional interest in the subject of increased leisure time is a relatively recent phenomenon. The present wave of concern is not much more than ten years old. The few who have taken an active interest in studying the economic and social implications of rapid increases in leisure time have often met with unbridled ridicule or at least with polite rejection of their efforts by their colleagues.

This has been the history of many efforts to arouse interest in a new area of social concern. But in the case of leisure, there is a special reason for the failure to enlist professional support and interest. This is because we have a unique situation in human history in which the great increases in leisure time are going to the laboring classes while those in the business and professional occupations are spending increasingly greater amounts of time at their jobs. Doctors, university teachers and certain other professional workers are especially notorious for their long hours, lack of vacations and length of work life. For them the problem of leisure is how to get it, not what to do with it.

The historian, Arthur Schlesinger, Jr., stated the situation quite accurately in his comment that "The most dangerous threat hanging over American society is the threat of leisure . . . and those who have the least preparation for it will have the most of it."

In view of the glorious history of leisure it is interesting that a historian should refer to leisure as a threat. The Greek philosopher, Socrates, called leisure the best of all possessions; Benjamin Disraeli said that "increased means and increased leisure are the two civilizers of man"; the Indian poet, Tagore, said that "civilizations are wealths that have been harvested from the deep soil of leisure." Yet, we think of it as the most dangerous threat hanging over our society.

There are many historical and cultural reasons for our fear and mistrust of leisure which have been developed extensively in recent writings on leisure. However, I shall confine my remarks to those aspects of increased leisure time which are related to health.

*Presented to the Fourth Annual Wisconsin Work Week of Health, 1966, sponsored by the State Medical Society of Wisconsin, Madison, Wis.

First I would like to acquaint you with some of the quantitative facts about increases of leisure time in America. Later we shall discuss the more important qualities of leisure that make it an important concern for the health professions.

INCREASES IN LEISURE TIME

The major increases in leisure time are related to a few major sources. The most widely known is the shortening of the work week. It has been reduced by nearly half in the past century and work weeks of 30 to 36 hours are becoming increasingly common in industry.

A second source of increased leisure time for employed persons is longer paid vacations. This is a relatively recent development in which total paid vacation weeks in industry have grown from under 20 million in 1930 to over 100 million today. The average paid vacation is now about two and a half weeks and recently the steelworkers signed a contract providing 13-week sabbaticals on top of regular vacations every five years for long-term employees.

Our young people have increased their leisure time through the combined factors of prolonged schooling and later entry into the labor force. Most of our school-age population attends school less than half the days of the year and child labor laws keep most of them from paid work the remainder of the time.

The aged population is the most significantly affected by increases in leisure time due to the two factors of earlier retirement and increased life expectancy. The retired person in 1900 could expect to live only three years after leaving his job. That figure has tripled to nine years today.

Other sources of leisure might be cited but these have provided the greatest measurable blocks.

Perhaps we can better comprehend the magnitude of the increases in leisure time by pointing out that someone has calculated that, due to these increases, the average person today has 22 more years of leisure time during his lifetime than his great-grandfather had. On an individual basis, a nationwide sample of 7,000 households found that, based upon diary studies, adult men have some 31 hours of leisure time per week and women report over 35 hours of leisure time per week. On an annual basis this means that for most adults, even during their active work life, the amount of leisure time is almost equal to the amount of time spent at paid jobs.

THE USES OF LEISURE TIME

What do people do with all this leisure time? Here again the diary studies have provided some answers. First of all, nearly three-fourths of all leisure time is spent at or in the home. More than half of all leisure time—some 18–20 hours per week—are spent watching television. Another six hours a week are spent reading—mostly newspapers. This leaves only about an hour for all other at-home activities. Of the 25% of the free hours spent away from home, five are spent in visiting friends and relatives. The remaining three and one-half hours of free time are divided among a wide variety of pursuits including church attendance, participation and spectator sports, going to a concert or adult education programs, volunteer activities in the community, outdoor recreation activities, and so forth.

INABILITY TO COPE WITH LEISURE

How prepared are the people for the vast increases in leisure time and how do they feel about the prospects of getting more of it? The pollster, George Gallup, reported to a labor conference on leisure just a few years ago that his periodic surveys of attitudes toward the shorter work week showed that more than half the labor union members and their wives were opposed to any further reduction in the work week, even if assured the same income for less hours of work. Another survey of business executives, conducted by *Fortune* magazine, revealed that nearly 90% of those interviewed would continue working even if assured an adequate lifetime income. The *Wall Street Journal* reported not long ago that when a group of steelworkers were given a choice between taking the 13-week paid sabbatical their union had won for them or going on working and putting the money in their retirement fund, 80% chose to go on working.

Of those who took the sabbatical, the plant doctor commented: "There's been no education for this thing. These men aren't the traveling type and many won't know what to do with the time. I'm only borrowing on my other experiences in 30 years here, but I'm concerned whether these enforced vacations are going to

precipitate degenerative disease symptoms in these people. I predict some of these men are going to be in bad shape when they get back—some of the older ones keep going only because they work.”¹

In an article entitled “Leisure and Work in Post-Industrial Society” the sociologist, David Riesman, wrote: “Union leaders have pointed out to me that a lack of any experience with extensive leisure may be responsible for the frequent breakdown and anomic reactions among men forced to retire, regardless of the medical and recreational facilities that may be provided for the retired.”²

Evidence that the lack of preparation for extensive leisure time often leads to severe organic and emotional breakdown also comes from the medical profession. A psychiatrist, Dr. Alexander Reid Martin, has written relative to this problem that:

“A post-retirement follow-up will show that all forms of total personality disturbance, organic, emotional, intellectual, moral, can develop especially in individuals whose philosophy of life prohibited true healthy relaxation and enjoyment and creative use of leisure time.”³

The problem of inability to cope with leisure is certainly not confined to retirement since, as Dr. Martin has noted, “Most suicides occur during weekends, holidays and vacations.”

Findings such as these, though thought provoking and perhaps impressive, sometimes fail to convey to the busy professional the depths of the problem as confronted by the individual in his home community. By the time he is brought into contact with the health and medical profession he is only able to express himself in terms of his complexity of symptoms. At this stage the usual medical or surgical remedies provide little hope of permanent cure.

Only occasionally do we get a glimpse of the deeper problems behind the symptoms. Here, for example, is a distress signal from a desperate man who wrote me from Yankton, South Dakota. He writes: “I am well thought of in Italy, Germany, and Eastern U.S. but out here, ignored. I have no degree, I have no eyes that will function long at a time. Suicide has been foremost in my thoughts lately, for being alone, lonesome and unwanted is awful. I would like to get where there are no autos, it is quiet and people are civilized, not as they are here where radio boasts that Iowa has 100 more deaths than a year ago. I am afraid I am going out of my mind. I am sure there must be a solution; but what?”

“The doctor tells me that in ten months or so, if I don’t get fresh air and some exercise, I will slowly pass into the invalid stage. He suggests three things: Ride bike, horse and swim. There is no pool here; roads are crowded by students who think little of human life, some drunks, and too many cars. Walking is even a hazard. I don’t know where to turn. I tried the church. I was pushed aside by a minister in Omaha, and the one here with whom I have talked is a fine person, musical, but he (I think) doesn’t know what to do or say.”⁴

An isolated case? Perhaps, but our experience leads us to think otherwise. Another letter, this one from Wisconsin, expresses the problem in somewhat more objective terms: “After having received endless pain and misery, an elderly person may make use of ‘the emergency exit’ and suddenly depart from life. A friend of mine, who was my age, did so last Sunday. After having been actively engaged in striving to earn a living, and then becoming very old, helpless and useless, such a person becomes very lonely, sad and miserable when enclosed in a rest home. He (or she) may have the best of care, but will not receive much pleasure and will wait and long for death to arrive so as to be free from mental agony.”⁵

These kinds of problems tend to increase markedly with retirement because of the accompanying physical and mental decline associated with age. But it should be made abundantly clear that the psycho-Physiological problems related to increases in leisure time are not only associated with advanced age and permanent retirement. The same Dr. Alexander Martin quoted previously has also noted that many spasmogenic conditions in the gastro-intestinal tract, of neurotic origin, have become much worse during holidays.

Such conditions are apparently becoming so commonplace that a medical vocabulary is beginning to develop to describe the phenomena. For example, we

¹ The Wall Street Journal, Midwest Edition, April 7, 1964.

² Riesman, David: *Leisure and Work in Post-Industrial Society*, Mass Leisure, p. 369.

³ Martin, Alexander Reid: *A Philosophy of Recreation. The Doctors and Recreation in the Hospital Setting*. No. Carolina Recreation Committee, January, 1962, p. 10.

⁴ Personal letter received from Yankton, South Dakota.

⁵ Personal letter received from Cumberland, Wisconsin.

have already coined the term "weekend neurosis" while the Germans have developed the term "Freizeitsuchtigkeit" which means free time sickness or mania.

Many of the same symptoms seem to appear in persons afflicted with prolonged unemployment. Studies carried out during the depression found that "prolonged unemployment typically leads to a deterioration of personality: passivity, apathy, anomie, listlessness, disassociation, lack of interest and of caring." Another study concluded that ". . . prolonged unemployment operates as a severe depressant on the individual's relations to his society and himself."⁶

These problems associated with disemployment and sudden increases in unstructured free time are equally prevalent among housewives whose principal functions as housewives and mothers tend to lose their centrality as children grow up or as labor-saving devices free the woman from many household chores. One of the chapters in Betty Frieden's popular book, *The Feminine Mystique*, describes the housewife's desperate effort to occupy time. The chapter is entitled "Housewifery Expands To Fill the Time Available." In this chapter Mrs. Frieden writes: "In the 1950's sociologists and home economists reported puzzlement and baffling inconsistencies, as to the amount of time American women were still spending on housework. Study after study revealed that American housewives were spending almost as many, or even more, hours a day on housekeeping as women 30 years earlier, despite the smaller easier-to-care-for homes, and despite the fact that they had seven times as much capital equipment in housekeeping appliances."⁷

The author finds that "after all, with no other purpose in her life, if the housework were done in an hour, and the children off to school, the bright, energetic housewife would find the emptiness of her days unbearable."⁸

Thus far I have only touched upon the generalities of the relationships between increased leisure time and health. However, there is a direct relationship, too, between the loss of principal occupational functions and the development of physical and mental disorders. It is not the increase in leisure time which adversely affects health but rather the tragic failure of our society to provide adequate personal or environmental resources for leisure. When we say that many Americans are unable to cope with leisure we are simply saying that these people have failed to find adequate meaning and purpose outside of their principle occupations.

EFFECTS UPON PHYSICAL AND MENTAL HEALTH

This failure, as we have pointed out, can be seriously damaging to the physical and mental well-being on the individual and to society. "The distinctive quality of man is that he requires meanings in his life to guide him and motivate him for survival. Without meaning he feels out of connection to life, ceases to function and so dies. . . . It is apparently a fact of human functioning that since a feeling of meaning provides motive power for life, the lack of it causes life to dwindle away in confusion."⁹

Not only must man find meaning and purpose in life in order to function as a healthy human being, he must also make use of his capacities. The psychologist A. H. Maslow has written: "Capacities clamor to be used, and cease their clamor only when they are well used. That is, capacities are also needs. Not only is it fun to use our capacities, but it is also necessary. The unused capacity or organ can become a disease center or else atrophy, thus diminishing the person."¹⁰

Dr. Van Potter of the University of Wisconsin Medical School points to the same truth about the necessity of continued use of our physical and mental capacities if we are to maintain a condition of health whether in leisure or non-leisure living. He says: "When we carry a heavy load, our ability to carry loads increases, but the corollary is that, when we have no loads to carry, our ability to carry loads decreases."¹¹

This is the adaptive mechanism of the human organism. The same ability that enables us to adapt to environmental stresses and strains also makes possible the shedding and the loss of unused or unneeded capacities. Muscles, organs,

⁶ Reported in Berelson and Steiner: *Human Behavior*, p. 403.

⁷ Frieden, Betty: *The Feminine Mystique*, p. 231.

⁸ Frieden, Betty: *op. cit.*, p. 243.

⁹ Proggoff, Ira: *The Depth and Magnitude of Human Nature. Main Currents of Modern Thought*, Vol. 16, No. 5, May 1960, p. 98.

¹⁰ Maslow, A. H.: As quoted in Frieden, *op. cit.*, p. 305.

¹¹ Van Potter: *Society and Science*, No. 20, 1964, Vol. 146, No. 3647, p. 1021.

senses, and reflexes not called into play by the requirements and demands of daily living tend to deteriorate—even atrophy—sometimes with astonishing rapidity, within an individual.

Those who work in hospitals are familiar with the rapid loss of muscular strength and coordination of those confined to hospital beds. Blood circulation is likewise affected with resultant consequences to the health of the skin and to bodily processes in general.

Experiments with isolation and sensory deprivation similarly indicate, not only a rapid deterioration of normal functions, but also a wide range of adverse side effects. A symposium on this topic reported as follows: "These studies indicate that the absence of stimulation leads to debilitation of behavior, making the individual less efficient and inducing strong affective states which are associated with marked changes in motivation. * * * As these studies suggest, the cognitive, perceptual, and emotional changes associated with and consequent to deprivation leave the subject less competent to meet the adaptational demands of his environment."¹²

There is also a broad range of research to document the direct physiological consequences of decreased motor activity and exercise. This is especially true among the aged. Dr. M. Edward Davis has stated, for example, that "Decreased physical activity as senility approaches brings on senile osteoporosis."¹³

The relationship between exercise and heart and circulatory functions has frequently been cited. In a paper on atherosclerosis Dr. E. Harvey Estes wrote that "Epidemiological studies suggest that more active groups have less coronary atherosclerosis than sedentary groups. Increased exercise has been shown to prevent the rise in blood lipid with increased caloric intake."¹⁴

Dr. Estes, in his review of research on the subject also pointed to the relationship between blood cholesterol and mental stress, the cholesterol level undergoing remarkable rises with such stress with more susceptible individuals showing rises within hours.¹⁵

One might point also to the health problems associated with the failure to adapt dietary habits and physical activities to the conditions of leisure.

Dr. Benjamin Burton of the Heinz Research Center in Pittsburgh has pointed to a variety of such relationships. He says that: (1) a decrease in physical activity serves to diminish individual appetites, (2) that loneliness provides little incentive to have organized meals at all, (3) that a decrease in physical activity accompanies a lower metabolic rate, (4) that constipation is partly caused by decreased physical activity, and (5) that overweight sets in if previous eating habits persist with lessened physical activity.¹⁶

Certainly many other findings might be cited in support of the thesis that where the uses of increased leisure time are characterized by decreased physical activity, social isolation, sensory deprivation, lack of mental stimulation, or lack of adequate motivation, adverse effects upon the total health of the individual are highly probable.

However, we should turn our attention to some of the findings that suggest that the appropriate uses of leisure time can serve both to retard physical and mental deterioration and as therapy where this decline has already set in.

For example, Dr. Ernest Newman has stated that, "after retirement, individuals with the greatest amount of planned activity were the ones least subject to depressions." He says, "He says, "Self-esteem can apparently be restored by activities which demonstrate to others and to the individual his continuing competence."¹⁷

The role of continued physical and mental activity in leisure is cited so frequently as a deterrent to physical and mental decline that it hardly merits repetition. However, the general public is not often made aware of the importance of exercise and continued active involvement to the total health of the individual. Most people associate physical exercise only with muscular development or,

¹² In Berelson and Steiner: Human Behavior, p. 91.

¹³ Walsh, Ann: E.R.T., quoted on p. 164.

¹⁴ Estes, E. Harvey: Atherosclerosis. Research in Gerontology: Biological and Medical, U.S. Dept. of Health, Education and Welfare, Washington, 1961, p. 90.

¹⁵ *Ibid.*

¹⁶ Burton, Benjamin J.: Nutritional Requirements of the Aged. Research in Gerontology: Biological and Medical, U.S. Dept. of Health, Education and Welfare, Washington, 1961.

¹⁷ Newman, Ernest: Research in Geriatric Psychiatry. Research in Gerontology: Biological and Medical, U.S. Dept. of Health, Education and Welfare, Washington, D.C., 1961, p. 107.

in the case of women, with the care and preservation of a well-proportioned figure. Other important values of physical activity are too often ignored. Dr. M. Edward Davis, for instance, points out that "There are two factors in maintaining the bony skeleton. One of them is estrogens—or androgens. The other factor is activity—this is extremely important," he says.¹⁸ And *Science* magazine carries a report on research in perceptual deprivation in which it is concluded that " * * * performance of exercises can obliterate many of the impairments produced by perceptual isolation," that, "performance of calisthenics has proved helpful in combating some of the effects of isolation;" and that "hallucinatory and delusional experiences seem to occur less frequently during isolation if motor activity is permitted than if it is not."¹⁹

RESPONSIBILITY OF HEALTH PROFESSIONS

I have tried to point out some of the direct relationships between the use or misuse of increased leisure time and the health and well being of those who have leisure.

Since it is the medical profession that has been largely responsible for much of the increase in leisure time in America—especially among the aging—the profession ought to employ the wisdom and resources at its disposal to make this leisure something more than "the most dangerous threat hanging over American society."

It is not enough to simply prolong life. As someone has so appropriately pointed out, continued existence is not the same as good health. The person who is not physically or mentally fit to cope with leisure is just as much in need of medical attention as the person who is not healthy enough to return to his job.

With the vast increases in leisure time being thrust upon the population the medical profession is confronted with a problem which is at one and the same time a professional and a moral one. Do we want to prolong life without also being equally concerned with the quality of the life being saved or prolonged? The answer is obvious if we compare such a lack of concern with the thoughtlessness of parents who continue producing children without regard for their ability to offer or interest in providing meaningful living for their offspring.

At a time when millions of Americans are trying to make the transition from a way of life focused upon survival requirements to one in which new meaning and significance must be found in leisure, it is imperative that the health professions turn increasing concern toward the qualitative aspects of living.

Former President Hoover once said, "This civilization is not going to depend upon what we do while we work, but what we do in our leisure time." It is probably equally justified to say that the health and well being of the American people will be increasingly dependent upon what we do in our leisure time.

ITEM 9. STEPHEN SMITH HOME FOR THE AGED

STEPHEN SMITH HOME FOR THE AGED,
Philadelphia, Pa., June 12, 1967.

DEAR SENATOR MONDALE: I regret very much the delay in responding to your request for information for use by the Subcommittee on Retirement and the Individual of the Special Committee on Aging.

In general I support the testimony that you will receive from The National Council on the Aging.

In addition, however, I am enclosing a copy of "Double Jeopardy", a publication of the National Urban League which, highlights some of the special problems of the Negro elderly. Perhaps your committee will find some of the information contained in this publication to be helpful in its deliberations.

Sincerely yours,

HOBART C. JACKSON, *Administrator.*

¹⁸ Report of an interview with Dr. M. Edward Davis, University of Chicago, in Ann Walsh, E.R.T., p. 111.

¹⁹ Zubek, John P: Counteracting Effects of Physical Exercises Performed during Prolonged Perpetual Deprivation. *Science*, Oct. 25, 1963, Vol. 142, No. 3591, p. 504ff.

ITEM 10. STATE OF MICHIGAN DEPARTMENT OF LABOR, MICHIGAN
EMPLOYMENT SECURITY DIVISION

STATE OF MICHIGAN,
DEPARTMENT OF LABOR,
MICHIGAN EMPLOYMENT SECURITY COMMISSION,
Detroit, Mich., July 12, 1967.

DEAR SENATOR MONDALE: Inasmuch as I have replaced Mr. John Simmons as Chairman of the Older Worker Counseling and Placement Interest Group, your letter has been referred to me for reply.

At the last meeting of this group, it was suggested that pre-retirement and retirement problems be one area of concern and that data and literature be made available for those individuals who are working with persons in this age group. We are studying the best method of proceeding as we realize that this is a very important and much needed service.

As State Supervisor of services to special applicant groups, one of our major concerns is services to older workers. We have worked closely with the Commission on Aging in the area of employment for those aged 65 and over. In our agency, we do not distinguish retirees from other applicants seeking employment. In the Michigan Employment Security Commission we have encountered the following problems in trying to place senior citizens who desire employment to supplement their income or for other personal reasons:

1. Limitations placed by these applicants with respect to their acceptance of jobs: shifts, hours, days of work and transportation.
2. Acceptance of lower wages and salary.
3. While attempts are made to obtain information as to part-time, casual and temporary jobs as well as permanent openings for which employers will consider hiring older workers, there is a serious need to survey the employing community for more accurate and current information with respect to their needs and willingness to employ persons in this age group.
4. There is also a need to promote the value to the employer of using the services of qualified retirees. We have had promotional campaigns to encourage hiring of aged 45 and over applicants, but they were not geared specifically to retirees.

In the Detroit Area we have worked with the UAW-CIO retirees' group and have found that very few of them are interested in employment. This was also true in the Senior Citizens' groups in Dearborn and other Detroit suburban areas, as well as in Lansing. However, undoubtedly there are many senior citizens particularly in the inner city and rural areas who do not have benefit of adequate pensions who are in need of employment. To date no survey has been made of either needs of these senior citizens or realistic employment outlets.

Enclosed are copies of the pre-retirement program carried on by this agency.

Very sincerely yours,

SONIA A. MAKI,
Supervisor, Community Relations.

ITEM 11. MERLE HUSSONG

SACRAMENTO, CALIF., *August 22, 1967.*

DEAR SENATOR MONDALE: I read with interest and general approval your remarks to the conference on Aging at Ann Arbor, Mich.

I have given the subject my very best thought and have come to his conclusion. The government, in cooperation with the states, should launch a huge retraining program for adults. Mechanization, automation, computerization and technological advances and changes are creating an army of jobless men and women. They are too young to retire, too old for established schools, and yet must be equipped with new skills and abilities if they are to assume or resume a place of economic importance—*centering upon work*—in society.

Perhaps every high school should be a retraining school at night and on Saturdays. Perhaps government installations should become centers for retraining when not used. Students could be taught tire retreading at airports, they could

be taught computer skills at various plants. Perhaps many of our abandoned or about to be abandoned military installations should become training schools, not only for the young but for adults.

In my opinion this vast program is about the most important action the government could take to relieve the present situations. Men and women are not willing to be thrown on the scrap heap, given a dole and abandoned at 40 years of age, nor at 60 or 65. They could learn something, they could do something useful, and could earn a small wage, and most of all *feel needed* and remain a part of the human race. I hope my thoughts have been helpful.

Very truly,

MERLE HUSSONG.

ITEM 12. SENIOR CITIZENS NEWS ARTICLE, SENATOR MONDALE ON EDUCATIONAL TV

[The National Council of Senior Citizens, Inc., published the following article, October 1967, relating to the Role of Educational TV in helping the Elderly]

EDUCATIONAL TV CAN HELP THE AGED ENJOY HAPPIER RETIREMENT YEARS

(By the Honorable Walter F. Mondale, U.S. Senator from Minnesota)

Educational television can play an important role in helping older Americans lead happier and more interesting lives during their retirement years.

Senior citizens in the United States are now probably the world's most faithful television watchers. A recent poll indicated that among individuals 65 and over, 95% watch TV regularly. For 20% it is a major activity of the week, with many spending an average of five hours a day before the television screen.

What they watch depends on their personal preferences—and what is shown. They can choose from a variety of offerings ranging from news programs to variety shows, from ball games to exercise programs, from soap operas to an occasional concert.

But few, if any, programs—especially on commercial television—are tailored to the special interests and needs of the 19 million Americans 65 years of age and over.

Entertaining and informative programs of this nature are possible, however, as has been proven in an important experiment that should be studied and understood, not only by television programmers, but by older citizens themselves.

The story of WITF-TV of Hershey, Pennsylvania, was related at a hearing conducted in Ann Arbor, Michigan, by the Subcommittee on Retirement and the Individual, a new unit of the Senate Special Committee on Aging.

RETIREMENT REVOLUTION

The Subcommittee has heard from eminent witnesses who have confirmed the little-noticed fact that we are in the midst of a retirement revolution involving far-reaching changes in both the nature and dimensions of retirement. Both the number of retired individuals and the number of years they live in retirement have been increasing and will continue to increase in the years ahead.

Automation, technology, and other forces are cutting work careers at earlier and earlier ages, while Medicare and continuing medical advances are not only stretching life expectancy but producing greater youthfulness at ages we now regard as advanced.

But longer and more vigorous retirement years bring problems as well as blessings for many people. Our hearing transcripts already are crowded with facts about inadequate income, aggravated ailments, and other problems faced by those who thought they had provided adequately for their later years.

Disturbing testimony has also come from doctors and psychologists who say that many new retirees have severe problems in adjusting to the loss of job and job status and in coping with our society's outmoded attitudes toward retirement and aging.

The problem of attitudes was succinctly summed up by Mrs. Walter W. Walker, Chairman of the Minnesota Governor's Citizens Council on Aging, in her testimony before our subcommittee. A survey taken in Minnesota three years ago, she said, demonstrated "the confusion and frustration of having no

identifiable role as a member of society, as a member of the local community, and also, a self-image of those very ones in their later years. These were both self-held by the individuals themselves and held by the public at large."

TV—SPECIALLY FOR THE ELDERLY

The subcommittee is studying ways of changing such attitudes and it is clear that television—especially educational TV—can play an extremely important role in this regard, as WITF-TV has demonstrated with its program "The Time Of Our Lives."

This half-hour program, which is financed with the help of an \$85,000 grant from the U.S. Administration on Aging, is broadcast at prime evening time once a week. Its target audience is the 129,000 people—11% of the total audience in WITF's service area—who are 65 years of age and older. And its audience will double this fall when the ETV station at State College, Pennsylvania, begins showing the program.

WITF's Assistant Manager for Programming, Richard J. Lutz, reported on the progress made thus far in the testimony he gave to the Subcommittee at Ann Arbor.

Fundamentally, he said, the program is intended to help older Americans lead more successful retirement lives. The weekly show is of, by, and for the elderly. The host, for example, is a retired Bell Telephone office manager who came to TV without any professional experience. But, to judge from the film clips viewed at the hearing, he is a naturally courteous and interested master of ceremonies who identifies readily with his audience.

Working with him and producer Irwin P. Starr are nine retirees, called Area Coordinators. Each one represents one of the South Central Pennsylvania counties served by WITF-TV. They are salaried part-time workers who act as talent scouts and as channels of communication on program impact.

Thus, Lutz notes, viewers actually design the programs when the project team analyzes reaction to the various segments in each weekly production. Structured in a magazine format, the program's "articles" range over a field of interests intended to appeal, at one point or another, to every viewer. Strong positive reaction means a segment will appear again, but a "thumbs-down" response takes a segment out of the series.

MEASURE PROGRAM REACTIONS

To deepen and intensify viewer influence on the television effort, a "Committee of 100" has been appointed which supplies in-depth reaction to every program. These volunteer evaluators range in age from 64 to 91, in physical fitness from very active to bed-bound, and in wealth from poverty-level to one man with a retirement income of \$15,000 yearly.

The segments they evaluate are immensely varied:

- A Social Security representative frequently appears to answer viewer questions addressed to him by his first name.
- Organization representatives tell of club travels.
- Specialists talk of housing from turtleback campers to nursing homes.
- Executives and volunteers from various organizations offer ideas on opportunities for community service.
- Active hobbyists show how they spend their free hours.
- Physicians level with viewers on what to expect from their bodies as age mounts.
- The elderly themselves entertain.
- A physical therapist invites viewers to exercise along.
- I.R.S. representatives provide tips on tax breaks for the elderly.
- Success stories offer suggestions on income management and augmentation.
- A reader's theatre group offers ideas on group enjoyment of literature.
- A police captain tells how to foil a con artist.
- A handyman offers widows a tip on replacing a washer that can save a costly plumbing bill.
- A lawyer talks turkey on wills.
- retired librarian reviews a book for senior readers (and starts a run on libraries).
- An audiologist provides tips on hearing aids.

OFFERS FREE LITERATURE

The program offers free supplementary literature, for the asking, on virtually every topic discussed. To date, viewers have written for and received thousands of pieces of literature.

The TV-plus-print approach gets results.

One widow in her 70's, after a program discussion of hearing loss, wrote that as a result of what she had seen she no longer hesitated to admit that her hearing was failing, and that she had made an appointment for tests.

The main objectives of the WITF-TV series, as outlined in the initial application for AOA help early last year, were:

... To develop (and test) materials and methods for a weekly television program for the aging.

... To demonstrate the program's capability for creating immediate intercommunication with its audience of older people and for enhancing their ability to sustain useful, creative, and meaningful lives during their later years.

... To promote continuing participation in (and financial support of) the program among local organizations and agencies concerned with the aging.

... To encourage other broadcasters to utilize results of the demonstration, and to promote a nationwide effort in television programs for older Americans.

Originally, WITF-TV's demonstration in timely, local TV for the aging was to have taken three years in developing materials and methods for use by others. But the time may be ripe now to get more ETV stations into the business of communicating with the aged. Over the past six months, WITF-TV has received unsolicited requests for advice on this new kind of educational programming from some twenty educational television stations.

As a result, the Administration on Aging is presently considering an application for additional funding to stimulate development of television for the elderly elsewhere in the nation by enabling WITF-TV to make its experience, recommendations and "starter programs" available to scores of other ETV stations.

In the meantime, other innovators are also at work. In my own State of Minnesota, for example, Mrs. Walker and others are planning a far-reaching television project—again with AOA help—to involve older citizens in community affairs and give them an opportunity to study and discuss world, national and local issues.

One of the main purposes of educational television should be to serve those needs which are not or may not effectively be served by conventional commercial television, and the possibilities for ETV and the elderly in this respect are enormous.

To members of Congress—who have a responsibility to keep watch over educational television—it should be plain that older Americans can gain much if their television sets serve them in concrete, down-to-earth fashion.

That's the goal, and we already have proof that it can be done. Now it's up to Congress, television programmers, appropriate Federal agencies, and—most important of all—the public, to make certain that it *is* done.

APPENDIX 4

WRITTEN STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

(Form letters were prepared by the committee to enable those who were unable to give oral statements due to time limitations to submit written statements. The pertinent statements follow :)

ITEM 1. STATEMENT OF EDWARD L. ROBINSON, DETROIT, MICH.

I am Edward L. Robinson, First Vice President of the Metro-Detroit Council of Senior Citizens. We have about 90 Senior Citizens Clubs affiliated with this organization and I have talked to most of these clubs two or three times and they have told me their problems. In January and February, 1966, I worked on Medicare Alert in Wayne County. I testified before the Special Sub-Committee on aging on June 2nd, 1966 in Washington. My remarks will be found on page 72 of that report.

You said that you came to Detroit for answers to some questions.

1. "Why do individuals retire early, and do realities of retirement live up to expectation?"

Yes, in 90% of the cases, especially for the hourly and salary workers in routine jobs. This would take in about 90% of those employed. I retired at age 65, but wanted to retire earlier. In 1950, at age 56, I had a very severe cancer operation which left me stuck with a colostomy. The last few years I had to work at small routine jobs.

2. "Does early retirement increase the availability of skill labor?"

In this electronic age and rapid change in doing things in industry, business and education, most people over 50 years of age find they are back numbers and need to be retrained. Instead of wasting a lot of time and money trying to train "an old dog to do new tricks", it would be better to train younger people for the modern jobs, thereby cutting down the unemployment of the younger people and they would give longer years of more efficient expert services. Besides, each year, fewer people are needed to man our industrial complex.

3. "How effective is pre-retirement training for the early retirement?"

My wife and I have taken Dr. Woodrow Hunter's pre-retirement training and it gave us a lot of new ideas. We both like to travel and camp out.

With a little camping trailer behind our car during the 8 years since we retired, we have visited most of the National Parks, worn out three cars, a camping trailer and still are going strong. We have already camped out 30 times this year, travelled 4,000 miles and next month plan to take off for another trip. When at home, we are busy working with older people and are doing civic and church work. In fact, I don't see now how we had the time to work when we did work. I think life begins at 60.

4. I think any center for retirees does great good, but while working for Medicare Alert, we found thousands of lonely old people who never heard of the centers. They were too poor to go and had no money to pay for transportation.

5. "We want your idea on whether early retirement can successfully be applied on a broader scale if Social Security remains at or near the present levels".

Yes. If H.R. 5710 Bill is passed and the base for Social Security is raised as outlined in this bill, there will be enough money coming in so that the rates need not be raised appreciably.

The present retirees are doing much to stabilize the economy of this country. In 1964, I think it was Senator Harrison A. Williams, Jr., of New Jersey who said . . . "The 18 million people over 65 are spending in this country 38 billion

dollars." This is over three times the net income of all the farmers in this country. Everyone knows that consumer buying power is what keeps business rolling.

It is estimated by economists that for everyone working in a basic job, four more are kept working to supply his consumer demands, such as doctors, lawyers, politicians and consumer services, etc. When you retire and keep spending, you support all of them. With labor-saving devices, we don't need so many people working in the basic industries.

The present retirees' great consumer demand are keeping millions of younger people working. If we increase Social Security as outlined in H.R. 5710, this increased buying power will give jobs to thousands of the unemployed. If we add to this early retirement at age 60, unemployment would be wiped out.

The young people who pay into Social Security are really creating buying power for their retirement, with very little extra charge they are getting with death and disability the best insurance policy for themselves and their family. If we add Medicare to the disability, they will be getting a great bargain.

I shed no crocodile tears for the amount the employers pay into the Social Security and company pension funds for this is really postponing buying power, so that their retired employees will continue to buy the goods and services they produce and they will continue to make millions of dollars profit off their retirees. Besides most of this amount is written off as business expense.

It is estimated that about 25¢ out of each dollar spent goes for taxes. The increased employment and consumer demand touched off by the needed increase in Social Security and early retirement will cause billions of dollars to flow into the Social Security Fund, Federal, State and local treasuries.

There will be more money to better educate and train our children, grandchildren and great grandchildren. They will be equipped to draw higher salaries and serve the need of this modern world.

When my wife and I, in the off-tourist season, pull into a lonely gas station in the desert of Arizona and say "fill it up", the broad smile on the owner's face shows that the spending of the senior citizens is appreciated.

There is another matter I wish to call to the attention of the Committee on Aging: This is the great need for housing for the elderly.

Thousands of old people, many of them live alone, live in the old section of Detroit. Five freeways have bisected the city. Urban renewal has wiped out the heart of Detroit and the recent riots have destroyed many more homes.

If we had more low cost, high rise apartments built, many of these older people who occupy big old houses would be glad to move to a safer and more modern place to live, and their homes could be occupied by younger, large families. Senior Citizens housing "kills two birds with one stone."

When Cooperative Services built the 161-unit high rise, 202 financed apartment for the elderly in Wyandotte, Michigan, the Mayor of Wyandotte said . . . "Now 161 of our senior citizens can move into them and make room for 161 more families in our city. The businessman will have more customers and the city more taxpayers." Every apartment is now occupied and there are over a hundred on the waiting list.

Cooperative Services has the land and plans to build another 190-unit high rise apartment under Section 202 in Wyandotte. Also land on which to build two more projects—one in Detroit and another in Highland Park, Michigan.

We have been informed that only 20 million dollars has been appropriated by Congress to build Section 202 finance housing for the elderly in the entire country, and that there are now more than enough approved applications to cover this amount. We urge the appropriations be increased.

Thirty-two of the elderly in the Wyandotte Co-op Apartments get rent supplement. We hope Congress will continue this much needed program. The State of Michigan now pays the taxes to the cities where non-profit senior citizens houses are located. This helps some to keep the costs down, but with the high cost of building, we need both rent supplement and tax exemption. In a few short years most of the low income, old people will be gone and the younger seniors will be retiring with higher Social Security and company pensions and we hope the need will not be so great.

We urge you to help the desperate need for housing, with rent supplement now, not only in the Detroit area but for senior citizens in the rest of the country. Then you will also help relieve the housing shortage for the younger people.

ITEM 2. STATEMENT OF EDWARD L. PAGE, SOCIAL SYSTEMS
INSTITUTE, INC., ANN ARBOR, MICH.

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Ann Arbor July 26, if there had been time for everyone to speak:

Recently, I received a letter from Mr. William Norman of this committee asking if the Employment Enterprises concept, which I founded and was described in an article of the June 1st. Wall Street Journal quite accurately, could be applied to the problem of employment for the aged.

* * * * *

The Employment Enterprises concept is the establishment of private, non-profit corporations that provide employment for those persons that normal competitive employers will not hire, those who are the losers in our present competitive labor market. Employment Enterprises provide such employment by operating local business enterprises that seek out and fulfill unmet needs in the community—that can be fulfilled by these persons—whatever these needs are. Employment Enterprises in Ann Arbor, Michigan, has operated a Realty Maintenance Service, an Odd-Job Service, a Household Services Organization, a Chinaware Rental Service, and two Automobile Service Stations. We are considering operating Day-Care Centers, a Contract Transportation Service for social agencies, a Housing Renovation Program, as well as Family Care homes for mental hospital patients.

The Employment Enterprises concept consists of overcoming whatever are the obstacles to employment, except physical handicaps because there are all kinds of programs for this group. Thus, if age is a handicap to employment, Employment Enterprises will help overcome it. This can be done in a number of ways.

Employment Enterprises will employ older persons who are capable, particularly as managers, trainers, assistants, and similar positions where their skills and knowledge can be used to the extent they are usable.

ITEM 3. STATEMENT OF JUNE MCKEE, ANN ARBOR, MICH.

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Detroit, June 26, if there had been time for everyone to speak:

Just a comment in consideration of your public impressions:

Most of your pre-eminent speakers should request "consecutive translation" of their presentations so that the exaltation of their verbiage could be stepped-down to terms that hold the interest of the public concerned (so long as they are guests invited to listen, and speak in response to these hearings).

MEMO TO SENATE HEARING IN ANN ARBOR, JULY 26, 1967

From: June McKee
Subject: Rent Supplement Legislation

(First a Comment, Then a Question)

Social scientists know that mature older people take a kind of pride in being self-supporting as well as interdependent when they retire from working for a living, and that they don't relish having to receive help from their sons and daughters whom *they've* enjoyed helping in every way, tangible and intangible, that they could, for some 40 to 50 years.

So when these parents' pleasure in retirement is diminished by restriction of their capacity to keep giving, as they try to live on Social Security—their sense of personal security is shaken, and their fears, tensions, and anxieties augmented, to nobody's good mental or physical health . . .

Now I understand the House members have killed the rent supplement bill that would have given people in their parents' generation \$100,000,000 worth of this essential basic security—and I'd like to know what the Senate members plan to do about it—to maximize or minimize the contribution they can make to the self-respect and happiness of their older generation?

ITEM 4. STATEMENT OF RAYMOND HANSEN, DETROIT, MICH.

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Detroit, July 26, if there had been time for everyone to speak:

I retired from the Cadillac Motor Car Co. on May 1, 1963 at age 62. With over 40 years of seniority. I one day figured that with the double Pension Benefits allowed at that time under the G.M. contract—until age 65—I was working for about 2.04 per hour. Also I figured that 40 years was enough of the "same old grind". Also I could make room for one more man to have a job by retiring.

I wanted to do the things I liked to do, rather than what I had to do all the time. I am a retired member of CADILLAC LOCAL 22—U.A.W.—C.I.O. and a delegate to the U.A.W. Retired Workers Council, Board member of Craftsman CREDIT UNION—(CADILLAC EMPLOYEE'S) and FINANCIAL SECRETARY OF LOCAL 22 Retiree's CHAPTER. Have no trouble keeping busy and am enjoying my retirement. Have better health now than when I was in the plant—apparently. I have no serious problems, but believe Social Security should be raised or Pensions put on an escalator basis—or both. Our cost of living goes up all the time—with everyone else. Our bread cost as much as it does the man still working and making \$3 or \$3.50 or more an hour. Changes in MEDICARE are badly needed also. Could write much more, but this may never ever be read or recorded—or will it?

Thank you.

ITEM 5. STATEMENT OF EVELYN B. CROOK, WASHINGTON, D.C.

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Detroit, July 26, if there had been time for everyone to speak:

Excellent meeting. Professional attention to this subject long overdue.

Elsewhere I am oppressed by some superficialities of some younger people who speak, or work, in this field. Among reasons for putting competent older people into positions of responsibility in work for the elderly:

1. They can weigh experience against theory; have "been through it."
2. They usually need employment, and can seldom get it elsewhere.

ITEM 6. STATEMENT OF JOHN E. TROPMAN, SCHOOL OF SOCIAL WORK,
THE UNIVERSITY OF MICHIGAN

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Detroit, July 26, if there had been time for everyone to speak:

Because of the problems of social mobility, many older Americans are living in communities different from those of their families. This means that they have no one to look after them, no one to see that they get groceries, no one even to take them to the funerals of their friends. There is no one to call them periodically, to do chores around the house, etc., to say nothing of having someone to call when an emergency arises. In this brief space, I would like to propose the creation of a mobilized-service agency for the elderly, manned by volunteers, youth corps trainees, doctors, nurses, social workers, and other specialists. This organization could and would be on tap to provide a range of services to the elderly in their own home, from "friendly visiting" and simple telephoning to the health and medical services which could be reasonably offered within the home context.

The service would be offered on an ability to pay basis, available to all. Families of elderly persons who lived outside of the community in which the elderly person resided could contact the agency and find out about how their relative was doing. Such a family could, in addition, contract for service from this agency and pay a small amount for it, if they wished.

In a general sense, this service would be an organized substitute for the care and surveillance which the extended family provided for the elderly years ago. It would give the elderly person at least one contact in the community, a contact which would bring the kind of service needed.

I must apologize for the somewhat hasty and incomplete manner in which this proposal is made. I would be happy, should there be interest in it, to provide an expanded and detailed version for the consideration of the Committee. I thank you for your consideration.

ITEM 7. STATEMENT OF LESLIE FISH, ANN ARBOR, MICH.

Dear Senator Mondale, here is what I would have said at the hearing of your Subcommittee on Retirement and the Individual, of the Special Committee on Aging, in Detroit, July 26, if there had been time for everyone to speak:

The problem of aging isn't simply one of Older People, but is symptomatic of an unhealthy trend in our society: the Cult of Youth. Not simply meaning that "Young people have no respect for the Elders" (which is often true simply because age alone doesn't mean that an "elder" deserves respect)—what the cult demands is that everyone try to look like a *teenager*. According to the rules of the game, subteens can't wait until they've hit the magic Teen years, people over 30 grow more anxious as the current of time carries them further away from 19, and both groups furiously imitate the fads and fashions of the Teenyboppers. This results in such ridiculous sights as tottery 10-year-olds in high heels and bulgy matrons in mini-dresses.

But more ominous than just the aging of the Teenagers is the desperation involved in pursuing the ideal; anyone who isn't a glossy imitation of Teen-Screen's cover girl is ostracized to a greater or lesser degree. (For proof, look over any crop of high-school girls and see how much they look alike). Old people are especially "out of it", because their very presence reminds the Teen Ideal imitator of the uncomfortable fact that he too must grow older—and eventually even die. The Middle-class (and therefore, by numbers, dominate) attitude is: "Don't look, and it'll go away." Thus the problem of the older person is swept quietly under the rug. And despite all official effort, the issue will remain under the rug, pinned by sheer inertia, until a sizeable enough number of people take an interest in the problem. That means, until the Cult of Youth is cracked. Reasons for the Cult are too complicated to go into here, but it's a dangerous thing in that it makes 2nd class citizens out of most of the American population.

ITEM 8. STATEMENT OF MAYOR JEROME P. CAVANAGH,
CITY OF DETROIT

The civil disturbances that racked Detroit during the week of July 24, 1967 and prevented my personal testimony at the Senate Hearings, are now under study to determine the causes of the violence and destruction which occurred.

There is no one answer, to be sure, but some of the most frequently mentioned reasons are poor housing, lack of recreation and leisure time opportunities, low income and lack of employment and educational opportunities.

One fact is quite clear, however: To deny the basic needs to a large segment of our community, for whatever reason, sets the mood for unrest, discontent and unhappiness. The growth of a community is affected, which in turn affects the healthy forward progress of the city.

Although the spotlight has been on our restless youth, the older retired person most often suffers from the lack of basic necessities with little hope of ever seeing change occur and often too resigned to the "fate" of old age to promote positive action on his behalf.

In the City of Detroit, close to 10% of the total population is 65 years of age and over. Although the United Auto Workers have secured substantial income gains for its retirees, large numbers of our older persons are living on extremely limited incomes. There are 3600 units of our public housing occupied by senior citizens and this number is limited by the number of units available. Over 35,000 elderly Detroit homeowners qualified for a tax exemption on their homestead last year on the basis of low income. The number of renters who are living in sub-standard housing because it is all that they can afford is reason enough to cause deep concern. One thousand new units of public housing will be constructed in the next few years to accommodate the low income elderly and new units of non-profit housing are currently under construction, but this will not be enough to accommodate the large numbers seeking decent housing.

A substantial increase in Social Security payments to our older citizens would enable them to purchase better housing and lessen the impact of the increased cost of living on their daily lives. There should also be a well planned, more available rent supplement program to assist our needy old people.

Although we are taking steps to provide better housing, increased income and better health through Medicare, very little support has been given at any level of government to solving the problems of loneliness, boredom and the feeling of uselessness that cuts across all economic lines and impairs the ability of the retiree to function effectively in his community.

In our work-oriented society which has often identified leisure as a time to get the home chores done or to attend an occasional symphony or theatre, for those who have funds to do so, we have done little to prepare the retiree for his daily dose of leisure often shared with a spouse equally unprepared.

The increased number of workers selecting early retirement, the large number facing forced retirement at 65 and sizable numbers of older persons displaced through technological changes combined with a longer life span poses serious problems to a community also unprepared to serve the leisure time needs of its retirees.

In a democratic society where participation in all of the functions of a community is of paramount importance, we often find instead older people who are lonely and withdrawn, bored with a daily do-nothing routine, who could conceivably be contributing their skills, wisdom and insight that only maturity can offer. But the opportunities to do so must be made available.

In Detroit, during the past few years we have established eight "day centers" for our retirees under the direction of the Department of Parks and Recreation. In addition, the city has provided public recreation facilities for three day centers sponsored by the UAW Retired Workers. Three others are sponsored in part by United Community Services funds. At these centers a retiree may participate in a variety of recreation activities, join adult education classes, participate in discussion groups or simply visit with his friends. The centers, open daily, also provide the retiree opportunities for involvement in community activity. The staff is trained to provide direct services such as counseling, providing and explaining information on legislation which affects their daily lives and helps the retiree to utilize existing social services available to him.

Even though there is an average of 25,000 visits by retirees per month to the centers in Detroit, we have barely begun to reach the lonely, the ill and the handicapped, those older persons whose mental and physical health is further threatened by withdrawal from their fellow man.

We hope to extend our network of day center programs so that services can be provided at the doorstep of each community. We also need to provide outreach services to the ill and the handicapped unable to reach our center programs. We need to be concerned about the social and recreational needs of our elderly in nursing homes, homes for the aged, and in our institutions serving the emotionally handicapped.

We need to provide some form of transportation for the less mobile to enable them to participate in programs designed to serve their needs. Although our city pioneered the reduced fare plan for older persons, many are unable to reach the main arteries that serve as public transportation routes. The inability to remain mobile automatically cuts off many of the elderly from the services already provided in our city.

We need to provide low-cost or no cost services of all kinds for those on limited incomes which become increasingly smaller as the cost of living increases.

We need to provide challenging and stimulating programs and opportunities to the younger, healthier retirees. Continuing education programs, opportunities for involvement in community activities and services.

In short, we must recognize that retirees are human beings with the same basic needs and drives that apply to all segments of our population. And we must recognize that positive action must be taken not only to meet the pressing needs of today, but to prevent the future "older generations" from facing a similar situation.

One measure that can be taken is the development of pre-retirement education programs available to all workers and their spouses. Jointly sponsored by community agencies, the unions, the public agencies and the universities, the programs should be readily available to men and women who are in their mid-

careers and to those who are soon to retire. Frank discussions on topics from the handling of financial affairs to the use of mis-use of leisure evoke thoughtful responses from the participants and help them to gain a better perspective of retirement.

Another measure that must be taken is the development of a broad program of education for leisure and of non-work time. One of the prime responsibilities of our school systems from elementary through college should be to provide comprehensive courses of instruction in recreation skills, from arts and crafts, dramatics, outdoor activities, social activities, music and hobbies, as well as the athletic skills. Programs of volunteer service should be devised which would enable young people to learn how to contribute their skills and energies to helping others. They should be made aware of the many services of the public private and voluntary agencies that serve their community. Equipped with this information and the necessary skills, they will more wisely use their non-work time and become a contributing member to society.

And finally, the agencies which serve the community, and particularly the public Parks and Recreation Departments, must begin to provide opportunities for *all* persons to use these skills. A broad program of activities and opportunities offered to all age groups, to the ill and the handicapped, to the young and the old must be made available.

ITEM 9. STATEMENT BY DAVID JOYCE, CHIEF, DIVISION OF COMMUNITY SERVICES, DEPARTMENT OF PLANNING AND URBAN DEVELOPMENT, CITY OF PROVIDENCE, R.I.

I am most pleased to have the opportunity to participate as a practitioner in the problems of interest to the subcommittee on Retirement and the Individual. It is indeed heartening to know that a special Committee of the United States Senate is engaged in obtaining data and knowledge relative to the problems facing this sub-group of our society. I am confident that the time and energy expended by the Subcommittee will produce valuable data during its deliberations.

It is an established fact that while great strides have been made in recent years in trying to cope with the multi-faceted problems encountered by the elderly, the surface has been scratched rather lightly. Much remains to be done to minimize and alleviate some of the problems currently existing.

In order to have some continuity and coherence to my statement, it may be well to summarize the direct relationship I have had with elderly individuals and groups.

In the late 1940's as a senior social worker assigned to the Rhode Island State Department of Public Welfare, I had the opportunity to work with Old Age Assistance recipients located in northern Rhode Island. This position called for supervising a caseload of Old Age Assistance recipients in private homes, in rest homes, nursing homes and other health care institutions. This experience has been extended for over a period of 20 years. During this time, I have been associated with organizations for the elderly. They are as follows:

Former member, Rhode Island State Division on Aging.

Former Chairman, Social Action Committee.

Development of a special program for elderly relocates (while affiliated with the Family & Business Relocation Service).

Project Director, two-year Ford Foundation financed study of the "Impact of Relocation on Elderly Persons" in cooperation with National Association of Housing and Redevelopment Officials, University of Pennsylvania, Institute of Environmental Studies.

Principal Investigator, under the Old Americans Act, in developing a Multi-Purpose Center for the Elderly in downtown Providence.

Co-author of "Social Functioning of Dislodged Elderly."

Contributing writer, "Essays on the Problems Faced in the Relocation of Elderly Persons."

Charter member, "Friends for People, Incorporated", a non-profit Rhode Island Corporation to provide friendly visiting services for shut-ins in Rhode Island.

Chairman, Specialized program for Christmas Visiting and gift giving program.

These direct relationships with the elderly have been augmented in my former position as Administrator of the Family and Business Relocation Service, City

of Providence, Rhode Island from 1949 to 1967. Presently, I am Chief of the Division of Community Services, Department of Planning and Urban Development, City of Providence.

While great accomplishments have been achieved in the fields of health and biological advancements extending the span of life for our people, a great inconsistency exists in that present programs have failed to fill the gap of making life more meaningful and productive for our senior citizens. Basically, problems of health, economics, sociability, leisure time and psychological entities have failed to keep pace with the times.

As aforementioned, great advances have been made in the field of health. However, after working directly with large numbers of the elderly, the health aspect appears to be one of the greatest stumbling blocks in preventing the average citizen from participating in community activities. This situation was detected in a two-year study working with elderly people (1964-1966). Many elderly individuals were not aware of health facilities which existed within the community. Stark fear and undue anxiety diverted many from seeking medical care. The lines of communications were fragmented in many instances permitting individuals in need of health care to go without. On many occasions, poor health resulted in minimizing normal activities of retirees, causing varied psychological problems.

The elderly person's lack of mobility, due to physical reasons, is an area in which improvement can be made upon by instituting better programs which are badly needed. For example, private and public transportation facilities could, and should, be structured to fulfill the need for better mobility of individuals who are handicapped or incapacitated. Greater utilization of the news media must be developed to disseminate health programing information.

Presently, a vast majority of retired individuals find it difficult to maintain some semblance of dignity in view of their inability to maintain an economic base from which to function in normal everyday living. Many individuals rely solely on social security benefits, private pension funds and welfare grants for their existence. It is regrettable that these worthwhile programs have not excelerated to the degree whereby they provide a decent standard of living for most people. Therefore, the problem of need becomes a pressing issue for the majority of senior citizens.

I am greatly concerned over the lack of socialization existing among our elderly. Many elderly persons of necessity must reside in the so-called inner-core or inner-city due to limited finances, ill health and lack of transportation. As a result, they often become isolated from the neighborhood or city. They exist in a rooming house or light housekeeping facility relying primarily on the good will of neighbors to carry out minimal tasks or errands to prevent a complete annihilation from all social ties. In fact, social isolation is one of the most devastating problems endured by elderly people. According to direct testimony from a caseload of 116 elderly people, far too many found themselves in this plight, divorced for all practical purposes from society. As people grow older, relatives and friends pass away. Their scope of activities is drastically minimized. No longer does the elderly person enjoy the friendships and acquaintances of fellow workers whose friendships have been enjoyed for years. This in essence, depicts the difficult situation existing in most of our cities today.

The aspect of leisure time has become a demoralizing factor for a large percentage of elderly people. For, the elderly without a healthy environment becomes subjected to endless hours of nonactivity. The daily routine of far too many older people is a complete bore. Unless the individual is fortunate to have a profession or trade whereby the association continues after retirement, each day is somewhat of a "lost cause" for the individual. It is interesting to note, that while most elderly people try to maintain some kind of schedule and interest, they are often side-tracked by lack of friends, finances, poor health and facilities to have a meaningful place in the community.

The psychological impact of retirement, according to observations and testimony from our elderly caseload, reflects one of degrading proportions. Unfortunately, most elderly have not had the opportunity to adequately prepare for the day of retirement. This in itself has produced some valid questions and issues in the realm of proper planning for one's retirement. Habit plays a predominant part in our daily lives. The longer the habit, the more difficult to adjust to changes. A great deal must be done to set in motion concrete plans and programs in order to prepare individuals for the traumatic shock of the day an individual

is forced to retire. Needless to say, present day employment policies undoubtedly will cause the individual to retire at an earlier age as technological advances become refined.

Therefore, it behooves us to focus time and energy in meeting this challenge as soon as possible in order to minimize the difficult task of forced retirement with its concomitant impact.

Consequently, older people tend to reflect their educational, employment and environmental experience in their period of retirement. While there is no steadfast or stereotype standard to be followed, it goes without saying that the elderly as a group carry with them their attitudes and mode of living into retirement. The interest of the group varies markedly against this background. By this, I mean that a person enjoying the benefits of a profession as opposed to menial labor usually has surrounded himself in a climate that carries over into retirement. Obviously, the elderly retiree possessing a formalized education in most instances benefits either directly or indirectly from this status while the retiree with a limited education and background finds himself in rather confined circumstances.

Relative to interest among the elderly, no clear-cut definition can be reached because of varying degrees. However, some valid conclusions can be attained. While attitudes and work experience are predominant factors in shaping the interest of the elderly, it is reasonable to assume that many individuals recapture some of the interest that they have experienced during their span of life. People who are limited in mobility and training usually resort to passive interests such as card playing, reading, watching television and the like. Those enjoying normal mobility belong to clubs such as Golden Agers, church programs and community affairs. In essence, based on observations and experience, many conclusions can be reached. Older people have demonstrated a strong attitude toward self-reliance and pride; they like to earn for themselves and are rather reluctant to accept hand-outs and gratuitous services.

The past obviously dictates that in the future much research has to be carried out in order to meet the challenge in making a better way of life during retirement. It would be helpful to establish some kind of "Elderly Workers Core" in order to provide training and placement for our senior citizens to meet the need for the retirement span of life.

The development of a network of neighborhood multi-purpose centers for our elderly could fill the gap in providing all kinds of services to meet their various needs. In view of the limitations of my statement, I am cognizant that many of the notions need further refinement. However, it is hoped that my remarks will generate a hard look at the many problems with the hope that the subject matter will be illuminated resulting in more diversification of detailed programs to meet the ever-increasing need for elderly citizens.

