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COMMITTEE PRINT

SERVICES TO THE ELDERLY ON PUBLIC ASSISTANCE

A REPORT

BY THE

SUBCOMMITTEE ON FEDERAL, STATE, AND COMMUNITY SERVICES

TO THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE



MARCH 1966

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LETTER OF TRANSMITTAL

U.S. SENATE,
March 23, 1966.

Senator GEORGE A. SMATHERS,
Chairman, Special Committee on Aging,
U.S. Senate.

DEAR MR. CHAIRMAN: I have the honor of transmitting a report resulting from a study and hearings by the Subcommittee on Federal, State, and Community Services on the subject of "Services to the Elderly on Public Assistance."

As stated in the report, we of the subcommittee believe more can be done than is presently being done to provide needed services to the elderly, and we have been impressed by the views of witnesses regarding the inadequacy of elderly money incomes. In submitting this report we hope that it will make a worthwhile contribution to the work of our committee in its efforts in behalf of our Nation's elderly.

Sincerely,

EDWARD M. KENNEDY,
Chairman, Subcommittee on Federal,
State, and Community Services.

SERVICES TO THE ELDERLY ON PUBLIC ASSISTANCE

A Report by the Subcommittee on Federal, State, and Community Services to the Special Committee on Aging

I. INTRODUCTION

2,125,810 Americans over 65 were receiving old-age assistance in October 1965. According to figures supplied by the Welfare Administration, these were distributed as follows among the States and other U.S. jurisdictions: [1]

State	Number of recipients	State	Number of recipients
Total	2,125,810	Missouri	100,400
		Montana	4,258
Alabama	112,875	Nebraska	11,082
Alaska	1,368	Nevada	2,357
Arizona	13,357	New Hampshire	4,303
Arkansas	60,131	New Jersey	13,968
California	273,701	New Mexico	10,175
Colorado	42,948	New York	57,441
Connecticut	6,211	North Carolina	42,503
Delaware	1,442	North Dakota	4,991
District of Columbia	2,340	Ohio	81,109
Florida	74,137	Oklahoma	82,119
Georgia	92,927	Oregon	9,867
Guam	176	Pennsylvania	45,397
Hawaii	1,308	Puerto Rico	28,872
Idaho	4,038	Rhode Island	5,640
Illinois	47,336	South Carolina	24,967
Indiana	22,007	South Dakota	6,504
Iowa	26,392	Tennessee	44,862
Kansas	19,041	Texas	229,000
Kentucky	59,722	Utah	4,541
Louisiana	131,369	Vermont	5,314
Maine	10,734	Virgin Islands	442
Maryland	10,201	Virginia	13,058
Massachusetts	51,031	Washington	31,458
Michigan	48,569	West Virginia	13,972
Minnesota	30,777	Wisconsin	27,270
Mississippi	73,419	Wyoming	2,383

The old age assistance program was first authorized by law as titles I and XI of the Social Security Act of 1935. Since then it has been a joint Federal-State program of matching grants administered at State and local levels by State and local welfare agencies. At present, the Federal share in State payments of OAA equals thirty-one thirty-sevenths of the first $37 of a maximum average monthly payment of $75 per recipient plus a proportion (the Federal percentage) of the next $38 of such average payment, which varies according to the average per capita income in the State for the most recent 3 years, except that the Federal percentage in any State cannot be less than 50 percent or more than 65 percent. The Federal share of the costs of State and local administration, exclusive of the costs of

[1] The complete table appears on p. 167 of the appendix of "Services to the Elderly on Public Assistance," hearing before Subcommittee on Federal, State, and Community Services, Senate Special Committee on Aging, 89th Cong., 2d Sess., hereinafter referred to as "Appendix."

providing certain services discussed in this report and the costs of staff training under certain conditions, is 50 percent.

The Subcommittee on Federal, State, and Community Services has been aware of efforts to go beyond mere cash assistance to recipients of old-age assistance and to provide needed services for them. In undertaking the study and hearings on which this report is based, it was interested in finding out what types of services are being rendered the elderly on public assistance, the extent to which Federal statutory provisions on services have been effective in their objective of encouraging and stimulating the provision of needed services to this segment of our Nation's elderly, and what, if any, legislative changes are needed to perfect Federal statutes on this subject and to make them more effective in contributing to the goal of happiness, self-sufficiency, and independence in old age. To answer these and other pertinent questions on this subject, the subcommittee conducted 2 days of hearings [2] in Washington, D.C., on August 18 and 19, 1965, and solicited additional expert advice and opinions from those who are best qualified to advise on the subject under consideration. In offering the findings and recommendations of this report, it trusts that they will be helpful in improving services for our Nation's elderly on public assistance.

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[2] "Services to the Elderly on Public Assistance," hereinafter referred to as "hearings".

II. HISTORICAL BACKGROUND

Until recent years, the objective of the old-age assistance program was almost exclusively to provide *money* assistance. To administer such a program of money assistance, it was necessary to employ social workers to maintain personal contact with recipients to determine need and eligibility and to prevent fraudulent claims. Over the years, social workers and their supervisors found that recipients had needs which were not being met by the mere dispensing of cash. There was a growing realization that those needs could only be met if certain services were developed and provided by old-age assistance programs.

Applicable Federal statutes did not specifically authorize Federal matching for providing such needed services. Matching could only apply to the cash grants and to the cost of their administration. In effect, there was Federal matching to the extent that services could be provided by caseworkers in the course of their work on the cash grants. States which recognized the need for services and which developed State service programs that went beyond the services provided by social workers employed primarily to administer cash grants had no alternative to bearing the total costs of such service programs.

Despite the apparent lack of authorization for Federal matching for service programs, during this era it was recognized at the Federal level that the spirit and purpose of public assistance laws were well served by the rendering of certain services, and a few types of services were administratively approved for 50–50 Federal matching. Examples of services thus approved for matching during this era are information and referral and short-term counseling.

In 1956 Congress gave official recognition to the desirability of developing service programs for public assistance recipients by enacting a provision as part of the 1956 Social Security Amendments which specifically authorized 50–50 Federal matching for services including direct services (e.g., short-term counseling and intensive casework service); organized special resources (e.g., homemaker service, foster-home finding for the aged); community planning, and enabling services and facilities (e.g., use of medical and legal resources limited to consultation, diagnosis, and planning).

While the 1956 amendment was helpful in developing service programs, there was a growing opinion that the Federal Government should go beyond support of service programs initiated by the States and should actively encourage and stimulate the development of such programs. In 1962, the administration recommended amendments to this effect which formed the basis for the service provisions of the "Public Welfare Amendments of 1962," (Public Law 87–543). Under these provisions, States were offered matching funds at the rate of 75-percent Federal contribution for service programs. When President Kennedy signed that legislation on July 25, 1962, he expressed the philosophy of its service provisions when he described the new law as—

> * * * a new approach stressing services in addition to support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency.

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III. SERVICES RENDERED RECIPIENTS OF OLD AGE ASSISTANCE

Finding No. 1: A wide variety of services have been rendered to the elderly on public assistance since enactment of the Public Welfare Amendments of 1962.

Services rendered pursuant to the services provisions of the Public Welfare Amendments of 1962 are of two general types: "prescribed services" and "optional services." For a State to qualify for 75-percent Federal matching for services, it must provide the "prescribed services," which are those administratively designated at the Federal level as the most important to be rendered. Forty States currently provide the "prescribed services," and thus qualify for 75-percent Federal matching. They are Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

There are four types of "prescribed services":

(a) Protective services, which are those provided older or disabled persons who because of mental or physical condition are incapable of managing their own affairs;

(b) Services provided older persons to enable them to remain in their own homes outside institutions or to assist them to return from institutions to their own homes;

(c) Services to the blind and disabled with potentialities for self-support; and

(d) Short-term services to all applicants for public assistance under adult categories.

Seventy-five percent Federal matching can also be obtained for "optional services," but only if the State is providing the "prescribed services." If it does not provide the "prescribed services," it can nevertheless qualify for 50–50 matching for "optional services."

The principal types of "optional services" now being provided to older adults in the program (e.g., under titles I, X, XIV, and XVI) are as follows:

(1) *Adults with potentials for self-care.*—Aged, blind, or disabled persons with physical or mental impairment affecting their mobility or community participation. Services are provided for such individuals with respect to home management, meeting daily needs for care, enlistment of relatives, and securing and using medical resources.

(2) *Adults isolated or estranged from families.*—Adults separated from family and living in isolated circumstances. Services are provided which encourage communication with the family and participation in community activities.

(3) *Services under medical assistance for the aged.*—To allow aged persons with medical needs to receive all of the prescribed services.

(4) *Services for former or potential applicants or recipients.*—Services to such individuals include information referral service, services to secure and maintain appropriate living arrangements or care, protective services, services in planning use, and management of financial resources and in addition, for titles X and XIV, services to maintain or secure employment.

Finding No. 2: Despite the growth of services programs in the States since 1962, the States are not approaching full development of services for the elderly on public assistance, and there remains much potential for growth.

Dr. Ellen Winston, Commissioner of Welfare, testified at our hearings:[3] " * * * the response of the States to date is beyond expectation * * *."

While there is ground for encouragement over development of these services, it is clear to the subcommittee that there remains much potential for growth.

Along this line, Norman V. Lourie, executive deputy secretary, Pennsylvania Department of Public Welfare, who spoke for the American Public Welfare Association at our hearings, testified:[4]

> Present services are thinly scattered: a foster home program in 5 counties of a State, homemaker services in 13 counties in another State, protective services for 500 or 600 persons emerging from a mental hospital in a State; day centers located in a few of the major cities of a State, and so on.
>
> The 1962 Public Welfare Amendments sought to take advantage of an important characteristic of public welfare; the fact that there is a public welfare office in every county in the United States. Within this unusual system, matched only by our vast educational system in scope, there lies the potential for creating a complete social welfare service system for the aged. In the testimony referred to, Dr. Winston also noted the spottiness of our social services. "This," she said, "is to be expected in a field so new and undeveloped, but the situation must change. We do not expect every man to dig his own water well. Women now bear their children in hospitals, although not so long ago childbirth took place at home. In the same progressive manner, an advanced society must provide services in the community to older persons, rich or poor."
>
> The potential which existed when the 1962 Public Welfare Amendments were passed by the Congress still exists and is being developed.

It is estimated that $26 million will be expended from the fiscal year 1966 appropriation[5] "Grants to States for Public Assistance" for the Federal share (75 percent) of matching for services to recipients of old-age assistance as provided for under the authorization of the Public Welfare Amendments of 1962.

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[3] Hearings, p. 4.
[4] Hearings, p. 50.
[5] Title II, Public Law 89–156 (Appropriation Act for Departments of Labor, and Health, Education, and Welfare, and related agencies).

IV. ADEQUACY OF OAA CASH GRANTS TO SUPPORT SUCCESSFUL SERVICE EFFORTS

Finding No. 3: The inadequacy of old-age assistance cash grants is a source of continued concern and is a basic drawback to better service programs.

At the subcommittee's hearings, Dr. Winston testified to the inadequacy of old-age assistance cash grants in many States: [6]

> I think the major problem which overshadows all others is adequate payments for public assistance to the elderly and others. As I travel this broad land of ours, I continually hear the concern of thoughtful and responsible Americans.
>
> The Welfare Administration's Advisory Council on Public Welfare, which was appointed under section 1114 of the 1962 amendments, has been having hearings around the country.
>
> In New York City, Chicago, Atlanta, Washington, D.C., Oklahoma City, and San Francisco—again and again—they have heard rumblings from people in all walks of life: clergymen, businessmen, public welfare administrators, community leaders, labor leaders. The majority stress the importance of a floor under the income maintenance payments of older people, so that the aged have enough for food and rent, and the electric bill and the gas bill, and decent clothes, and a few bus tokens.
>
> I may add that the temper of the testimony our Advisory Council has been hearing is strong. Such graphic expressions as "shockingly inadequate," "utterly indecent," "inhuman," are not unusual.
>
> And, after all, it is not surprising that any compassionate person would react this way. For the most important service of all, in my opinion, is providing aged people with cash when their own income and resources are insufficient.
>
> This is the primary function of the old-age assistance program. As President Roosevelt said in his first fireside chat, it was intended "to provide sound and adequate protection against the vicissitudes of modern life." There is serious question as to whether the objective is being met. I am afraid it is not being met in many parts of the country.
>
> We would like to call the committee's attention to the inadequate assistance provided in many States and to the wide variation between sections of the country.
>
> For example, as I mentioned earlier, the national average money payment in old-age assistance for May 1965 was $62.30. But that figure includes a range of payments from a high of $96.60 in California to a low of $30.75 in Wisconsin. The Commonwealth of Massachusetts provided an average payment of $70.02 a month.
>
> No matter what level of living is used, these payments are too low to be consistent with our traditional concept of what life should be like in this affluent land. Even recognizing that some of these old people have help from relatives or receive some income from OASDI and other sources, so that "average" payments are not synonymous with the actual sums they live on, it is still true that the payments are so low as to make it impossible for many of them to maintain a decent level of living.
>
> Indeed, some of these older people are sentenced to an existence halfway between the "poverty line" and absolute destitution.
>
> As one woman from Georgia puts it: "When I get through with the immediate bills, I have about $6 or $7 for food for a month, and I have a problem trying to make ends meet * * * my biggest problem is money, period; just money. I just don't have enough to live on."

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[6] Hearings, p. 8.

Mr. Lourie, again expressing the views of the American Public Welfare Association, testified: [7]

* * * of highest priority, is the problem of trying to mount a service program in the face of a significantly inadequate approach to income maintenance in old age.

* * * * * * *

We think until a major attack is mounted on the problem of an adequate income in old age, it will be extremely difficult and in some ways futile to launch a well coordinated attack on meeting the service needs of the elderly. Indeed, we need not only a war on poverty, but a war on the poverty of welfare.

Father Joseph T. Alves, chairman of the Massachusetts Commission on Aging, expressed a similar conclusion in these words: [8]

Whether one's planning is directed toward leisure time, medical care, development of homemaker services, decent public housing, or any of a myriad of important goals for the elderly, in the last analysis these programs will be successful only if the elderly person is in a position to make use of the services—in other words, to pay his way, or to be secure and worry free enough to take advantage of extra services provided.

To the same effect, Dr. Charles Schottland, dean of the Florence Heller Graduate School of Social Work, Brandeis University, testified: [9]

We are simply not going to be able to help people out of their poverty and make them self-sufficient or self-respecting if their stomachs are empty.

Finding No. 4: There is a substantial body of informed opinion in favor of contributions from Federal general revenues to make possible more adequate OASDI cash benefit levels.

Several witnesses at our hearing supported this proposal. Those who so testified were Leon Keyserling, president of the Conference on Economic Progress; Charles E. Odell, chairman of the task force on the aged poor for the Office of Economic Opportunity, and director of the Older and Retired Workers Department of the United Automobile, Aerospace & Agricultural Implement Workers of America, AFL–CIO; Rev. Joseph T. Alves, chairman of the Massachusetts Commission on Aging; and Dr. Charles Schottland, dean of the Florence Heller Graduate School of Social Work, Brandeis University, and former Commissioner of Social Security.

Mr. Keyserling testified: [10]

Among those receiving OASDI payments among married couples * * * about 58 percent live in poverty by the definition that we have come to accept * * *. If the national conscience were awakened to the point where * * * we simply built on the OASDI system and the welfare systems, and brought them up to levels * * * where they ought to be, we would be making a full-scale attack on about 27 percent of the whole poverty problem in the United States * * *. My own view, increasingly shared by others, is that if the old-age insurance benefits were brought up to the levels they should be, we should no longer continue to rely entirely on payroll taxes * * *. But as the benefits are increased, a larger portion of the costs in my view should be by general Federal contribution * * *.

Mr. Odell gave additional testimony along this line, as follows: [11]

I was staff consultant to the resolutions committee of the 1965 Convention of the National Council of Senior Citizens which proposed that minimum benefit levels under social security and old-age assistance be established at at least $100 a month * * * this will cost a sizable amount of additional money. While

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[7] Hearings, p. 46.
[8] Hearings, p. 77.
[9] Hearings, p. 88.
[10] Hearings, pp. 14, 16, 20.
[11] Hearings, p. 63.

some of it will come from broadening the wage base on which social security payroll taxes are collected, I believe that the major portion of it should come from general revenues so that the Federal Government, in effect, becomes an equal copartner with employers and workers in the financing of adequate social security benefit structure which provides older people with a minimum basic standard of living.

Father Alves stated:[12]

I don't see anything antithetical to our democratic system to put general revenues into a system which is basically an insurance system * * *. This is what is done in other countries. It has not made those countries default in any of the other obligations.

Dean Schottland's contribution to this line of testimony was as follows:[13]

This fetish of not using general funds in the program has already been breached. We are using general funds now when we give credit for military service. We are going to use general funds in medicare for those who are blanketed in during this interim period * * *. After all, if we are going to use general funds in one way to support them, there is no reason why we should not use it for another. Many of the foreign countries have found it very feasible to have government contribution along with employer and employee contribution.

Another witness, George F. Rohrlich, professor of social policy, University of Chicago School of Social Service Administration, discussed some of the difficulties of accomplishing the purposes of a system of social insurance without use of general revenues, as follows:[14]

Probably well known, too, are certain shortcomings which, though not all of them are inescapable, attach to many social insurance programs, including some of our own. One is the difficulty of achieving truly universal coverage of all persons exposed to the risk, while making substantial and extended participation in the labor market a condition of the insured person's eligibility for benefits * * *. Yet another difficulty is involved in keeping up, within the framework of purely contributory social insurance operating under conditions of rising earnings and prices, the real value of benefits, and beyond that, the relative economic position of those retired and others depending entirely on social insurance benefits vis-a-vis the bulk of the economically active population.

A resolution, Resolution 176, was adopted on December 14, 1965 at the convention of the AFL-CIO in which it was recommended—

That the Congress of the United States provide for the payment of contributions to the social security trust funds from general revenues.

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[12] Hearings, p. 71.
[13] Hearings, p. 89.
[14] Hearings, p. 91.

V. TRAINED SOCIAL WORKER SHORTAGE AS IT AFFECTS SERVICE PROGRAMS

Finding No. 5: There is an acute shortage of trained social workers in the United States today; this shortage seriously impedes the development of service programs for the elderly on public assistance.

Dean Schottland testified at the subcommittee's hearings [15] that—

> The importance of the 1962 amendments lies not so much in the immediate improvement of services to the 8 million persons receiving public assistance, because these are developing slowly, but in the direction, aim, and philosophy of public assistance which have been significantly affected by the 1962 amendments.
>
> The 1962 amendments made it abundantly clear that it was the intent and purpose of the Federal Government to assist the 8 million persons on public relief not only in their distress, but out of their distress; not only to see that they have a minimum of food, clothing, and shelter, but that society was interested in providing the kinds of services that would assist individuals and families to leave their dependency status and become as independent as their circumstances made it possible for them to be

To the extent that the philosophy underlying welfare programs goes beyond the mere dispensing of cash benefits and encompasses the objectives described by Dean Schottland, the need is increased for trained social workers. As he expressed it at another point in the hearings: [16] "The objectives of the 1962 amendments are not going to be realized through the efforts of amateurs."

Testimony to this effect was given at the hearings by Mrs. Inabel B. Lindsay, dean of the School of Social Wefare, Howard University, who said: [17]

> Meeting these and many other needs with skill, sensitivity, knowledge, and trained understanding requires special preparation.
>
> The shortages of trained personnel for all the social welfare services—particularly the public services—are a matter of major concern and constitute a bottleneck in efforts to advance the extent and quality of services.
>
> Demographic projections of population increase indicate that the total population of the United States is expected to exceed 200 million by 1970 and to include more than 225 million by 1975.
>
> This fact alone justifies the expectation that increased numbers of social workers will be needed to man the existing services at even the present inadequate level.
>
> In 1960, family services in public welfare, which include services to the aged, had only slightly more than 1 percent professionally trained workers.
>
> With new programs emerging and existing programs expanding, the need for an increased supply of qualified social workers becomes even more apparent. Social work, more so than other helping professions—such as health and education—suffers from a short supply of qualified personnel.
>
> This necessitates extensive use of workers with only partial professional education for the field, or with only baccalaureate degrees; I might insert that in some States without even a baccalaureate degree. Hopefully, that is being corrected.

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[15] Hearings, p. 81.
[16] Hearings, p. 82.
[17] Hearings, p. 101.

Dean Schottland testified further to this effect:[18]

We have practically no trained personnel.

A trained person who goes into public welfare does not last long in the front-line trenches. We have many experienced people coming out of social work schools and in 6 months they are supervisors because of the great shortage of trained people.

The result is we have a combination of completely untrained people with a tremendous turnover because they have no dedication or interest in the work.

Most of our large cities have a personnel turnover of your first-line troops of from 30 to 45 percent per year, which means that in 2 or 3 years you have 100-percent turnover.

Considering that the most inefficient stay on foreover, once they get civil service status, it means every year and a half, every 2 years certainly, we have 100-percent turnover.

This is a very wasteful and inefficient operation. When you consider what the worker has to do on the frontline, even forgetting the type of work I have been talking about, just straight eligibility investigation, this little public assistance worker authorizes the expenditure of between $100,000 and $200,000 of public funds a year, if you take the average caseloads throughout the United States.

In order to do that, they have to know something about Federal laws and regulations, and State laws and regulations. They have to be able to work with the person on how to utilize his real property, because that is part of the Social Security Act. He must utilize his property not used as a home.

It is really a complicated job, calling for the highest skills, and yet we don't provide any training or background for these things. The result is we have in many States just a sloppy, inefficient administration.

Father Alves was another witness who stressed the shortage of trained social workers an as impediment to services:[19]

The act provides for increased services by a reduction of the caseload to 60 cases when services are being given. This plan has run into serious difficulties:

1. Staffing: There is a serious shortage of caseworkers, all over the Nation, of course, which was intended to be solved by stepped-up recruitment, but recruitment has barely replaced retiring personnel. The act will pay for educational leave, but because of the staff shortage and because of the requirements of the act itself, it is very difficult to spare workers for further education. Because of the staff shortages, cases must be weighted, and an individual worker can have a caseload of 180 if she does not handle any service cases.

Because of the weighting system, the cases with the most serious or most numerous problems get highest priority, and these cases are usually the family receiving aid-to-families-with-dependent-children. The older person, living alone and quietly on a tiny allowance, may suffer just as much and represent just as much wasted potential for dignity and constructive living as the aid-to-families-with-dependent-children, but he is only one person. The overworked caseworker cannot, or will not, take the time and effort to locate community resources or provide extra services.

2. Even when the caseworker does devote special attention to the elderly client, much depends on the worker's skill and knowledge of resources available. In many cases, the client could avoid institutionalization if provided with services which do not exist or are unknown to the caseworker.

Such services might be a homemaker service, contact with a recreational or service group, or low-cost housing, but the paperwork and time required may be too much for the worker to handle. As things stand, Massachusetts directs its workers to concentrate on other health services for the elderly, a service which will become less necessary when medicare goes into effect.

3. Other provisions of the act were for establishment of new services or demonstration projects, to be financed wholly or in part by the Federal Government. Throughout the country, by the end of 1964, only 17 States had set up demonstration projects, and of these, only 3 were for the elderly. Why? The reason is partly understaffing again, partly the duplication of this provision under the Economic Opportunity Act, and partly lack of concern for the elderly.

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[18] Hearings, pp. 82 and 83.
[19] Hearings, p. 75.

VI. RECOMMENDATIONS

While there are serious problems in developing and improving services programs for the elderly on public assistance, the subcommittee feels there are positive steps toward this important goal which could be taken. It, therefore, offers the recommendations enumerated hereinafter with the hope that they will contribute toward attainment of the goal of more and better services for these older Americans.

Recommendation No. 1: The subcommittee recommends that the Welfare Administration review its administratively established requirements (in connection with services programs) for keeping records, filing reports, and performing other paperwork chores to determine whether these requirements can be made less burdensome and time consuming.

There are two possible extremes in establishing redtape requirements for obtaining 75 percent Federal matching funds for services programs. First, the Welfare Administration might have insufficient requirements for keeping records, filing reports, and following other procedures of this type. It is obvious that this would be undesirable, since it would make it impossible for the Federal agency to determine whether the funds were, in fact, spent for the purposes for which authorized and appropriated by Congress, and, if so, whether they were wisely and effectively expended.

The other possible extreme would be to make such requirements so detailed, burdensome, and time consuming that the inauguration of services programs would be discouraged, or, where such programs were adopted, the valuable time of the caseworker and his supervisors would be so taken up with meeting such requirements that they would be required to reduce their time available for rendering the services. Again, the purposes of Congress would be frustrated, at least in part, inasmuch as it can be presumed that Congress never intended to authorize and appropriate funds merely to "make work" for social work personnel.

Evidence reaching the committee indicates that of these two extremes, the present administrative requirements more nearly approach the latter. In a perceptive analysis of the 1962 amendments which appeared in the January 1965 issue of Public Welfare—The Journal of the American Public Welfare Association, Dwight O. Weiser, a caseworker in Fond du Lac, Wis., discussed this aspect of the implementation of the 1962 amendments. In his article which is reprinted in the appendix of the hearings beginning at p. 168, he commented:

> The foregoing criticisms regarding accountability, interview reporting, and recording, all have one thing in common, they take time—*time away from the client.* Time spent with the client is time spent helping that client to help himself. At the worker's level of functioning, nothing is so valuable in performing service as the time spent in a face-to-face casework interview, to foster that "interplay of personalities through which the individual is assisted to desire and achieve the fullest possible development of his personality."

While not intending to dwell on basic casework methods, I do want to bring home the belief of most workers that if we are going to provide more service, we have to have more interview time with the client. We feel that the increased time spent at our desks as a result of implementing these amendments has in this respect ironically limited our effectiveness.

This difficulty was also reported by various State officials in answering the subcommittee's questionnaire, as shown by their answers in the appendix, beginning on p. 128. They were asked what Federal requirements, if any, have impeded the establishment of services programs for the elderly on public assistance. Some of their replies were as follows:

Requirement for reporting services statistically is cumbersome, time consuming, reducing the amount of service available to the recipient.—Director Raleigh C. Hobson of the Maryland State Department of Public Welfare.

The complex Federal financial and statistical processes required as conditions precedent to qualifying for additional Federal matching for "services," have adversely affected the ready availability of new funds that would supposedly facilitate the staff increases required for intensification of services.—Director Irving Engelman of the New Jersey Division of Public Welfare.

The complicated requirements for determining eligibility, the audit review, review teams, reports, etc., are extremely time consuming—Director Augustine W. Riccio of the Rhode Island Department of Social Welfare.

The State officials were next asked what Federal actions would stimulate and encourage the establishment of services programs for the elderly on public assistance. Among the replies were the following:

It should not be necessary to make a *statistical count* of the variety of services given, just a count of the persons receiving services for any purpose within a broad spectrum of needed services.—Director John E. Hiland, Jr., of the Delaware Department of Public Welfare.

There are too many reports and too much paperwork. Rules and regulations should simplify administrative procedures to allow more time for services.—Director V. E. Griffin of the Utah Division of Program Operations.

Simplification of recording, reporting, budgeting, and eligibility determination requirements * * *.—Commissioner L. L. Vincent of the West Virginia Department of Welfare.

Reduction of paperwork * * * would enable the Departments to establish improved service programs for the elderly on public assistance.—Director Louis M. Groh of the Wyoming Department of Public Welfare.

The subcommittee makes no pretense of having the technical competence to suggest revisions in the Welfare Administration's paperwork requirements which would reduce the time and effort needed properly to apprise that agency of the use of Federal funds for services. However, it is impressed with the evidence that present requirements are too stringent, and it urges the Welfare Administration, with its own expertise in this area, to make a concerted effort to reduce such requirements to the barest minimum needed to carry out the purposes of Congress in its authorizations and appropriations for this purpose.

In fairness to the Welfare Administration, it should be noted that the State and local welfare agencies themselves are probably responsible for some of the paperwork burden in rendering services. They should cooperate fully with efforts of the Welfare Administration to reduce paperwork tasks, and should constantly be alert to opportunities to simplify and streamline procedures on their own initiative.

Recommendation No. 2: The subcommittee recommends that the services provisions of the Public Welfare Amendments of 1962 be amended to permit 75-percent Federal matching for the purchase from private nonprofit organizations of nonmedical services by State and local welfare agencies, with appropriate safeguards.

One impediment to development of services is the prohibition in the 1962 amendments against the purchase of certain services, such as homemaker services, from nongovernmental sources. As a consequence, the State or local welfare agency which wishes to provide services for its elderly public assistance clients must either purchase the service from another Government agency or create its own organization for doing so, even though there is already in existence a competent nongovernmental organization which is rendering the service for a charge. Where there are insufficient numbers of clients needing such service to make a public service agency economically feasible, this can mean that the welfare agency must face the dilemma of either refusing to provide the service or providing it at an exorbitant cost. In addition, serious problems of public administration can be encountered in organizing a public agency to render the service. One of these is whether to give those rendering the service civil service status, with all its technical requirements and fringe benefits which were intended for an entirely different type of personnel.

If this inflexible requirement is eliminated, as the subcommittee recommends, the State or local welfare agency will be free to choose whether to organize its own service agency to render the service, to purchase it from another Government agency, or to purchase the service from a private organization, whichever, in its own locality, offers the best hope of success, is most economical, and is easiest to administer.

This improvement has been recommended by the American Public Welfare Association, as reflected in the testimony of Mr. Lourie, its witness at our hearings.[20]

The need for this improvement was also indicated by several of the replies of State welfare commissioners to the subcommittee's questionnaire, reported beginning on p. 128 of the appendix. One respondent, Director Leo T. Murphy of the New Mexico Department of Public Welfare, commented:

> I would like to see more flexibility in administration of public assistance, such as extension of vendor payments for purchase of services such as homemaker services.

Another, Director Raleigh C. Hobson of the Maryland State Department of Public Welfare, expressed himself in favor of repealing the present provision, in these words:

> It not only implies a mistrust of private sources but also deprives persons least able to pay of taking full advantage of all that a community is offering.

The Commissioners stated that the repeal of this provision would enable their States to provide a number of services which they do not now provide, including homemaker services, legal services, educational services, recreational services, foster care, and psychological and counseling services.

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[20] Hearings p. 48.

The desirability of encouraging the purchase of nonmedical services for public welfare clients from private nonprofit organizations already had impressive support when the Public Welfare Amendments of 1962 were enacted. It had been recommended by the Advisory Council on Public Assistance, the Advisory Council on Child Welfare Services, and the ad hoc committee on public welfare of 1961. In its recommendation, the Advisory Council on Public Assistance stated:

> The Federal Government should encourage each State to
>
> * * * * * * *
>
> (c) utilize services of voluntary agencies, when available and qualified, to serve recipients of public assistance;
>
> * * * * * * *
>
> Private as well as public organizations should be, we feel, an integral part of a comprehensive plan for helping the needy. From the beginning of settlement in this country, relatives, friends, neighbors, religious groups, and privately organized agencies have voluntarily helped the needy and otherwise unfortunate.
>
> The number of voluntary agencies in large urban centers increased during the 20th century. However, since they were overwhelmed by the financial demands of the needy during the depression of the thirties, and since the provision of tax-supported financial assistance by the 1935 Social Security Act, their primary function has not been to give money. It is, rather to render a wide variety of services.
>
> A few examples are counseling on personal problems and family situations; vocational guidance; foster home care for children or old people; group living facilities for those who cannot live alone; adoption services; day care centers for children of working mothers; and homemaker services that help children or old people remain in their own homes instead of going to institutions.
>
> We are aware that voluntary groups and agencies often work together now. The more systematic and consistent this involvement becomes, we believe, the broader and deeper, in human terms, the public assistance programs deal with people whose problem is not poverty alone. They have a complex of problems, aggravated in each instance by poverty.
>
> * * * almost nowhere are there public assistance agencies with sufficient staff adequately trained to deal with the really difficult problems that recipients face.
>
> Voluntary agencies also have their limitations of staff and financing. Thus, the job to be done is greater than the resources of both combined.
>
> Coordinate planning of both agencies in a community is essential if their limited resources are to be most effectively used. In some instances the needs of people can best be met by referral of the individual to an appropriate agency—voluntary or public.
>
> * * * * * * *
>
> The wholehearted partnership of public and private agencies is the best assurance of a job well done.

When Ways and Means Committee Chairman Mills introduced H.R. 10032, the administration bill to initiate consideration of the administration proposals upon which the Public Welfare Amendments of 1962 were based, it contained a provision which would have accomplished the objective we favor. It would have permitted Federal matching for services which:

> * * * in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided by the State agency by contract with nonprofit private agencies * * *.

The Committee on Ways and Means, in reporting out a clean bill, H.R. 10606, deleted this section without comment (H. Rept. 1414, 87th Cong.). The Senate Finance Committee concurred in the House

committee decision, likewise without comment (S. Rept. 1589, 87th Cong.).

The subcommittee recognizes that there are respectable fears regarding the enactment of this proposal but feels that the adoption of appropriate safeguards can allay such misgivings. The first safeguard that should be adopted is a requirement that the services be purchased and paid for on a 100-percent basis of cost to the service agency, carefully determined through cost accounting. As another desirable safeguard, it should be required that purchase of services be on a case-by-case basis and not through a contract or other mass purchase arrangement. Third, there should be a limit upon the amount of service that can be purchased from any one private agency. These safeguards would prevent subsidies and dominance by public welfare agencies of private service organizations, and vice versa.

When the 1962 act was enacted, there were fears of purchase of nonmedical services from private agencies which subsequent experience has shown to have been exaggerated. Since then, purchase of medical services has operated smoothly without substantial difficulties of the type feared for purchase of nonmedical services. With all due respect for these fears, the subcommittee considers the basic proposal of Federal matching on a 75–25 basis for purchase of nonmedical services from private nonprofit agencies a sound improvement for which there is an urgent need if a full range of services to the elderly on public assistance is to be provided.

Recommendation No. 3: The subcommittee recommends that the Social Security Administration study the various proposals that would authorize contributions from Federal general revenues to the OASI program, and that it report to Congress its conclusions and recommendations resulting from the study of this issue.

The subcommittee is impressed with the testimony it has received from witnesses favoring this proposal.[21] It offers a possibility for financing more adequate old-age insurance benefits, and for preventing more recipients of such benefits from falling within the definitions of poverty established for purposes of the "war on poverty" and other great national objectives.

While this is an attractive possibility, the subcommittee recognizes that it is a complicated proposal, and that no specific recommendation should be made with respect to it by this subcommittee, limited as we are in our jurisdiction. Instead, we solicit thorough consideration of it by the Social Security Administration, whose officials are skilled and experienced in the complications of social security financing. If they find it is sound, the groundwork may have been laid for making the social security system much more responsive to the economic needs of the Nation's elderly than it now is. This might also usher in a new era of services to the elderly.

There is nothing new about this proposal. In 1935 it was suggested as a possibility in the report of the President's Committee on Economic Security, which laid the framework for the Social Security Act enacted that year. The following statement appears in that report: [22]

> We suggest that the Federal Government make no contribution from general tax revenues to the fund during the years in which income exceeds payment from

[21] Quoted in our finding No. 4, above.
[22] Report of the Committee on Economic Security, H. Doc. No. 81, 74th Cong., 1st sess., p. 25.

the funds, but that it guarantee to make contributions, when the level of payment exceeds income from contributions and interest, sufficient to maintain the reserve at the level of the last year in which income exceeded payments.

The making of such contributions from general revenues was recommended in 1938 and 1948 by two different Advisory Councils on Social Security, appointed by a special subcommittee of the Senate Finance Committee and by the full committee, respectively. The report of the 1938 Advisory Council contained the following language: [23]

The principle of distributing the eventual cost of the old-age insurance system by means of approximately equal contributions by employers, employees, and the Government is sound and should be definitely set forth in the law when tax provisions are amended.

The 1948 Advisory Council report stated: [24]

There are compelling reasons for an eventual Government contribution to the system * * *. A Government contribution would be a recognition of the interest of the Nation as a whole in the welfare of the aged * * *. Such a contribution is particularly appropriate, in view of the relief to the general taxpayer which results from the substitution of social insurance for part of public assistance.

Recommendation No. 4: The subcommittee recommends that Congress appropriate funds for "training grants for welfare personnel" as authorized by section 705 of the Social Security Act.

One of the Social Security Amendments of 1956 was a provision authorizing an appropriation for "training grants for public welfare personnel." As most recently revised by section 123 of the Public Welfare Amendments of 1962, section 705 of the Social Security Act includes the following subsection:

SEC. 705. (a) In order to assist in increasing the effectiveness and efficiency of administration of public assistance programs by increasing the number of adequately trained public welfare personnel available for work in public assistance programs, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1963, the sum of $3,500,000, and for each fiscal year thereafter the sum of $5,000,000.

There were items in the budgets for fiscal 1963 and 1964 to implement this authorization, the 1964 item having been $2,000,000. Unfortunately, however, no appropriation has ever been made to carry out this authorization.

That the Congress had sound reasons for enacting this authorization is shown by the following excerpt from the Senate Finance Committee report on the bill which was enacted as the Social Security Amendments of 1956: [25]

A small percentage of the staff of agencies administering public assistance programs have had any formal training relating to the duties of the positions that they hold. Yet a worker, on the average, is responsible for authorizing the expenditure of about $100,000 per year of public funds. An increasing number of trained workers is needed for the administration of public assistance, particularly if greater emphasis is to be placed on helping applicants and recipients to self-support, self-care, and for strengthening family life.

The bill would provide $5 million for the fiscal year 1958 and such amounts thereafter as the Congress may determine to be needed for grants to States for the training of personnel through fellowships or traineeships, grants to public or

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[23] Senate Doc. No. 4, 76th Cong., 1st sess., final report, Advisory Council on Social Security, p. 24.
[24] Senate Doc. No. 208, 80th Cong., 2d sess., the reports of the Advisory Council on Social Security to the Senate Committee on Finance, pp. 45, 46.
[25] S. Rept. 2133, 84th Cong., pp. 30, 31.

other nonprofit institutions of higher learning and short-term courses of study or similar off-the-job training.

* * * * * * *

This provision would help States materially in securing larger numbers of well-trained personnel as is being done in other programs for which Federal funds have been made available for the training of professional staff, such as in mental health, vocational rehabilitation, and child welfare programs.

Appropriations to accomplish the objectives of Congress in enacting this social security amendment would make a significant contribution toward curing the shortage of trained workers which is presently acting as a bottleneck to the provision of services to the elderly. The subcommittee urges that there be an end to the delay in implementing this provision.

Recommendation No. 5: The subcommittee recommends that the National Defense Education Act of 1958 as amended be further amended to provide some degree of forgiveness of higher education loans to students who later serve in social work.

Section 205(b)(3) of the National Defense Education Act of 1958 (Public Law 85–864, Sept. 2, 1958) permitted forgiveness of up to 50 percent of a higher education loan under that act where the borrower served as a full-time teacher, at a forgiveness rate of 10 percent of the loan for each year of teaching. Section 465(a)(3) of the Higher Education Act of 1965 (Public Law 89–329, Nov. 8, 1965) amended that provision to authorize forgiveness of up to 100 percent of the loan at the rate of 15 percent for each year taught if the school in which the borrower teaches meets certain criteria, one of which is a high concentration of students from low-income families.

A similar provision in that legislation with reference to borrowers who serve in social work might be a means of filling the need for trained professional workers in this field. While many or most of those attracted to social work by this device might work with younger public assistance recipients, their service should free some other well-trained social workers for assignment to work with the elderly, thus helping to provide the numbers of workers needed to make the services provisions of the 1962 act more effective for the elderly.

Recommendation No. 6: The subcommittee recommends that the Welfare Administration, in cooperation with the Office of Education and representatives of the social work profession and institutions of higher learning, develop standards and curriculums for training subprofessionals who can be assigned appropriate tasks in the public welfare services under the supervision of professionals.

This recommendation is somewhat similar to one made at the hearings by Mrs. Inabel B. Lindsay, dean of the Howard University School of Social Work. Specifically, she said: [26]

A second approach to remedying this manpower shortage should include coordinated, carefully planned expansion of undergraduate programs to help prepare subprofessionals who can be assigned appropriate tasks in the public welfare services.

While one's first reaction to this recommendation might be that it would be better still to go beyond training subprofessionals and train professionals, it deserves serious consideration as a means of rapid

[26] Hearings, p. 102.

upgrading of educational qualifications for social work to a level perhaps not as high as we would like to achieve eventually, but certainly higher than now obtains. It would attract into social work many able individuals who are unable for financial and other personal reasons to complete the graduate work required for professional status, but who can be given adequate subprofessional training if clearly defined standards and curriculums are established. Hopefully, many of those so attracted would find the work interesting and satisfying and would be motivated to further their professional education as circumstances permit, until they can qualify as full-fledged professionals.

VII. CONCLUSION AND SUMMARY

As stated on p. 5 of this report, it is estimated that the Federal expenditure for its 75-percent share of the cost of services to the elderly on public assistance during the current fiscal year will total $26 million. Thus, this has proved to be one of the least expensive ways of improving the later years. With comparatively modest additional expenditures, it can be made an even more effective instrumentality for brightening the lives of our Nation's elderly. At comparatively minor expense, implementation of our recommendations will remove some of the impediments to the adoption of service programs and the effective administration of such programs, will assist Congress and the Nation in making a wise decision on financing increased social security benefits, and will provide the large numbers of trained social work personnel needed to carry out services programs for the elderly on public assistance.

MINORITY VIEWS OF SENATORS JAMES B. PEARSON AND EVERETT McKINLEY DIRKSEN

While the best ways to provide necessary services for the aged, on or off public assistance rolls, may be the object of differences in opinion, there can only be agreement that none of the Nation's elderly should be deprived of life's necessities.

Few, if any, will deny that the governmental sector of our society has a major obligation to and for the aged.

A constant and careful examination of the way in which this responsibility is discharged for the 2 million older people receiving old-age assistance and others whose deprivation may be comparable is desirable.

What is being done, or not being done, for those in greatest need should also be properly related to what is done for the elderly who are more fortunate.

PROFESSIONAL SOCIAL SERVICE IMPORTANT

In the administration of Federal, State, and community social programs on behalf of the aged, it is essential that social workers who are daily confronted with helping meet individuals' needs have professional competence of the highest order. The dedication and skill which they bring to a difficult task deserve commendation.

We believe that every reasonable effort should be made to assure that the social service profession be adequate in number and proficiency to meet the demands of underprivileged at all ages.

To the extent that the corps of social workers is adequate, will we have economic and efficient administration of aid programs and success in our aim to reduce human suffering.

While information available now will not permit us unqualified endorsement of specific legislation at this time, we believe appropriate legislative committees of the Congress should give favorable consideration to proposals which will most intelligently move toward these ends.

IS WELFARE APPROACH BEST?

Some persons on old-age assistance unquestionably need assistance in a form other than cash payments. We urge each State to make use of Federal grants available to them to make certain that adequate care is provided these elderly. Congress should give careful attention to appropriate legislation which will help the States in this purpose.

Most of the 2 million old-age assistance recipients, however, suffer essentially from a strictly economic handicap.

While patterns vary from State to State, old-age assistance recipients are subjected to investigations which many regard as unnecessary infringements on their dignity.

Whether or not the necessary balance between human needs and fiscal responsibility will permit improvements in this situation for old-age assistance programs, the question deserves examination.

Under the caseworker approach to public assistance, competent administration inevitably is expensive.

For those whose age and physical condition offer hope of return to productive, completely self-reliant roles in society, the desirability of close supervision during the presumably temporary period they receive assistance is highly desirable.

In such situations, responsibility to the taxpayer who is footing the bill but serves to emphasize the importance of strict controls and vigorous efforts at rehabilitation or, as in the case of children, growth opportunities. To this challenge the social worker brings an essential professional competence which is most important.

The current shortage of trained social workers raises a question, however, as to whether or not society is best served if so much of their work is devoted to older people whose only problem is lack of dollars. Assistance recipients and taxpayers alike—at all ages—might benefit from a long, hard look at how much public cash programs for the aged really need the casework approach.

Strict controls on public assistance to younger people unquestionably save the taxpayers many dollars which otherwise would be spent on relief improperly. No one knows how much is actually saved, if anything, by applying similar approaches to older people whose chances of returning to independent earnings and economic independence are often remote. We believe an answer to this question deserves a high priority.

If study reveals that better ways are available without undue additional burden on the taxpayer, suitable action should be taken. It may be found that actual savings may be achieved simultaneous with provision of opportunity for greater dignity to old-age assistance receipients.

Minority members of the Senate Committee on Aging in the past have urged consideration of increases in social security; old-age, survivors, and disability insurance benefits; and blanketing in of all persons over 70 or 72 for benefits. Neither of these objectives has been fully realized. They are but two of many possibilities which should be evaluated in a study of the old-age assistance program.

IS OLD-AGE ASSISTANCE KEEPING PACE?

In previous Committee on Aging minority reports, we have raised serious questions as to the adequacy of present old-age assistance. Both cash payments and services are involved. A superficial examination of published data more than suggests that there is unequal performance by the States in meeting the needs of old-age assistance recipients.

We firmly believe that there are major advantages in State and local administration of all public assistance programs. We also believe, however, in the importance of carefully considered steps to stimulate adequate assistance in every State.

To the extent that new Federal legislation in this direction may be indicated, it is important that cost-of-living variations between the

States and possibly between different types of communities within a State be recognized.

The fact is current data on even such a basic question as living costs is not available except on a very limited scale. Lack of such information seriously impedes intelligent evaluation of old-age assistance. We, as a nation, do not know how well old-age assistance payments have kept up, State by State, with increased needs resulting from inflation.

The Department of Health, Education, and Welfare has not published recent statistics which clearly show the average cash income of persons on old-age assistance. Reporting methods which average expenditures for persons receiving only cash, those receiving both cash and medical services and those receiving only medical services, confuse the issues.

The following exchange of letters indicates the situation regarding data.

FEBRUARY 17, 1966.

Dr. ELLEN WINSTON,
Commissioner, Welfare Administration,
Department of Health, Education, and Welfare,
Washington, D.C.

DEAR DR. WINSTON: The Legislative Reference Service of the Library of Congress informs me that the latest published information showing, State by State, the extent to which average available incomes of old-age assistance recipients meet State-established need standards is for the July–September 1960 period as reported in the 1962 Social Security Administration Public Assistance Report No. 48.

Is this correct?

Can you provide me now with comparable information for a more recent date?

I have seen the Welfare Administration's August 1965 report showing the cost standards for basic needs for an aged woman and for aged couples keeping house alone in rented quarters for each State as of January 1965. This does not, however, show actual average payments or incomes.

The favor of an early response will be appreciated.

Sincerely,

EVERETT MCKINLEY DIRKSEN.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
WELFARE ADMINISTRATION,
Washington, February 28, 1966.

Hon. EVERETT M. DIRKSEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR DIRKSEN: This is in response to your letter of February 17, 1966, inquiring as to whether more recent data as to the extent to which available incomes of old-age assistance recipients meet State-established need standards than that contained in Public Assistance Report No. 48 is available.

As your letter suggests, cost standards for basic needs are obtained from States at fairly frequent intervals and are available for January 1965. Average assistance payments are reported monthly and are currently available. Data on the extent to which old-age assistance recipients also get social security benefits and the amounts of both the assistance payments and the benefits are also secured on an annual basis. However, the determination of the amount of income that recipients have from all sources requires rather intensive special studies which are made less frequently. Such a study is underway at the present time and it is expected that new data will be available in 3 to 4 months. However, at the present time we have nothing more recent than Public Assistance Report No. 48.

Sincerely,

ELLEN WINSTON, *Commissioner.*

The July–September 1960 data on average total incomes of persons on old-age assistance, referred to in the correspondence noted above, reveals some interesting facts.

Actual average income available per old-age assistance recipient, as reported in this study by the Department of Health, Education, and Welfare, fell short of the average subsistence standards set by 34 different States. The presumed average income deficiency ranged from a high of $11.70 per month to a low of 1 cent.

Alabama, California, Louisiana, Maine, Michigan, Mississippi, Missouri, North Dakota, and West Virginia each reported "unmet need" each month in excess of $5 per recipient.

It is conceivable that some of the deficiencies may merely reflect high original subsistence standards set by the State rather than imposition of actual hardship. The probability is that this would be true of only a few at most. In any event, it deserves scrutiny.

What information is available from the Department of Health, Education, and Welfare strongly suggests that there has been no substantive change.

That the situation for old-age assistance recipients may, instead, have become more serious is indicated by a comparison between January 1961 and January 1965, subsistence standards used by the States in determining individual allotments. In this 5-year period, six States have actually reduced the dollar amounts of these benchmarks. Five others have made no change.

During this same period the purchasing power of the dollar has been reduced by inflation. In the past year, dollar values have gone down even more rapidly, especially with reference to necessities without which people cannot live.

Careful appraisal of how old-age assistance standards have responded to additional dollar needs created by inflation is needed. While some of the downward revisions made in the face of inflation may reflect changes called for because previous budgets were too high, it is improbable.

The position of the 2 million old-age assistance reicpients at the bottom of the economic ladder makes examination of their current needs doubly important. These are people to whom even the loss of a single dollar per month in purchasing power often can be crucial.

These are people to whom an uncompensated rise of 10 or 12 percent in food costs can mean the difference between adequate diet and malnutrition.

Needs of these low-income older Americans demand the highest possible priority in allocation of tax dollars.

OASDI STUDY RECOMMENDATION

Three observations immediately can and should be made regarding the majority recommendation that the Social Security Administration should study "proposals that would authorize countributions from Federal general revenues to the OASI program, and that it report to Congress its conclusions and recommendations."

First, there is serious question whether such a major policy obligation should be delegated to the agency charged with administrative responsibility for the program.

While administrative bureaus have much technical knowledge which should be called on in every decision, they may also be subject to a special bias not always compatible with the Nation's best interests.

Much legitimate criticism has been made of the willingness of bureaucrats to distort the intent of Congress through administrative actions and regulations.

Second, the question of financing is but one aspect of many which should be made the object of comprehensive study to make OASDI serve all Americans better.

In 1950, the late Senator Robert A. Taft, while suggesting benefit levels which have not yet been attained, urged a study in depth of public programs affording financial help to the aged. In the 16 years which have intervened the need for such appraisal has increased, not diminished.

Third, the old-age, survivors, and disability insurance program does not stand alone in meeting needs of older Americans.

There are other titles under the Social Security Act. There are other public programs, such as those initiated recently through the Older Americans Act, passed in 1965 with only one dissenting vote in the House of Representatives and none in the Senate.

There are, also, numerous private forces at work to meet the needs of the elderly. Some of the community programs for this purpose have been reported at hearings of this subcommittee.

Private developments in pensions, housing, and other areas must also be related to OASDI.

PREVIOUS MINORITY RECOMMENDATIONS

Minority members of the Senate Committee on Aging in previous reports repeatedly urged consideration of and action on a number of related improvements. They included:

1. Amending the old-age and survivors insurance program under title II of the Social Security Act to increase benefit levels, especially minimum payments;

(2) Liberalizing or eliminating the earnings limitation now imposed on social security beneficiaries;

(3) Increasing social security's old-age and survivors insurance flexibility by providing for actuarially sound increases in monthly benefits to persons choosing to defer participation until an age subsequent to 65;

(4) Extension of old-age and survivors insurance benefits to more older people;

(5) Adequate financing of sheltered care costs for those needing them;

(6) Improvements in administration of housing programs; and

(7) Encouragement of growing private pension efforts.

Others undoubtedly should also be given consideration.

In short, development and improvements of Federal, State, and community actions on behalf of the aged, including OASDI, must give recognition to the fact that the problems of the elderly are complex.

Best solutions will come only when understanding of the varied approaches to the problems are used to bring all types of resources, economic and human, into effective play.

A task force of business leaders created by the U.S. Chamber of Commerce has recently issued a report, "Poverty: The Sick, Disabled, and Aged," which emphasizes the need for such action today.

The Nation should stop its hit-or-miss approach to aging.

In developing well-conceived programs for the aged, it should make use of all points of view and draw on resources of all segments of society—agriculture, labor, business, the professions, and qualified older people, themselves.

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