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ABSTRACT

This report analyzes federal policies and program for aging Americans in view of emerging socio-economic issues to determine if the present federal strategy has future viability. A conceptual framework and methodology were developed to evaluate federal programs in terms of individual needs. Based on this strategic evaluation, alternative strategies and policy initiatives were developed that could result in a higher quality of life for aging Americans. The major conclusions of the research are as follows: (1) present strategies are not likely to remain economically and politically viable; (2) the shift toward greater reliance on a pure income strategy through transfer payments via the Social Security System should be carefully evaluated; (3) a strategic monitoring and assessment process should be established and maintained on a continuing basis; and (4) there is a need to develop an alternative strategy for aging Americans and begin the transition from the present strategy. (Author/PC)

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EXPLORATORY STRATEGIC EVALUATION OF POLICIES FOR AGING AMERICANS

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THE ADMINISTRATION ON AGING
DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

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EXECUTIVE SUMMARY

This report analyzes current federal policies and programs for aging Americans in view of emerging socio-economic issues to determine if the present federal strategy has future viability. A conceptual framework and methodology were developed to evaluate federal programs in terms of individual needs. Based on this strategic evaluation, alternative strategies and policy initiatives that could result in a higher quality of life for aging Americans were developed.

The major conclusions of our research are as follows:

- Present strategies are not likely to remain economically and politically viable.
- Present strategies, even if funded at appreciably higher levels, will not yield the desired results.
- The shift toward greater reliance on a pure income strategy through transfer payments via the Social Security System should be carefully evaluated in the light of a continuing requirement to be aware of capacity and elasticity of supply, ineffectiveness of aggregating markets, and frequent gaps in both knowledge and motivation for the effective use of funds.
- There is a great need for a focal point of effective leadership to achieve a balanced, coordinated, coherent set of Federal policies and strategies.
- A strategic monitoring and assessment process should be established and maintained on a continuing basis to evaluate policies in an anticipatory framework as well as in an empirical or descriptive mode. This "strategic system" should be complementary to present program reviews and evaluations.
- There is a need to develop an alternative strategy for aging Americans and begin the transition from the present strategy. However, this transition should be and can be accomplished in an incremental manner. Such actions now will preclude serious discontinuities and the associated social costs that may accrue from continuing to expand upon just the present approach.

In Chapter II that follows, the basic conceptual framework and model are developed. Chapters III and IV show how this model is applied in evaluating present policies for the aging. Chapter V casts these same policies into their broader political, economic and social contexts. Chapter VI presents an approach to viewing present policies as long term strategies, relating them to selective forecasts of probable longer term future developments. Chapter VII discusses some approaches toward an alternative strategy.

I INTRODUCTION

The emergence of aging Americans as a significant part of our population has caught us in a series of conceptual, value, and operational program lags that have resulted in a lower than necessary quality of life for the aging. The nation has declared that it intends to rectify those lags. An increasing number of programs and resources are being offered and proposed to improve the quality of life for the elderly. This project is an initial exploratory step to determine how a strategic evaluation of these present policies can be developed and used. This initial step delineates current policies for aging Americans and evaluates the effectiveness of these policies in achieving stated national goals. It further examines the future context and implications of these policies if they are viewed as strategies over a 20-year time frame.

Our research had five specific objectives:

(1) The construction of a conceptual strategic framework within which to project and evaluate social and economic conditions of aging Americans.

(2) The development of a suitable methodology that would make possible an evaluation of projections in a framework of a strategic policy.

(3) The analysis of existing policies, both explicit and implicit, that are most significantly determining the future of aging Americans.

(4) The carrying out of a strategic evaluation of present federal policies in the light of the projected frameworks of 10-20 years.

(5) The provision of recommendations, if appropriate, for alternative strategies and policy initiatives that could result in a higher quality of life for aging Americans.

What is Strategic Evaluation?

Strategic evaluation should not be confused with more commonplace program and policy evaluations. The evaluation of strategies includes evaluating the entire range of emerging patterns that are relevant to the life of aging Americans; forecasting how these patterns are likely to change over time; analyzing how the patterns are related to broader political, economic, technological, and social trends; examining the underlying assumptions and values; and reaching a judgment about the probability that present policies, when viewed in this context, can achieve the declared goals for which they were evolved. Strategic evaluation is forward looking rather than empirically descriptive; it is possible because many major trends and events that will condition changes for the rest of the century are identifiable today. Strategic evaluation is important because major characteristics of life for aging Americans during the mid-1980s are being determined now and in the immediate future, and because it enables the nation to choose among a variety of "alternative futures" that are relatively "better" or "worse." The significance of such analysis becomes clear when one realizes that more changes will likely occur in the lifetimes of those now living than have occurred in all previous history.

The methods used in strategic evaluation are still crude. They are more an art than a science; more oriented to processes, dynamics, and interrelationships than to events; and as concerned with qualitative and value matters as with quantifiable variables.

Basic Concepts for Strategic Evaluation

The basic concepts for strategic evaluation are depicted in Figure 1. Line A represents the rhetorical and explicit policy aspirations and goals that legislation and other formal policy documents have declared to be the national objectives of policy. The dotted lines C indicate that these rhetorical aspirations may be either lagging behind, or are ahead of, that which is feasible. This introduces the first concept of a gap: the gap between feasibility and rhetoric. This feasibility/rhetorical gap can be either above or below the line of declared intent. If feasibility is above the line A, there are ripe opportunities for initiatives and resourceful leadership to achieve the increased quality that might be possible. If, on the other hand, feasibility is below the line of declared intent, the rhetoric is already inflated; those pushing it further will only be planting the seeds for frustrating expectations--and frustration could lead to a belief that our system is failing.

Policy leaders, especially in a competitive, pluralistic democracy, have many pressures to keep the rhetoric of national purpose higher than perceived feasibility. Frequently, to run a little ahead of feasibility is considered desirable because it encourages the process of striving. To lag too far behind what is feasible is to invite frustration or loss

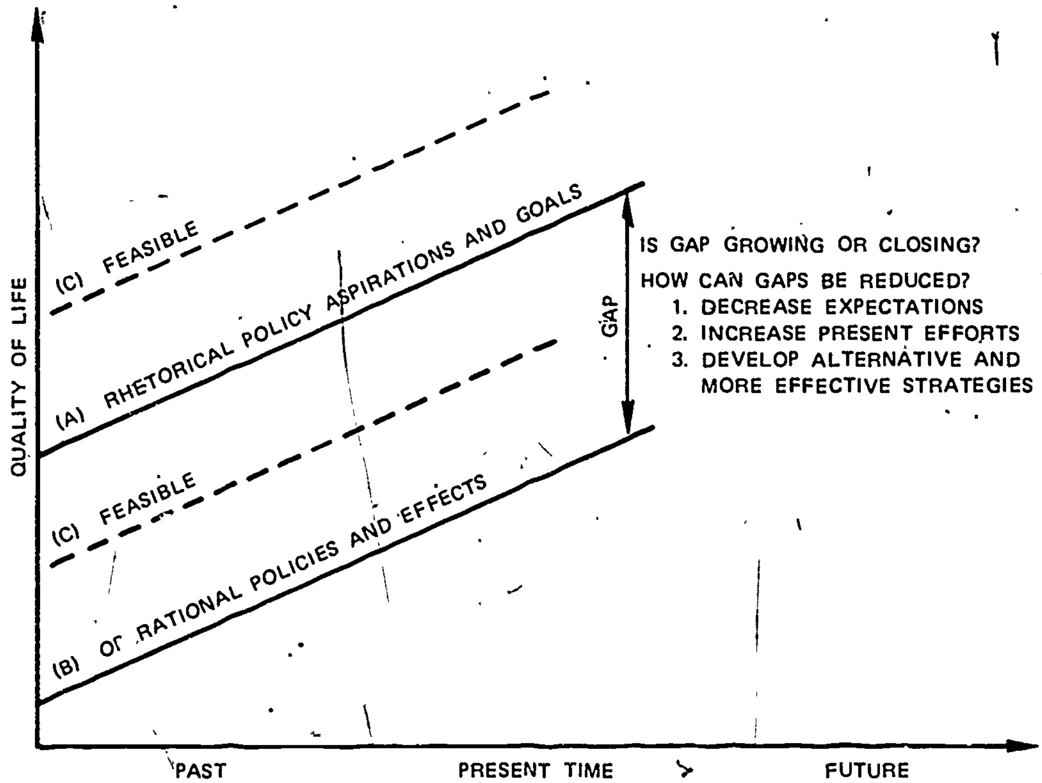

FIGURE 1 BASIC CONCEPT FOR STRATEGIC EVALUATION

of initiative in the relevant constituencies. This research did not deal extensively with the feasibility/rhetorical gap, although that form of analysis is an important part of a comprehensive, strategic evaluation. Our evaluation did suggest, however, that some of the rhetorical goals do not lend themselves to fulfillment through the vehicle of governmental action--at least within the present value context of the appropriate role of government and the acceptable conditions for governmental intervention in the private and personal lives of our citizens.

The next gap noted in the diagram is the space between lines A and B: the operational/rhetorical gap. Operational policies and strategies are those things which are actually being done rather than what is said will be done. Operational policies are perceived by looking at effects, not intentions or motives. There frequently are differences between the rhetorical and operational policies. This operational/rhetorical gap is the focus of research conducted under this project.

The central question in strategic evaluation is whether or not the operational policies, if viewed in the context of strategies, are likely to narrow the operational/rhetorical gap. The following four descriptions show the present status of policies in terms of our operational/rhetorical gap model. The descriptions offer different alternatives for closing this gap.

(1) The present strategy may be quite satisfactory, narrowing the gap at an acceptable rate. In that case, more efficient program performance and program mix, better administrative procedures, and similar upgrading represent the direction that the strategic evaluation should take.

(2) The present strategy may be in the right direction but may not be narrowing the gap at an acceptable rate. Strategic evaluation should concentrate upon alternative initiatives, such as whether or not the present strategy could be fully funded, to increase the rate at which the gap would be narrowed. It would also be desirable to perform the type of work mentioned in (1) above. In addition, if a more effective strategy could be conceived, some attention should be given to the exploration of alternative strategies.

(3) The present strategy may be falling behind, permitting the gap to become wider, even though some improvements are being made. Strategic analysis should concentrate upon exploration of alternative strategies that would be more effective. It should then develop alternative pathways

for shifting from the present to the various alternative strategies, assessing the pros and cons of the alternatives and of the "strategic shifts." <u>Our research suggests that this is the state of the present strategy. A basically new strategy is needed now, and will be increasingly needed in the years to come.</u>

(4) The gap may be closing at an insufficient rate; modifications to existing strategies may not be politically or economically feasible; alternative strategies may not be conceived. The belief begins to grow that the rhetoric is too inflated, that it is not attainable, and that, as a result, it should be reduced in order to lessen cruelly frustrated aspirations. Strategic evaluation might then, in addition to all of the components discussed above, concentrate upon the alternative means of reducing the rhetoric and might examine the level at which the rhetoric would become "acceptable."

Any of these four basic approaches could be employed, although a mixture of the four is usually desirable.

II THE CONCEPTUAL FRAMEWORK AND MODEL

The Strategic System as Used for This Research

In complex societies such as our own, defining "the system" that comprises the operational strategies for aging Americans is a difficult task. Although a number of abstract definitions could be advanced, the procedure used here is to define "the system" as the collection of activities ensuing from the operational programs listed in Appendix A. All of these programs are federal programs, since the concentration during this first exploratory effort was limited largely to federal policies and strategies. Whatever else might be said, these programs and policies represent what is being done.

Whether or not this list is sufficiently comprehensive, it at least has the advantage of being understandable for purposes of illustrating how a strategic evaluation can be usefully applied to the area of national life.

Moreover, these programs must be considered in the context of their interactions with national trends. Some of these more prominent relationships are discussed, as well as the effects resulting from dynamic societal changes that lie ahead. Throughout the work at the Center for the Study of Social Policy, it has become evident that most basic discontinuities or changes in direction result from forces generally considered outside the basic system involved. Thus, the reasons why the present operational strategies may prove less and less adequate emerge not primarily from the programs and activities themselves, but rather from the events and trends taking place in other subsystems of the society. This has led to the realization that in making a strategic evaluation, "the system" being evaluated must be seen as a network of processes interacting with a number of other systems. This concept is illustrated in Figure 2. The various interconnecting arrows illustrate the known complex relationships though the particulars of cause/effect linkages are still largely unknown.

If one is to understand the future dynamics of policies for the aging, one must look at trends in the broader economic, political, and social areas, and to the resulting shifts in values of the broader society. This lesson in the methodology of forecasting keeps repeating itself again and again. Yet, our review of policy research for the aging reflects that it has still not been learned.

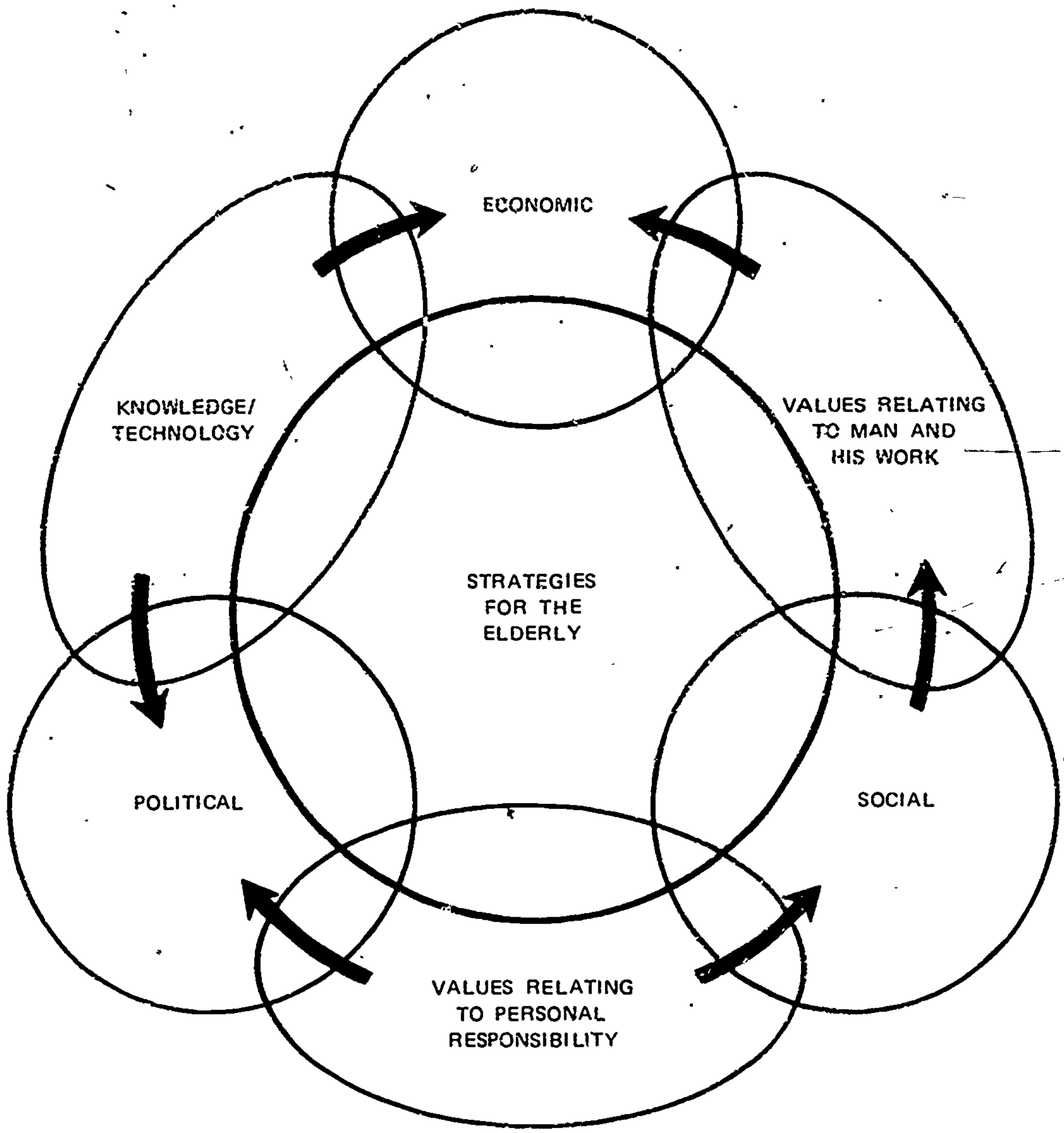

FIGURE 2 THE AGING SYSTEM AS A NETWORK OF INTERACTING PROCESS

Basic Definitions

The system of operational strategies for aging Americans was discussed above.

Aging Americans were originally defined as those 55 years of age or older. However, during the research, this definition was changed to correspond to the definition used by the Administration on Aging (AoA)--45 years of age and older. (Note that this definition incorporates everyone who will be 65 or older by 1983.)

Goals (Rhetorical) for aging Americans are (A) the goals declared to be national objectives by the Older Americans Act of 1965 and (B) the six major goals of AoA. These are:

A. Older Americans Act of 1965

(1) AN ADEQUATE INCOME in retirement in accordance with the American standard of living.

(2) THE BEST POSSIBLE PHYSICAL AND MENTAL HEALTH which science can make available and without regard to economic status.

(3) SUITABLE HOUSING, independently selected, designed and located with reference to special needs and available at costs which older citizens can afford.

(4) FULL RESTORATIVE SERVICES for those who require institutional care.

(5) OPPORTUNITY FOR EMPLOYMENT with no discriminatory personnel practices because of age.

(6) RETIREMENT IN HEALTH, HONOR, DIGNITY--after years of contribution to the economy.

(7) PURSUIT OF MEANINGFUL ACTIVITY within the widest range of civic, cultural, and recreational opportunities.

(8) EFFICIENT COMMUNITY SERVICES which provide social assistance in a coordinated manner and which are readily available when needed.

(9) IMMEDIATE BENEFIT FROM PROVEN RESEARCH KNOWLEDGE which can sustain and improve health and happiness.

(10) THE FREE EXERCISE OF INDIVIDUAL INITIATIVE in planning and managing their own lives.

B. AoA Goals (1971)

(1) Personal resources for independence

(2) Options and opportunities for independence

(3) Supportive services to maintain independence

(4) Reform of institutional care

(5) Capability for effecting change

(6) Equitable provision of minority groups.

Rhetorical policy is the spoken or written statement that raises expectations and creates some desired impression of concern or implied action. Rhetorical policy is frequently vague and does not lend itself to clear guidance or performance measurement. Considerations for implementing the policy are usually not determined, and hence, action is fragmented, resources are consumed in the confusion, and the target population becomes increasingly frustrated. We consider the ten goals stated in the Older Americans Act and the six goals of AoA as an example of such rhetorical policy for two reasons: (1) We were unable to find, in either the legislative or the executive branch of government, any activity that directly correlates programs or budgets with these goals; (2) some of these goals are nonactionable by the federal government.

Operational policies and strategies are those which are inferable from the activities of the programs and policies listed in Appendix A.

Basic Conceptual Model for Strategic Evaluation

The general conceptual framework of rhetorical versus operational and feasible strategy was discussed in Chapter I. That framework must be complemented with a more detailed conceptual model for the actual evaluation of strategies.

The model was constructed in three stages. The first stage concerned the identification of primary individual needs from various disciplinary research summaries of the current "state of knowledge" about the quality of life for aging Americans. These summaries included biological, psychological, cultural, and spiritual needs. They are universal needs because each individual must have them fulfilled if he is to experience a high quality of life. However, the needs are not standard in the sense that they can be "prescribed." Many of these needs vary with the genetic and physical condition of individuals, with their educational and cultural backgrounds, and with their values and perceptions of themselves and of others. It was not possible, therefore, to derive from the body of research literature a "prescriptive needs model" that could be sufficiently standardized for purposes of evaluation. However, future work would benefit from developing profiles of needs based upon correlated characteristics and minimum threshold requirements such as caloric intake. The resources available for this exploratory development did not permit such a refined approach. For further details of this methodological question, see Appendix B.

The second stage in deriving the model was to infer needs from an analysis of the operational strategies implied in the programs and policies listed in Appendix A and included in the definition of "the system."

These programs can be generally divided into (1) those which seek to provide income and the things for which income usually regarded as a surrogate (food, shelter, transportation, health care, entertainment, education) and (2) those that are designed to develop social roles (personal identity, purposeful activity, employability options, interpersonal relationships, independence, personal growth). These two basic concepts are, of course, interrelated. The model depicted in Figure 3 portrays a representative human being in a circle of those needs and experiences which federal strategies address. The circle is correlated with the four primary categories of needs. The model includes:

- Baseline Needs--These primary needs for all humans include:
  - Biological (material or physical)
  - Psychological (feeling or emotional)
  - Cultural (mental or intellectual)
  - Spiritual (the transcending inner person)
- Income Needs and surrogates such as Food Stamps are the means by which our society purchases basic necessities of life. Income potentially provides for a variable cluster of needs:
  - Food
  - Shelter
  - Transportation

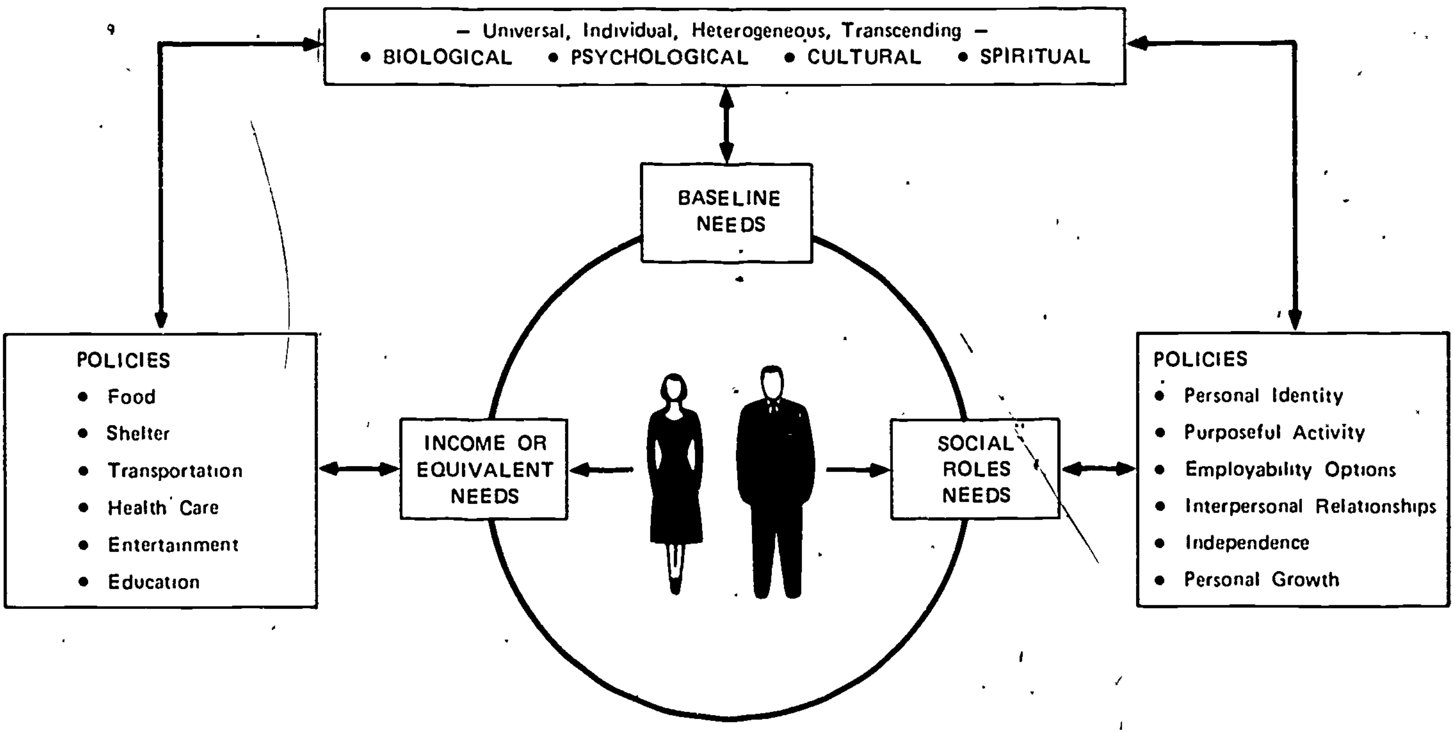

FIGURE 3 BASIC CONCEPTUAL MODEL FOR STRATEGIC EVALUATION OF POLICIES FOR AGING AMERICANS

- Health care

- Entertainment (consumption of leisure time)

- Education

Adequate income is also a precondition for the acquisition and maintenance of social-roles needs.

- Social-Roles Needs--Include those minimum experiences which enable an individual to enjoy a sense of personal significance as a member of the human race. Social roles potentially satisfy a variable cluster of needs including:

  - Personal Identity--A sense of individuality and personal worth in the society and subgroup of choice or tradition.

  - Purposeful Activity--Activity perceived to be useful to oneself, to others or to society at large as contrasted with "make work" activities or those limited to "recreation," Purposeful activity does not necessarily produce income, although in our society and value system there is a close relationship.

  - Employability Options--Opportunities to choose among alternatives for augmenting income--if possible, with purposeful activity.

  - Independence--A highly subjective state of being in which one feels that one is not demeaningly nor detrimentally dependent upon others for his sustenance. Factors that contribute to a feeling of independence will vary from one individual to another.

  - Personal Growth--A continuing process of challenge, learning, and accomplishment. Personal growth is largely associated with the satisfaction of the psychological, cultural, and spiritual aspects of baseline needs in the model.

As the analysis progressed, a third stage was necessary: amplification of the basic conceptual model. These amplifications are portrayed in Figure 4.

It appears that a strategic shift is occurring in which the emphasis is moving from the provision of goods and services toward the provision of income that gives the individual maximum control in satisfying his needs. A pure income strategy implies four basic assumptions:

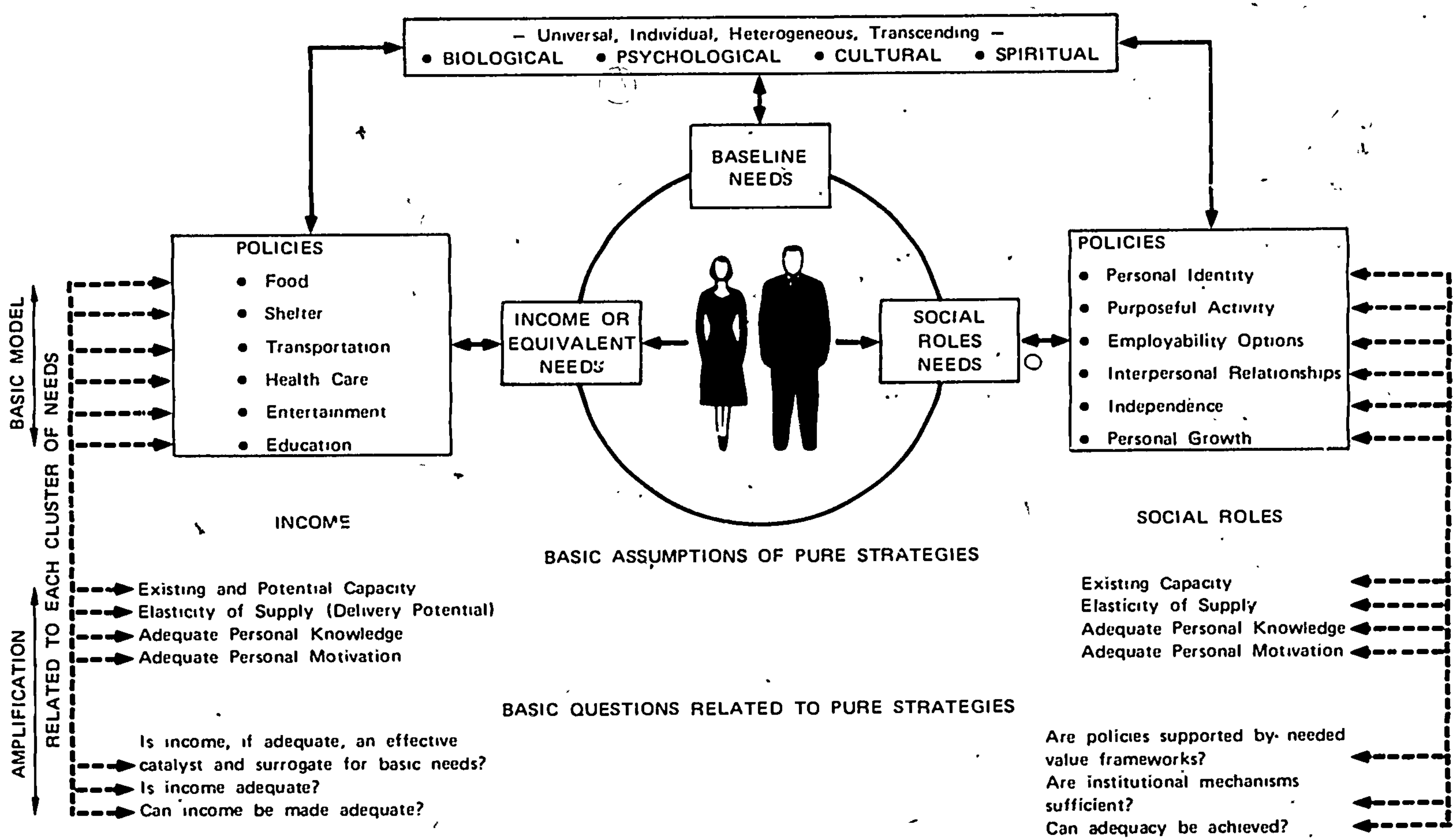

FIGURE 4 AMPLIFIED CONCEPTUAL MODEL FOR STRATEGIC EVALUATION OF POLICIES FOR AGING AMERICANS

(1) There is existing capacity for producing the needed items for which income provides access.

(2) This capacity can be activated and delivered on demand--i.e., an elastic supply.

(3) There is adequate personal knowledge on the part of the individual to allocate his income wisely.

(4) There is adequate personal motivation to use the knowledge and income to satisfy one's needs by conversion into market demands.

The first two assumptions deal with the elasticity of supply; the latter two assumptions are concerned with the degree and allocation of effective demand in the need categories.

Although a number of government programs are designed to increase and encourage the four income strategy assumptions, the federal government has maintained a mixed operational strategy with regard to income versus the provision of goods and services.

In addition to evaluating the basic assumptions discussed above, this project considered three basic and related questions about the feasibility of the income strategy:

- Is income (if adequate) an effective catalyst for the fulfillment of needs? The answer to this question comes from an analysis of the viability of the assumptions noted above.
- Is income adequate or do allowances need to be increased? This answer comes from an analysis of the purchasing power of income in relation to the capacity and supply systems.
- Can income be made adequate? The answer to this question comes from an analysis of the economic implications of providing adequate income, assuming that all of the above assumptions are viable and that the answers to the above questions have been determined. This procedure entails an analysis of the capacity of the economy to sustain the present strategies at the economic level needed to close the operational/rhetorical gap.

This initial exploratory research suggests generally that the preconditions required for a successful pure income strategy do not exist and are unlikely to exist in future years. This lack means that income (even if adequate) is not a fully effective catalyst, and hence a mixed strategy is necessary. The research further shows that income at present is far from adequate. It is not likely that the present strategy can currently be fully funded and this possibility will become even less economically and politically feasible in the future. Thus, a fundamentally new income/goods/services strategy is needed.

The basic assumptions and strategic questions implied on the other side of the model (Figure 4) are somewhat different. The question of existing capacity is related to the cultural images, roles, and values that the general society holds with respect to its aging population. Social science literature generally documents the fact that ours is a youth-oriented culture with a nuclear family structure, and with inadequate cultural norms to provide satisfying social roles for the aging.

Elasticity of supply here refers to the existence of the necessary array of institutional and social mechanisms to satisfy the social-roles needs of the elderly. In general, it might be said that the adequacy of both the capacity and the supply decline rapidly as age and physical and mental disabilities increase.

These first two factors (capacity and supply) relate to societal values and systems. Additional factors (shown in Figure 4) relate to the individual's inner capacities. Even if the societal norms and mechanisms were adequate, there would still be the need for adequate personal knowledge and motivation.

<u>As is the case with respect to a pure income strategy, preconditions for a successful strategy of "facilitating social roles" do not exist.</u>

A variety of specialized and somewhat low-key programs seek to deal with the need for modifying both the cultural and societal contexts as well as the knowledge and motivation of the aging individuals. However, the governmental strategy is overwhelmingly concentrated on the income/goods/services side of the model. More will be said on these matters in the subsequent chapters.

The three basic strategic questions which need to be asked with respect to social roles include:

- Are policies for social-role enhancement supported by societal value frameworks? The analysis for answering this question focuses on determining how the aging are viewed by operative cultural norms and values--not those that are simply rhetorical.
- Are institutional mechanisms sufficient? This question requires an examination of the accessibility of the elderly

to societal institutions, and the accessibility of alternative mechanisms and roles to the aging.

- Can adequacy be achieved within existing institutional mechanisms? Answering this question entails a comparison of individualized profiles of the aging population with the extent to which their needs are being satisfied on both the income and the social-role sides of our model.

In general, the research done in this project leads us to conclude that the above assumptions are inconsistent with reality. Our further conclusion is that all three of the strategic questions must be answered in the negative. A new strategy is clearly needed. However, a number of complex value issues are raised if one deals with the development of such a strategy within the context of the federal government or even of government generally.

The subsequent chapters test the application of this conceptual model for strategic evaluation as it applies to the programs and activities of the federal government for the elderly, listed in Appendix A.

III FEDERAL INCOME STRATEGIES IN THE CONTEXT OF THE CONCEPTUAL MODEL

This chapter deals with the federal policies and programs that relate to the satisfaction of needs on the income side of our model. With the demise of the extended (three or more generations) family, the elderly person's primary needs must now be satisfied either through services provided by institutions other than the family or through the income purchase of these services. Many social-roles needs that were satisfied in the extended family must now also be fulfilled in a different manner.

Needs satisfiable through the use of income have received the major concentration of federal effort for two reasons. First, those needs are generally considered to be primary needs. Second, the areas on the social-roles side of the model that contribute to individual fulfillment and satisfaction are both more difficult to translate into actionable programs and more questionable for legitimate, direct intervention by government.

The dominant federal strategy for satisfying the basic needs of the elderly is the provision of income. This strategy is based on the implicit assumption that the elderly have the knowledge and motivation to satisfy their primary needs and that the market system will show an elastic supply of goods and services. However, in exceptional cases, other strategies reflect the awareness of the requirement to address the question of supply for which income is supposed to be a surrogate.

The remainder of this chapter discusses these operational strategies and the implied assumptions derived from the operational policy, and presents a general evaluation of these strategies in terms of their outcomes or effectiveness.

Current Strategies Related to the Needs Categories of the Model

The following categorization matches current federal programs with our conceptual model portrayed in Figure 3. A detailed review of the strategies and programs affecting the elderly can be found in Appendix A.

(1) Income

The following programs are designed to insure supplemental or minimum levels of income:

(a)	Public Assistance (old age assistance-income maintenance)	SRS, HEW
(b)	Social Security trust funds and benefits	SSA, HEW
(c)	Foster Grandparents	ACTION
(d)	Green Thumb (Operation Mainstream)	LABOR
(e)	Senior Aides (Operation Mainstream)	LABOR
(f)	Community Senior Service Program	LABOR
(g)	Senior Community Services Aides	LABOR
(h)	VISTA, Peace Corps.	ACTION

(2) Food and Nutrition

(a)	Food Stamps	USDA
(b)	Commodity Distribution	USDA
(c)	Nutritional Research-Agricultural (Research Service)	USDA
(d)	Nutritional programs	AoA, SRS, HEW

(3) Shelter

(a)	Low interest loans for housing construction and improvement, Farm Home Administration	USDA
(b)	Low Rent Public Housing	HUD
(c)	236 Elderly	HUD
(d)	202/231 Rent Supplement Program	HUD
(e)	Model Cities	HUD
(f)	312 Rehabilitation Loans 113 Rehabilitation Grants	HUD HUD
(g)	Relocation Payment	HUD
(h)	Research and Technology Support	HUD

(4) Transportation--Transit Service Demonstration	
(a) Transportation Assistance Program for Aging	AoA, HEW
(b) Transportation Component in Model Cities Program	HUD
(c) Personal Rapid Transit System	DOT
New Jersey Dial-A-Ride	DOT
Connecticut Deep Suburban	DOT
(5) Health	
(a) Community Health Services, HSMHA	HEW
(b) National Institute of Mental Health, HSMHA	HEW
(c) Health Services & Mental Health Administration, HSMHA	HEW
(d) Regional Medical Program	HEW
(e) Medical Facilities Construction	HEW
(f) Medicare & Medicaid, SSA	HEW
(g) Health & Health Related Program, AoA	HEW
(h) National Institute of Child Health and Human Development	NIH, HEW
(6) Education	
(a) Adult Basic Education, O.E.	HEW
(b) Community Service and Continuing Education, O.E.	HEW
(c) Library Services	HEW, O.E.
(7) Entertainment	
(a) Old Age Passport--50% discount on public lands, recreation fees	DOI
(b) Neighborhood Facilities	HUD
(8) Miscellaneous--affects all of the above clusters	
(a) Senior Opportunities and Services Program	OEO

The impact of the current federal budget on the aforementioned program is outlined in this chapter.

The following federal programs also affect aged Americans in a positive manner. However, in these programs, the federal government is only fulfilling its obligation as employer to its employees. These programs are not part of a national strategy for aged Americans and therefore are not discussed in our cluster of programs.*

(1) Income

(a)	Retired Military Personnel	DOD
(b)	Coast Guard Retirement	DOT
(c)	Retirement and Disability	Civil Service
(d)	Regular, Retirement, and Survivors, Supplemental Retirement, Unemployment, and Sickness	Railroad Retirement Board
(e)	Disability and Survivors Payments	VA
(f)	NSLI Ins. USGLI Ins.	VA

(2) Health

(a)	Medical Care and Treatment (health expense)	VA
(b)	Medical Research (support)	VA
(c)	Medical Administration and Operating Expense (support)	VA

Present Operational Strategies and Their Implied Assumptions

As noted in Chapter II, operational strategies are most accurately articulated by the examination of activities and the translation of appropriate inferences drawn. In the following paragraphs, each of the needs clusters of the model is used to classify operational strategies. Information on the programs listed above was analyzed to derive a summary statement of the operational policy and a listing of the implied assumptions.

*A detailed review of these programs can be found in Appendix A.

Income

Federal strategy seeks to provide minimum income requirements.

Implicit Assumptions

Implicit assumptions inferred from the program operations* are:

(1) The elderly have knowledge of federally financed retirement programs.

(2) The elderly have the motivation to apply for such retirement programs.

(3) The elderly know how to optimize the use of such funds.

(4) The level of income is sufficient to provide for needs not provided in the form of goods or services.

Evaluation

Evaluation of income strategies (regardless of the mechanisms through which distributed--e.g., retirement plans, public subsidy or employment) entails four basic questions:

(1) Do the elderly have access to the benefits?

(2) Is the income received adequate?

(3) Is the supply of needed goods and services elastic?

(4) Are the aging capable of tapping an elastic supply?

Although it is estimated that the existence of the Social Security system is keeping approximately 12 million persons off welfare, the income needs of the elderly remain great. Social Security was never intended to be the sole or even primary income source for the elderly; yet, in fact, 32% of all retired, unattached elderly individuals and 14% of married couples depend on Social Security for 90% of their income needs. Another two-thirds of retired, unattached individuals and a

*This phrase is underlined to emphasize that we are drawing our assumptions from the manner in which these programs actually operate.

little over half of the elderly married couples depend on Social Security for at least 50% of their income.[1]

In addition, more than 3 million older Americans are known to live in poverty. This does not include an unknown amount of hidden poverty among the elderly. Some 2 million more aged persons are not classified as poor because they live in families with incomes above the poverty threshold. Thus, some 5 million older persons--or one out of every four older Americans--live below poverty thresholds.[2]

> Moreover, the Bureau of Labor Statistics Intermediate Budget (estimated at $5,200 for elderly couples and $2,860 for single persons in 1973) is beyond the means of most older Americans. Nearly 11 million aged persons are projected in 1973 to have incomes below this modest standard of living.[2]

Thus, present strategies of income maintenance have left gaps into which over 40% of persons 65 or older have fallen, with about 25% remaining below the poverty threshold.

The preceding statements have dealt with absolute income status. How do present strategies look over a number of years in terms of the income position of the elderly relative to the total population?

The median income of the elderly in relation to younger age groups declined about 1-1/2% over the last decade.[2] Significantly, in the early years of the last decade, median income actually rose for the elderly in relation to younger age groups; however, beginning with 1963 this began to decline sharply at a time when inflation was beginning to be felt heavily by everyone. (This issue will be discussed in greater detail in Chapter VI.) Even if one takes into account the cost of living adjustments that will be made to Social Security in the near future, this decline should still continue, though perhaps at a slower rate, because additional increments will be based on the elderly person's former wage/salary rate, which is rising for those currently employed because of production and inflation increases. Thus, we can expect that the median income of the elderly in relation to the working population will continue to decline.

Other federal programs directed at increasing opportunities of gainful employment for the elderly serve only a very small proportion of the elderly. For example, Operation Mainstream programs funded by the Department of Labor affected a total of 9,231 elderly persons in FY 73.[3] And, although persons over 45 account for 20% of the unemployed population, they account for only 5% of the new enrollees in Manpower Development and Training programs.[4]

From these highly summarized points, it seems appropriate to judge that accessibility to present income strategies is generally successful. However, the income derived from present strategies is inadequate for at least 25% and perhaps as much as 52% or more of the elderly.

At the same time that the federal government was successful in increasing Social Security payments to the elderly, other costs for the elderly were increasing--sometimes at comparable rates. These cost increases were due to such actions as the terminations of Phase III price controls and the resulting inflation, the increase in deductibles for Medicare, and the recent ineligibility of the elderly poor for Food Stamp and Commodity Distribution Programs.

Other regulations and areas often have a negative impact on the elderly. Consider the following two examples:

(1) Social Security regulations limit the amount of earned income of $2100 before an individual stands to lose some of his Social Security payments.

(2) The federal government, through its employment and retirement practices, "may actually be a leading offender in applying pressure tactics to coerce older workers to retire at an earlier age."[4]

We must now consider the question: Even if income maintenance were increased to an adequate level (quite an unlikely event), would there be an elastic supply of the needed goods and services to be purchased? Some insight into this question is gained by looking at a range of generally exceptional strategies that deal with the increase of supply, knowledge, and motivation.

Assumptions underlying federal income strategies appear correct insofar as they assume individuals largely have the knowledge and motivation to enroll in retirement programs. They appear to be wrong insofar as they assume that the provision of adequate income is sufficient for an individual to satisfy his primary or secondary needs.[5] For this assumption to become true, the preconditions of elasticity of supply as well as motivation and knowledge must exist. To the extent that federal strategies are moving away from the provision of services to provision of income, these factors become extremely important if national goals are to be attained.

Food

The operational strategy of the federal government is to increase the supply of food for the elderly and provide them with a nutritionally sound diet.

Implicit Assumptions

Explicit or implicit assumptions inferred from the program operations are:

(1) With regard to the Nutrition Program, the elderly are not motivated to eat a nutritionally balanced or to partake of the federal program. (This program provides extensive outreach efforts.)

(2) With regard to the Nutrition Program, the elderly do not have the knowledge requisite to define a nutritionally sound diet. (This program provides transportation and opportunities for socialization as incentives for participation.)

(3) The social setting and transportation are viewed as important components of a nutritional strategy.

Evaluation

Of all federal strategies related to income needs, the one for providing adequate nutritional levels seems the most consistent with the realities of life for the elderly. Correct assumptions are made about the lack of knowledge and motivation on the part of the elderly to obtain adequate diets for themselves, and serious efforts are made to reach the population in need. However, these successful nutritional programs are grossly inadequate as a strategy because:

(1) At least 3,1000,000 elderly living below the poverty line cannot afford a nutritionally balanced diet. If one adds to this number the elderly who are living at the Bureau of Labor Statistics' intermediate budget of $5,000 for a retired couple, the total number of elderly who may have financial difficulties providing themselves with adequate diets reaches an estimated 8,400,000 persons or about 40% of the aged population.

The number of persons who do have adequate incomes but lack the knowledge and motivation for adequate nutrition, cannot be estimated with any accuracy.

(2) In a 1969 study commissioned by the Department of Health, Education and Welfare's Administration on Aging, one out of four elderly persons said they ate less than three meals a day, and 88% of the diets they reported lacked sufficient protein, calcium, iron, vitamins A and C, thiamine, and riboflavin. The Department of Agriculture's most recent study of Americans' food consumption, conducted in 1965, also found that people over 65 do not eat meals that provide enough nutrients.[6] However, current federal nutrition programs reach only a minority of this elderly population. The Nutrition Program for the elderly will reach, at best, 250,000 persons (about 2.3% of those in need).

Recent availability of supplemental income for the aged, blind, and disabled will have the effect of removing formerly eligible elderly from the Food Stamp and Commodity Distribution programs. In many cases the increase in income will not be sufficient to compensate for their loss of food benefits.[7] One infers that the operational assumption is that with additional increments of income, these elderly persons not only will be able to afford to buy their food at market prices but also will have the knowledge and motivation to buy nutritious food. This seems to be a fallacious assumption, particularly in light of the considerable outreach efforts found necessary for nitrition programs.

The recent inflation of food prices was induced (in part) by U.S. wheat sales to Russia. This affects the elderly's nutrition severely because the amount allocated for food is often the major discretionary portion of an elderly individual's budget and thus, the first to be cut-back. The lack of enforced nutritional standards for food services provided by institutions and home care agencies, and the lack of nutritional components in health care programs are deficiencies in current federal strategy which impact on the elderly; they are also major federal opportunities.

Despite recent increases in Social Security income, food costs for the elderly--their second ranking budget expenditure--have skyrocketed by 24% on an annual basis. "Once more, the aged have been especially hard hit because they spend about 27% of their income for food, compared with 17% for all Americans."[7]

Shelter

The federal strategy to meet the housing needs of the elderly is primarily directed at increasing the supply of housing available.

Implicit Assumptions

Implicit assumptions inferred from the program operations are:

(1) The elderly have knowledge of federal housing programs and can accurately define their housing needs.

(2) The elderly have the motivation to participate in federal housing programs to fulfill their housing requirements.

(3) The elderly have essentially non-differentiated housing needs with the exception of certain limited programs.

(4) The elderly do not have differentiated needs with regard to safety and crime factors within their housing.

(5) Successful demonstration strategies will motivate the housing industry to actively address the needs of the elderly.

Evaluation

Federal housing strategies for the elderly do not meet the need and operate on some incorrect assumptions. It has been estimated that 6 million elderly live in substandard housing. Since FY 69, federal housing programs combined have produced only 370,146 multifamily units for the elderly.[7] FY 74 budget proposals seriously affect housing programs for the elderly. The low interest loans for housing construction and improvement under USDA-Farm Home Administration have been terminated. The 312 Rehabilitation Loans, 115 Rehabilitation Grants, and all urban renewal projects under HUD have been terminated. The President has suggested that they be absorbed into the Better Communities Act scheduled to begin July 1, 1974. As of January 5, 1973 the interest subsidy program for rental housing (Section 236), public housing and the rent supplement program (Section 202/231) have been placed under a moratorium pending a study for future direction.[7]

The end of Phase II rent controls has resulted in a marked increase in rents for many elderly persons. An average of 34% of the elderly person's budget is already devoted to housing.[7] Inflation increases this proportion even further.

Since there is a high concentration of the elderly in inner city areas, they are affected at a disproportionate rate by urban renewal and highway construction.

As for assumptions:

(1) HUD does assume that the elderly have differentiated housing needs with respect to requiring additional supply of housing, but does not consider them differentiated in terms of needed special construction features, with the exception of handicapped individuals. HUD has made little effort to incorporate barrier-free features in the 370,146 units mentioned above.

(2) It is incorrect to assume that successful demonstration projects will be picked up by either the private or the public sectors. The innovation process is very complex and dependent on many variables other than the success of a demonstration project.

(3) From the fact that there is a long waiting list to get into housing projects for the elderly, one can infer that; to some extent, the elderly are motivated to move into more adequate housing. However, one cannot generalize that the elderly population at large have the motivation or the knowledge to move into "better" housing. Even those elderly who can afford whatever housing they desire have not been vocal in demanding barrier-free features, although the possibility of disabling illness suddenly striking is much higher for this age group.

The question of differentiated market needs deserves further elaboration, for it clearly illustrates that even when income is adequate, an "effective market" is not necessarily aggregated. In this case, for example, the housing industry would function to absorb available income for housing without recognizing the differentiated needs of the client because the elderly are willing to take the housing offered. Some external strategic intervention is necessary in this and similar instances if the differentiated needs are to be aggregated into an effective market demand.

Transportation

The federal strategy for transportation needs of the elderly is to generally improve the availability of transportation. Efforts aimed at the elderly are on an experimental and limited scale.

Implicit Assumptions

Implicit assumptions inferred from program operations are:

(1) The elderly have the motivation to use the present transportation system.

(2) The elderly have knowledge of how to use the present transportation system.

(3) Successful experiments will be diffused through either the public or the private sector.

(4) The elderly are not considered to need differentiated transportation services. Current general transportation strategies can meet the elderly person's needs (with the exception of demonstration programs such as Dial-A-Ride).

Evaluation

Federal transportation strategies for the elderly fall far short of the need. There are various indicators of this need. Only 42% of the elderly have drivers' licenses. At least 3.1 million elderly live in poverty and many would have trouble paying transportation costs, which have been estimated to account for 9% of the elderly person's budget. Moreover, transportation costs nationally have risen at the rate of 32.3% in the past 4 years.[7] A national survey conducted by the National Council on Aging indicated that one-third of the poor elderly who responded were experiencing transportation difficulties.[8]

> Despite the declared national policy that the elderly and handicapped should have access to mass transportation facilities, uncertainties still exist. The implementation of this policy through the grant and loan provisions of the Urban Mass Transportation Act is discretionary for the Department of Transportation. No specific allotments have been made in the annual DOT budgets for funding of systems designed to meet the special needs of the elderly and handicapped.[9]

As for assumptions of federal transportation strategy:

(1) The belief that the elderly have knowledge and are motivated to avail themselves of public transportation seems to be correct. They grew up in an age where public transportation services, particularly in urban areas, were very good and very much used.

(2) Except for demonstration projects, such as Dial-A-Ride, the elderly are not considered to have differentiated needs beyond a need, perhaps for reduced fares. This is incorrect, given the difficulties that many elderly have in gaining access to public transportation, and given various physical problems experienced in entering, leaving, and just using public vehicles.

(3) It is incorrect to assume that successful demonstration models will be disseminated by the private or the public sectors. The reasons are the same as those mentioned previously under housing assumptions.

Health

Federal efforts in the area of health care have generally been aimed at increasing the general supply of health care and improving the efficiency of the existing system. The aged are only recently becoming regarded as a differentiated group.

Implicit Assumptions

Explicit or implicit assumptions inferred from program operations are:

(1) The elderly have the knowledge to obtain adequate health care.

(2) The elderly have the motivation to obtain adequate health care.

(3) Federally supported health care programs are directed at treating symptoms. Preventive care is the responsibility of the elderly.

(4) Extensive hospitalization is not considered detrimental to the elderly person's well-being.

(5) Institutional health care is the most efficient means of health care for the elderly.

(6) Additional financial costs (glasses, dental care, prescriptions, and other items) are not considered to be a major financial burden for the elderly.

Evaluation

It is well-known that the elderly have disproportionate needs for health care. The aged constitute only 10% of the population but account for 27.5% of health care expenditures.[9] In 1965-66, only 14.8% of the U.S. population 65 and over were reported to have no chronic condition, compared with 29.4% in the 45-64 age group and 61.8% among those under 45. Of the 65 and over group, 85.2% had one or more chronic conditions; 66.9% had no limitation of mobility; 7.2% were reported as "having trouble getting around"; 6.5% were reported as "needing help in getting around"; 4.7% were reported as "confined to the house.[10] The elderly suffer particularly from a maldistribution of doctors and medical facilities, which tend to be located in metropolitan area. On the other hand, a disproportionate number of elderly remain in rural areas.

Given the variety and extend of health problems among the aged, we have a relative paucity of health programs designed to meet the need:

(1) From a health point of view, it seems short-sighted to primarily support a medical model treating symptoms rather than providing preventive care options. Besides the health effects on the elderly, this emphasis on treating symptoms is undoubtedly more expensive in the long run, given the high incidence of disease and hospitalization among the elderly.

(2) The elderly have the main responsibility for providing themselves with preventive health measures. However, it is incorrect to assume that they have either the necessary knowledge or the motivation to engage in preventive care. The elderly make a disproportionately low use of the preventive care facilities that do exist, in part because they expect aches and pains with old age, and in part because they fear to confront the issue of mortality that may result from a visit to the doctor.

(3) Extensive hospitalization and institutionalization--which current medical insurance programs encourage,

to the neglect of economic incentives for home care--can be very detrimental to the elderly person's psychological and even physical needs. Institutionalization undermines one's independence, self-assurance, needs for socialization, and other psychological factors that may be crucial in providing an individual with the incentives needed to regain his health. Institutionalization also represents a very expensive strategy.

(4) It is incorrect to assume that additional health care needs such as prescriptions, dental care, eye care, and the like, which are not usually covered by medical insurance programs, do not constitute a major drain on an elderly individual's budget. These costs are in addition to out-of-pocket direct payments for medical treatment, which are now higher than they were before Medicare began.[11]

(5) The proposed FY 74 budget affects the elderly in the following manner:

(a) The proposed termination of community mental health centers in the FY 74 budget will adversely affect the elderly poor.

(b) In the long run, the elderly will feel the impact of the decrease in funding for medical research, training, and schools, with the consequent firing of 1,400 professors. Medical schools have had to stop increasing their enrollments, which could have alleviated the national doctor shortage.[12]

(c) The budget of the National Institute of Child Health and Human Development has been cut by $1 million. This will reduce the amount of aging research.

(d) Regional medical programs that assess local needs have been eliminated from the budget. This loss will seriously affect local programs that assist the elderly, such as a stroke center in Georgia.

(6) The distribution of planned HMO's does not exhibit a high degree of correlation with the distribution and concentration of the elderly, particularly in rural America.

Education

There is no significant federal operational strategy for the education for the elderly.

Implicit Assumptions

Implicit assumptions that can be inferred from this state of affairs are:

(1) The elderly are not considered a differentiated group with special educational needs requiring major educational programs.

(2) The library services program does assume that the elderly have differentiated needs.

Evaluation

A discussion of federal educational strategies for the elderly and an evaluation of their operating assumptions will be presented in greater detail under the social-roles side of our needs model in Chapter IV.

Entertainment

There is essentially no federal strategy for the elderly's entertainment needs.

Implicit Assumption

Implicit assumptions inferred from this situation are:

(1) The elderly have undifferentiated need with regard to entertainment.

(2) Existing entertainment opportunities can adequately meet the needs of the elderly.

Evaluation

The nonexistence of a federal entertainment strategy for the elderly indicates either that this need has a very low place in national priorities or that the elderly do not have differentiated needs. While current entertainment opportunities may be adequate, many of the elderly have neither the income nor the transportation to avail themselves of many of the options offered to the population at large.

Summary of Strategies and Assumptions

The programs and policies related to the foregoing strategies and assumptions are summarized in Table 1. The second set of columns reflects the scope of the program: demonstrations/support of selected institutions/national subsidy. Obviously, the demonstration and institutional support programs are not generally available to other than a small percentage of the aging. The remaining columns indicate which of the basic assumptions of the model are relevant to each of the operational policies.

Future Trends as They Affect the Income Needs of the Elderly

To this point we have evaluated present federal strategies in light of their assumptions and the degree to which they meet the needs of the target population. Another critical question is whether present strategies can continue to remain viable in the future. Such an evaluation must be made in the context of broader societal trends which will be discussed more fully in Chapter VI. Below are some representative trends suggesting that present strategies will be less than adequate to meet the needs of the elderly:

(1) In metropolitan areas a disproportionate percentage of the elderly live in the inner cities rather than in the suburbs. Since the cities are continuing to decline, the elderly will continue to have aggravated housing problems.

(2) Zoning laws and housing policies discourage a variety of housing to meet the span of income needs, thus further segregating the elderly.

(3) There is a movement of rural aged to metropolitan areas. The incidence of disease is greater in metropolitan areas, in part because stress factors are higher.[13] As a result, health problems can be expected to be more acute for the elderly.

Table 1

SUMMARY OF FEDERAL PROGRAMS, STRATEGIES, AND ASSUMPTIONS

Program	Scope of Program			Purpose of Program		Knowledge of Program Assumed by Policy Makers	Motivation to Participate Assumed by Policy Makers
	Demo	Support	National	To Increase Capacity	Increase Elasticity of Supply		
Food and Nutrition							
a. Food Stamps			x		x	No	Yes
b. Commodity Distribution			x		x	Yes	Yes
c. Nutritional Research Agricultural Research Service		x		n.a.	n.a.	n.a.	n.a.
d. Nutritional Programs NoA			x		x	No	No
Shelter							
a. Low interest loans for housing construction and improvement--Farm Home Administration		x	x	x	x	Yes	Yes
b Low Rent Public Housing			x	x	x	Yes	Yes
c 236 Elderly			x	x	x	Yes	Yes
d. 202/231 Rent Supplement Program			x		x	Yes	Yes
e Model Cities	x		x	n.a.	n.a.	Yes	Yes
f. 312 Rehabilitation Loans, 113 Rehabilitation Grants					x	Yes	Yes
g Relocation Payment				n.a.	n.a.	Yes	Yes
h. Research and Technology		x		n.a.	n.a.	n.a.	n.a.
Transportation--Transit Service Demonstration							
a. Transportation Assistance Program for Aging	x			n.a.	n.a.	Yes	Yes
b Transportation component in Model Cities Program	x			n.a	n.a.	Yes	Yes
c Personal Rapid Transit	x			n.a.	n.a.	Yes	Yes
New Jersey Dial-A-Ride	x			n.a.	n.a.	Yes	Yes
Connecticut Deep Suburban	x			n.a	n.a.	Yes	Yes
Health							
a. Community Health Service			x		x	Yes	Yes
b. National Institute of Mental Health		x		n.a.	n.a.	n.a.	n.a.
c. Health Services Research and Demonstration		x		n.a.	n.a.	n.a.	n.a.
d. Regional Medical Program			x		x	Yes	Yes
e. Medical Facilities Construction			x	x		n.a.	n.a.
f Medicare and Medicaid			x		x	Yes	Yes

Table 1 (Concluded)

Program	Scope of Program: Demo	Scope of Program: Support	Scope of Program: National	Purpose of Program: To Increase Capacity	Purpose of Program: Increase Elasticity of Supply	Knowledge of Program Assumed by Policy Makers	Motivation to Participate Assumed by Policy Makers
Health (continued)							
g. Health and Health Related Program AoA	x			n.a	n.a.	n.a.	n a.
h. National Institute of Child Health and Human Development (support aging medical research)		x		n.a.	n.a.	n.a.	n.a.
Education							
a Adult Basic Education			x		x	Yes	Yes
b Community Service and Continuing Education			x		x	Yes	Yes
c. Library Services			x		x	Yes	Yes
Entertainment--no federal strategy							
a Old Age Passport--50% discount on public lands, recreation fees DOI			x		x	Yes	Yes
b. Neighborhood facilities			x	x	x	Yes	Yes
Income Needs--The following programs are designed to insure supplemental or minimum level of funding:							
a Public Assistance (old age assistance--income maintenance)			x	n.a.	n.a.	Yes	Yes
b. Trust funds and benefits SSA			x	n.a.	n.a.	Yes	Yes
c. Foster Grandparents			x	n.a.	n.a.	No	Yes
d. Green Thumb (Operation Mainstream)			x	n.a.	n.a.	No	Yes
e. Senior Aides (Operation Mainstream)			x	n.a.	n.a.	No	No
f. Community Senior Service Program (Operation Mainstream)			x	n.a.	n.a.	Yes	Yes
g. Senior Community Service Aides (Operation Mainstream)			x	n.a.	n.a.	Yes	Yes
h VISTA			x	n.a.	n.a.	No	Yes
Miscellaneous--Affects all of the above clusters							
a. Senior Opportunities and Services Program			x		n.a.	Yes	Yes

n.a. = not applicable
x indicates that a program exists.

(4) There is a surplus of elderly women, and these have a disproportionate amount of chronic disease. Since the ratio of women to men is expected to widen, there will be a higher incidence of disease among the elderly.[13]

(5) Without major private pension reform, the median income of the elderly can be expected to continue to decline in relation to younger age groups.

(6) Pressures for earlier retirement in our labor-surplus economy will aggravate the income needs of the elderly.

To the extent that the future direction of federal programs for the elderly is toward a pure income strategy, the strategy will be unsuccessful if it does not take into account elasticity of supply and knowledge and motivation on the part of the elderly to make wise use of their income. Although suggested cuts in the FY 74 budget will have marginal impact on the elderly, given the limited scope of the programs that have been reduced or eliminated, the assumptions behind those programs were correct because they recognized the need to improve the elasticity of supply for the basic needs such as food and shelter. Some of these strategies also incorporated components directed at improving knowledge and increasing motivation in the elderly. To date, no substitutes have been proposed for evaluating and developing the needed balance of elasticity of supply, motivation, and knowledge. Such a balance is necessary if an income strategy is to succeed.

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IV PSYCHOLOGICAL AND SOCIAL-ROLES NEEDS OF THE AGING POPULATION

Once biological needs, such as food, shelter and health care are met and reasonably satisfied through provision of services and adequate income, the satisfaction of psychological and social-roles needs becomes necessary if the biological organism itself is to prosper. Of course, biological and psychological needs also exist in a reciprocal relationship; for example, the satisfaction of emotional or mental health needs can reduce an individual's need for health care on the income side of our model (Figure 4).

In our culture, the satisfaction of a number of psychological/social-roles needs has been identified as necessary for an emotionally healthy, functioning individual. These include a need for personal identity, interpersonal relationships, personal growth, purposeful activity and a feeling of independence with a sense of control over the direction of one's life. The elderly, like all other age groupings, differ greatly among themselves as to which of these needs are most important to their individual well-being. However, if adequate options are available, each person can choose the most desirable course of action for himself.

The role of the federal government in relation to the elderly person's psychic/social needs has never been as clearly articulated as has its concern for their income plight. No doubt this is largely due to the primacy of satisfying income needs first and to the sensitive political issues arising from government involvement with the inner life of the individual.

Some present federal policy seems to inadvertently detract from meaningful social roles for the elderly. Employment for income generation is perhaps one of the most important roles in our society for the satisfaction of needs. However, the liberalization of eligibility rules in Social Security provisions encourages a premature termination of the work role.

As we shall see in this chapter, current federal strategies designed to satisfy either psychological need or provide purposeful roles have minimum impact on the elderly.

Psychological/Social Status of the Elderly in the United States Today

Unique historical conditions have led, for the first time in human history, to the existence of a substantial elderly population with no valuable social role to play.

A number of historical trends have helped produce this situation. Those that seem to hold universally true are directly related to the rate of a society's modernization.[1] These include:

(1) Longevity is, in most cases, directly related to the degree of modernization and the improved health care with which it coincides. Hence, modern societies have a large portion of their population in the "elderly" category.

(2) Retirement is a modern invention; only societies with an economic surplus can afford the luxury of retirement. As a result, the sharp discontinuity in work roles which characterizes retirement is, again, a unique feature of modern society.

(3) The status of the elderly declines as a society modernizes because:

(a) The expansion of literacy reduces the role of the aged as knowledge transmitters.

(b) The faster the pace of social change, the more the knowledge and the skills of the elderly are viewed as obsolete.

(c) The breakdown of the extended family system reduces familial roles for the elderly.

(d) Increased mobility of the population at large undermines the position of the elderly who are less mobile.

(e) Urbanization does not maintain a smaller town's sense of "community" and interrelatedness, in which all were viewed as part of an organic whole.

In addition, specific Western and American values aggravate the historical forces undermining the status of the elderly. These are:[1]

(1) Little reverence of one's ancestors.

(2) Great stress on individualism, and intolerance of prolonged dependency.

(3) Consciousness of chronological time, which contributes to aging being regarded as an event (at age 65 or whatever the acceptable retirement age may be) rather than a process.

(4) Heavy identification of status and identity with one's occupation; a family status is largely derived from the husband's occupation (thus, widows, who constitute a large proportion of the elderly population, find themselves in particularly tenuous situations).

(5) A malaise and fear of death has lead to avoidance of thinking or planning for aging and even personal interaction with aged individuals.

Furthermore, many elderly persons find themselves without the adequate health, transportation, or income necessary to fulfill whatever social roles they can and want to perform.

As a result of these values and historical forces, many of the elderly in current American society find themselves with little control over the wealth and power of society. They face psychic conflicts over their dependency needs vis-a-vis the larger society's values which foster independence; they must seek alternative means to satisfy identity and purposeful activity needs, with income-related work effectively excluded as a realistic option; they have little recognition of the positive roles they can play in society and hence have diminished feelings of personal potency.[1]

Assuming no major policy intervention and an economy that continues to be able to provide at least current standards of living, the historical trends undermining the social roles of the elderly are likely to continue or intensify. Longevity will at least remain the same; probably it will be extended, with an increase in the number of functional years available to the elderly.

Ret ement will continue, while the official age of retirement will decline with time. Some companies already encourage retirement at the age of 55.[2]

The United States will soon have almost 100% literacy, and the rate of social change, which has made much of the elderly's skills and knowledge obsolete, will continue to accelerate.[3]

The nuclear family, the mobility of the population, and the process of urbanization are all omnipresent factors that are not likely to be reversed in the near future.

Automation and cybernation of the economy may decrease employment opportunities, leading to further reduction of employability options for the elderly and creating pressure for even earlier retirement.

Problems of psychic/social-roles needs will intensify because those reaching the category of "elderly" will be substantially different from the current elderly population for the following reasons:

(1) There will be more of them (by 1980 more men and women over 45 will be out of the labor force than in it).

(2) They will be younger (because of earlier retirement policies).

(3) They will be better educated.

(4) They will be healthier.

(5) They may be more demanding as to the satisfaction of their needs becaus

  (a) Their values will have been more affected by the protest movements of the 1960s.

  (b) The women's liberation movement has articulated alternative roles to which women have equal rights.

  (c) They will be influenced by those who are redefining work as meaningful, purposeful activity rather than just income-generating activity.

  (d) They will be affected by the revolution in sexual mores. The demography of the elderly always shows a surplus of single women because of earlier death rates of males. If one projects a more liberated woman with an increase in the number of functional years, to what extent will she tolerate the suppression of her love/sexual needs because of the culture's predominantly monogamous nature? It seems that a confrontation with some of the morals of society is in the offing.

  (e) They will be more middle-class and will have had interesting and challenging professional backgrounds which they will find difficult to give up for complete retirement.

Current Federal Strategies

As societal forces have undermined the role and status of the elderly, the federal government has stepped in with programs to compensate for the negative effect on the elderly population. The government is funding programs to increase the "supply" of societal roles available for the elderly. Similarly, assumptions about the elderly person's motivation and knowledge regarding the programs are as applicable to their evaluation as they were when we looked at the income side of the equation.

Whether primarily intended or not, a number of federal programs have an effect on the elderly population's needs for personal identity, purposeful activity, employability options, and interpersonal relationships. Some of the more prominent programs affecting social-role opportunities for the elderly can be viewed in Table 2, where "x" indicates maintenance, continuation, or improvement of the fulfillment of particular needs. (Caution: the "x's" do not indicate the magnitude of effect on a particular need.) A more detailed explanation of these programs can be found in Appendix A.

The strategies given in Table 2 can be evaluated in terms of assumptions as to knowledge of the elderly about the program and motivation to participate. This evaluation is presented in Table 3.

These strategies can also be clustered and examined in the following manner:

(1) Strategies for Volunteer Activity

These strategies are volunteer in nature--i.e., SCORE, RSVP, ACE, VISTA, Peace Corps--and are directed at the elderly (especially professionals) to give them opportunities for purposeful activity.

Assumptions--Explicit or implicit assumptions inferred from program operations* are:

(a) The elderly are motivated to engage in socially productive roles.

(b) The elderly have sufficient knowledge to engage in socially productive roles (with the exception of RSVP and VISTA which have outreach programs to publicize the activities).

(c) The elderly can provide useful services to the community.

(d) Purposeful activity and other psychological needs can be met in non-income producing activity. (VISTA and Peace Corps, however, do provide a small stipend.)

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*This phrase is underlined to emphasize that we are drawing our assumptions from the manner in which these programs actually operate.

Table 2

PROMINENT FEDERAL PROGRAMS AND THEIR EFFECTS ON SOCIAL-ROLES NEEDS

Program	Personal Identity	Purposeful Activity	Employ-ability Options	Inter-personal Relations	Independence	Personal Growth
Foster Grandparents	x	x	x	x	x	x
SCORE	x	x	n.a.	x	n.a.	x
RSVP	x	x	n.a.	x	n.a.	x
ACE	x	x	n.a.	x	n.a.	x
Green Thumb	x	x	x	x	x	x
Senior Aides	x	x	x	x	x	x
Community Senior Service Program	x	x	x	x	x	x
Senior Community Service Aides	x	x	x	x	x	x
Nutrition Program for the Elderly	n.a.	n.a.	n.a.	x	n.a.	n.a.
Adult Basic Education	x	x	x	x	x	
Library Services	n.a.	x	n.a.	n.a.	n.a.	
Community Services and Continuing Education	x	n.a.	x	n.a.	x	x
Neighborhood Facilities	x	x	n.a.	x	n.a.	x
Federal Age Dis-crimination Act	x	x	x	x	x	x
Rehabilitation Services and Facilities	x	x	x	x	x	x
Manpower Develop-ment and Training Act	x	x	x	x	x	x
VISTA, Peace Corps	x	x	x	x	x	x

n.a. = Not applicable.

Table 3

KNOWLEDGE AND MOTIVATION RELATIVE TO PROMINENT FEDERAL PROGRAMS

Program	Knowledge of Program Assumed by Policymakers	Motivation to Participate Assumed by Policymakers
Foster Grandparents	No	Yes
SCORE	Yes	Yes
RSVP	No	Yes
ACE	Yes	Yes
Green Thumb	No	Yes
Senior Aides	No	No
Community Senior Service Program	Yes	Yes
Senior Community Service Aides	Yes	Yes
Nutrition Program for the Elderly	No	Yes
Adult Basic Education	Yes	Yes
Library Services	Yes	Yes
Community Services & Continuing Education	Yes	Yes
Neighborhood Facilities	n.a.	n.a.
Federal Age Discrimination Act	Yes	Yes
Rehabilitation Services & Facilities	n.a.	n.a.
Manpower Development and Training Act	Yes	Yes
VISTA, Peace Corps	No	Yes

n.a. = Not applicable.

Evaluation--The assumption that the elderly can provide useful services to the community is correct. However, research indicates that these persons who have always volunteered and participated throughout their lives are those who are currently the predominant participants in federal programs.[4] As a result, it seems unlikely that the needs of those who traditionally have never been very engaged with society, except in a work role, are being met. If this is the case, the overall assumption that the elderly are motivated to participate in socially productive or beneficial programs is wrong.

For those who are participating in federal volunteer programs, one may perhaps infer that non-income producing activity can provide a variety of psychic pleasures. However, it remains to be seen whether this assumption holds true for those not participating. The invalidity of this assumption may be the very reason why many elderly have not chosen to participate.

(2) Strategies for Reimbursed Activity

These strategies are directed at the elderly poor to provide them socially purposeful activity with some reimbursement--i.e., Foster Grandparents, Green Thumb, Senior Community Aides, Senior Service Program, Senior Community Service Aides.

Assumptions--Explicit or implicit assumptions inferred from program operations are:

(a) The elderly poor are motivated to engage in socially productive roles.

(b) The elderly poor do not have adequate knowledge to participate in these programs (outreach efforts are conducted to reach the target population).

(c) A minimum income level is a prerequisite to the satisfaction of psychological/social-roles needs.

(d) The elderly poor can provide useful services to the community.

Evaluation--Although there is little knowledge about total need of the elderly with respect to psychic/social-roles needs, the numbers affected by current federal programs are so small in relation to the total elderly population that we feel little hesitation in concluding that present strategies fall far short of the need. We know that for the Senior Aides program, there are at least seven applicants for each job. ACTION and Labor

Department programs combined, directed primarily at increasing role options, serve little more than 46,000 persons.* Those programs which remunerate the elderly for their services reach only about 20,000 individuals annually. Only ten percent of

VISTA's volunteers are over 50 years of age,[5] yet one might expect the elderly to be disproportionately represented since they have disproportionate amounts of leisure time available to them. And funding for Operation Mainstream programs is up in the air.

(3) Strategies for Gainful Employment

These strategies are directed at getting the elderly poor (under 65 years) gainfully employed--i.e., Federal Age Discrimination Act, Rehabilitation Services and Facilities, Manpower Development and Training Act.

Assumptions--Explicit or implicit assumptions inferred from program operations are:

(a) With the exception of the Age Discrimination Act, there is either little need for a major employment program target for the elderly, or in terms of budget priorities, the elderly are less important (capabilities of an elderly worker are unimportant when his services are not in demand).

(b) The elderly are motivated to take advantage of these programs.

(c) The elderly have knowledge to take advantage of these programs.

Evaluation--Although those 45 and older account for 20% of the total unemployment rate, this age group accounts for only 5% of the new enrollees in manpower training programs.[5] Although the elderly here too have a disproportionate need for retraining opportunities, national priorities again work against them. Similarly, Vocational Rehabilitâtion Services met the needs of an estimated 80,100 persons 45 years and over in 1972 (this includes 4,800 persons 65 and older), but the total need has been estimated at 4 million for this age group.[6]

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*Data obtained from Department of Labor Information Service.

One out of three establishments investigated have been found to be in violation of the Age Discrimination in Employment Act. Yet only an average of 36 court actions are filed a year.[5] Even were better enforcement available, less than one-half of the civilian labor force, age 40-64 years, is covered by the provisions of the Age Discrimination Act.[5] And in a larger context, it is questionable to what extent the federal government could hope to implement the Act effectively when both the private sector and many labor unions are pushing for ever earlier retirement. Moreover, many of the policies of the federal government are in direct contradiction with this objective.[5]

(4) Strategies for Educational Opportunities

These strategies provide educational opportunities for the elderly--i.e., Adult Basic Education, Library Services, Community Service and Continuing Education.

Assumptions--Explicit or implicit assumptions inferred from the program operations are:

(a) There is little need for major programs targeted on the elderly, or in terms of budget priorities, the elderly are less important.

(b) The elderly are motivated to take advantage of educational opportunities.

(c) The elderly have knowledge to take advantage of educational opportunities.

Evaluation--The median years of education completed by the elderly population in 1970 was 8.4 years, compared to 12.2 years for the younger adult population;[7] yet enrollment of those 65 and older in adult basic education is only about 20,000.* Although the elderly have a disproportionate need for educational services, budget priorities work against the aged. Funds for Community Service and Continuing Education have been frozen and none are requested in FY74.

It is likely that assumptions about the elderly having knowledge and motivation to participate in education programs are wrong. The elderly have been conditioned not to expect much of society in their old age. In some places, for example, where local

*Conversation with Office of Education.

schools and colleges have made special efforts to enroll the elderly, the response has been disappointing because the elderly do not perceive the benefits they can obtain from participation. Of course, no outreach or motivation efforts may be occurring simply because of the limited number of slots that can be funded by federal monies. However, any attempt to extend the scope of such programs must take such knowledge and motivational factors into account if it hopes to be successful.

(5) Strategies for Social Activity

These strategies provide opportunities for social activity, whether directly or as a by-product--i.e., Nutrition Program for the Elderly, Senior Centers in Neighborhood Facilities.

Assumptions--Explicit or implicit assumptions inferred from the program operations are:

(a) Nutrition Program for the Elderly assumes that opportunity for the elderly to socialize is an important incentive to get them to eat nutritious meals.

(b) The elderly are motivated to take advantage of social and recreational opportunities.

(c) The elderly have knowledge to take advantage of social and recreational opportunities (with the exception of the Nutrition Program where outreach efforts are made to inform the elderly).

Evaluation--Opportunities for socialization do seem to be an effective incentive to obtain elderly participation. However, this incentive is built into few federal programs. In addition, funds for the construction of Senior Centers in Neighborhood Facilities, three-fifths of which provide social and recreational needs for the elderly, have been frozen while special revenue sharing is being considered.

Education Potentially Affecting the Future of the Elderly

As we have seen, present federal strategies to provide meaningful social roles for the elderly fall far short of the target population's needs; since many of the historical forces that have contributed to the relatively low status of the elderly today are likely to intensify, the continuation of current strategies will make them appear even weaker.[8]

Although the trends that reduce meaningful roles for the elderly will continue to gain strength, other trends in the area of education do offer some promise for providing the elderly with new roles and perhaps will provide an opportunity for more effective federal government intervention.

If the current trend toward lifelong education gathers strength and becomes a norm of society, the elderly may be able to regain useful roles. Since the inception of our public school system, the elderly have always been at an educational disadvantage with respect to formal education; their relative status in society has declined as their knowledge and skills were viewed as obsolete. However, this is only an inevitable characteristic in the lock-step school system that we have imposed upon ourselves, where education is concentrated in the younger years of one's life and there is little incentive to pursue it in mature years. Currently, the participation of adults in formal education declines rapidly after 24 years of age.[9] There is no significant federal strategy to provide educational opportunities for the elderly.

Evidence that society is moving in the direction of lifelong education includes:[10]

(1) The growth in external degree programs.

(2) The liberalization of degree requirements to include work and community activity as learning experiences. (If this trend gathers strength, the elderly will be at a much greater advantage because they will have had much more practical, unstructured learning experiences than formal education.)

(3) The express desire of the majority of adults for additional learning opportunities (as reflected in polls and surveys).

(4) The increasing involvement of the private sector with providing educational opportunities for their employees and even for the general public.

(5) The availability of the technological hardware necessary to provide individualized, decentralized, and relatively inexpensive educational experiences.

In what ways can lifelong education affect the status of the elderly and the society at large? Following are five answers:

(1) To the extent that the observed decline in the learning capabilities of the elderly are culturally induced rather than biologically based, lifelong education can help close the knowledge and skills gap between the elderly and younger age groups.

(2) There is some evidence to indicate that even the decline in learning capabilities because of biological/physiological processes of aging can be overcome if time is treated as a variable--that is, the elderly can learn almost as much as younger persons, although it may take them longer to do so.*

(3) Education would be reviewed as education for life, including provision for coping with leisure time and retirement.

(4) If education becomes viewed as one means of self-fulfillment, lifelong education can provide purposeful, meaningful activity in one's retirement years.

(5) Intergenerational contacts in a learning situation may serve to foster knowledge and respect for the aged and the aging process and introduce meaningful dialogue between generations. Such a situation would provide a good forum both for learning the differentiated needs of the elderly population and for educating everyone to the realization that aging, like education, is a lifelong process.

Conclusion

Thus, while the historical forces that have undermined the role of the elderly will continue to intensify, we find ourselves without adequate societal policies to begin satisfying the projected need. The federal government has no significant strategy for realizing the promise in two areas offering the greatest hope for the elderly--i.e., lifelong education and job retraining and preparation for second careers. The convergence of societal forces and, for all practical purposes, the benign neglect of the federal government will result in the elderly being perceived as social overhead--one not necessary to the well-being of society.

Not only are current societal postures with respect to aging detrimental to the elderly, but the implications for society at large are profound. The younger population, in large part, obtains a negative image of the aging process. It is viewed as a steady deterioration of one's potency and status in society. Little, if any, attention is paid to the positive roles the elderly can perform or the fact that with aging, personal growth and development can also take place. What happens to the value system of a society that begins to regard part of its population as not necessary or particularly valuable? The potential impact of such a value change will affect far more persons than the elderly themselves.

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*Based on a paper prepared by SRI Staff Psychological Consultant.

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V THE RELATIONSHIP OF CURRENT STRATEGIES TO BROADER SOCIETAL FRAMEWORKS

Introduction

In Chapters III and IV the basic operating policies and strategies were discussed in their individual context. In this chapter we shall discuss the entire set of strategies as they relate to one another and to the broader political, economic, and social systems.

When cast into these broader contexts, it becomes more difficult to determine what these strategies really are. For example, did the political leaders who initiated the legislation for the Nutrition for the Elderly program really seek to launch a strategy that would assure adequate nutritional intake for the nation's elderly in need, or did they seek to erect a political facade--a showcase to mollify a vocal constituency or network of vested interest or pressure groups? If the intent was a nutritional strategy, the program has not been successful. If, on the other hand, the legislation was only intended to produce a showpiece, it appears to be a highly successful effort to incrementally help tens of thousands of individuals at a relatively low cost. In this sense, it is large enough to be politically effective to its sponsors but not so large as to consume too many national resources.

Another example of seeking to determine the true strategy is served by the Food Stamp program. Is the Food Stamp program essentially a strategy to provide nutrition to the poor, or is it primarily a strategy to provide a market for a variety of food products in an economy whose agricultural sector has been renowned for its surplus production?

A last example is the Social Security system. Is the Social Security system intended to be an insurance system that provides benefits in the form of returns on capital invested by or on behalf of workers, or is it a hidden form of taxation that seeks income redistribution and pays out far larger benefits than any actuarially controlled insurance program could sustain? If the first alternative is accepted as the true explanation, then the myth of earned interest in past capital investment is sustained. (This concept will be discussed in greater detail in this chapter.)

These illustrations could be extended through all of the operational policies discussed in the preceding chapters.

In doing program evaluations, questions about motivation and intent can be evaluated more narrowly within the context of operating indicators. But in the task of strategic evaluation, these underlying purposes and motivations become critical. Any strategy could be defined as successful or not largely on the basis of what one assumes or believes the basic motivations and objectives to have been. Since, as we have previously discussed, the rhetorical statements cannot necessarily be taken as an accurate articulation of real motives and objectives. the person seeking to make strategic evaluations has a problem to resolve.

In this research, the problem has been resolved by adopting the following basic assumptions:

(1) We assume. for purposes of this research, that the policies are made in <u>good faith</u> vis-a-vis the elderly population's needs and that the policy leadership would like to see operational results consistent with those needs. This does not mean that the policy is not also a political expedient for those who were instrumental in its passage. A basic tenet of democratic government is this matching of political and individual needs.

(2) <u>Operational</u> policies and the consequent strategies that they form are the appropriate subject by which to make the evaluation (rather than rhetorical policy) for these policies directly affect the elderly. The future political dynamics will revolve around the extent to which operational strategies are perceived to be effective in meeting defined needs.

(3) Institutional or program efficiency is not an appropriate subject for strategic evaluation--i.e., a program may be quite effective for the people it actually reaches. However, if for any reason it reaches only a small percentage of those who need it, then it is not considered strategically rational or effective.

The Political, Economic, and Social Context of Strategies for the Elderly

Until fairly recently, the politics of aging at the national level has been a very limited domain. State and local politicians have for years exerted leadership in advocating old age pensions and other forms of "welfare subsidy." During the past decade these efforts have shifted into national focus. The elderly are beginning to discover their political muscle and the value of organizing themselves as a national constituency. As the technologies of the life and social sciences evolve and permit new opportunities for longer and higher quality lives for the elderly, the number of professionals in gerontology and other aspects of services for and to the elderly continue to swell along with the elderly population. National lobbying associations for the elderly are growing rapidly, and are beginning to exert skillful pressures in both the legislative and the executive branches of government.

While this emerging network of constituencies and vested interest groups do not operate in unison, together they are beginning to make a sizable dent in federal policy. This is a significant development because the implications are that pressures will be applied to bring operational results more closely in line with the rhetorical levels of aspiration and the perceived national need (see Figure 1).

More will be said in Chapter VI about the probable future directions that these emerging patterns might take. However, it may be useful here to characterize, even though crudely, the present situation as it relates to the political dimensions of federal strategies for the aging.

(1) The most obvious political fact is that the elderly are a constituency that cannot be ignored. Increases in Social Security benefits are made with great fanfare, as are the initiatives in Medicare, Medicaid, nursing homes, and various other programs. The recent White House Conference on Aging was given high visibility within political circles, complete with a closing address delivered by the President. Congressional committees have been formed to focus policies and programs for the aging. Legislation, national in scope, has been passed with resounding rhetorical objectives. The Administration on Aging has been established and given at least the theoretical potential for a federally-wide integration and leadership role.

(2) Moreover, this political reality is reflected in the budget of federal programs for the elderly. Expenditures on behalf of the elderly are growing at a more rapid rate than the federal budget as a whole. However, to date, these expenditures are largely restricted to providing more income to the elderly in the form of social overhead costs.

(3) Despite these advances, it seems that the relative economic standing of the elderly in relation to the remainder of the population has decreased (see Chapters III and IV). It is impossible to determine whether the plight of the elderly is really more serious now than it has been in the past or whether concerns are just being discovered and vocalized in a more organized manner.

For example, the plight of the poor, after it had been raised to national consciousness by Michael Harrington's book, <u>The Other America</u>, was hardly any worse than it had been several years earlier. Yet the political debate surrounding the war on poverty neither acknowledged such a distinction, nor recognized the achievements of a society that had sharply reduced its poverty ranks. In absolute terms, it seems hardly likely that the poor of the early sixties would substitute their positions with the poor of the sweatshop era. These same analogies apply when we compare the overall "plight" of our nation's elderly with the case one, two, three, or more decades ago.

Nevertheless, the significant issue for policy makers is that the political dynamics of policies for the aging revolve not around the absolute achievement compared to earlier decades, but around the relative worsening income position of the elderly in relation to contemporary and younger age groups. Thus, as was discussed in the opening chapter, the most important political dynamics stem from perceptions about whether or not the feasibility/rhetorical gap and the operational/rhetorical gap are tolerable.

(4) The present strategy has emerged from a pattern of political opportunism which has yielded a set of strategies that are neither consistent nor coherent; they do not yield the desired nor possible <u>strategic</u> performance.

Present strategies do not appear to provide a basis on which to build future programs for the elderly, if some of the developments that we foresee as probable occur in the next few years.

Several basic points now stand in clear distinction:

(1) There is an acknowledged relationship between employment, social roles, purposeful existence, and sense of independence. This has been expressed in the ten goals set forth in the Older Americans Act. However, these interrelationships are not reflected in societal and governmental attitudes towards the elderly.

Operationally, we are a youth-oriented society. For example, our rules of economic rationality dictate against investment in the elderly for retraining or educational purposes. There is a great deal of discrimination in employment on the basis of age for what are perceived to be sound economic reasons--namely, the need to make room for younger workers who are thought to be more productive. Both management and labor unions participate in this type of discrimination against the elderly. It becomes extremely difficult for many of the elderly to lead a purposeful existence if they lack discretionary income above the proverty level or, because of Social Security regulations, cannot earn more than $2,100 a year.

(2) The dominant federal strategy is an income strategy--i.e., Social Security. Current income policies use direct expenditures and therefore constitute a direct intervention strategy. The basic assumption of an income strategy is that it is a surrogate for many basic needs.

(3) The practices through which this strategy is being carried out make it a strategy of income dependency--i.e., the elderly receive income from something other than employment or return on their own capital. (In practical terms, this means that for the next two or three decades, financing will come from public revenues; this is true because Social Security is not financed on a current actuarial basis.)

To date, the majority of people do not view reliance on Social Security as a form of dependency comparable to that of welfare. However, there is a strong probability that as the number of retired individuals increases in comparison to the work force, Social Security will increasingly be viewed as a payroll tax financing a hidden form of welfare dependency, with all the negative connotations that this implies in our society. A crisis in the Social Security system, and hence in the nation's basic strategy for financing the "retirement" years. is likely to occur when this perception becomes widespread.

Because Social Security is a retirement system financed from general revenue funds rather than an insurance system (trust fund) financed on an acturial basis, we view this strategy as a form of "forced income dependency" or as a dimension of the welfare system which constitutes social overhead. This will be discussed in the second half of this chapter under "The Elderly as Part of a Welfare Dependency System." For current income strategies to reach adequacy levels, income allotments must continually be increased from social overhead accounts.

(4) The dominant federal strategy with respect to assuring social roles for the elderly is one of non-intervention. It is apparently assumed that (a) either rhetorical policies for the existence of enforcement procedures under the Age Discrimination in Employment Act are sufficient to accomplish this objective or (b) that wide spread intervention in value-laden dimensions of personal existence is not the proper role for government in our society. The few exceptions to this statement, such as RSVP and Foster Grandparents, affect so few people that they can hardly be termed a major strategy. Even if efforts were made to expand their scope, it is highly questionable whether they could succeed, given the strength of the societal forces that tend to undermine social roles for the elderly. Direct federal intervention may always be of marginal value until society begins to view the elderly as a resource rather than a burden. This concept is discussed in greater length in the second half of this chapter, and alternative initiatives for bringing such a shift about are suggested in Chapter VII.

(5) The few programs aimed at directly satisfying needs and improving the elasticity of supply--e.g., subsidized housing, nutrition programs, Foster Grandparents--represent a piecemeal approach and do not form a consistent strategy.

If one examines the underlying assumptions of current federal strategies, whether on the income or social-roles side of our conceptual model, one is very quickly struck by the inconsistencies in fundamental issues. For example, some programs do assume that the elderly have both the requisite knowledge and the motivation to participate in federal programs; others do not make this assumption; some assume that the elderly are a differentiated population in terms of need; others do not. While the differing strategies could be rationalized, there does not seem to be any consistent factual or theoretical basis for justifying their differing assumptions.

In other cases two programs concerned with the same need operate on diametrically opposed assumptions--e.g., Food Stamp and Nutrition programs include outreach and motivational components because they do not assume that recipients have either the knowledge or the motivation to provide themselves with adequate diets; at the same time, the newly passed supplemental security income for the elderly poor will make these persons ineligible to participate in Food Stamp and Commodity Distribution programs on the apparent assumption that increment to income is all that is needed to satisfy nutritional needs.

(6) While a lucky few are assisted through demonstration projects discussed in the preceding chapters, and a rapid dissemination process may occur after an innovation, neither the cultural values nor the institutional structures exist to permit these pilot demonstrations to flourish. We simply cannot assume that a diffusion or dissemination process will occur after a successful demonstration--even if it proves the validity and desirability of alternative patterns, values, and ways of doing things.

(7) Current federal programs for the elderly, with the exception of Social Security, affect such a limited number of people that they can hardly be termed strategies at all. This statement should not be construed as one that condemns the basic value of the efforts being made by the government for the elderly. Rather, our conclusion is that the extrapolation of present strategies is not a viable direction. This conclusion will be discussed in Chapter VI. A new direction is strongly suggested by this evaluation. Recommendation for new alternatives will be discussed in Chapter VII.

Some New Trends in Federal Operational Policies May Be Emerging

The current federal administration has announced the intention to make some fundamental changes in federal domestic policies--changes that will affect many of the operational policies for the elderly. These changes may be roughly summarized under three basic concepts:

(1) The reapportioning of expenditures among federal, state, and local governments (The New Federalism).

(2) A reduction of federal intervention into the lives of individual citizens by providing them with income rather than services.

(3) The determination to reduce the uncontrolled growth of the federal expenditures, which was inherent in some of the "foot in the door" policies launched during the Johnson Administration as the Great Society initiatives.

The operational policies of the federal government may be substantially changed if these concepts are implemented. It is already evident that many of the federal programs applicable to the income side of our model are to be affected by budget terminations, impoundments, moratoriums, and administrative regulations.

We have already stressed the importance of incorporating program components dealing with capacity and elasticity of supply, and with motivation and knowledge on the part of beneficiaries, if any shift toward a pure income strategy can hope to succeed. To date, there is no sign that these factors are being taken into consideration.

The Elderly as Part of a Welfare Dependency System

The preceding pages have discussed the materials presented in Chapters II, III and IV through an integrated analysis of present strategies as they relate to one another, and, as they relate, in some degree, to the direct connecting points within the broader society and economy. This section casts the overall strategies into a different context, placing them into relief against a basic conceptual framework of the economy. This context is especially important in view of the fact that the government strategy is based on income.

To evaluate the continuing viability of the present income strategy in tomorrow's context, we must go beyond the policies relating specifically to aging Americans and see how the overall welfare/social overhead system looks in the context of the economy within which these policies must operate. As a framework for that evaluation and discussion, the following conceptual model helps to illustrate the present strategies in the context of the overall welfare strategy (of which the elderly are considered a component) and in the context of a social overhead philosophy.

The Welfare System

It is important to note here that our definition of welfare is predominant dependency on funding from social overhead because of lack of economic productivity. Thus, those in this dependency position include not only those commonly thought of as welfare recipients, but also the elderly, the mentally or physically handicapped, and the like.

A useful way to begin conceptualizing past and present welfare strategies is to borrow from the economic concept of "value added." As applied here, the concept reflects the degree of value additive capacity that various individuals could contribute to society, and their capability of doing so.

The degree to which an individual contributes his value added capacities to the society is obviously not entirely accounted for through the economic system. Examples abound: mothers raising children who become socially productive members of society; individuals helping others in direct ways without compensation; and the entire range of voluntary activities which enrich our individual and social lives. However, for purposes of discussion here, value added contributions are defined as those expressed through some form of economic structure for which remuneration is paid. This narrowed concept is consistent with present operational strategies of public welfare policies.

Within these economic transaction boundaries, the degree of an individual's economic dependency on society (his need for welfare subsidy) is directly related to three factors: the economic value placed on his individual skills and capabilities by others; the value of his individual capital; and the extent to which these capabilities are used and paid for within the economy.

These concepts are shown in Figure 5. We begin with point (A), at which value additive capacity is zero. To the right of this point, the line expresses the degree of positive value added contributions that the

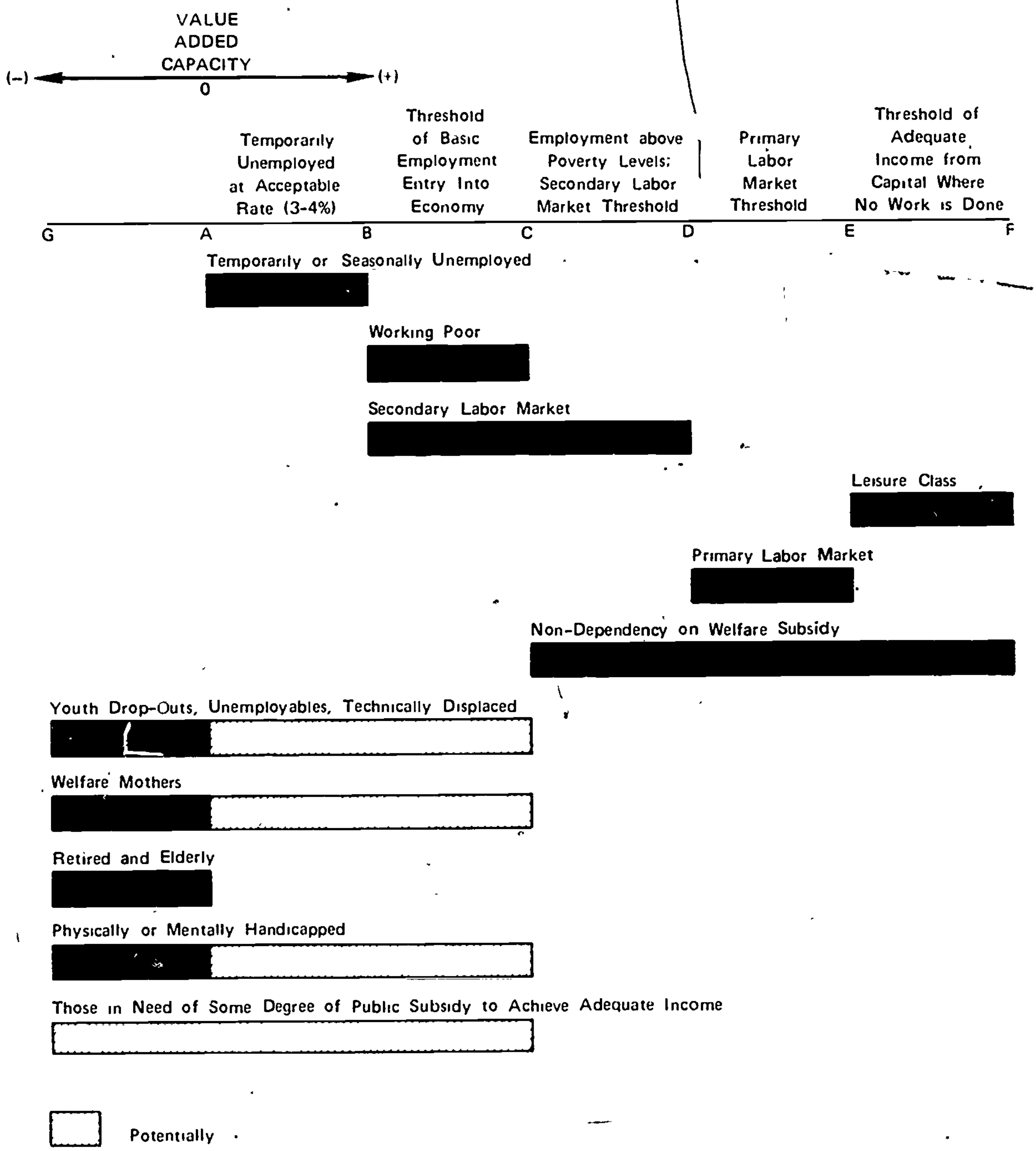

FIGURE 5 VALUE-ADDED CAPACITY AS PERCEIVED IN THE CURRENT SOCIETAL CONTEXT

economy utilizes. There is a threshold (point B), at which one enters the economy. This is defined here as employment or employability in the competitive employment system of the economy. These thresholds are influenced by many complex factors: minimum wage laws, demand for labor, social and political values (such as child labor laws), and the like.

The economy, however, is itself a network of gradients above this basic threshold. The additional economic thresholds relevant to this analysis are shown to the right of point B. At point C, an individual is employed at an economic return that exceeds the defined poverty level. The persons falling between points B and C are the working poor. For purposes of this model, we will assume that the defined poverty level is also the point of non-dependency status or need for a welfare subsidy.

The next significant threshold is the transition to what Michael Piore has identified as the secondary and primary labor markets. The line BD basically includes the secondary labor market while DE includes the primary labor market. The point E marks the final threshold or gradient of the economy used in this model. E is that point at which an individual, through title to capital or its equivalent, receives adequate or more than adequate income as "rent" for his capital rather than as return for his labor. The line EF might be roughly characterized as the "leisure rich" or the "leisure class."

Movement to the right along the line BF is not necessarily directly related to levels of income--especially after point C. For example, an individual having capital rent income may decide that it is adequate and may choose to remain out of any work force, even though the economic value of his income may be near or even below point C. The Social Security system tells us that this is the point where the retired elderly population fit into the econom . The elderly are viewed as receiving income on past investments in an insurance program which permit them to retire from the labor force. In practice, this income alone is inadequate to be an effective surrogate for the needs listed on the income side of the model developed in Chapter II.

The absurdity of the myth surrounding Social Security is almost obvious. Although it is viewed as a social insurance system providing accrued interest plus repayment on the principal contributed throughout one's working years, a retired individual has to forfeit this income if he chooses to return to work and earns more than $2,100 a year. Of course, his option to return to work and earn more than $2,100 a year is not a realistic one either, because of the lack of meaningful employment opportunities for the elderly.

Returning to the model in Figure 5, however, it may generally be said that income goes up as one proceeds from left to right along the positive side of zero. The large majority of the labor market would be distributed shortly to the left and right of D. If our rhetorical policies were consistent with our operational policies, one would find the retired population largely in EF--the leisure class. Yet, as we shall shortly see, in reality many of the nation's retired and elderly people are actually in a state of forced dependency located on the negative side of zero.

The line CF, in this concept, represents those persons who are not dependent on a welfare subsidy. The group classified here as non-dependent on welfare subsidy includes a majority who are dependent in some form as children, housewives, students, and others. These persons are provided economic support through one or more individuals who are contributing value additive capacity to the economy and obtaining adequate economic return to subsidize their dependents. These are socially honored dependencies to which no stigma is attached. With the demise of the extended family system, the elderly are no longer part of this honored dependency status.

One final category must now be discussed. AB represents the portion of unemployed who are considered a normal and acceptable pool of unemployed because of transfers between jobs, normal seasonal fluctuations, and the like. This defined level of acceptable unemployment is necessary in conceptualizing a noninflationary state of full employment and is also helpful in evaluating economic policy in terms of whether or not the economy can absorb the defined labor force. The unemployed falling into the line AB are not regarded as welfare dependents because unemployment is considered a temporary phenomenon for which several months of unemployment insurance is considered sufficient to provide basic needs.

Similarly, those falling within the BC category may need some public subsidy, but they are not viewed as social overhead because their primary income is derived from economic productivity. The hard core unemployed who are counted in the Department of Labor's unemployment statistics would fall in our negative value area to the left of A.

Negative Value-Added Capacity

The model can be used to point out an interesting and basic aspect of current welfare strategies. One would expect that the most reasonable approach for a welfare/aging strategy would be to permit some degree of value added capabilities to be converted to value-added realities according to an individual's capacities (such an ideal is depicted in Figure 6). But this is not the case. Rather, current strategies are based upon the assumption that not only is there no way to capture such value added capacity, but that the individuals represented within the line to the left of A have no value-added capacity until they undergo the necessary personal transformation needed to cross the threshold into the mainstream economy. This minimum threshold should be point B, but in general, society considers it preferable if the individual can be injected at point C--employment that yields an economic return at or above the poverty line. Much of the debate about acceptable work requirements relative to welfare benefits hinges around the basic value issue of whether or not an individual has a right to welfare dependency as a voluntary, personal, choice alternative--i.e., should he be free to decide whether or not he will fall within the AB or BC ranges?

Despite the rhetoric and exhortations, we live in a society where social value coincides with non-dependency on welfare. An individual's worth is largely communicated back to the individual in these terms. Thus, the message to persons in a welfare dependency status is two-fold: Not only are you in your present condition of negative economic value to the society and we must therefore carry you as a social overhead, but you are also of essentially no social value and thus constitute a "moral overhead." Contemporary social mores require that such persons be maintained primarily because genocide or its equivalent is immoral.

Not only is the current welfare system extremely costly in terms of direct outlays, but it does not come to grips with either (1) the opportunity costs foregone by realizing no value added capacity (anything to the right of zero) or (2) the social costs entailed in human terms from the psychological negative feedback to which millions of persons in a welfare dependency status are subject.

It is helpful to apply certain categorizations to the welfare dependents falling into the negative value added space. (The elderly, as we shall see, mainly fall within this area.) These categories bear some relationship (though not a complete relationship) to the various operational programs and policies of the welfare system.

The first sub-group, falling into the line GA, are the young adult/dropouts and technically displaced persons who require special training for reentry into the labor force (this is generally developmental training rather than mere skill reorientation). Programs in the manpower development categories are a large component of these welfare strategies. Such

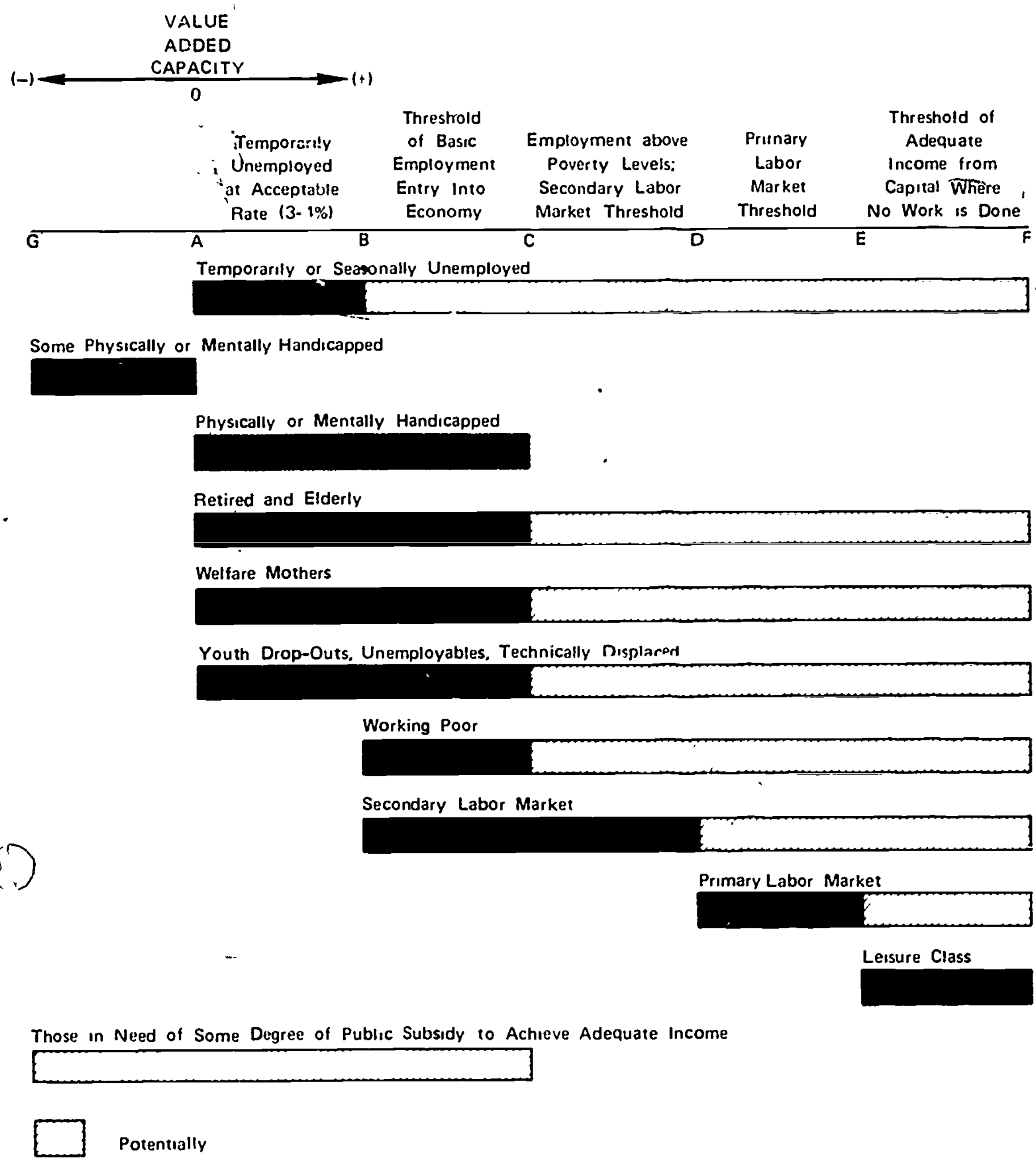

FIGURE 6 SOCIETY VIEWED WITH ALMOST EVERYONE HAVING POTENTIAL FOR VALUE-ADDED CAPACITY

programs are based upon the assumption that the human resource developmental effort can result in placing the individual into or returning him to the economy--again beyond point B.

Welfare mothers (line GA) are a large class of dependents in themselves. Income maintenance, as a family assistance plan, is their primary means of public subsidy. However, there are a variety of child day care programs and other support systems structured to encourage and make it possible for welfare mothers with dependent children to enter the work force. These support mechanisms are generally tied into some form of training and manpower development if needed, again with the idea that they will make it possible for the primary welfare dependent to become a part of the economy beyond point B, removing herself and at least a portion of her dependents (who might be termed secondary welfare dependents) to the nondependency status.

Another large and growing group (line GA) is the retired and elderly. This group is notably distinct from the others because of the responsibility our welfare strategy assumes for their permanent support for the remainder of their lives. There is no societal attempt or apparent desire to make them economically productive again. There are a few programs encouraging the retired to perform productive volunteer services (such as the Foster Grandparents Program), but, in general, the strategy and its underlying economic, political, and social values are biased toward a forced dependency. Thus, the arrow's direction for this group in our model is not toward restoration into the economic life of the society but rather toward a total and permanent negative value contribution. Much of the social science literature on the quality of life of aging Americans emphasizes in countless ways that forced retirement is often destructive to the quality of life for the individuals concerned. The aging (retired and elderly) are essentially coerced into permanent leisure and a largely forced dependency status.

A final general grouping (line GA) is the physically and mentally handicapped. This includes a small group of permanently nonfunctioning persons (in an economic sense) who are simply maintained until death. Many others are assisted, through various educational and development programs, to lead productive lives.

In essence, current welfare strategies assume that the economy is an independent variable outside the scope of welfare policy. The most that welfare policies can hope to achieve is some form of personal development that will permit an individual to enter the economy in mainstream competitive activities. However, in the case of the retired person, the basic operational assumption and policy is that he is in a stage of life in which further investment in his development is not economically rational (when compared to a similar investment in a younger adult). Such calculations and reasoning are based upon the discounted value of future earning potential. (This is a good illustration of how sub-optimization often gives an illusion of rationality and objectivity at the micro level while yielding a reverse irrational result in a broader context). With the advent of modern economic and decision theory and its application to public resource allocation, such a bias has become systemized within the federal system. The implications of these theories, if they were followed to their logical conclusion, is that public resource investment in the elderly is not economically rational until all other investment opportunities have been exhausted. While the political system acts as an effective check on such overapplied zeal of pure economic analysis, it is impossible to say just how much the elderly will be penalized in the future if the economy becomes increasingly squeezed in terms of its ability to sustain ever increasing social overheads.

VI PRESENT STRATEGIES AND FUTURE CONTEXTS

This chapter contains a discussion of philosophical and methodological problems to be faced in shifting to a strategic level of policy evaluation. The methodological problems encountered in creating concepts for alternative futures point toward some productive approaches for dealing with the entire problem of policies for the aging. In addition, they provide insights into the types of research that might be most productive in evolving effective methods for strategic policy formulation and evaluation. The chapter also deals with some of the broader trends which possibly contain discontinuities severe enough to threaten the economic and political viability of present strategies for the aging.

Basic Methodological Problems

Before the enabling legislation for the "War on Poverty" in the 1960s, evaluations on social action programs were sporadic, largely because of the lack of appropriate information and methods. With the recognition growing that even the most effective programs produce systemic effects contrary to expectations, the necessity to think of total rather than partial effects has become obvious. Aware of this new perspective, responsible government hopes to use it but lacks the means. Just as program evaluation efforts waited many years for information sources and methods appropriate to program orientation, new insights and procedures need to be invented for policy orientation, a movement ably perceived by Daniel Moynihan.*

Compilation of information sources responsive to public policy needs is a recent development. One of the first was in response to needs for reliable data about unemployment during the Depression. This was the Current Population Survey, established in the 1940s to measure the labor force, but the Survey's development had to be preceded by the devising of area probability sampling techniques. Increasing policy concern with education led to the collection in the 1940 Census of detailed information on educational attainment, and to the Office of Education statistical series. Monthly trends of unemployment have been tracked since the 1940s. During that period statistical series on morbidity, mortality, and fertility, educational attainment, crime, and so on were also improved. With

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*See for example his statement in "Toward Balanced Growth: Quantity with Quality," The Report of the National Goals Research Staff, Government Printing Office, Washington, D.C., 1970.

the establishment of the Council of Economic Advisors under the Full Employment Act of 1948, the concept of gross national product and its measurement gained widespread acceptance. Meanwhile, the technical inventions needed in compiling and manipulating statistical series for public policy purposes were quickly developed.*

But the use of statistical series and other surveys for public policy purposes, and specifically for evaluating social action programs, was not mandatory until the War on Poverty. Similar provisions were incorporated into the Elementary and Secondary Education Act, into legislation setting up the National Institute of Law Enforcement and Criminal Justice, and into many other pieces of legislation.

A bridge between the social trend surveys and their use in program evaluation for public policy was provided by the cost-benefit analysis procedures developed and applied in the Department of Defense. When President Johnson introduced these procedures into other agencies of the federal government in the modified form of the Program, Planning and Budget System, agency officials became more conscious of the information requirements for their particular programs.

The result was a new era of applied social research. Social scientists benefitted from the 1960s round of social legislation and began to participate in the policy making process through the exercise of their special professional competence. This was the development about which Moynihan wrote in 1965:

> Our best hope for the future lies in the extension to social organization of the methods that we already employ in our most progressive fields of effort. In science and in industry ... we do not wait for catastrophe to force new ways upon us .... We rely, and with success, upon quantitative analysis to point the way; and we advance because we are constantly improving and applying such analysis.[1]

These techniques and methods, known as the systems analysis approach, developed quickly into a pervasive methodological ideology. With its

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*Many data handling devices, from the punched card to the electronic computer, were developed in connection with the data processing needs of the U.S. Census. Hollerith, the inventor of the punch card sorting machine, was an employee of the Census Bureau. Univac I was first used extensively to process the 1950 Census.

emphasis on quantification, systems analysis began to alter perspectives so as to distort or violate the nature of social problems by forcing them into a manageable state, which institutionalized and legitimized neglect of them or their vital parts. As an instrument of public policy making, the systems analysis approach tended to encourage emphasis on the wrong questions and to provide answers that were even more dangerous for having been achieved through a "scientific" or "rational" means.*

To illustrate, the social welfare programs of the 1960s, pervaded by the systems analysis ideology, called for evaluation of social action programs designed to bring about changes in disadvantaged individuals and institutions. Under these conditions, the goals of the programs could not be stated specifically or clearly. Like the Goals for Aging Americans, the preambles to enabling legislation referred to broad objectives for which there were no indicators in the systems analysis tool kit, or referred to objectives whose measurement was controversial: "honor and dignity" for the aged; "the quality of life" in urban communities.

The problem is compounded when the task concerns changing individuals and institutions to an unspecified state. But according to the new methodological ideology as expressed by Wholey,[2] a social program whose goals are not clearly specified cannot be evaluated, because the goals are not measurable.

The hyperbole with which programs are presented to funding agencies and often to target populations is another problem-compounding factor. The public claims made for most social programs for the aging and others are ordinarily set at levels much higher than anyone could reasonably expect to attain. The key question is: Is the pursuit of such hyperbolic aspirations a desirable quest for the nation, and if so, should they be put aside because their heavily qualitative aspects do not fit the prescriptions of process evaluation designers?

Because of the nature of problems of the aging and other groups, and because of the broad social, cultural, and political context in which programs for these problems are devised and administered, a different methdological ideology is required, rather than a rejection of the admittedly idealistic, rhetorical aspirations, such as is expressed in

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*For a critical analysis of this methodological ideology, see: Ida R. Hoos, Systems Analysis in Public Policy, University of California Press, Berkeley, California, 1972. For a supportive analysis, see: Peter H. Rossi and Walter Williams, Editors, Evaluating Social Programs, Seminar Press, New York, New York, 1972.

the Goals for Aging Americans. Whether or not these are measurable goals, they indicate a developing humanistic conscience in our techno-material culture.

If the present methodological ideology is retained, we foresee a social revolution, in which the technologically contrived image of a well-being never experienced will be the prime target.* The continued application of these techniques might result in a game-plan government unresponsive to a fast-changing society of living, loving, laughing and, sometimes, crying people. Administrators may be happy with symbolic solutions, but the public (and especially in recent years, its elderly component) is becoming more aware of its rights and could--or will--demand more tangible evidence of concern for its welfare.

These methodological, and ultimately philosophical, problems in evaluating social programs are monumental at the policy level. Even at the program level, the available techniques measuring the effect of a given program on an individual seem inappropriate when a critical analysis of such techniques is made using the same scientific premises from which they are derived. For example, the causality rules linking dependent and independent variables, as defined by the scientific method and the use of controls, are rarely observed in evaluative practices. Where the tenets of the scientific method are observed, "complex, conflicting, and indefinable" social phenomena, as they were discovered to be by Lockheed's engineers,[3] are squeezed into physical science constructs such as measurements.

But in moving from the individual-changing program to social policy, the focus shifts to a different entity--the social organism. We believe that no amount of squeezing will fit the social organism into the contemporary framework of the natural sciences. Hence, social scientists, defensive of the cloak of scientism they wear, tend to ignore the social organism because they have no way to measure its qualities. They incline instead to problems that fit more comfortably into the traditional mode. Rarely do they question why we should measure, even though their experience should have shown that the orderly, predictable factors may be the least important in the dynamics of social change.

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*See Irving Kristol, On the Democratic Idea in America. Such a movement could curtail the search for knowledge cited elsewhere as necessary, or it could rekindle a philosophical era moving backwards, perhaps, to older philosophical positions divorced from behavioral science, history, and so on. Early anticipation of these contingencies would help foster one or the other of these trends.

Such questions would open a Pandora's box of inquiries into the nature of man, social systems, and human knowledge, as well as into political, and moral philosophy--all prerequisites of a new approach not only to the monitoring of qualitative, humanistic goals and strategies but also to the very process of government. Such inquiries are difficult to do something about, but maybe anything else is not worth doing.

The major methodological difficulty confronting policy orientation in government ~~can~~ be stated in the ancient dictum of Anaxagoras: "Things that are in one world are not divided nor cut off from one another with a hatchet." Nor with a computer, we might add. The indivisibility of the components of the social organism precludes analysis by traditional scientific methods. When apparent improvements based on partial analysis of the social system are made in one segment of the system, they often lead to situations that are more troublesome later. From the society's standpoint, scientists making such "improvements" are identified with the problems rather than with the solutions of social ills.

This situation, of which social scientists are becoming more aware, may be exacerbated rather than ameliorated by the current drive to mimic the exactness of "hard science." Especially in their quest for mathematical precision, social science efforts often tend toward the ludicrous.* For in contrast to the mathematical world, the real world has no holes, not even joints where a good carver could, as Plato thought, separate one species from another. Numbers, more than anything else, are artificial slits cut by us into this whole. Of course, we can make as many slits into it as we please. But the claim that the whole can be reconstructed from the slits rests on the thinnest air.

For some unknown reason, most of this philosophy has become a praise of theoretical science and nothing more. And since, of all sciences professed today, only some chapters of physics fit the concept of theoretical science, almost every modern treatise of critical philosophy omits any reference to fields other than theoretical physics. To the extent to which these fields are mentioned (rarely), it is solely for the purpose of proving how unscientific they are.

Although we could not find insights in science literature, we did find that the physical sciences are having more troubles with measurement than social scientists realize. For example, the progress of physics has

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*For a refreshingly humorous but, for one concerned with the course of social change, a sad commentary on the social sciences, see Stanislav Andreski, Social Sciences as Sorcery, St. Martin's Press, 1973.

been dictated by the ability to measure physical phenomena with instruments. Nevertheless, geometry has only one basic measure, length; mechanics quantifies its variables of space, time, and mass as cardinal measures; and thermodynamics attempted noncardinal measures of chronological time and temperature. Although various attempts were made to measure temperature (i.e., the level of heat) not all problems raised by such a measure have been satisfactorily solved. For example, P. W. Bridgman[+] observes that "no physical significance can be directly given to flow of heat, and there are no operations for measuring it."

Other fields have met with still greater difficulties in measurement. This is especially clear with electricity where all basic variables are instrumentally measured and none is connected directly with a sense organ. In such fields as structural mechanics and metallurgy, we find that they are still struggling with patchy knowledge not unified into a single body of theory. The only explanation for this backwardness is that most variables in material structure--hardness, deformation, etc.--are quantified qualities. Quantification in this case cannot do away completely with the peculiar nature of quality: it always leaves a qualitative residual hidden somehow inside the metric structure. Physics, therefore, is not as free from metaphysics as current critical philosophy problems, because the opposition between number and quality is generally considered metaphysical.

In this research, we also tried to reconstruct a unified body of policy-related information on the aged by combining some of the "slit-making" statistical techniques into more comprehensive constructs. Starting with the assumption that the world is a whole, this effort, in the best tradition, sought to examine and relate a number of statistical series and to produce for policymakers on aging some new, multiple, simultaneous inferences. The theory and practice of multiple comparisons, as developed by Henry Scheffe, John Tukey, and others, should fit this kind of problem in the context of analysis of variance. But the world of the aging, which is the world of us all, was found to be beyond such description. Despite the current tendency of American culture and social practice to adapt the language, assumptions, and methods of the "scientific" methodology, we found that its use in this project would produce only tenuous correlations, or answers to none but the most trivial questions.

In contemporary science a counter movement is developing away from the 100-year-old traditions of scientific inquiry which were based on substance, categories, hierarchies, measurement, and unidirectional causality. This movement portends the emergence of a new study of knowledge and a new logic incorporating heterogeneous, qualitative, relational, and other new elements which are leading to more effective analytical methods.

There are some indications that social scientists are starting to participate in this movement. For example, the causality notions of the physical and engineering sciences find expression in the concept of deviation-amplifying, mutual-causal processes to the understanding of which the work of Karl Deutsch,[5] Kurt Lewin,[6] Garrett Hardin,[7] Mervyn Cadwallader,[8] Walter Buckley,[9] and, of course, Norbert Wiener,[10] are addressed. Generally, these works also seek an understanding of men and society in a way related to the propositions of the new wave in natural science. Stymied by the recalcitrance of people (who can dispute what social scientists say about them, as electrons cannot) and by consistent intrusions of intangibles like virtue and values into their models, the new study of knowledge remains more of a hope than a reality. But at least there is recognition that transferring the traditional model of the natural sciences to the social sphere under the name of systems analysis is not the panacea for social ills that Moynihan held it out to be in 1965. He expressed the realization that his expectations were "hopelessly wrong" five years later:

> "In the spirit of the age, let me begin with recantation. I have been prone to profound ideological error. A crypto-deviationist anti-people incrementalist, I have been guilty of optimism about the use of knowledge gained through social science in the management of public affairs."

In the same article, he was prophetic of what seems to be taking place now, as the shift from the old to the new logic develops:

> "...professionalization of reform will continue, but in a somewhat different form from that which I earlier envisaged. Increasingly the role of the social scientist will be to assert the absence of knowledge on many urgent issues of the turbulent and ambitious society we have created for ourselves."

He then went on to emphasize this statement with a reference from the 1968-69 annual report of the Social Science Research Council: (Underlining was added by an editor.)

> "The difficulty we as a nation face in solving our problems is not will but knowledge. We want to eliminate poverty, crime, drug addiction and abuse; we want to improve education and strengthen family life, but we do not know how. Traditional measures are no longer good enough. Very different ones must be sought, invented, tried on a small scale, evaluated and brought closer to perfection. Many schemes will fail and the most profitable failures will be those that lead to the clarification

of understanding of the problems. Many schemes will simply expose additional problems that social scientists will need to solve. Both design and evaluation are needed, and the Council is examining its role with respect to these issues. The overwhelming complexity of the nation's social problems and their immediacy, however, should not blind us to our ignorance of ways to solve them."[11]

This movement beyond traditional modes of inquiry is still rather halting. It awaits the invention of concepts, methods, and tools appropriate to policy orientation, as was the case for program evaluation efforts in the 1960s. Meanwhile, most social scientists and their policy-oriented colleagues are continuing to operate on the fundamental assumptions derived from the traditional scientific model and its philosophical position. Some of these fundamental assumptions were highlighted by Norbert Prefontaine in an address to the XVI International Conference on Social Welfare, August 14, 1972:

> First, human well-being is assumed to be primarily a function of the goods and services which each individual has at his disposal, or at least has access to. Essentially, man is understood according to the concepts, logic and values of material things, rather than according to the concepts, logic and values of human community.
>
> ... If human well-being has been defined in terms of goods and services, then concern with production and distribution of goods and services will be central to social policy... the central question of a social policy which sees man essentially as a consumer is the question of scarcity....
>
> Second, social policy is defined in terms consistent with, if not drawn from, economic realities and the economic environment. Social policy is set within the boundaries established by economic policy and is in the service of assisting 'economic man'.... Current argument ... assume(s) that economic security is the first step--both logically and temporally--to social security.
>
> Third, ...,social policy is directed to men and women as separate individuals. The image of men and women is that each one of us, acting essentially alone, is somehow responsible for his or her own destiny .... Little attention has been paid in our social policy ... to persons in relation to one another, to communities, to extended families, to voluntary associations,

> or to all sorts and manners of 'normal' human relationships. These are systematically seen to be outside the scope of social policy.
>
> Fourth, a significant place (is not given) to the wider context in which social policy is set ... (It is assumed) that the future will be essentially like the past, that the skills and expertise developed over the past fifty years can be further refined and developed to serve us in the future, that the programs developed for the future will be essentially like the past, even if less fragmented and better administered.

The nation is now at a point where it must decide if we are to continue in the 70s and 80s creating social politics based on such assumptions as alluded to above or if we are to search for a future different from the one portended by the current trends. If we choose the latter, social research will have to be redirected from a new philosophical perspective. As evidenced in our literature review, very little effort is spent on social research that questions the validity of "orthodox" social knowledge or our fundamental assumptions. An impending financial crisis in social policy regarding the aging requires a re-examination of current assumptions even within the framework of traditional social policy. Rates of growth in assistance to the aged, along with education, health, and so on, if unabated, will eventually gobble up the whole GNP!

Among the other sources of concern should be the assumption that the growth of economic goods and services is infinite and that the social disease of which the condition of the elderly is a symptom is no deeper than the problem of distribution of such goods and services. Chances are that the disease has far deeper causes. Such basic problems are deeply imbedded in the ways we understand ourselves and our situation. They are primarily conceptual rather than technical, administrative, managerial, or even financial.

Because the current and proposed programs and policies reflect past conceptual images and decisions, they may ameliorate but not solve the real problems of modern society. To develop a humanly adequate social policy for the elderly will require the coherent, comprehensive development of the conceptual categories and the logic that will allow us to understand individuals, society, and their mutual well-being. Toward this end a larger percentage of the resources spent for social policy should be committed to understanding our present situation more adequately, to developing alternative conceptual foundations of social policy, and to developing alternative social policy based on those alternative conceptions.

At least the movement toward policy orientation has been accompanied by a new way of viewing society. Even if this way is not an embryonic new model, it is still a change in sensitivity toward cultural matters, with persons seeing things differently from the past. The growing recognition of the systemic nature of the problem of the elderly is evidence of this new sensitivity. Government intervention in a heretofore private domain suggests that the systemic problem is known and that a shift is taking place from an earlier government policy concerning one of the most delicate problems in legislation. This problem was described by Edmund Burke as: "What the State ought to take upon itself to direct by the public wisdom and what it ought to leave with as little interference as possible to individual discretion."

This shift to a policy orientation reflects a more fundamental shift in American culture and values. As for the cultural dimension, the shift from the extended to the nuclear family has resulted in the isolation of individuals who previously came under the extended familial umbrella. As for the value dimension, economic determinants of value have encouraged the evaluation of individuals in economic rather than humanistic terms.

The goals for aging Americans suggest that the federal government wishes to correct the value and cultural deficiencies of the system. Although it is difficult to connect present policies with the attainment of the noble goals for aging Americans, the implication is there that at some future time other policies will be formulated and implemented to achieve those goals. Herein lies a political issue: can value and cultural dimensions of a society by consciously altered by government fiat? If not, the rhetorical goals are hollow, frustration laden and extremely presumptuous. If they can be altered by government fiat, then the question arises as to the political and social acceptability of such a transfer of power to bureaucratic elites. Historical evidence is ambiguous as to these two questions. In the American context of today, the likelihood of willed intervention is rather low, considering the current lack of knowledge about such processes.

The putting of questions on the changeability of values and cultures into the context of a strategic evaluation of policies for the aging is more reminiscent of an older approach to the comprehension of reality--i.e., moral philosophy--than it is of systems analysis or the scientific method. This might be good, at least until a better approach evolves. In the past some people have had rich insights into human and social behavior--insights that were not based on established and accepted knowledge such as the natural sciences.

Method for Strategic Projection and Evaluation

The foregoing serves as a sort of caveat for our projections of what the future may hold. These projections are not "scientific;" their unfolding will be the result of a process of dialectical interactions and causal feedback phenomena, for the comprehension of which we have neither a scientific" theory, a logic, nor a calculus. They are therefore more like the gleanings of moral philosophers. And although these projections are presented as discreet "snapshots" of facets of society, a situation dictated by the written medium, they should be perceived collectively as a moving picture, or an animated cartoon which gives the illusion of movement to the images that are really fixed.

We know of no other method that would do justice to the task. Take, for example, the apparently simple problem: What will be the long-range effects on the Social Security System of annual increases in the cost of living and in wages? Obviously, increments in the cost of living will be influenced via future price structures and perhaps by the available resources. Where these cost increments concern renewable resources such as agricultural products, such factors such as rainfall, weather, the agrichemical industry, the will and knowledge of farm communities, the wisdom of government as well as many other unmappable influences become extremely important.* In the case of nonrenewable resources, another large array of influences must be considered: the world's finite reserves of energy sources and minerals; the economic and political factors affecting their allocation and distribution on a world-wide basis; the nation's habits and attitudes toward conservation, and rates of resource consumption; and many other factors. This list just begins to cover the many interactive influences on possible increments to the cost of living and wages, and hence, on cost projections for financial support of the elderly as provided in current legislation. The list omits the more qualitative influences such as values on future resource allocation and distribution patterns, but these influences should not be forgotten.

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*Such interactions are receiving increasing attention in the daily press. For example, it has been observed that decreased rainfall in the peanut crops of Africa and India and shifts in the Humbolt Current off Peru have influenced the cost of soybeans in the United States, and hence the cost of much needed protein for the aged.

Values

A new type of literature is becoming more significant in a searching, contemporary America. As a recent example of this type, Irving Kristol[12] furnishes illustrations of things considered important in the newly emergent model of society. In his view, society, culture or civilization is held together ultimately not by its formal institutions but by informal things--traditions, values, feelings, and expectations that are shared by its citizens and that impose certain disciplines on them.

Thus, the problems of society may stem not from material conditions or its formal institutions, but from the more important variables. Kristol sees the present distress of the United States and other Western democracies arising from the erosion of values and traditions that have held them together. The counter culture, the growth of intellectual hostility to capitalist society, and similar forces tend to undermine the authority and legitimacy that any society needs to operate.

Reforms, when necessary, need not change the material conditions of life but may rather produce institutions that incorporate, stress, and reinforce the values and traditions important to society.

But in another example of this type of literature, one in which the central importance of values is also emphasized, the claim is expressed that there is at present no set of shared values to keep the society intact. In the report of a seminar on "Central Influences on American Life" to the National Commission on Marijuana and Drug Abuse, the development of a system is the greatest need of the society. "We just do not have this now," they said. "We are all looking for values that have deep roots. As attempts are made in a rational way to sort out the durable from the ephemeral."[13]

If we lack not the will but the knowledge for social reform, and if traditional approaches to acquiring that knowledge are unproductive, it seems unlikely that we ~~could have~~ the knowledge to produce institutions that incorporate, stress, and reinforce the values and traditions important to society. It also seems unlikely, if the seminar's findings are valid, that we have the knowledge upon which to base a system of values, let alone new institutions embodying them.

In these two examples, we have illustrated the importance of values, but also the existence of antithetical views as to the origins of values. In the first view, values are "givens" in the society, precious features evolved from the past--features that must be conserved and defended if the system is to survive. The second view, expressed in the seminar referenced above, says that there are no "givens": the society's elect must search for and find a system of values to instill in the minds and hearts of society's members. History suggests that these opposing interpretations of values are a recurring phenomenon and that new operational, as contrasted to rhetorical, values usually arise by what the ancients called a dialectical process--i.e., the synthesis of older, established values with their contradictions as voiced by the counter-elites.

If this idea of a dialectical process as the source of new social values is valid, the difficulty of evaluating strategic long-range policies for the aging will be increased, but so will the importance of the task. The specter of a new and different system of values arriving via that dialectical process on the stage of society in the future arouses the fear that the new system could render current strategies and policies inoperable. For, in the simplest terms, values are the standards that determine how we act and what we want. Other characterizations of values by philosophers, theologians, and anthropologists coincide pretty much with this definition.[14] One of the key aspects of values is that they influence social choices and action. The distribution of values in society, the bases for their distribution, and changes in value structures over time play a central role in goal and policy formulation. Values influence goal formation by guiding the perception of what is important or desirable; values also act as weighting factors in transforming fairly objective measures of social performance into perceived measures of attainment.

Comparative cultural studies tell us that different value systems operating in different cultures are manifested in the societies' attitudes and practices relative to their aged members. Some of those practices in some Indian and Eskimo cultures, for example, are inimical to the current values of our society. But if the future should present us with a radically different value system, the practice of gerontocide rather than Social Security could become our operational policy. A close monitoring of the total social scene might help in anticipating the outcome of the current dialectical process of value generation.

From our monitoring to date, we sense a shift toward institutional rather than individual responsibilities, along with a growing phenomenon involving societal "dropout,"[15] but our current state of knowledge on these and other value-related issues, such as those raised by Baier and Rescher,[16] argues in favor of holding open a fairly wide range of social policy options until this critical research on values bears some fruit.

The Post-Industrial Society

There seems to be a consensus that America is entering a new phase in history. "Post-Industrial Society," a phrase originally coined by David Riesman,[1] is frequently used to designate this new type of social order, emerging as the production of goods becomes less important in a highly efficient economy, which is capable of creating general affluence, providing for increased leisure, and redirecting resources to the production of services (rather than goods). Noting that the transition from the industrial to the post-industrial order matches in importance the transition from the preindustrial to the industrial, Daniel Bell has tried to win acceptance of this term to indicate the future social order of the technologically advanced societies.[18]

Under the conditions of the post-industrial order, the available productive technology will yield a substantial increase in the output of goods and services at a significant decrease in the investment of people's time and energy. Though America is only in the early stages of this post-industrialism, a powerful trend in this direction can already be discerned. This far-reaching development carries profound implications for the concept of the proper work and nature of the state and--from the standpoint of the task at hand--its relation to its aging citizenry.

The emerging successor of the "welfare state" will differ from it in ways that reflect a fundamental shift in value orientation, a change-over to the view of the central "social problem" as one of creating the setting of a satisfying life rather than as one of providing for the minimum requirements of life. The welfare state has seen its mission in essentially protective terms; its preoccupation has been defensive in an endeavor to safeguard people against hazards of various sorts. The post-welfare state will assume a more positive aspect, concerning itself with the trans-welfare goals of life enhancement, with the artistic sector coming to increasing prominence. The attitudinal upheaval at issue is not the introduction of wholly new values or the abandonment of old ones, but rather a shift in emphasis and the revision of a scale of political values. The traditional problems of the distributive sector, and especially the collective sector of welfare, will not be left behind by the post-welfare state. But this new order, as projected by Rescher,[1] will differ from the welfare state developed in Britain or Scandinavia--and even in the affluent United States--in three special ways with respect to its basic value structure.

(1) The political focus will be shifted from catering to the basic human needs of the welfare complex to the creation of more pleasant conditions for life under the crowded circumstances of modern times (especially in the urban centers).

(2) A higher priority will be given to goals of the cultural-creative sector. It will come to be recognized more than ever before that society has a commitment to, and responsibility for, the level of its culture and the appreciation of its cultural inheritance, with a correspondingly heightened emphasis on higher education, the development of the arts, and so on. Society and its instruments will take increased interest in the institutions dedicated to supporting appreciation of the arts, the preservation of antiquities, and allied activities. There will be a renewed stress on quality, excellence, and creativity, and a fostering of opportunities for action and appreciation along these lines.

(3) The great surge of nationwide uniformity typical of the mass-orientation of the welfare state (mass production, mass media, mass politics) will give way to some degree of fragmentation. There will be renewed emphasis on regionalisms, parochialisms, "participatory democracy," and decentralized group action of many sorts, as well as a more strident insistence upon cultural diversity and social fragmentation. In consequence, there will be a renewed striving for diversity in unity and cohesiveness in variety. The post-welfare society will seek to combine unity with diversification and to become a whole that embraces highly variegated components.

The affluence of the projected post-industrial society is an essential precondition of the post-welfare state. And in this context, it is important to split apart the economists' traditional packaging together of "goods and services." The technology of post-industrialism, where the production of goods requires the energies of fewer people, opens up a greater scope for the production of services. This service orientation is the major feature of the economy of post-welfare order, because it has become possible to shift the focus of social concern to other than the traditionally "material" needs. The sector of services poses some unique economic problems, because quality services can be rendered only on a person-to-person basis: the doctor can examine only a few patients each day, the barber can shave only one customer at a time, and so on. Although there is no effective limit to the quantity of services a person can consume, each individual can produce only a given amount of personal services per day. Consequently, a society can never be as affluent in quality services as in quality goods (given automation). Yet because the problem of the availability of goods is closer to solution in the post-industrial era, the problem of services now moves to the center of the stage.

The downgrading of traditional economic values in the post-industrial era thus comes to be matched by the upgrading of values relating to such social issues as culture, politics, education, workmanship, and the creative use of leisure. This value reorientation of the post-industrial era has far-reaching implications for the political modus operandi of the post-welfare state. The welfare state as it has developed in the European and North American settings is based upon a comprehensive hierarchical bureaucracy and a highly centralized control structure. Unified coordination and control have been virtually inevitable because of the nature of the problems with which the welfare state has been designed to cope. Three factors have been especially significant:

(1) Most problems of the welfare state have been economic, and a nation's economy lends itself to centralized direction and control.

(2) Prominent among the fundamental problems of the welfare state have been the issues of economic and political equality. The extension of equal rights across the board can be most efficiently pursued by a central government.

(3) The issues that concern the welfare state can be tackled effectively by the legislative process. They revolve about issues of control and are thus responsive to centralized direction.

By contrast, the critical issues confronting the post-industrial state will be of a different order. The problems that will come to the fore will largely relate not to the economic sector but to the cultural and sociopsychological sector. Such problems are most amenable to a decentralized treatment that is better adapted to accommodate regional and communal differences. In consequence, most of the structure of the post-welfare state will become multicellular rather than monolithically centralized.* The "table of organization" of the many sectors of the post-welfare state will look like a spider's web rather than an inverted tree. In the new regime, government may attain an undreamed of importance in institutions at all levels. But there will be a corresponding

*The current political concern with "New Federalism" may be construed to be an expression of this societal trend.

recognition of not just the governing mission but also the educational and motivational mission of the government officials.

This is not to say that the state will "wither away" in the manner claimed by theoretical communism. The state and its historical functions will certainly survive. The main point is that the future will see the evolution of new forms of social action, which are largely outside the state structure and call for new structures to handle the "burning issues." Effective handling of the post-welfare state's schedule of burning issues calls for a combination of (1) the revision and decentralization of state activities and (2) the evolution of new and increasingly influential non-state approaches. The political and social problems of the post-industrial society call for solution through localized and diverse means that the centralized state is largely unable to use. The orderly fusion of diverse elements, often called "social orchestration," is one of the key problems of the post-welfare era. The welfare state concerned itself primarily with uniformities, with equality, equity, and the like. The important theories of the post-welfare era revolve about diversification, portending a new emphasis on the subcultures, regionalisms, and parochialisms of a pluralistic society. The forging of social cohesion amid the variety needed for a full life in a mass society is beyond doubt a central problem of the post-welfare state.

The social character of the post-industrial state will thus differ fundamentally from that of its predecessor. There will be a shift in emphasis from uniformity toward the diversity of self-development. In its greater stress on the creation of incentives for self-development, and especially for self-improvement in the pursuit of excellence, the post-welfare state will reemphasize a major aspect of an aristocratic perspective.

What does this projected view of the post-industrial state mean for aging Americans and their relationships with government and its policies? The latter's focus on income maintenance, while neglecting meaningful concern for qualitative sociopsychological issues, will be more compatible with earlier social history than with the future. Unless government policies are adapted to the emerging social realities--enlarged to include sociopsychological dimensions, and administered by a new mechanism--the relation of the aging group to the larger society will be dis-- , and possibly socially disruptive.

Population and Employment

Will enough money-generating jobs be available in the post-industrial society to support the kind of lives held out to us by forecasters and, for example, to maintain the Social Security system? Enough things have been happening during the last two decades to cause some concern as to whether quality living and Social Security can be achieved.

Population projections[20, 21] reveal that a large elderly population will be a source of concern for policy makers well into the 21st century and that such projections provide a tenuous basis for the formulation of strategic policies.

The figures tell us that the number of people who were 65 and over was 3.1 million in 1900. By 1940 the number had nearly tripled to 9.0 million, and had more than doubled again to 20.2 million by 1970. In the year 2000 the number is expected to be about 29 million. The number is rising about 3 to 4 million every decade, or roughly 300,000 to 400,000 per year. The 20.6 million estimated persons over 65 on July 1, 1971 exceeded the July 1, 1970 number by 390,000.[22] These numbers reflect the steady increase in life expectancy over the last several decades (Figure 7).

Contrasted to the 1960-70 increase of the population as a whole (13%), the over-65 group increased more rapidly (21%). These substantial percentage increases are expected to continue for the next few decades (16 to 18%) but the increases will be smaller than those occurring before 1970. Such policy-relevant increases in the number of births since World War I appear as "population waves" in the time-chart of births. These waves are more conspicuous than the trend in birth statistics; our present births are only about 15% higher than those of 1914 even though our population has more than doubled. Drops from peak to trough run to 20%. A trough in the elderly population should occur after about 1990 and last about two decades because of the rapid drop in the number of births during the 1920-30 and 1930-40 decades. But then in the period 2010-2020 a sharp peak will occur (30%) as people born during the baby-boom attain age 65.

This periodicity evidenced by the population has been likened by Keyfitz[23] to the natural periodicity of a rocking horse or a tuning fork. When either object is given an impulse, it oscillates for a time and ultimately settles back to its original equilibrium. Similar properties are found in a population's periodicity. Its main free response to a disturbance is the generation effect, by which a surge of births today will be echoed in a surge of births about 25 years later, as today's extra births come to maturity, provided that age-specific birth and death

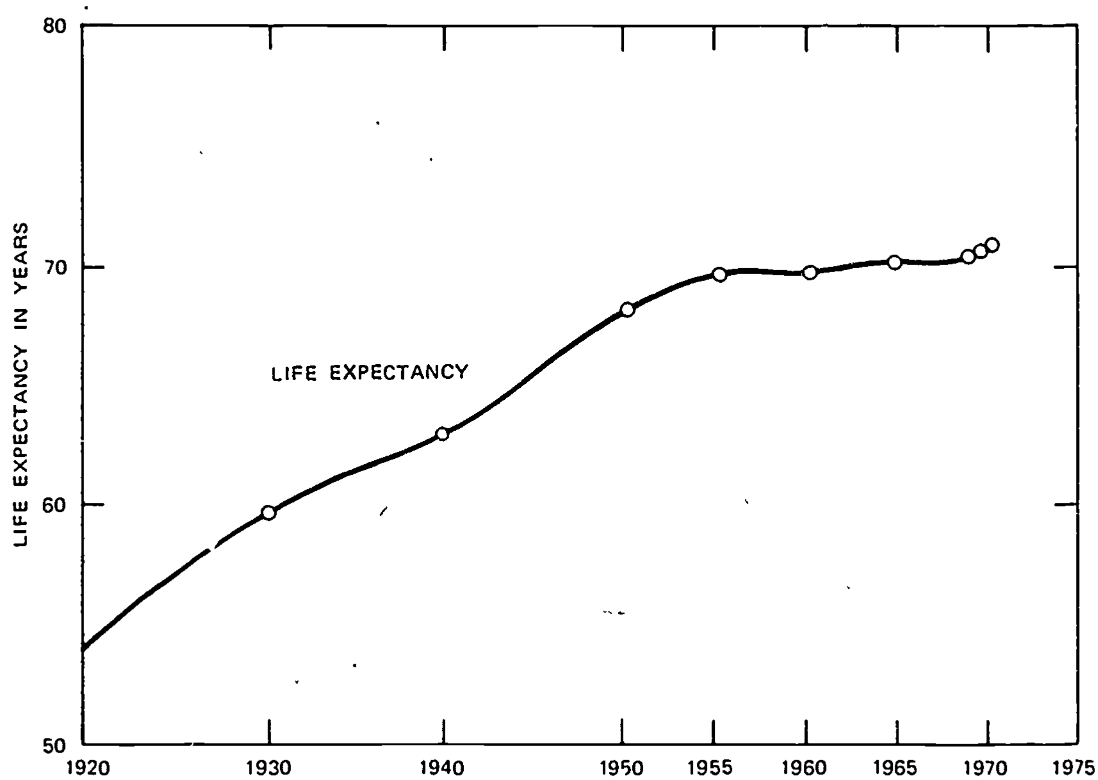


FIGURE 7 THE INCREASING TREND IN LIFE EXPECTANCY

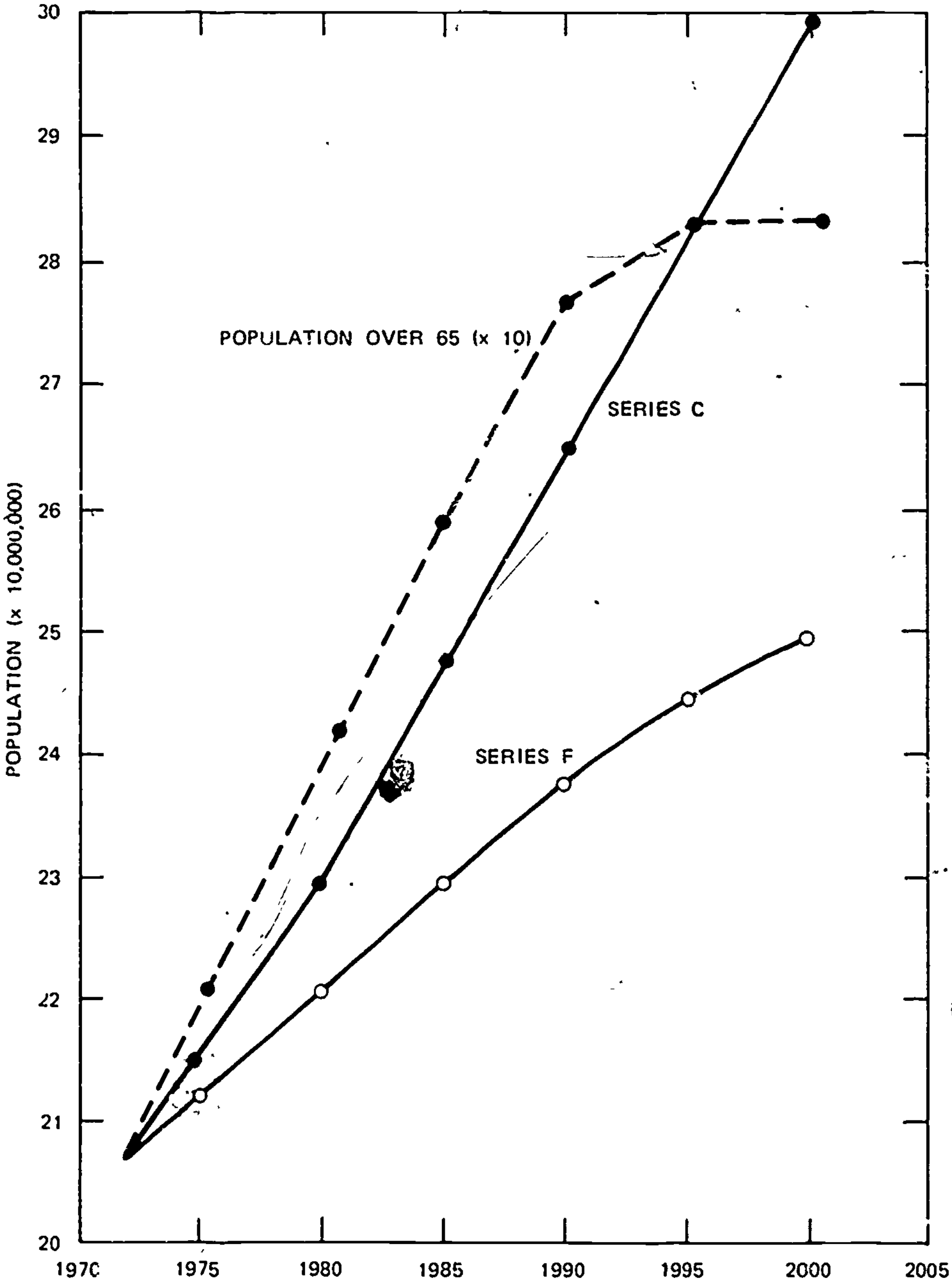
rates remain fixed. This property is conveniently exhibited in Lotka's integral equation,[24] an original model of population dynamics. Impulses that take population away from equilibrium may be economic forces, shifts in personal values, or other outside changes.

Because both free and forced changes of population imply policy-relevant consequences, population waves and related population phenomena deserve serious consideration. Policies responding to particular issues may prove over time to be out of date if the issues are associated with "wave" or periodic phenomena. Too often, policies are event-responsive rather than process-responsive. Perhaps long-range policies regarding the elderly should also include an element of periodicity, thereby helping the policies to harmonize with the population's periodicity.

The projections of elderly populations shown in Figures 8 and 9 do not consider periodicity or related sources of discontinuities because these projections are not affected by future fertility. That is, the people who will be 65 in the year 2000 or even the year 2020 are now living. The sources of discontinuities that are usually considered in projections of elderly populations include mortality and immigration rates.

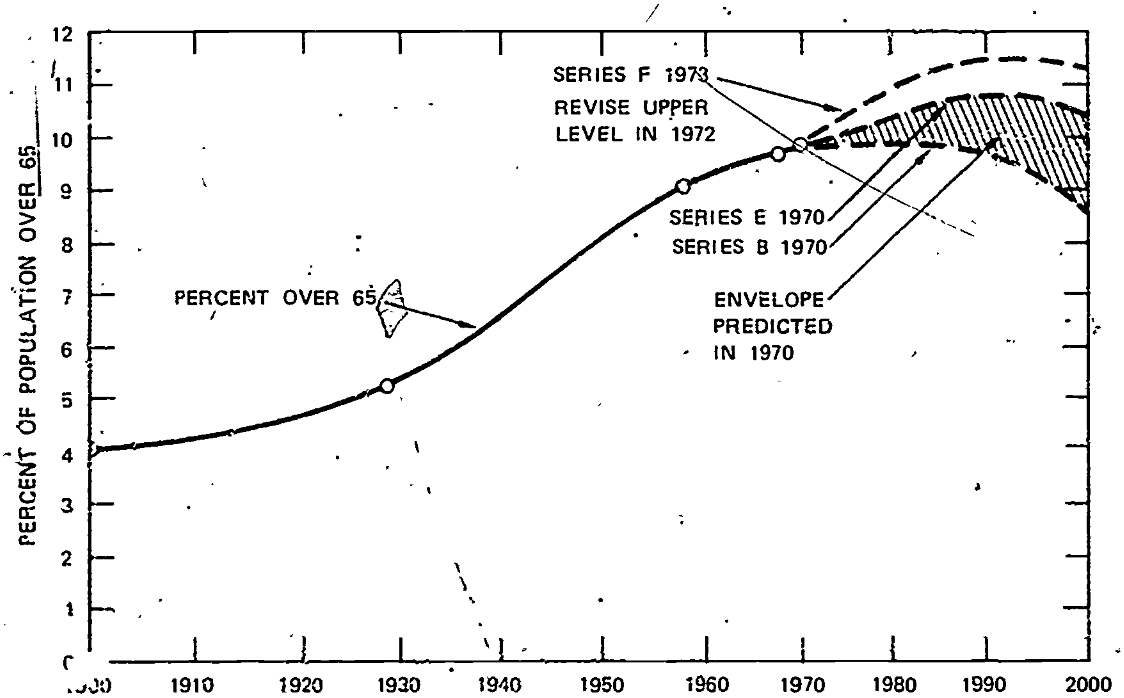
Alternative mortality rates used in projections of the aging population are often based on (1) ordered causes of past death among the elderly and (2) assessments of the effect on the elderly population if "rapidly declining" or "slightly declining" mortality rates occur in the future. Projections of the effect of alternative mortality rates could be more policy-relevant if comprehensive account were taken of medical, biological, and psychosocial research on the principal causes of death among the elderly and on somewhat peripheral (but relevant) topics. These topics would include molecular biology; cyborg technology; the general adaptation syndrome; and other stress-related problems and psychogenic syndromes.

The past general decline in death rates has contributed to the rapid increase in the number of aging persons. If death rates continue to decline as expected and if mortality rates are substantially reduced in the future, then a somewhat larger elderly population and greater ten-year increases would occur than are projected by the Bureau of the Census.[25] For example, the projection of the population 65 and over for 1990 (27.5 million) would be larger by about 1.6 million (6%) if "rapidly declining" mortality rates had been used in Census calculations rather than what they call "slightly declining" mortality rates.[26]



SOURCE Current Population Reports, Series P-25, #493

FIGURE 8 COMPARISON OF RATE OF GROWTH IN TOTAL POPULATION AND THOSE OVER 65



SOURCE: Current Population Reports, P-23, No. 43, February 1973. P-25, No. 493.

FIGURE 9 PROPORTION OF POPULATION OVER 65 SINCE 1900

It is also possible that the mortality rate may increase. A small increase, in fact, did occur during the decade ending in 1968, when, according to a report of the World Health Organization,[27] male life expectancy at birth dropped from 66.7 years in 1958 to 66.6 years in 1968. For males aged 65 the expected survival in 1958 was 13.0 years and a decade later it was 12.8, while the female rate rose from 15.8 to 16.4 years. More comprehensive study could help anticipate such occurrences.

The World Health Organization study of life expectancies throughout the world was a step toward more comprehensive study. It made possible estimates of what the effect on survival rates would be if one or another of the major killers were conquered. In the United States, for example, the present life expectancy of new-born boys would jump from 66.6 years to 78.7 years if cardiovascular diseases were eliminated. For females, the rise would be from 74.1 to 89.4 years. If the battle against cancer were won, the rate would jump 2.3 years for boy babies and 2.5 for girls. For elimination of respiratory diseases and accidents, the rates would be up 1.1 for boys and 0.8 for girls, and up 1.8 for adult males and 0.8 years for adult females, respectively.

A review of relevant literature suggests that success in some of these quests may be near. For example, implementing the results of certain environmental design studies could help reduce accidents. Then, too, cancer researchers at the Frederick Cancer Research Center are following an exciting lead that could provide insights to the causes of some cancers. Dr. Albert Sabin, developer of the oral polio vaccine, believes that if this research proves some cancers in humans to be of viral origin, then anticancer vaccines or treatment serums would be in the offing.[28] These possible, if not probable, sources of discontinuities in population projections emphasize the need for comprehensive study to complement the statistical approaches now employed in making projections. The possible discontinuities also suggest caution to policy makers in the use of such projections, especially in long-term contexts.

A successful research program addressed to diseases that are the major causes of death among the elderly would find its results applicable to reducing deaths among the younger population as well. Therefore, research on these diseases could produce results tending to lessen the proportion of the aging relative to the younger population. In addition, a residue of unresolved problems peculiar to the aging process would remain. If the proportion of the elderly to the younger population is to change through bio-medical factors, the mystery of the aging process will have to be successfully understood.

Immigration also has an important effect on the number of elderly persons. Fluctuations in the volume of immigration have sometimes accelerated growth rates and sometimes reduced them. The large and increasing volume of immigration prior to World War I contributed greatly to the rapid increase in the number of aging persons up to about 1960. Conversely, a source of discontinuity in population projections is emigration, over which immigration authorities have little control and which is usually neglected in forecasts. According to a recent report, about 43,000 persons leave the United States annually. Because the majority are between 20 and 43 years of age, the number of elderly persons will not be affected in the short term by this emigration. But the figures are significant in considering the proportions of older persons in the total population. Because the majority of emigrants are also married, college-educated, and white, their departures have a qualitative as well as a quantitative effect on the future situation of the elderl,.[29]

In addition to mortality and immigration rates as sources of discontinuities, a great variety of other external factors influence population phenomena and each other: soaring medical costs, the energy and resource crunch, food shortages and rapidly increasing food costs, and the general inflationary spiral. But the most crucial factor in considering sources of discontinuities is fertility.

The older population has been growing steadily as a share of the total population. As noted earlier, from 1900 to 1970 the proportion of the population 55 years of age and over doubled; persons in these ages now make up about 19% of the population compared with 9.4% in 1900. At the end of this century, the estimated proportion will probably fall between 16% (Series B) and 19% (Series E), depending on whether future fertility is relatively "high" or "low."*

The proportion of the population 65 years and over was 4.1% in 1900 and 5.4% in 1930; by 1970 it had risen to 9.8%. It may now rise or fall, depending mainly on fertility. The currently assumed fertility rate is 1.8 children per family, which is below the 2.1 necessary for population replacement over about 70 years. The 1.8 figure is "entirely arbitrary,"[30] as there is no precedent in American demographic history for assigning such a low level.

If the future confirms this assumed fertility rate, it will have a momentous effect on the proportion of the elderly to the younger population and hence on the younger group's capability to bear the social overhead costs of care for the elderly. The effect of the downward trend

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*Series B and Series E correspond to the series of population projections presented in Current Population Reports, Series P-25, No. 470.

in the 1971-72 fertility rate on long-range population projections revealed the unreliability, for long-range policy planning, of statistical projections isolated from the dynamic value-conditioned society in which people rather than numbers live.

According to the new calculations, the population in the year 2000 could fall short of previous estimates by at least 20 million and by as much as 71 million. The population in that year is currently projected to be between 251 and 300 million. Prior estimates ranged from 271 to 322 million. The population at the end of 1972 was 209.3 million. Since the decrease in these projections would reflect mostly the results of lower fertility, the proportion of the aging population to the younger group would increase. If this trend continues and the total population moves toward a stationary level, the proportion of the aging would rise steadily; at the ultimate stationary level, about 16% of the total population would be 65 or over. These proportions are far above the corresponding proportions in 1970 (9.8%).[31]

Not only is the proportion of the older population in the total rising: the older population itself is changing with age. The proportion 65 to 69 of the group 65 and over is getting smaller, while the proportion 75 and over is getting larger, and the trend is expected to continue at least to the end of the century. In 1900 the proportion over 75 was 29%; by 1970 this proportion had risen to 38%. By the year 2000 about 43% of those 65 and over are expected to be 75 and over. If this estimate comes true, somewhat different strategies will be required for that older population.

The ability of the future society's working population to support the more rapidly increasing older group depends on factors other than numbers. One of these factors is the influence of international events on the future manpower picture in the United States. We are competing in a trading world drastically different from what it was in 1950 or even a decade ago. Between 1960 and 1970 the U.S. share of world exports declined from 16% to about 14%. By 1970, the United States was exporting a smaller percentage of its manufactures than it had exported a decade earlier, and West Germany had replaced it as the world's largest exporter of manufactured goods. At the same time, imports rose by 23% between 1967 and 1968 alone. And the U.S. balance of trade, reflecting this trend, tilted to a $2.9 billion trade deficit, the first since the late 19th century. By 1972 the deficit was a record $6.35 billion.[32] This situation influences our capabilities for purchasing outside the United States the means for sustaining our "way of life" beyond the level made possible by domestic production alone.

In the meantime, major American corporations during the past ten years have focused less on exports than on building plants and producing goods overseas. In the past decade, for example, the value of American investments abroad rose from $32 billion to $78 billion, and almost 3,600 American companies now have at least one plant overseas. According to Nat Goldfinger, chief economist of the AFL-CIO:

> ... fully 25 percent of all U.S. trade today consists, not of transactions between a U.S. company and foreign nationals, but transfer between divisions of these multinational corporations--with the type of goods and their prices determined by the company's internal needs and tax considerations rather than by the dictates of international competition.[33]

Despite literature from the largest multinationals, labor unions and others are convinced that the U.S. manufacturers abroad reduce not only our exports but also our jobs.

The effect of international market competition on employment is difficult to assess. Admitting that his statistics are "only rough guesses," Andrew J. Biemiller, director of the AFL-CIO's Department of Legislation, estimated that in only a few years (1966 to 1969), approximately 700,000 American jobs were lost as a direct result of foreign competition.

The competitive stance of the United States in international markets is also influenced by the wage costs sustained in the production of goods and by the productivity of the workers. Hence, one way out of the competition dilemma might be through greater productivity through capital investment in automation, according to Clement E. Sutton, Jr., vice president and group executive of General Electric Company's Industrial Group, Boston. He adds that it will not be an easy task:

> For the U.S. to increase productivity rapidly enough to offset the recent rounds of wage increases, we estimate that industry will have to double or even triple its investment in automation.[35]

At the same time, the benefits of efficiency can vanish quickly in strikes and other losses when the workers are unhappy, as General Motors learned at Lordstown, Ohio. "In terms of international competition," sums up U.S. Labor Department manpower expert Neal Herrick, "we've ridden technology as far as it will carry us. Now we need to apply some more human methods of management if we are to improve our productivity."[36]

Thus, while the manpower situation is changing under the impact of international events, it is being exacerbated by changes within the manpower pool. Diagnosticians ascribe to different causes the erosion of the traditional U.S. work ethic. Because of worker malaise, absenteeism rates go as high as 20% on Fridays and Mondays in some automobile plants. Quality suffers and costs soar because of inexperienced workers filling in for absentees or because of outright sabotage by angry workers.

Twenty-five percent of the workforce in our highly industrialized society is under 25 years of age. They find work in automated factories dehumanizing. College students do not seem to feel much better about "work or the work situation into which they might be moving." A survey for the John D. Rockefeller, III, Foundation found that "only 39 percent of a national sampling of students believe that 'hard work will always pay off,' compared with 69 percent who felt that way just four years ago. Moreover, only 36 percent of the students said they wouldn't mind being bossed around on the job; in 1968, 56 percent said they were willing to submit to authority."[36]

In addition to the foregoing manpower problems, by 1980 full employment will require jobs for almost 100 million Americans, about 20 million more than today's level. The problem of finding jobs for this labor force will require both an economy growing at its full potential (which, in turn, means exploiting to the fullest our international opportunities) and a much improved system of fitting manpower skills to job requirements.

The United States, for example, is oversupplied with technical manpower for its defense and space requirements. Yet there are shortages of laboratory specialists, medical assistants, computer technicians, and maintenance personnel for other complex equipment. Less than half of the available jobs have been filled in these specialties.

This mismatch between technical skills, opportunities, and the current excess supply of college graduates is increased by an apparent shortage of appropriate vocational training in high schools and post-high-school education and training. It is estimated that eight out of ten in high schools should be receiving occupational skill training, yet less than one out of four are receiving it, amd much of this training is not directed to anticipated needs in the labor force.

"Mid-stream" or mid-career training for adult employees is also limited. With rapid changes in the demand for labor brought about by innovations in technology, shifts of demand, and opening of international production, the labor force needs new ways to adapt to structural change. In the estimation of Peter Peterson, Secretary of Commerce in 1971:

"We may be approaching a decade in which fundamental reorientation will be necessary to provide the career education, upgrading, and conversion of old to needed skills in the labor force of the '70s. Without it, the mistakes of the past could be repeated, paid for in abnormal unemployment and wasted opportunity."[37]

If the unmet level of unemployment persists by 1980, the number of unemployed will hover at about 6 million persons. To achieve that level, jobs will have to be found for the 20 million people entering the market by 1980. If this task, made monumental by concurrent changes in cybernation and international competition is not accomplished, the unemployment level could approach 26% if not higher. Such a level would drastically change the complexion of policies for the aging.*

Peterson, aware of the undesirable situations that might occur unless independently developing future issues are brought into present policy making decisions, suggests that:

> "... if we are to shape and indeed realize our future in the competitive world of the 1970s, are we not going to have to predict the future and define new strategies, in better ways than we ever have?"[37]

This means, Peterson says, "that we have to develop our own methods, define certain long-range economic and technological objectives, and create sufficient certainty in the intention to meet those objectives that our own private and public institutions can then generate the required long-range actions to do so ... (as) part of an effort to shape the future."[37]

These are great aspirations, but we are not hopeful about the prospects of their realization. Even where the will to realize them is present, lack of methods and means looms large as an obstacle.

Perhaps the emphasis given above to the production sector is out of keeping with the more knowledge-oriented character of the projected post-industrial society. Yet the outlook in the knowledge market is not good. In our studies of recent structural population changes, we find that jobs even for the college educated will be difficult to find, and as the

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*Recall the changes that occurred with the technicalization of agriculture: 3% of the population producing 95% of our needs. Where is the production worker to go when he is already in the city?

population age begins its upward climb, economic rather than social concerns will predominate, contrary to the projections of many forecasters.

To assess the full impact of structural population changes, the phenomenon of structural unemployment must also be considered. An economic relationship known as the Phillips curve* offers a reasonable point of entry into such a consideration. It says that you can't get there from here. "Here" is an unemployment rate averaging close to 6% for 1971 and price inflation of roughly 4%. "There" was the President's twin target of 4½% to 3% inflation by the end of 1972. The source of worry now is not the downward tilt of the curve but rather that a combination of factors has shifted the whole curve to the right. This shift would mean that for any given rate of inflation, the corresponding rate of unemployment would be higher than it was in the boom years before the recession. That is to say, in the United States structural unemployment, as distinct from cyclical unemployment, has increased sharply.

An accurate number for nationwide structural employment is hard to come by. Gordon, who headed a 1962 Presidential Committee that codified a nonpolitical system for reporting employment data, estimated conservatively in 1971 that "more than 800,000 people" are now structurally unemployed, people permanently deprived of the opportunity of getting a decent job they are willing to hold."[38]

The wide variation in unemployment rates is a structural problem requiring structural solutions, with questions of motivation and ethics set aside. Public service employment and public works could help but, because of the Phillips curve, at the risk of more inflation. David MacMichael of SRI believes that such a risk is not likely to be assumed even though modern governments are judged by their ability to provide approximately full employment. According to MacMichael's theory:

> "Policymakers armed with the intellectually respectable device of the Phillips thesis seem to be saying that the full employment ideal is impractical, unachievable except at unacceptable cost to the majority. We are in a sense accepting the

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*The Phillips curve is an analytical device that sums up the relation of various rates of inflation to corresponding levels of unemployment. It is always tilted strongly downward to the right, because a rapid inflation is generally associated with low unemployment, while relatively stable prices are likely to occur in times of high joblessness. The curve was devised by A. W. Phillips of the University of London in a 1958 study of prices and employment in Britain.

necessity of throwing one of the passengers out of the employment sleigh in order that we can all escape the inflation wolfpack.

"Quite naturally, the selection of the passenger to be sacrificed is not a matter to be undertaken lightly. If economics, as represented by Phillips and his commentators, demonstrates the harm that full employment will wreak on the overall economy, social science, as overrepresented by Banfield, Jensen, Shockley, Herrenstein, et al., demonstrates for us that there exist definable groups of people who are genetically or culturally unemployable anyway.

"The logic of the situation is inexorable. Some people--some significant percentage of the population--simply cannot be fitted for employment in the existing economy in any traditional or economically rational sense of employment. And even if they could be made fit--either by changing them through education, training, or further out techniques of a Skinner or Delgado, or by changing social and economic institutions to accommodate them more or less as they are, as proposed enthusiastically by a Theobald or forlornly by a Jencks--the inflationary cost is simply too great to bear. Therefore, full employment is either impossible or intolerable and should be abandoned as a major policy goal.

"At the same time, the evidence grows stronger that meaningful, socially approved work is essential to human life. Studies such as those of Leonard Goodwin make it clear that even among the hard core of the disadvantaged unemployed--the long term, welfare receiving, central city, ethnic minority, female population and their children raised in the welfare-supported culture of poverty--the need and desire to work is as strong as in any other segment of the population.

"Other studies dealing with discontent among American workers conclude that it is insufficient scope for real work within employment that is responsible for the malaise. There is a true dilemma posed here--the apparent societal need to provide opportunity for full and satisfying employment to all its citizens so that this basic requirement for the individual can be met versus the apparent economic need to deny employment to some citizens in the interest of the overall economic good of the majority."

MacMichael concludes that:

> "In view of a sociology that finds the disadvantaged, in significant numbers, ineducable and unemployable and an economics that finds their employment, in significant numbers, undesirable, the implications for equal educational opportunity, education of the disadvantaged, and career education point inevitably to abandonment of the goal of massive improvement for the entire disadvantaged population and acceptance of the more limited objective of facilitating social mobility for the talented and able minority in that population."

If MacMichael correctly perceives a trend evolving in our society, then the future effect of such a trend upon the aging population should be considered in efforts at the reformulation of policies regarding the elderly.

Such issues as these are evolving quite independently from discussions about policies for the aging. But it is our belief that because of the perhaps unanticipated influences of such issues, aging policies formulated in isolation are likely to have untoward results over which the best-intentioned policymaker will have little if any control. For the level of old age support of which the society will be capable in the future depends greatly upon such things as the size of the workforce, its productivity, and so on.

The majority of the elderly depend upon some type of retirement income to pay for their basic needs: civilian and military pensions, Social Security, and for the poorest of the poor, public assistance. The size of the elderly population's share of goods and services is based on the producers' willingness to share. As Brotman[39] has pointed out, methods of financing such allocations are important but incidental. A crucial issue that will intensify with time is the degree to which the value constructs of the more slowly increasing younger population will foster a willingness to share their bounty with their aging fellow citizens. But those values will be affected by the general conditions prevailing at the various future decision times. So while numbers, statistics, legislation, and institutions are important in considering income strategies for the future, the value dimension must be incorporated.

But capabilities must also be considered in the light of numerous contingencies, some of which have been mentioned, if severe crises are to be avoided early in the 21st century, in particular by the Federal Retirement and Disability Programs. At that point in time, persons born during the post-World War II "baby boom" will be starting to request benefits financed by, among others, the persons born during the 1970s trough* in the "population wave." By 2020 A.D., some 40,261,000 or 15.2% of a projected population of 264,564,000† will be 65 or over. The capabilities and willingness of the younger group to support the older population is an unanswerable question but one worthy of serious consideration. For the delivery of such aid, political support is necessary, and it in turn depends upon value and psychosocial trends that are and will be changing in American society. For example, persons 65 or over this year were born in 1907 or before, at a time when the largely European or rural American notions of the extended family were strong influences on the thinking of the young. As that age group moved into the present, remnants of that outlook continued to be strong conditioning influences on the way they view themselves, their families, and the larger society. On the other hand, children born in the 1970s into American society--in which the nuclear family is the dominant pattern and in which, with a few geographical exceptions, the extended family is defunct--could have a radically different perception of their roles and responsibilities with regard to related or unrelated senior citizens.

In addition to considerations of the value and sociopsychological factors, there is a purely economic element that may be determined in the future. This factor sticks out like a sore thumb as one analyzes the long-range economic contingencies built into current Social Security legislation. The Social Security tax rate will rise to 8.25% in 1978 and to 8.35% in 1981, reaching a maximum of 8.45% in 1988. The highest tax on each worker under this schedule will be $876 in 2011, the beginning of the critical period mentioned above. These tax hikes are certain even if there is no inflation in years ahead. The top tax will be higher if prices and wages increase, because the law now requires the wage base to go up automatically as average wage levels rise.

The top tax on each worker could soar to $1,144 annually in the next ten years and could triple in 20 years to $1,894 per year, assuming that prices go up 2.75% and wages rise 5% per year. By the critical year of

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*This may be of much longer duration than the "trough" of the past. It may even be a permanent condition in the United States if the present attitudes, values, economic conditions, and so on, persist.

†Based on projections of the new Series F introduced by the Bureau of the Census in 1972. The choice of a fertility level for Series F is entirely arbitrary and has been set at 1.8 births per woman. (Series P-25, No. 493, Div. '72 Table A; Series P-23, No. 43, February 1973, Table 1.)

2011, the maximum tax could reach a burdensome $5,344 per year, and all wages and salaries up to $73,200 annually would be subject to the payroll tax. These figures assume, again, a 2.75% annual price inflation and a 5% annual wage inflation.

When the wage base goes up, the maximum amounts of pensions and other allowances will climb as well. Thus, a retired couple in 2011 at age 65 could receive a monthly Social Security check of $2,729, or almost $33,000 per year if prices rise 2.75% and wages increase 5% annually.[40]

These projections inferred from current legislation could be drastically altered by outside factors. The availability and use of energy and natural resources will undoubtedly affect the cost of such necessities for the people. (See next section.) In the larger perspective of the United States in the international arena, our competitive capability will be a significant factor bearing on this projected situation. For example, the continued use today of about 40% of the world's natural resources by about 6% of the world's population would be impossible if the countries supplying such materials changed their attitudes toward the United States and toward the husbandry of native wealth.

The Resource Crunch

The question of natural resource availability is another relevant future issue that should enter into evaluations of current policies relative to aging Americans and more generally to the validity of the rosy picture of the post-industrial society. Some of the factors influencing the answers to this question are: demands of a growing U.S. population for energy and manufactured products along with constraints imposed by a growing ecological awareness; the realities of international economic competition; and the assumed exhaustibility of natural reserves. A National Commission on Materials Policy is addressing just such factors. Their findings, when available, will inform the rather intense debate that ensued after publication of "Limits to Growth."[41] Our intention is not to solve the problem but merely to highlight it as an issue.

The debate emphasizes two central themes: (1) geological assessment, which deals with figures on locations, grades of deposits, size of reserves, and projections of growth in resource usage; and (2) conceptual assessment, which deals with the general role of resources in economic activity. Perhaps the most useful sources for geological assessment are several publications by Resources for the Future, Inc., and by the Department of the Interior, most notably Resources in America's Future[42] and Mineral Facts and Problems,[43] respectively.

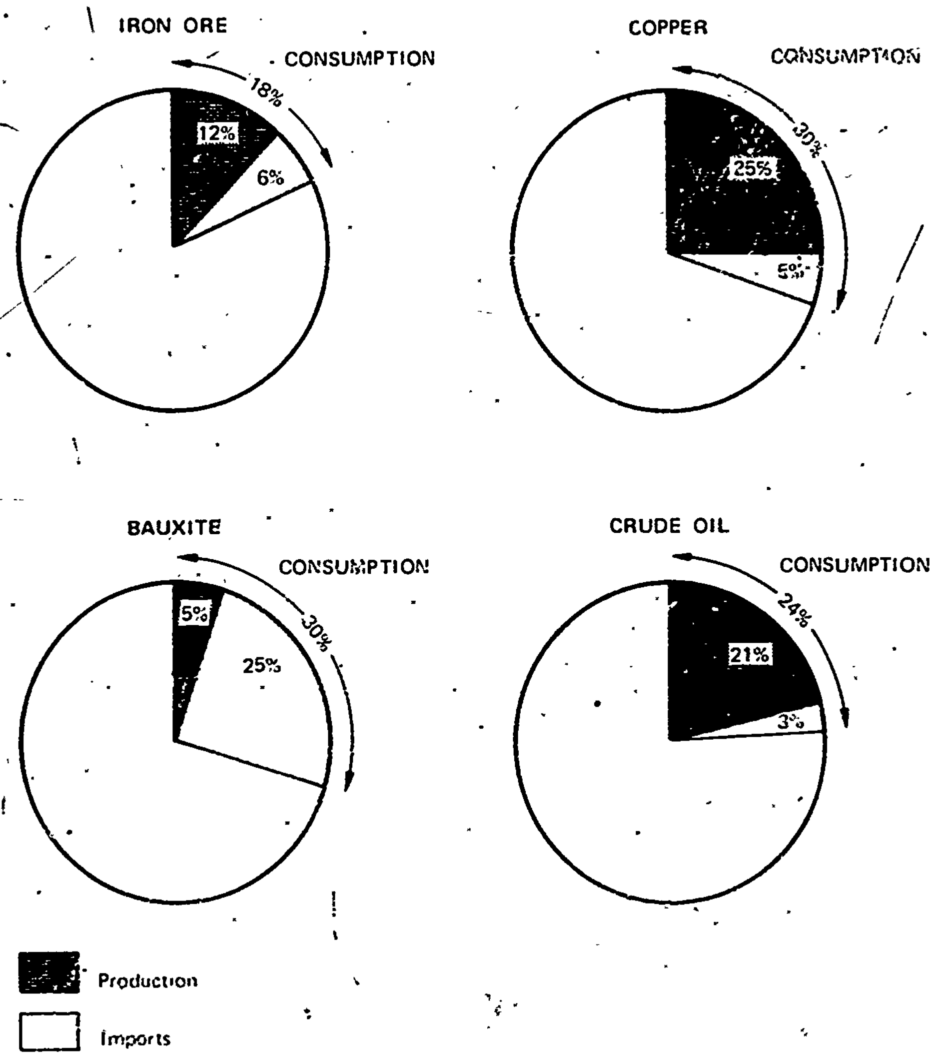
Sources for conceptual assessment include "Scarcity and Growth" by Resources for the Future, Inc.[44] and "Resources and Man" by the National Academy of Sciences - National Research Council.[45] "Scarcity and Growth" assesses resource scarcity in the United States by examining several classical scarcity models, including those by Malthus, Ricardo, and Mills. The authors argue that if any of those models are applicable to our situation, then our economy should be exhibiting decreasing returns to scale in the extractive industries. Their analysis of data over the previous 100 years, however, shows increasing or at least constant returns. From their analysis, the authors conclude that technological advance in a growing economy has negated the applicability of scarcity models. In refutation of this conclusion, others have maintained that absence of resource scarcity in the past does not prove conclusively that there will be an abundance of inexpensive resources in the future.

"Resources and Man" on the one hand, and "Scarcity and Growth" on the other, are representative of the two conceptual approaches that have been developed in assessing resource availability. Many mineral economists feel that adequate resource supplies will continually be assured by proper technologies and flexible market operations. Another group, while not entirely Malthusian in their approach, feel that because most resources will eventually be depleted, we should now be designing policies to better adapt to that inevitable depletion. There is a great need to resolve this conflict, by combining technology, economics, and geology into a suitable analytical framework in order to better understand the long-term effects, not only of current resource policies, but also of the more comprehensive issue of human welfare in the future.

Access to low-cost materials along with men, methods, and money is a vital determinant of a nation's competitiveness in the international arena. Such materials are where one finds them; and none of the major economic powers is self-sufficient, with the USSR coming closest to that condition. Developed nations, facing expanding demands for raw materials and limited domestic supplies, are turning to the raw materials in less developed countries, for which competition is intensifying.

As Peterson sees our situation in regard to raw materials and fuels, "We must import 15% of our requirements. Among important crude materials, we import 10-15% of both crude oil and copper, 30% of iron ore, and more than 80% of bauxite needs." (See Figure 10.) We are self-sufficient in coal and zinc, while we must import all or most of our tin, natural rubber, nickel, and chromium.

As good-quality resources are depleted, we find it is cheaper to turn to higher-grade foreign sources. Long-range projections indicate



NOTE In 1970 the United States imported 15% of its mineral requirements. By the year 2000, this share will increase to at least 30%-50%.

FIGURE 10 U.S. PRODUCTION AND CONSUMPTION OF SELECTED RAW MATERIALS
Percent of World Total in 1970

that by the year 2000, we will import 30-50% of our mineral requirements, including a significantly increased share of our oil needs.[46]

This growing dependence on foreign raw material resources was seen by Peterson in 1971 as having major policy implications, including:

"1. A growing trade deficit in basic commodities--especially oil--and increased capital outflows to develop and exploit foreign mineral resources have major balance-of-payments implications.

"2. A greater US impact on world raw material markets. The United States will compete with other developed countries, notably the Japanese, who will also be faced with shrinking domestic sources and rapidly growing needs.

"3. Environmental effects of the mounting energy requirements of a rapidly expanding industrialized world.

"4. The effects of this entire raw materials equation upon America's future competitiveness in the world economy, and our vulnerability due to reliance upon foreign supplies.

"5. Finally, the implications of all these factors for the development of new clean energy sources...."

The policy-ladened issues here concern the question of whether projections of a much richer post-industrial society are valid, and more pertinent to the present task, the question of how increasingly scarcer resources will be allocated to the elderly in forms required for their subsistence.

Ecological Concerns

Environmental hazards present another source of issues beclouding the visions of the post-industrial society and its aging inhabitants. These issues are developing independently of present decisions about policies for the aging. Our concern here is not with the science or world outlook of ecology, but simply with the relationship between environmental consciousness, profits, and employment possibilities in the near and intermediate future. For example, recent U.S. action has placed powerful constraints on further pollution, i.e., the legal requirement that government agencies produce an "Environmental Impact Statement" delineating the environmental effects of proposed programs. This requirement has opened to public discussion the previously unencumbered development of projects like the nuclear breeder reactor, and has slowed them considerably.

Similarly, discussions of energy problems at the United Nations Environmental Conference on Human Environment urged nations to limit the growth of their demands for power, ignoring the hard fact that much of this growth is due to the replacement of human labor by electric power in modern industry. Yet this use of electric power is largely responsible for the much-sought-for increase in industrial productivity mentioned elsewhere in this report as a key to our stance in international competition. The result noted by Barry Commoner is that:

> "...any effort to reduce industrial power consumption runs up against a tug-of-war among the overall level of production, labor productivity (value added by industry per man hour), and environmental pollution from power generation. Since power generation is never free of some environmental impact--if only from heat emissions--there is no way to reduce pollution without cutting into industrial production, labor productivity, or both. The economic consequences of such cutbacks would, of course, be very severe.
>
> "As we learn more about the intricate connections between the environment and the economic system, it becomes increasingly evident that environmental improvement is a zero-sum game; if the environment wins, someone loses."[47]

The town of Lincoln, New Hampshire, is typical of many other towns in the midst of such a game. Its only industry, a 66-year-old small pulp and paper mill in the Pemigewasset River, was forced to shut down by environmentalists even after investing over $5 million worth of pollution-abatement equipment. With that, Lincoln lost the mill's 275 jobs, and some of the mill's employees who had worked there for nearly 40 years even lost their pensions. Another 500 to 1,000 persons who had supplied the mill were cut off from their major source of business. And the town's already narrow tax base shrank substantially. At Berlin, New Hampshire, 50 miles northeast of Lincoln, the Androscoggin River, the state's most polluted waterway, is slated for cleanup in 1974. About 1,900 jobs will be taken away when the paper mill there comes under attack. The sentiments of the jobless in Lincoln are summed up in a statement by a millwright displaced after 20 years: "I just wish the people against pollution had thought of what it all meant to the working people."[48]

Some ways to change the rules of the game are coming out in Social Policy's continuing symposium on "Strategies for Radical Social Change." One of the articles relates that the ecological question must inevitably lead to a full consideration of what the social, economic, and political world should look like. And the vision presented is much different from what the popular discussion of ecology suggests:

> "Piecemeal changes will not do. We are going to have to come to grips with changes of much greater scope than population control and pollution, namely, the profound questions that come with having to learn to live with a state of economic equilibrium in an increased-scarcity society--a society of depleted, exhaustible resources rather than put our eggs in the basket of limitless technological solutions or the intensity of a post-scarcity consumption syndrome... few (of the experts) have seen the opportunity presented by the concern for ecology as a way to shape social policy, to increase significantly and in new ways public control over the private sector, or to move toward a new, humane, less acquisitive and exploitative society."[49]

The above excerpt is symbolic of an emerging, policy-relevant orientation in American society. One senses this in street confrontations, in political debates, in a new type of literature, and at a very personal level, in intergenerational discussions. It remains to be seen how widespread this new orientation actually is, how rapid its development, and how permanent its existence, but to exclude it from strategic evaluations of policies for the elderly would be unwise.

This new orientation does not rely on the more efficient creation of goods and services; it actually regards technology as a problem rather than as a solution. Factories are viewed as inhumane and as sources of pollution. Automation does not mean more leisure time but structural unemployment.

The new orientation seems to be symptomatic of a yearning for a world with fewer complexities and with closer ties to the intimate scale of man's own life--a reaction to the intricacies of high civilizations. Such an orientation may be likened to past counter cultures: Saint Augustine's Christian purism versus Roman sophistication; Calvin's puritanistic views versus Renaissance worldliness; Jean Jacques Rousseau's 18th century turn to the natural life versus the complexities of his day. But this emerging trend is not simply a subject for philosophical discussion: it portends as much, if not more, impact on the livelihoods of those dependent on industry as international competition, resource availability, and the other facets of ecological consciousness.

Kerekes and Lazar[50] see what is emerging as a reverse of the old "keeping up with the Joneses" pattern. Conspicuous consumption now becomes a competition in conspicuous nonconsumption. A slightly used Volkswagen, blue jeans and a worn field jacket, home-sewn dresses for the female, and Spartan furnishings in the house--all establish the young among their peers as "basic" kinds of people.

Yet our economy is extremely vulnerable to this change in the social landscape. Bare necessities do not amount to much anymore in our consumption. Only future experience will tell how much of our expenditures for the "better things in life" are not really our choice but are imposed upon us by invisible social-cultural pressures. If a generation may appear which will ignore the forces or resist them, our system will be severely tested.

Present policy formulations based on value assumptions from the past and neglectful of the emerging ecological concerns and their associated factors are certain to be counterproductive in the near and intermediate future.

Conclusion

What started as a strategic evaluation of policies relative to aging Americans ended, in some ways, as an evaluation of evaluations. The procedure whereby the cost of a certain program is measured against the goal-associated effects produced was found wanting when examined in light of the same scientific method that the procedure is supposed to follow. A more fundamental issue, however, is whether or not the model of natural science offers the appropriate medium through which to view human beings and their social organizations. The recent disenchantment voiced by social science spokesmen emphasizes our belief that because of the qualitative uniqueness of men and society, this model is not suited to the task even in the context of program evaluations.

The painfully evident knowledge gap between our social science capabilities and the problems confronting society is widened at the policy level of evaluation. And the difficulty at that level arises as much from a lack of clearly articulated policies as from a deficiency in conceptual and methodological means for their evaluation. The expected movement of the government to an explicit policy orientation is, to say the least, far from realized. For the purposes of this evaluation, we have had to work, therefore, with the device of "operational policy," which is inferred from an examination of all the actual programs for the aging. On the other hand, we do have a clearly stated set of national objectives: the

Goals for Aging Americans. To approach the evaluative task simplistically would entail measuring the degree to which the "operational policy" has brought the aging citizenry closer to the goals set forth in the Older Americans Act of 1965, and at what cost.

Within the current state of the evaluation art, such an approach would be patently absurd. For example, even if there were component programs under the operational policy to provide "retirement in health, honor, dignity," there is no adequate "measure" of health, let alone honor or dignity. Then again, if these goals were to be attained somehow, that attainment could not be ascribed to those hypothetical programs. And what is more, such an evaluation would assess the past and present effects rather than the strategic (i.e., long-range system-wide) effects of those programs.

Die-hard evaluation experts in this situation might recommend abandonment of such goals, because the goals cannot be quantified for the purpose of measuring performance. Our conclusion is that it would be far nobler to sacrifice the methodology and quest for a new set of goals while aspiring to the goals expressed in the Older Americans Act of 1965. Obviously, in introducing notions of nobleness as replacements for cost-effectiveness, we move into the realm of moral philosophy and away from the currently acceptable modes of analysis.

It has been said that to pose the right question is to half-solve the problem. This was our intent in evaluating the current fashion in evaluation processes. The goal-oriented nature of the social policy problem is more critical than has been generally recognized. To acknowledge the problem could go a long way toward reducing it; for policy-concerned circles to ignore it would mean prolonging efforts to solve the wrong problem with questionable methods.

The one goal in the Older Americans Act that lends itself, along with strategies for its pursuit, to the more tradition-bound analytic procedures is concerned with an adequate retirement income in accordance with the American standard of living. In whatever way one assesses the past and current income strategies addressed to that goal, projections of those strategies into the future are fraught with uncertainties and discontinuities when assessed in a more realistic framework than that allowed by traditional analytic procedures. We have attempted to convey some feeling for the interactive phenomena that may affect and perhaps radically alter income strategies in the future: changing values accompanied by an increasing proportion of aging to younger members of the population; dwindling sources of natural energy and mineral resources; increasing stiffness in international competition; unfolding of the post-industrial culture with attendant psychosocial changes; and the like. Some of these changes are now observable and seem to be on a collision course with the portents of current legislation for the elderly.

Without straining one's imagination too much, one could concoct from these projections a scenario depicting an upheaval in our future society in which the elderly would be in a far less enviable position than they are today despite the best-intentioned humanistic legislation. But then again, a more hopeful scenario might be devised. Means must be provided for constant monitoring on the social scene in an overall pattern-detection way to provide early warning of changes inimical to the aging population.

But whatever the future holds, our strategic analysis of income policy makes one conclusion obvious: the individual-directed nature of that policy ultimately will prove to be ineffectual in the sense aspired to in the Older Americans Act unless a correlative community-oriented policy is devised and implemented.

This is a policy domain about which our ignorance as a nation is recognized by hindsight to be abysmal. The situation will not improve unless a conscious effort to experiment with the process of community building is undertaken in close conjunction with the more philosophical, theoretical, and institutional efforts recommended above.

Summary Scenarios in Contingency Planning of Strategies for the Aging

Major economic challenges lie ahead, perhaps leading to a restructuring of economic institutions, to a different battle for priorities in the allocation of public resources, and to decreasing capability of the economy to increase its social overhead. These trends suggest several alternative economic futures, including the following:

(1) The U.S. economy experiences a decline in economic growth and a gradual but accelerating drift of industries away from this nation. The United States becomes primarily a distribution and service center, largely importing its goods from production bases in other nations. The economy becomes more constrained and general retrenchment is required. A simple understanding of the wrenching implications of this drift is sufficient to make it more than likely that modifications will be made to avert this possibility. As yet, however, this possible alternative has not been taken into account by policymakers.

(2) The American economy remains balanced in terms of production and service capacity. It restores its competitive position through the extensive and rapid exploitation of cybernetic technology. Already we can confidently say that to a far greater degree than is generally realized, cybernation of the production process has greater potential for providing goods than even the present high capital-intensive production process. But the cybernetic process becomes economically optimal only if we reorganize the entire production, service, and distribution systems to exploit the technical opportunities. Past economic inertia has shown more about our ability in organizing to prohibit this scale of social innovation than to promote it. The crisis of international economic competitiveness, however, may be the event that breaks this long-term trend.

(3) The entire value base upon which the economic incentives and rationales of the industrial age are built is replaced with a post-industrial concept appropriate for the introduction of a new age. Such a change might be as momentous as that which occurred in the transformation from an agricultural to an industrial era. This transition could be made possible by an affluent society no longer concerned with the continual accumulation of material goods but rather with the quality of life and the conservation of the earth's resources. Societal institutions would adopt as their operating philosophy the promotion of the ability of individuals to realize self-actualizing values.

While these are but a few of the plausible courses that the economy might follow, they serve to illustrate that whatever the ultimate direction, the economy at large will almost certainly experience discontinuities that will have significant policy implications for the elderly--implications not part of current analysis within the Administration on Aging. Depending on which economic scenario unfolds, the aging may find themselves facing either (1) a serious retrenchment of resources allocated to their needs, (2) an increasing emphasis on efficiency within the economy, or (3) the requirement for the economy to find ways to use its total human resources.

Politically speaking, as these economic discontinuities emerge we find the following converging patterns: there will be more of the aging with increasing political power and skill; this aging population will be more expectant of continued public subsidies at ever higher levels of support (a philosophy built in as a consequence of present political leadership). This future aging population will have more affluent values and a more enlightened capacity to understand how to work in the political system. They can therefore be expected to make their demands for larger increments to the nation's social overhead skillfully and with greater intensity. But this growing political constituency may be faced with a situation in which the national economy is less able to allocate to social overhead, while the demands for federal funds increase from other sectors, such as education, the poor, energy research, and so on.

Meanwhile, the labor force may experience increasing difficulties in retaining full employment--difficulties that will intensify the incentives toward early retirement. But at the same time the labor force may realize that allocations from their productive efforts to the elderly as a social overhead are increasingly expensive. Such a realization will perhaps give rise to a counter-political backlash whose momentum is likely to increase in direct proportion to the speed with which the myth of the Social Security system fades and the reality grows that it is a system of increasing social overhead, of public assistance through transfer payments. These developments will likely encourage the formulation of counter-political movements that countervail the vested interest groups and precipitate a political debate in which the generations vie for public resource allocations. The continuation of a leadership strategy that tends to classify vested interest groups by age categories could prove to be more divisive and more productive of agonizing moral issues than the nation experienced in its strife-laden civil rights period of the 1960s. The present federal system seems ill equipped for a period in which national politics must face the issues involved in making tradeoffs among national priorities competing for a dwindling social overhead capability.

If these developments should emerge, we can expect that societal values will shift to accommodate these realities. It seems unlikely that the 1960s image of the post-industrial era will be realized within the next 30 years; rather, we might more likely see a slow shift in attitudes toward social overheads and a consequent shift in the national morality with respect to carrying out its responsibilities to its increasing elderly population. In short, this decade and the next seem likely to incur a series of discontinuities that have never been encountered in this nation's strategy and policies for the aging.

It is possible now to begin the development of alternative strategies that would prove to be more effective, if the discontinuities discussed above become realities, and that would also be more effective if a projection of the present trends becomes the reality. Some of the ideas for how to start toward the development of these strategies and their execution are discussed in the following chapter.

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VII TOWARD ALTERNATIVE STRATEGIES

The conclusions of this study strongly suggest a search for alternative strategies regarding aging Americans. While we cannot predict the way the future will unfold, it is essential to review present societal patterns in terms of projected trends so that complete and viable contingency plans can be prepared.

Present strategies do not appear adequate to close the gap between rhetorical and operational policies. It is hardly conceivable that the present strategies can be fully funded to meet the actual need and it is unlikely that they can even be funded adequately to retain the current effort in the future.

Moreover, it is clear that even if the present strategies were funded at appreciably higher levels, they would not be the most effective approach possible. (This in no way is meant to imply that increments of income and other increases to present programs would not alleviate many problems of the elderly.)

Any Shift to a New Strategy Would Have to be Gradual

If a decision were made to shift toward a new strategy, several critical questions must be raised:

(1) What should the new strategy be?

(2) How can it be launched?

(3) Can it be shaped to gradually replace present strategies?

The critical element required to achieve a fundamentally new strategy is the ability to generate alternative visions in a style of statesmanlike and courageous leadership. These alternatives must be supported by a network of policy, program, and institutional mechanisms that would permit federal-wide coordination, monitoring, continuous strategic evaluation, and flexibility to adapt to changing conditions.

Our research strongly suggests that present incremental strategies will be divisive, ineffective, and possibly counter-productive in the light of emerging economic trends. Should this be the case, the search for alternative strategies will be started too late and with too little anticipatory planning. Some alternative will be accepted not because it is the better choice among thought-out alternatives, but because it represents a quick, handy solution. Opportunties for experimenting with several approaches are seldom developed before an extreme need arises. Instead, national crash programs are launched--perhaps to be regretted later. It would appear far more prudent to begin the search for alternative strategies now and to use the resources of the AoA and other selective federal entities to experiment with these new strategies before implementation is begun on a massive level. If our forecasts in the preceding chapter prove to be correct, this approach will result in a more stable system of policies for the aging than the continued pursuit of present strategies that may "break down" in a crisis situation.

Toward Criteria for Effective Alternatives

From the preceding chapters, a number of criteria for effective alternatives can be suggested. The following list is not exhaustive but rather suggestive and illustrative of these criteria. Further work and refinement are needed.

(1) Aging Americans should be given a real choice as to whether or not they wish to work or be retired. Individuals should be given the opportunity of making their value-additive contributions if they wish.

(2) Income strategies must be wisely pursued within the context of realistic strategic assessments of supply elasticity and the various other assumptions discussed in the model in Figure 4, Chapter II. The failure to do so will yield an inherently inflationary economy and hence counterproductive results. A mixed strategy as discussed in Chapters II and III is required.

(3) The strategy should shift from that of social overhead to a social resource concept--from a depressant on economic and social development to a stimulant of economic and social development. (Note: We are aware of the economic arguments that transfer payments as a means of income redistribution generate economic demand and hence

stimulate the economy. However, since this is essentially a redistribution of the total income of the economy, it is primarily a shift between various uses of income and not really additive to the overall economic capacity.)

(4) The provision of income at some specified level of adequacy should not be equated with independence. Independence would entail freedom of choice among a variety of social roles--including employment as well as the ability to consume. (The present strategies seem to assume that independence will result just from sufficient income. This is true only for a certain kind of independence.)

(5) The strategy should be sustainable even if the more pessimistic of the forecasts discussed in Chapter VI emerge as reality.

(6) The strategy should be coherent and harmoniously complementary within the context of the activities of the federal government and society as a whole.

(7) The strategy should facilitate the changing values, cultural mores, images, and institutional innovations needed to provide the elderly with their rightful place as an important and vital part of the nation's economic, political, and social life--the elderly need a redefined role, not a dole.

An extension of the preceding analysis suggests that fruitful alternatives might be most productively sought under the following guidelines:

(1) Wherever possible, resource development concepts should be given precedence over sustained welfare dependency concepts.

(a) In terms of the income needs portion of our model, this shift would mean that direct expenditures sustaining social overhead philosophies would be less desirable than developmental working capital grants or loans. In addition, indirect nonexpenditure incentives for aggregating differentiated market and elastic supply delivery systems would be preferable to direct subsidies that show little promise of being sustained later on a nonsubsidized basis.

(b) In terms of both income and social-roles needs, free and real choices for employability and employment of value-added capabilities should be developed and negative incentives should be minimized or eliminated.

(2) A positive and comprehensive innovation strategy should be developed for successful demonstration projects. This strategy should be consistent with the principle in (1) above. An effective operational system of diffusion is necessary because even the most successful example cannot be reproduced extensively, short of a receptive social, economic, and political framework.

Toward Ideas for New Initiatives

The time and resources of this project have not permitted an extensive analysis of research for alternative strategies. However, the model and the research do suggest a number of possibilities worthy of further exploration. The following paragraphs discuss some of these possibilities. At the present stage of development, these should be regarded only as ideas that might be worthy of exploration. They are representative of how a process to evolve adequate visions of alternative strategies might be initiated. We hope to continue the development and refinement of these and other ideas in follow-on research. For purposes of this report, we have tried to limit the ideas to those that could be initiated in fairly short order without major increases in public expenditure, but that would nevertheless be consonant with a more wholesome strategy for the aging.

Some Specific Ideas for Further Development

A. <u>A sub-economy concept should be developed which allows the elderly to realize their value-added capabilities as a matter of free choice at whatever level they wish.</u> This concept should be developed in such a way that there is an exchange between two or more people in the making of the value-added contribution--i.e., value-added contributions provide something of value to another party. This exchange idea will fulfill not only the need of the recipient but also the need of the provider through an affirmation of his own value. Moreover, he will gain increased potential to satisfy others' needs by making use of value-added contributions offered by other members of this sub-economy.

How might such a sub-economy concept be made operational? Consider the possibility of a private, capital stock, profit corporation, which is established expressly to offer mechanisms for the realization of value-additive capability of those persons not within the mainstream economy. (Note: This concept is developed more fully in a report of a companion project: U.S. Welfare Strategies for the 70's and 80's - A Strategic Assessment.) Such a human resources development corporation (HRDC) could be a national company or it could be a number of local or regional companies--particularly in the beginning. These corporations or subsidiaries of a national or regional corporation, as the case may be, might be envisioned as components of a sub-economy. The concept is illustrated in Figure 11.

In order to get this concept started, a series of activities such as the following might take place. An individual enters into a contract with a corporate entity consisting of participants within his sub-economy. This contract would be voluntarily negotiated within the corporation activity model developed along the following lines.

Each prospective participant would be asked three basic questions: What can you do that is of value to others? What would you be willing to do if given a chance? What are your most basic needs for a higher quality of life? A sufficient number of participants should provide the necessary diversity of capabilities and needs to begin to construct the "sub-economy" between zero-added capacity and the threshold of poverty. This sub-economy would also undoubtedly include a number of participants who would be capable of functioning within the mainstream economy at above poverty level, but who would choose to become participants in this venture.

A matching process would then occur (essentially a mock economic game) to obtain meshing of skills, capabilities, and needs within the internal capacity of the subsidiary, among subsidiaries, or between the subsidiary and parent company--i.e., within the corporation or corporations involved. On the basis of this process, an individual social contract would be negotiated whereby the individual participant agreed to what he or she would do (employment) in exchange for a drawing or credit privilege (income or its equivalent). As an initial incentive, he would be guaranteed a 15% higher standard of living than at present. In exchange, the individual would assign his present public assistance or Social Security income to the corporation, which could aggregate this cash flow as a means of working capital and as a source of credit. Figure 12 depicts this essential concept. The critical assumption here is that the bringing together of the subeconomy would generate wealth

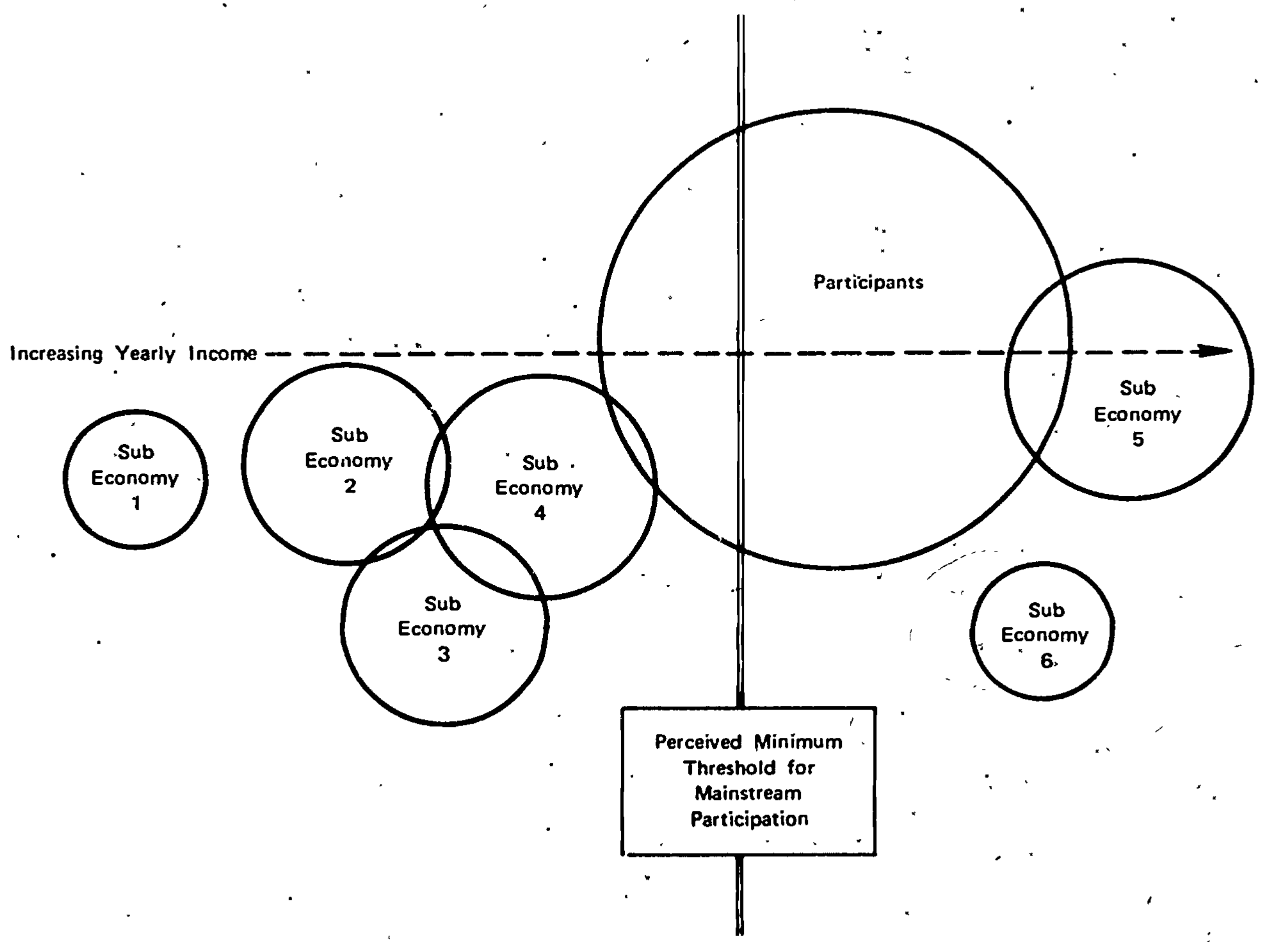

FIGURE 11 DIAGRAM OF RETRIEVED VALUE-ADDED CAPACITY: STABLE, BUFFERED SUB-ECONOMIES

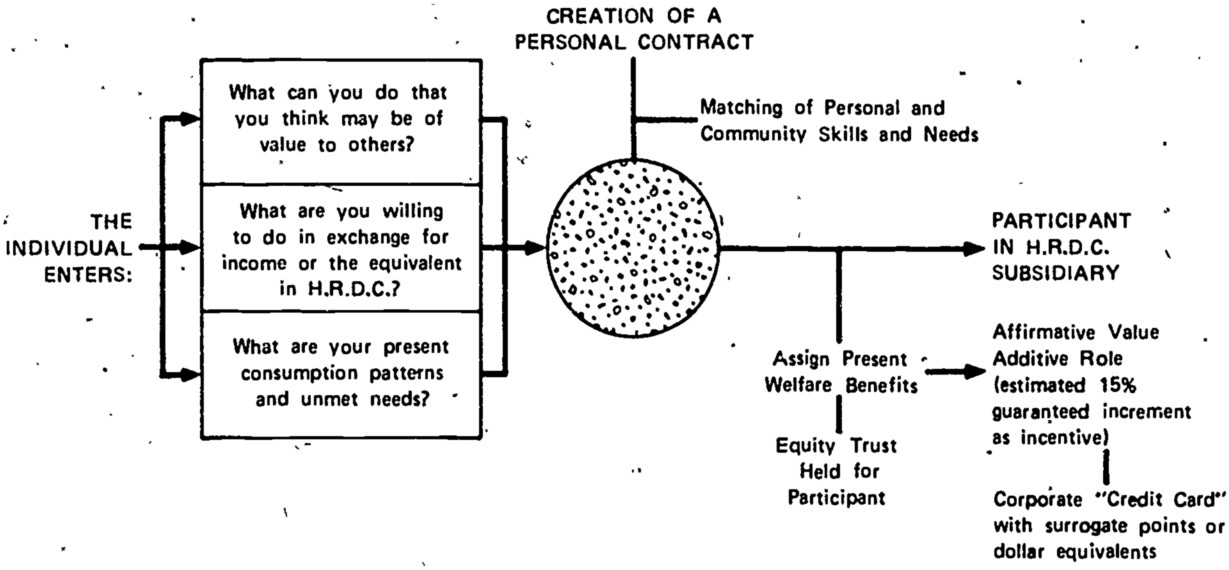

FIGURE 12 BUILDUP FROM THE INDIVIDUAL PARTICIPANT LEVEL

equivalent to at least the 15% increment. (This is considered a conservative estimate but needs more careful examination.)

Five categories of transactions would occur within the subeconomy (Figure 13):

(1) The equivalent of barter exchanges (i.e., nonmonetary) between the local participants within each of the subsidiaries.

(2) Barter exchanges or their equivalent (perhaps internal company credits, for example) between subsidiaries. Clothes made in a central city may flow to a rural subsidiary in exchange for food grown there. (Note: It is from these two categories of transactions that "full employment" could be assured and that the 15% incremental guarantee in standard of living could be acquired.)

(3) Monetary exchanges within a local subsidiary--normal transactions using money simply because it is the most convenient (actually this would be a credit card-type entry).

(4) Monetary exchanges between subsidiaries or with the national parent company.

(5) Monetary exchanges or "trade balances" with the mainstream economy (both purchases and sales) to the degree that such transactions are in the best interest of participants.

As in normal business practices, net clearances would occur among the various accounts periodically. Standard intercompany eliminations or charges and credits might be used between subsidiaries and with the parent company.

The cash flow would come from equity investments, assigned income benefits, assigned government subsidies of nonindividual benefits now flowing through the welfare expenditure system, and the value-additive goods and services that the participants generated and that would be handled on a monetary exchange basis.

B. A component of the sub-economy idea could be initiated more quickly: <u>older persons should be given incentives to go into business ventures in which they are both the owners and the workers</u>. If one adopted this concept within the context of the sub-economy idea discussed above, the aging might be their own best market as well. However, this idea

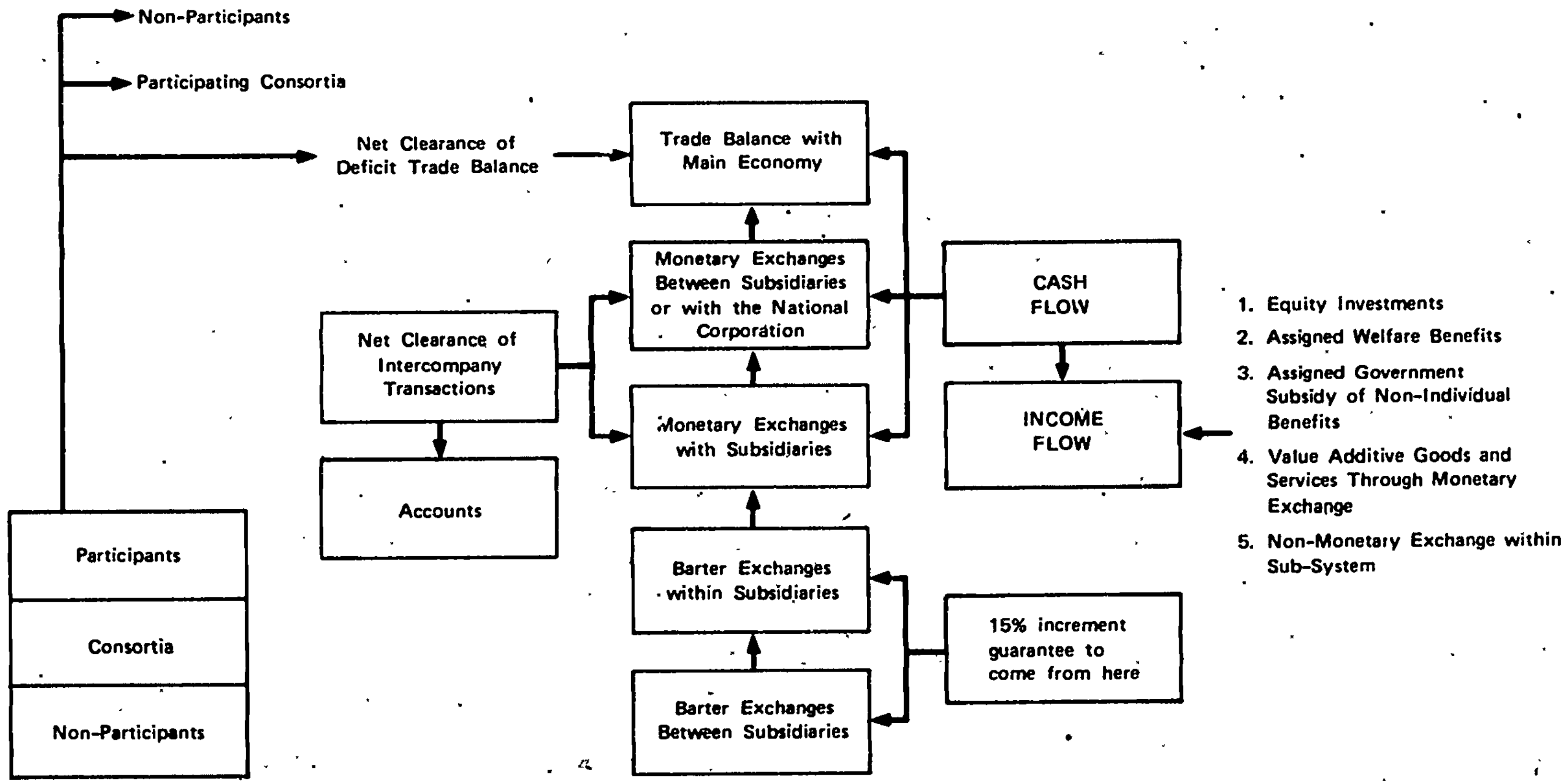

FIGURE 13 TRANSACTION OF THE HUMAN RESOURCES DEVELOPMENT CORPORATION

need not limit them to such narrow marketing. The essential idea here is that the elderly population contains many entrepreneurs and managerially talented persons and many production or service type workers. A revolving fund might be established by the Administration on Aging, for example, from which to make working capital loans to such business ventures. The ventures would be required to place the equity and ownership in the hands of the participants. Following this practice, the venture could comply with the present Social Security requirements by not paying its employees more than $2,100 per year in salary. However, the enterprise might provide them some "fringe benefit" goods and services during employment--e.g., recreational, social, and related programs. These were a popular part of the corporate expansion of personnel services during the 1960s. Further, the participants would be building an equity interest which, as the political feasibility of the entire process grows and the social security limitations on earnings are lifted, could make further income distribution possible. It might do much for the psychology of the aging to open up a new frontier within which they could become capitalists in their own right, while at the same time they could have a higher quality of life.

A further refinement of the idea might entail obtaining a special exception within the Social Security system for the waiver of the earnings limitation for those individuals participating in approved ventures of this type. The requirement would be that individuals assign their Social Security benefits to the corporation, which would in turn assure them salaries at least comparable to such benefits. The advantage of this approach would be that it would permit an aggregation of cash flow into the corporation for possible use as a source of working capital and a means of obtaining credit through normal financial channels. This would permit the aging to raise significant amounts of capital independent of any federal capital funds.

Another derivative might be a special tax incentive for investors in approved stock issues of this type of nonproven and high risk corporation, thus permitting the aging the needed preference to gain access to capital markets.

Of course a mixture of the above ideas could be used and a number of other variations could be developed with more complete analysis. Ideas of this type would permit the slow substitution of developmental capital to provide a means for the elderly to increase their income as an alternative to the present case where social overhead is continually increased to provide the elderly with greater income.

C. Various forms of incentives might be offered for food processors and distributors to develop for the elderly special products giving balanced nutrition and having efficient, elastic supply and delivery systems. Perhaps a variety of "standard systems" or system components could be experimentally developed to offer a rich variety of possibilities in both the diets and the forms of delivery. These could then be approved in such a way that their use by the normal food industries would give the supplier special tax advantages for perhaps five or so years, after which the differentiated markets and supply systems should be sufficiently established to permit a reduction or total withdrawal of the incentive. The "prototypes" should cover the gamut from processing plant to table.

D.* In a different application of the same idea, special tax incentives facilitating differentiated housing markets and supply systems should be explored, as a replacement for and improvement over the present approach of subsidized and public housing for the elderly.

For example, suppose a series of standards and criteria specially suited to the needs of the aging were developed, and then any private builder who supplied such housing on a rental basis were permitted to write off his investment within five years. These standards might provide for such things as barrier-free design, nonsegregation of the elderly, certain locational features with respect to transportation and medical care facilities, and the like.

Another incentive for builders of such housing would be to allow them to exclude from income 50% or more of the profit so derived. To encourage the needed priority of such activities, perhaps these incentives could be offered with legislation limiting them to a five-year period.

A rich variety of alternatives chosen along these and other lines would likely be more effective than present approaches in providing the elderly with adequate housing.

E. A series of special educational opportunities tailored to the human resources development concept might be evolved with special attention to the needs of the aging. For example, the federal government could provide tax write-offs or credits to encourage the private sector to invest in the education of their employees. Education could be viewed as a form of capital investment, with employees' education depreciated along with fixed capital.

Or, the federal government could assume a leadership role with respect to the totality of education. At present, the government is primarily concerned with the role of the public sector and has no coherent strategy to include the efforts of, for example, private business, which is increasingly engaged in providing vocational and skills training to post-high-school students. The private sector and colleges experiencing severe financial difficulties have been most flexible in providing "space-time preference" learning to adults, and most willing to accept non-traditional learning experiences for degree credit. These organizations seem to be the natural candidates for satisfying the demand for education, which various polls and surveys say exists in this country among the adult population. The federal government could facilitate this development through various incentives--e.g., encouraging accreditation institutions to extend recognition to schools operated for profit by the private sector and to schools emphasizing nontraditional forms of learning.

F. A series of special manpower training programs are clearly called for and could be developed. These programs could be coordinated with the type of developmental ventures discussed in the preceding paragraphs, so that the aging would not be oriented--as is the case in many of the manpower training programs--toward jobs that would not be there long.

A major area of opportunity for federal initiative is that of Manpower Training and Development for the early retirees, i.e., ages 55 through 62. Supplemental income is often needed during these years to assure a bridge between full-time earning capacity and eligibility for Social Security. Post-retirement employment could provide individuals with additional income sufficient to achieve their personally defined levels of adequacy. Of equal importance is that the retraining could provide continued opportunity for employment beyond age 62, and moreover, could provide an increased sense of purpose and reinforced feelings of usefulness. These strategies will give the individual additional flexibility in structuring his retirement years. For those who require purposeful activity to achieve meaning and social-role satisfaction, post-retirement employment provides an option.

Massive pre-retirement retraining and employment is contingent upon two factors. First, the receptivity of the elderly to retraining, and their feelings toward education are acquired attitudes resulting from cultural influences and an accumulation of lifelong decisions. Second, considering that the economy will probably continue to be a labor-surplus economy, it is most desirable to retrain the early retirees in fields where they will not be major competitors with the full-time workforce.

G. A whole series of special activities might be devoted to developing approaches for shaping new positive-role images for the elderly, and changing the values, images, and roles now assigned to the elderly by the larger society. Such a positive role-building approach is quite different from the one that now seems to be operative--i.e., awakening the general public to the "plight" of the elderly. The present approach is undoubtedly a valuable means of building political support for social overhead programs to aid the elderly; it might even create enough guilt feelings among segments of the general public so that the elderly in their families would be treated with more concern and care. At the same time, it seems very likely that this approach reinforces negative self-images in the elderly, increases the entire population's fear of growing old, and probably is not very effective in stimulating incentives for more humane and enlightened attitudes toward the elderly.

It seems this "make the public aware of their plight" strategy should at least be counterbalanced by a strategy of "make them and the public aware of their positive value, earned respect, and needed roles."

A variety of approaches might be undertaken. A positive image strategy would involve the identification of "heroes"--the development of positive models of elderly individual profiles and personalities. In a similar fashion, a positive image strategy of a society valuing its elderly and promoting their self-development could be developed. Positive benefits to be derived from society's changing its attitudes about the elderly are much higher than any dividends from a "relieve your guilt through various charitable acts" strategy, including increasing one's taxes for transfer payments.

If these models were at hand, they could be disseminated in a variety of ways. Special TV documentaries might feature comparative models--how it is, how it could be, several alternative how-it-could-be's. The forthcoming Bicentennial of the American Revolution offers an unusually powerful backdrop to the drama of the role that the present elderly population, as well as past heroes, played in creating our nation. The Horizons portion of the Bicentennial concept also offers a made-to-order dimension for exploring what the nation can become with respect to a culture in which it is good to grow old.

Curriculum in high school and college courses could be designed in which the alternative forms of social values and their consequences could be offered. Special communities offering the results of positive living in the "golden years" might be featured in a variety of ways. The basic thrust of this approach would be to define a successful society for the aging, compare it to the present society, and offer positive approaches for how we could move from the latter toward the former.

Investments in such broad value-shaping and leadership roles and activities as these might be a much more productive investment of AoA expenditures than the present more direct approaches discussed with respect to strategies for improving social roles of the aging.

H. A series of special research projects in economic theories for the aging are needed, both as a complement to the preceding set of activities and in their own right. Some of the systemic biases of present theories of economic rationality against investments in the aging and aged were briefly mentioned in Chapter V. A detailed analysis of present economic theory as it relates to the elderly would seem in order.

In addition, basic research in new economic theories or rationales offering more justice to the aging would be especially helpful. Some of the features of this "New Economics for the Aging" have been discussed in this report, but these discussions only scratch the surface. The cause of the aging could be greatly aided if someone formulated an economic theory and analysis which calculated the value of the elderly population's contribution to the overall development of the economy and derived their just benefits as a return on the "growth" of their value-added contribution rather than as individual retirement accounts in either Social Security or private pension plans. Already, analogous ideas are developing in economics. For example, serious questions are now being raised as to whether or not a private land speculator should justly reap the appreciation on land which accrues from acts by the public at large rather than from acts of the landowner himself. Thus, it is reasoned, the landowner whose property quadruples in value because an interstate highway system is located adjacent to it might be permitted to have a fair return on his investment, but all above that should justly flow back to the public rather than to the private property holder. These concepts are highly controversial; they may or may not gather popularity and momentum. The point here is only to illustrate some of the opportunities that can evolve from a more positive economic rationale of the rights of the elderly. It would be interesting, and probably surprising, to see what they would be entitled to receive if society "paid its just debt."

Other dimensions of this new economics for the aging would deal with such questions as discounted future earnings as the basis for rational public resource allocation, comparative differences and advantages of developmental versus overhead concepts, and other alternatives derived by research. A special research grant or contract research program given high priority over the next two-year or three-year period could pay huge dividends in terms of developing alternative strategies.

I. <u>Comparative vignettes or scenarios of life-support systems for the aging could prove to be powerful tools in shaping visions for alternative futures for the aging</u>. In its work in Hartford, Connecticut, on designing a system for regional development, the American City Corporation developed the idea of life-support systems as the focus for analysis. This is an adaptation of the total systems approach, which considered man and his environment, and which was first used in developing a man-in-space program. The analogy is also appropriate for the political, social, and economic systems supporting the quality of life for the aging. In this context, it would be useful to develop a series of "optimal quality of life models" that could become operative within the technological states of the art in the various physical, life, and social sciences. These various technologically optimal states would then be integrated into the context of alternative sets of life-support systems.

Such a series of analyses would be useful in helping to envision alternative futures, and could be worked out in such a manner that alternative costs of the various systems could be developed and compared. These efforts would go far toward clarifying the real feasibility/rhetorical and feasibility/rhetorical/operational gaps. In such models, the rate of diffusion of technological and social innovation would need to be taken into account, for capacity does not equal an elastic supply, and constraints other than financial resources or institutional rigidities may occur to limit the rate at which the various support systems might be installable.

These vignettes should also take into account the various scientific and technological projections that may emerge, as well as those now in existence.

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Appendix A

FEDERAL PROGRAMS AFFECTING OLDER AMERICANS

Appendix A

FEDERAL PROGRAMS AFFECTING OLDER AMERICANS

Table A-1 lists the major federal programs affecting older Americans and relates their objectives to the structure of our model (see Figure 3).

This table represents a listing of the programs we have defined as federal operating strategies. For the purpose of our analysis, we have created a matrix to show each program's impact on our model: income (including income surrogates) and social roles. These data are supplemented with information on funding, administering agency, target population, and actual number of people served. When the columns for motivation and knowledge are marked, this implies that the program contains a component to stimulate knowledge and motivation to participate in the program.

This table was developed from information contained in (1) U.S. Senate Committee on Aging Report "Development in Aging: 1972 & January-March 1973"; (2) "Estimated Federal Outlays in Aging, Fiscal Years 1971-1973," prepared in 1971 by Herman Brotman at the Administration on Aging; and (3) papers prepared by SRI staff.

At this time we do not have adequate information to identify either numbers in the target population or the population actually served by discrete age groups, i.e., 45 and older, 65 and older, etc.

Table A-1

FEDERAL PROGRAMS AFFECTING OLDER AMERICANS

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation
Food stamps	$233.6	$296.3	$313.5	Total cut of $300	Agriculture	Poor	1971 (20) state in program	Insufficient information		•						•
Food commodity	58.3	58.6	53.4		Agriculture	Poor		Insufficient information		•						•
Farm Home Administration low interest loans	11.5	50.0	65.0	Terminated	Agriculture	Rural low-income		Insufficient information	•		•					
Research	0.5	0.5	0.5	0.5	Agriculture	--	n.a.	n.a.	-- Not Applicable --							
Extension	5.0	5.0	5.5		Agriculture	Rural	17% rural population over 65									
Project Find					Agriculture	To seek to educate elderly to food programs	21 million	1.5 million cards returned 156,138 certified for food programs	-- Not Applicable --							•
Library services	0.8	0.8	0.6	*	HEW Office of Education	Literate elderly	Insufficient information	Insufficient information						•		
Community services	0.2	0.2	0.2	†	HEW Office of Education	Esp. rural isolated elderly	Insufficient information	1971 - 3,100 participants							•	
Adult basic education	1.3	1.5	1.5	Revenue sharing	HEW Office of Education	Non-high school graduates	Insufficient information	Insufficient information							•	
• Mainstream • Green Thumb/Light • Senior aide • Community Senior Service Program • Senior Community Service Aides • Forest Service • Federation of Experience Americans	17.5	19.7	20.2	Approx. 20.0‡	Office of National Project Admin.	55 and over family income not exceed family 1-$2100 2-$2725	2.1 million unemployed people over 45	1973 - 9,231 participants 11.1% of all participants are 45 and over	•							
• Manpower Development Training Act	8.8	9.1	9.4	Revenue sharing	Whole job training programs lumped together	Unemployed	20% of total unemployed are 45 and over	5% 45 and over enrolled in MDTA program								

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Table A-1

FEDERAL PROGRAMS AFFECTING OLDER AMERICANS

Funding (millions of dollars) FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Income: Food	Income: Shelter	Income: Transportation	Income: Health	Income: Entertainment	Income: Education	Motivation	Knowledge	Social Roles: Identity	Social Roles: Purposeful Activity	Social Roles: Employment Options	Social Roles: Interpersonal Relations	Social Roles: Independence
$296.3	$313.5	Total cut of $300	Agriculture	Poor	1971 (20) state in program	Insufficient information		•						•	•					
58.6	53.4		Agriculture	Poor.		Insufficient information		•						•	•					•
50.0	65.0	Terminated	Agriculture	Rural low-income		Insufficient information	•		•											
0.5	0.5	0.5	Agriculture	--	n.a.	n.a.	-- Not Applicable --									-- Not Applicable --				
5.0	5.5		Agriculture	Rural	17% rural population over 65							•				•	•		•	
			Agriculture	To seek to educate elderly to food programs	21 million	1.5 million cards returned 156,138 certified for food programs	-- Not Applicable --							•	•	-- Not Applicable --				
0.8	0.6	•	HEW Office of Education	Literate elderly	Insufficient information	Insufficient information						•								
0.2	0.2	†	HEW Office of Education	Esp. rural isolated elderly	Insufficient information	1971 - 3,400 participants							•			•		•		
1.5	1.5	Revenue sharing	HEW Office of Education	Non-high school graduates	Insufficient information	Insufficient information							•			•	•	•	•	
19.7	20.2	Approx. 20.0‡	Office of National Project Admin.	55 and over family income not exceed family 1-$2100 2-$2725	2.1 million unemployed people over 45	1973 - 9,231 participants 41.1% of all participants are 45 and over	•	•								•		•		•
9.1	9.4	Revenue sharing	Whole job training programs lumped together	Unemployed	20% of total unemployed are 45 and over	5% 45 and over enrolled in MDTA program												•		•

Table A-1 (Continued)

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education
• Age Discrimination			$ 1.4	$1.4	Wage and Hour Division of the Employment Standards Admin.	Workors over 40	No figures available	683 cases 1971 818 cases 1972						•	
• Public Employment Program								1972 - 12,210 participants 55 and over							
• Public Service Cor.				No funding											
• Concentrated Employment Program								1972 - 1,210 participants 55 and over							
Community Health Service	$ 36.1	$ 35.9	$ 35.9	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special Health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•		
National Center for Health Services Research and Demonstration	4.0	3.2	3.2	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•		
Regional Medical Program	9.1	9.2	8.4	Eliminated	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•		
National Institute of Mental Health	9.3	11.2	12.3	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•		
National Institute of Child Health & Human Development	9.3	11.2	12.3	$11.838	National Institutes of Health	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information				--→ Not Appli			

Table A-1 (Continued)

Funding (…ons of dollars)							Income									Social Roles				
2	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation	Knowledge	Identity	Purposeful Activity	Employment Options	Interpersonal Relations	Independence
	$ 1.1	$1.4	Wage and Hour Division of the Employment Standards Admin.	Workers over 40	No figures available	683 cases 1971 818 cases 1972										•				•
		No funding				1972 - 12,210 participants 55 and over												•		•
						1972 - 1,210 participants 55 and over														
9	$ 55.9	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special Health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•									
2	3.2	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•									
2	8.4	Eliminated	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•									
2	12.3	Budget below request	Health Services and Mental Health Admin. and Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information					•									
[illegible]	12.3	$11.838	National Institutes of Health	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information				--- Not Applicable ---										

Table A-1 (Continued)

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education
Coordination of HEW Nursing Home Programs Training State Nursing Home Personnel Inspection Research and Development				$13 million	Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information							
Low rent public housing	$168.1	$252.5	$306.4	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 24,769 units			•				
202 direct loan housing	42.4	11.6	(-17.8)	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 2,006 units			•				
236 elderly (and 202 conversion)	3.4	11.3	25.8	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 9,172 units			•				
202/231 rent supplements	10.0	17.4	29.7	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•						
Model Cities	3.9	5.4	7.5	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information			•				
312 rehabilitation loans	8.3	8.1	8.0	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•						
115 rehabilitation grants	15.4	22.2	32.4	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•						
Neighborhood facilities	2.9	4.6	4.5	Terminated	HUD§	Low income	30% of older Americans live in substandard housing	Insufficient information					•	•	•
Relocation payments	19.7	30.0	30.0		HUD**				•		•				

Table A-1 (Continued)

	Funding (millions of dollars) FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation	Knowledge	Social Roles: Identity	Purposeful Activity	Employment Options	Interpersonal Relations	Independence
			$13 million	Office of Nursing Home Affairs	Special health needs	Elderly are 10% of population but account for 27% of health care expenses	Insufficient information														
1	$252.5	$306.4	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 24,769 units			•											
4	11.6	(-17.8)	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 2,006 units			•											
4	11.3	25.8	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	1972 - 9,172 units			•											
0	17.1	29.7	Under study	HUD	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•													
9	5.4	7.5	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information			•											
3	8.1	8.0	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•													
4	22.2	32.4	Terminated	HUD*	Low income elderly	30% of older Americans live in substandard housing	Insufficient information	•													
9	4.6	4.5	Terminated	HUD§	Low income	30% of older Americans live in substandard housing	Insufficient information					•	•	•			•	•		•	
7	30.0	30.0		HUD**				•		•											

Table A-1 (Continued)

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation
Research and technology	$ 0.1	$ 0.2	$ 0.1	?	HUD	--- Not Applicable ---		-Operation Breakthrough 486 units -Housing Annuities study UCLA -Mobility study· Fisk University -Housing Handicapped--Fall River					-- Not Appl			
• Senior Opportunities & Services • Homemaker • Home health • Transportation • Home repair • Legal service				Revenue sharing $18.0	OEO	Aged poor	Insufficient information	700,000 OEO most popular program generated more local dollar $1.00 Federal 10¢ local Total all ages is 1 million persons in 900 neighborhoods in 300 communities				•	•			
• Legal Services • National Senior Law Center			71.5	$71.5* Terminate June 30	OEO	Aged poor	20% total poverty population	Only about 6% of clients are aged Americans								
Model Cities				Terminate June 30, 1973 Under HEW because of OEO dismantle	OEO	Poor	125 cities						-- Not Appl			
Rehabilitation and Service Facilities	8.7	10.5	11.6	?	SRS HEW		1 million 10 and over	1972 - 80,100 15 and over 1,800 65 and over							•	
Rehabilitation and Research Demonstration	0.6	0.3	0.4	? Reduced total budget	SRS HEW	--	--	--					-- Not Appl			

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Table A-1 (Continued)

Funding (millions of dollars) FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation	Knowledge	Social Roles: Identity	Purposeful Activity	Employment Options	Interpersonal Relations	Independence
$ 0.2	$ 0.1	?	HUD	--- Not Applicable ---		-Operation Breakthrough 486 units -Housing Annuities study UCLA -Mobility study Fisk University -Housing Handicapped--Fall River	-- Not Applicable --													
		Revenue sharing $18.0	OEO	Aged poor	Insufficient information	700,000 OEO most popular program generated more local dollar $1.00 Federal 10¢ local Total all ages is 1 million persons in 900 neighborhoods in 300 communities				•	•									•
	71.5	$71.5* Terminate June 30	OEO	Aged poor	20% total poverty population	Only about 6% of clients are aged Americans			•											
		Terminate June 30, 1973 Under HEW because of OEO dismantle	OEO	Poor	125 cities		-- Not Applicable --													
10.5	11.6	?	SRS HEW		1 million 10 and over	1972 - 80,100 15 and over 1,800 65 and over							•			•	•	•	•	•
0.3	0.1	? Reduced total budget	SRS HEW	--	--	--	-- Not Applicable --													

Table A-1 (Continued)

Program	Funding (millions of dollars)				Admin. Agency	Target Population	Number in Target Population	Actual Served	Income							
	FY71	FY72	FY73	FY74					Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation
Aging Research and Training	$ 5.8	$ 17.0	$ 17.0	Reduced total budget	SRS HEW	--	--	--						-- Not Appl		
AOA	15.7	15.9	200.0	$200.0	To be moved to secretary's office											
Nutrition Program				$100.0 of total budget		60 years and over-no means	5 million elderly live in poverty	250,000 participants; maximum capacity		•						•
Areawide Model • State planning and coordinator • Medical • In and out of home services • Transportation • Telephone reassurance								1,000,000 in 1972				•	•			
Public Assistance Maintenance Payments	1241.8	1843.4	1811.6	$900.5	SRS	Poor	Insufficient information	Average $12 18 a month 2,025,000 persons over 65	•							
Medical Assistance (Medicaid)		3800.0	1000.0	$5152.0	SRS	Poor	Elderly poor	1972 - 18.4% or 3.8 million over 65					•			
Social Services	83.8	146.7	161.7	Overall limit 2.5 billion which will affect elderly	SRS	Poor							•		•	
Foster Grandparents	8.9	11.0	25.0	$25.0	ACTION	Elderly poor	Insufficient information	FY 1973 - 10,400 serve 20,800 kids per day	•							
RSVP	--	4.0	15.0	$15.0	ACTION	Elderly poor	Insufficient information	1972 - 300 communities; 18,000 volunteers								
VISTA	1.1	1.1	1.1	?	ACTION	Interested elderly	Insufficient information	1973 - 130								

Table A-1 (Continued)

Funding ...ns of dollars) FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation	Knowledge	Social Roles: Identity	Purposeful Activity	Employment Options	Interpersonal Relations	Independence
$ 17.0	Reduced total budget	SRS HEW	--	--	--	-- Not Applicable --													
200.0	$200.0	To be moved to secretary's office																	
	$100.0 of total budget		60 years and over-no means	5 million elderly live in poverty	250,000 participants; maximum capacity		•						•	•				•	
					1,000,000 in 1972				•	•					•			•	•
1841.6	$900.5	SRS	Poor	Insufficient information	Average $12.18 a month 2,025,000 persons over 65	•													
1000.0	$5152.0	SRS	Poor	Elderly poor	1972 - 18.1% or 3.8 million over 65					•									
161.7	Overall limit 2.5 billion which will affect elderly	SRS	Poor							•		•							
25.0	$25.0	ACTION	Elderly poor	Insufficient information	FY 1973 - 10,400 serve 20,800 kids per day	•									•	•	•	•	•
15.0	$15.0	ACTION	Elderly poor	Insufficient information	1972 - 300 communities; 18,000 volunteers										•	•		•	
1.1	?	ACTION	Interested elderly	Insufficient information	1973 - 130										•	•	•	•	

Table A-1 (Continued)

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income	Food	Shelter	Transportation	Health	Entertainment	Education
Peace Corps				$0.3	ACTION	Interested elderly	Insufficient information	1973-312 50 years or older. 134 of these are over 60.							
SCORE			--	0.280	ACTION	Elderly business	Insufficient information	223 chapters, 4,500 volunteers,							
ACE				0.280	ACTION	Elderly business	Insufficient information	2,900 volunteers							
Trust funds	$28,320	$31,748	$36,290	$48,500	S.S. Admin.	Persons under 72 earning less than $2,100. Persons over 72 no earning limit.	91% of people; people over 65 are protected	21 million over 62 are beneficiary	•						
Old age survivors	--	$34,541	$42,323	$47,403					•						
Hospitalization (Medicare)	$3,442	$6,265	$6,950	8923.0		97% of 65 and over are entitled to insurance	Elderly are 10% of population but account for 27% of health care expenditures; 20.4 million are covered	1972 covered 42.3% of the total health payments (drop from 1969 15.5%)					•		
							97% of 65 and over are entitled to insurance	Less than 1% used for Homecare							
Supplementary Medical (Part B)	$2,035	$2,255	$2,455	$3,003				19.6 million eligible participants signed up for Part B	•						

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Table A-1 (Continued)

Funding (millions of dollars)				Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Income: Food	Income: Shelter	Income: Transportation	Income: Health	Income: Entertainment	Income: Education	Motivation	Knowledge	Social Roles: Identity	Social Roles: Purposeful Activity	Social Roles: Employment Options	Social Roles: Interpersonal Relations	Social Roles: Independence
1	FY72	FY73	FY71																		
			$0.3	ACTION	Interested elderly	Insufficient information	1973-312 50 years or older. 131 of these are over 60.										•	•	•	•	
		--	0.280	ACTION	Elderly business	Insufficient information	223 chapters, 1,500 volunteers.										•	•		•	
			0.280	ACTION	Elderly business	Insufficient information	2,900 volunteers														
320	$31,748	$36,290	$48,500	S.S. Admin.	Persons under 72 earning less than $2,100. Persons over 72 no earning limit.	91% of people; people over 65 are protected	21 million over 62 are beneficiary	•													
	$34,541	$42,323	$47,403					•									•				•
2	$6,265	$6,950	8923.0		97% of 65 and over are entitled to insurance	Elderly are 10% of population but account for 27% of health care expenditures; 20.1 million are covered	1972 covered 12.3% of the total health payments (drop from 1969 15.5%)					•									
						97% of 65 and over are entitled to insurance	Less than 1% used for Homecare														
5	$2,255	$2,455	$3,003				19.6 million eligible participants signed up for Part B	•													

Table A-1 (Concluded)

Program	Funding (millions of dollars) FY71	FY72	FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation
No specific allotments in annual Department of Transportation budget funding of systems designed to meet special needs of the elderly and handicapped					Department of Transportation	--	--	--								
R&D • Dial-a-Ride • Reduced fare	$ 1.1	$ 2.0	$ 2.5		Department of Transportation	--	Transportation is third highest ranking expenditure in elderly's budget, consuming 9% of elderly limited resources	--				•		---		Not

*Authorized under Older American Act Amendments but as of date, no authorizing budget.

†Present funds frozen. No 1971 money appropriated.

‡There is question about method of funding if at all:
- Maintain 6 sponsors
- Decentralize
- Revenue sharing

§HUD has proposed use of funds until . Special revenue sharing targeted at Neighborhood Development.

**Commitments will be met; no new commitments made.

Table A-1 (Concluded)

...ding (...of dollars) FY73	FY74	Admin. Agency	Target Population	Number in Target Population	Actual Served	Income: Income	Food	Shelter	Transportation	Health	Entertainment	Education	Motivation	Knowledge	Social Roles: Identity	Purposeful Activity	Employment Options	Interpersonal Relations	Independence
		Department of Transportation	--	--	--														
2.5		Department of Transportation	--	Transportation is third highest ranking expenditure in elderly's budget, consuming 9% of elderly limited resources	--						--- Not Applicable ---								

...ents but as of date, no authorizing budget.

...priated.

...if at all:

... Special revenue sharing targeted at Neighborhood Development.

...s made.

Policy Issues Related to Ten National Goals

Tables A-2 to A-11 discuss current issues dealing with problems of the elderly in relation to the national goals for older Americans stated in the Old Americans Act of 1965. The information in the tables was derived from "Developments in Aging: 1972 and January-March 1973," A Report of the Special Committee on Aging, U.S. Senate. This study was devoted primarily to the progress made and the problems that arose with regard to the elderly within this time frame.

No efforts have been made to update this table. It was primarily intended to provide a useful framework for viewing current issues in relation to rhetorical goals.

(These issues which, for whatever reason, did not "surface" to national attention during the period identified were omitted from the report, and hence do not appear in these tables.)

Table A-2

GOAL 1: AN ADEQUATE INCOME IN ACCORDANCE WITH THE AMERICAN STANDARD OF LIVING

Issue	Progress	Problem Area	
Social Security	20% across the board increase in benefits; largest increase since inception of law. Cost of living adjustments to make Social Security payments inflation-proof; not to take effect until 1975; in meantime, inflation rising rapidly; widows' and widowers' benefits increased. Retirement test liberalized--i.e., amount of earnings a retired person can earn without losing Social Security benefits.	3.1 million elderly still live in poverty; 2 million elderly not classified as poor because they live in families with incomes above the poverty level. Members of some minority groups do not live to age 65. Is payroll tax unfair to low-wage earners, many of whom are from minority groups? Social Security benefits still fall below government's poverty levels; nearly 11 million aged persons live below BLS's Intermediate Budget.	Inflatio for serv tance to (a) prop (b) publ (c) hous (d) food Nearly 2 and half pend on more tha
Property Tax	President has pledged to seek legislation which would reduce property tax burden for the elderly.	Property taxes increased more than 9% in 1972; elderly pay more than 8% of their income for property taxes.	
Private Pension Plans	20% increase in Railroad Retirement annuities. New formula for Veteran's pension program. Senate Labor & Public Welfare Committee reported out bill proposing major reforms in private pension systems.		

Table A-2

GOAL 1: AN ADEQUATE INCOME IN ACCORDANCE WITH THE AMERICAN STANDARD OF LIVING

Progress	Problem Area	Other Comments
20% across the board increase in benefits; largest increase since inception of law.	3.1 million elderly still live in poverty; 2 million elderly not classified as poor because they live in families with incomes above the poverty level.	Inflation has been sharpest for services of special importance to the elderly-- (a) property taxes (b) public transportation (c) housing maintenance (d) food costs
Cost of living adjustments to make Social Security payments inflation proof, not to take effect until 1975; in meantime, inflation rising rapidly; widows' and widowers' benefits increased.	Members of some minority groups do not live to age 65.	
Retirement test liberalized--i.e., amount of earnings a retired person can earn without losing Social Security benefits.	Is payroll tax unfair to low-wage earners, many of whom are from minority groups? Social Security benefits still fall below government's poverty levels; nearly 11 million aged persons live below BLS's Intermediate Budget.	Nearly 2/3 of single people and half of aged couples depend on Social Security for more than 50% of their income.
President has pledged to seek legislation which would reduce property tax burden for the elderly.	Property taxes increased more than 9% in 1972; elderly pay more than 8% of their income for property taxes.	
20% increase in Railroad Retirement annuities. New formula for Veteran's pension program.		
Senate Labor & Public Welfare Committee reported out bill proposing major reforms in private pension systems.		

Table A-3

GOAL 2: BEST POSSIBLE PHYSICAL AND MENTAL HEALTH WITHOUT REGARD TO ECONOMIC STATUS

Issue	Progress	Problem Area	
Medicare	Medicare broadened to include coverage for the disabled; home health care costs to the patient reduced; coverage extended to persons needing kidney transplant or dialysis.	Administration has proposed increase in deductibles and coinsurance under Medicare contrary to recommendations of White House Conference on Aging. Out of pocket health care costs are $42 more today than they were the year before Medicare took effect; costs to participants in Medicare have been rising steadily. Medicare covers 42.3% of total health payments; does not cover out-of-hospital prescription drugs and adequate provision for long-term care; Medicare and Medicaid erect barriers to the development of home health services; only 1% of Medicare expenditures goes to home health care.	Would of Social S Elderly, 10% of t for 27% tures.
Nutrition	Nutrition for the Elderly Program enacted. President has requested $100 million in his FY 74 budget for this program; would provide meals for about 250,000 Americans 60 and older.	Funding still up in the air. More than 5,000,000 elderly live in poverty and need nutrition programs.	Skyrock elderly' 27% of a budget a for the

Table A-3

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rition for the Elderly Program cted. sident has requested $100 mil-n in his FY 74 budget for this gram; would provide meals for ut 250,000 Americans 60 and er.	Funding still up in the air. More than 5,000,000 elderly live in poverty and need nutrition programs.	Skyrocketing food costs worsen elderly's diet. Food consumes 27% of an average retiree's budget as compared with 17% for the average family.

Table A-4

GOAL 3: SUITABLE HOUSING AT COSTS ELDERLY CAN AFFORD

Issue	Progress	Problem Area	C
Low-Income Housing for the Elderly	70,385 units for the elderly authorized by HUD in FY 1972.	Moratorium on new, low-cost housing have hurt plans to provide shelter for the elderly; in addition funds have been impounded for Section 236 program and rent supplements.	Freeze or by end of with food item on e
		Production of housing for elderly has not reached level of 120,000 per year recommended by White House Conference on Aging; HUD financial feasibility requirements have occasionally stopped approval of new projects for the elderly.	
Fire Safety		Better fire safety regulations needed in housing projects for the elderly funded or subsidized by HUD money.	
		HUD reluctant to earmark specific funds for security in housing projects; three important sources of funding for security are drying up this year.	

Table A-4

GOAL 3: SUITABLE HOUSING AT COSTS ELDERLY CAN AFFORD

Progress	Problem Area	Other Comments
5 units for the elderly author- by HUD in FY 1972.	Moratorium on new, low-cost housing have hurt plans to provide shelter for the elderly; in addition funds have been impounded for Section 236 program and rent supplements.	Freeze on housing aggravated by end of rent control; along with food housing is highest item on elderly's budget.
	Production of housing for elderly has not reached level of 120,000 per year recommended by White House Conference on Aging; HUD financial feasibility requirements have occasionally stopped approval of new projects for the elderly.	
	Better fire safety regulations needed in housing projects for the elderly funded or subsidized by HUD money.	
	HUD reluctant to earmark specific funds for security in housing projects; three important sources of funding for security are drying up this year.	

Table A-5

GOAL 1: FULL RESTORATIVE SERVICES FOR THOSE REQUIRING INSTITUTIONAL CARE

Issue	Progress	Problem Area	
Nursing Homes	New disclosure requirements for ownership of intermediate care facilities under Medicaid required.	Average cost of nursing home is $500 a month; average Social Security income for a couple is less than $300. 1 out of 5 or 4 million older Americans have need for nursing or other personal care services; alternatives to institutions not yet available on scale needed. Some standards for intermediate care facilities need tightening up.	The mer Medicai the hig may res fers of homes i facilit caid sk may not definit

Table A-5

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Table A-6

GOAL 5: OPPORTUNITY FOR EMPLOYMENT WITHOUT DISCRIMINATION ON THE BASIS OF AGE

Issue	Progress	Problem Area	
Maximizing Job Opportunities for the Elderly	Older American Community Service Employment Act and the Middle-Aged and Older Workers Training Act passed by Congress.	Veto of Older Americans Comprehensive Services Amendments caused Congress to delete provisions for the training of older workers; these would have converted Mainstream pilot projects into permanent, national programs and provided a midcareer development services program in the Department of Labor. Emergency Employment Act is also being phased out; provided opportunity to older workers.	Unemploy over has 1969; ol under-re ing prog older wo for long 1972 800 withdrew
Age Discrimination	Higher funding levels approved by Congress for Age Discrimination in Employment Act.	One out of three work establishments were found to be in violation of the Age Discrimination Employment Act in FY 1972; recorded employer refusals to hire older workers increased in FY 1972. Inadequate funding has prevented effective enforcement of the Act.	Less tha civilian 40-64 is Discrimi Act.

Table A-6

AL 5: OPPORTUNITY FOR EMPLOYMENT WITHOUT DISCRIMINATION ON THE BASIS OF AGE

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r funding levels approved by ess for Age Discrimination ployment Act.	One out of three work establishments were found to be in violation of the Age Discrimination Employment Act in FY 1972; recorded employer refusals to hire older workers increased in FY 1972. Inadequate funding has prevented effective enforcement of the Act.	Less than one-half of the civilian labor force aged 40-64 is covered by the Age Discrimination in Employment Act.

Table A-7

GOAL 6: RETIREMENT IN HEALTH, HONOR, AND DIGNITY

Issue	Progress	Problem Area
Old Americans Act	Congress has twice passed a stronger Older Americans Act whereby the Administration on Aging would have equal status with the Social Security and Welfare Administration.	Older American Act vetoed once by the President already. Limited funding has blocked AOA from fulfilling its responsibilities; repeated reorganizations have downgraded its significance.

Table A-7

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5

Table A-8

GOAL 7: PURSUIT OF MEANINGFUL ACTIVITY--CIVIC, CULTURAL, AND RECREATIONAL

Issue	Progress	Problem Area
ACTION's programs (Foster Grandparents and RSVP).		Still only funded at half the authorized level.

Table A-8

GOAL 7: PURSUIT OF MEANINGFUL ACTIVITY--CIVIC, CULTURAL, AND RECREATIONAL

Progress	Problem Area	Other Comments
	Still only funded at half the authorized level.	

Table 3-9

GOAL 8: EFFICIENT COMMUNITY SERVICES AVAILABLE WHEN NEEDED

Issue	Progress	Problem Area	
Adequate Social Services		Veto of Older Americans Comprehensive Services amendments by President; many housing authorities have been forced to cut back services for the elderly because of budget cutbacks in programs like Social Services. $2.5 billion ceiling placed on federal expenditures for Social Security service titles serving <u>all</u> age groups; as a result, funding cut off for many senior centers and related services; new proposed regulations for social services by HEW would limit eligibility of elderly to benefit even further.	
Transportation	Increasingly, local jurisdictions are offering reduced fares to the elderly on public transportation; with reduced fares, ridership increases an average of 15%. Congress has proposed in its 1973 Amendments to the Older Americans Act that an interagency comprehensive study and survey on the transportation problems of the elderly be undertaken. Several innovative transportation experiments have been started or approved for funding--e.g., Dial-a-Ride in Haddonfield, N. J.	No funds earmarked by DOT for designing transportation systems to meet special needs of the elderly and handicapped.	Financi public ities t tail se Transpo expense elderly

Table A-9

GOAL 8: EFFICIENT COMMUNITY SERVICES AVAILABLE WHEN NEEDED

Progress	Problem Area	Other Comments
	veto of Older Americans Comprehensive Services amendments by President, many housing authorities have been forced to cut back services for the elderly because of budget cutbacks in programs like Social Services.	
	$2.5 billion ceiling placed on federal expenditures for Social Security service titles serving all age groups; as a result, funding cut off for many senior centers and related services; new proposed regulations for social services by HEW would limit eligibility of elderly to benefit even further.	
easingly, local jurisdictions offering reduced fares to the rly on public transportation; reduced fares, ridership inses an average of 15%. Cons has proposed in its 1973 dments to the Older Americans that an interagency comprehen- study and survey on the transtion problems of the elderly ndertaken.	No funds earmarked by DOT for designing transportation systems to meet special needs of the elderly and handicapped.	Financial problems causing public transportation authorities to raise fares and curtail services.
al innovative transportation riments have been started or oved for funding--e.g., Dial-a- in Haddonfield, N. J.		Transportation is third largest expense in the budget of the elderly.

Table A-9 (Concluded)

Issue	Progress	Problem Area	
Supply of Gerontologists		Critical shortage of personnel trained in gerontology who can put service systems into effect. Administration made no funding request for training of gerontologists in FY 1971.	The gap is no da for seve
OEO Programs	Nearly 700,000 aged poor now provided homemaker, home health, transportation, legal services, home repair, etc., by the <u>Senior Opportunities and Services Program</u>.	SOS's future uncertain because of dismantling of OEO programs. The National Senior Citizens Law Center, the NSCLC, is threatened with closing.	Although the pove are only ents in

Table A-9 (Concluded)

Progress	Problem Area	Other Comments
	Critical shortage of personnel trained in gerontology who can put service systems into effect.	The gap is so great that there is no danger of overtraining to several decades.
	Administration made no funding request for training of gerontologists in FY 1971.	
...ly 700,000 aged poor now pro... d homemaker, home health, ...sportation, legal services, ... repair, etc., by the Senior ...rtunities and Services Pro...	SOS's future uncertain because of dismantling of OEO programs.	
	The National Senior Citizens Law Center, the NSCLC, is threatened with closing.	Although aged comprise 20% of the poverty population, they are only about 6% of all clients in legal services programs.

Table A-10

GOAL 9: IMMEDIATE BENEFIT RESEARCH KNOWLEDGE TO IMPROVE HEALTH AND HAPPINESS

Issue	Progress	Problem Area
Research on Aging	Congress passed Research on Aging Bill to establish Institute on Aging at NIH.	Research on Aging was vetoed by President. Administration proposed $1 million reduction for aging research and training activities at the National Institute of Child Health and Human Development.

Table A-10

GOAL 9: IMMEDIATE BENEFIT RESEARCH KNOWLEDGE TO IMPROVE HEALTH AND HAPPINESS

Progress	Problem Area	Other Comments
Congress passed Research on Aging Bill to establish Institute on Aging at NIH.	Research on Aging was vetoed by President.	
	Administration proposed $1 million reduction for aging research and training activities at the National Institute of Child Health and Human Development.	

Table A-11

GOAL 10: FREE EXERCISE OF INDIVIDUAL INITIATIVE IN PLANNING AND MANAGING OWN LIFE

Issue	Progress	Problem Area
	No significant movement along this front occurred in 1972.	

Table A-11

AL 10: FREE EXERCISE OF INDIVIDUAL INITIATIVE IN PLANNING AND MANAGING OWN LIFE

Progress	Problem Area	Other Comments

No significant movement along this front occurred in 1972.

Appendix B

EVOLUTION OF THE STRATEGIC EVALUATION PROCESS
AND TASK BREAKDOWN STRUCTURE

Appendix B

EVOLUTION OF THE STRATEGIC EVALUATION PROCESS AND TASK BREAKDOWN STRUCTURE

Overview

The notion of a Strategic Evaluation of Policy has evolved from an increasingly widespread awareness of the shortcoming of many current policies and the need for a more realistic framework to formulate and evaluate policies. The framework must be both viable and comprehensive to provide effectively for:

(1) Including the considerations for implementing policy in human, institutional, and other resource terms.

(2) Serving immediate needs in a long-range context.

(3) Continuously benefiting from lessons learned through time.

Current and future policies for the elderly can benefit greatly from understanding the shortcomings of historic and ongoing policies. These shortcomings are largely identifiable. For example, goals and policies have often been treated as events in isolation rather than as the results of a process having many interdependencies and interrelationships with other ongoing processes.

The elements and methodology ultimately used for our exploratory Strategic Evaluation of Policies for Aging Americans have evolved through several different approaches occasioned by frustration with the data base as well as new conceptual frameworks. This appendix will review the evolution of the principal elements of the strategic evaluation process.

Four Approaches to Our Strategic Evaluation

The principle objective of this study is the development or evolvement of a new methodology for evaluating policies for aging Americans. Unfortunately no formula exists for ways of developing new paradigms or methods for investigating old data. Even though our research proposal established the elements or approaches of the study, determining the exact combination and timing is somewhat of an art.

Approach 1

Approach 1 concerns the development of a dictionary of indicators. The rationale for this approach was that after reviewing our data base, one could develop a dictionary of concepts, research objectives, and needs that pertain to aging. Each word would then be defined in its gerontological context. Following each word would be a listing of the major people or institutions that have been concerned with investigating this topic. Associated with these researchers would be their funding source, i.e., DHEW, SRS, AoA, Department of Labor, and so on. The third section of this index would be discussions of emerging trends relevant to this area. These trends would be dated so that as the dictionary was updated, a full picture would be displayed of all subjects' emergence as a potentially influential force in the future. All words to be defined would have been cross-referenced for convenience and clarity of the issue.

The need for, and usefulness of, such a tool still exists. It soon became apparent that the scope of this effort was so vast that it would consume all our resources and yet not leave sufficient time to put the subject areas into their fuller societal context. We still believe that this was a valid procedure and hope that it can be completed under a different contract or grant.

Approach 2

We still wanted to work with indicators, not identifying them but rather looking at levels of performance of already identified indicators. At this point we consulted with B. Herzog of the Gerontological Society. With Herzog's guidance, it was decided to list areas of research and have papers prepared by gerontologists in the field. These papers would be directed at listing research in their areas as indicators and trying to collect emerging trends. This approach freed SRI to develop its conceptual modes for the fuller societal trends, and permitted concentration on research that was current and pertinent.

Special resear ' papers were commissioned in eight selected areas:

(1) Biomedical and Clinical Sciences

(2) Psychiatry and Psychology

(3) Sociology

(4) Economics

(5) Employment

(6) Nutrition

(7) Physical Environment

(8) Social Services

These papers were prepared in part by the SRI staff and in part by The New Community Group consulting firm in Columbia, Maryland. This group includes Doris Wright and Paul Kerschner, both local gerontologists who are associated with applying research to the practical problems of building new communities.

The next problem we discovered was the limited understanding of indicators. The selection of indicators is so subjective that establishing common criteria is extremely difficult. Indicators tend to relate to inputs such as funding per year or number of program recipients. Indicators do not convincingly portray the outputs or results of , licy in terms of the satisfaction of human needs or solution of human policies.

Approach 3

In order to facilitate the use of our information, we constantly tried to organize it in forms that were harmonious with the government's (i.e., using line item budget number or catalogue number from the catalogue of Domestic Assistance). But we realized that the complexities of how programs are funded and the fact that some key programs are often funded in ways that are impossible to categorize caused us to abandon this objective with the hope that future projects would allow us to fulfill this objective.

Our specific efforts than became concentrated on correlating all data with the Ten National Goals for Older Americans postulated in the Older Americans Act of 1965 and presented in Chapter II. Our evaluation found these to be impractical for policy analysis. We were unable to find, in either the legislative or executive branches of the federal government, any activity that is correlating either its activities or its budgets with these goals. The goals are therefore assumed to be rhetorical rather than operational for present policy purposes.

Approach 4

The next step was to collect and establish a simple listing of the federal programs that have an effect on the elderly. This task had never been done by the federal government. No one, not even the statistically oriented Office of Management and Budget, could provide a listing of programs and projects for the elderly with statements of objective, funding need, and strategic population.

This inventory of federal programs was developed by using (1) the 1971 list of federal outlay by department and (2) the information developed by Herman Brotman and the "1971-72 Developments in Aging" by the Senate Committee on Aging. This information was arranged to highlight General Objective, Specific Objective, Funding History, Measurement, and Explicit and Implicit Assumptions. Although gaps in the data are great, this type of inventory needs to be completed. The Senate document does serve a valuable purpose of allowing us to review the programs available by department. A categorical inventory is needed as well as a departmental inventory. All inventories should be responsive to the same criteria and definitions.

Contribution of Approaches

These four approaches all contributed to the slow evolution of our conceptual model as described in Chapter II and the formulation of principles for the establishment of a new methodology for strategic evaluation, discussed in Chapter VI.