87th Congress }
2d Session }
COMMITTEE PRINT

HOUSING FOR THE ELDERLY

A REPORT

OF THE

SUBCOMMITTEE ON HOUSING FOR THE ELDERLY

TO THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

AUGUST 31, 1962

Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE
88490 WASHINGTON : 1962

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LETTER OF TRANSMITTAL

AUGUST 31, 1962.

The Honorable PAT MCNAMARA,
Chairman, Special Committee on Aging,
U.S. Senate.

DEAR MR. CHAIRMAN: I have the honor to transmit herewith the first report of the Subcommittee on Housing for the Elderly. This report reflects the results of our studies in this field since the subcommittee was formed in May of 1961, and sets forth the conclusions and recommendations of the subcommittee based on its examination of the scope and magnitude of housing problems of our older citizens and of current governmental and private efforts to meet these problems. Accompanying this report are the individual views of Senator Prescott Bush.

Since the findings and recommendations included in this report are the legislative concern of the Housing Subcommittee of the Committee on Banking and Currency, we respectfully suggest that the report be transmitted to that committee for its consideration.

Sincerely yours,

JOSEPH S. CLARK, *Chairman.*

REPORT OF THE SUBCOMMITTEE ON HOUSING FOR THE ELDERLY

I. Introduction and Summary

Few factors are as important to the dignity and independence of elderly persons as their housing and its location—their immediate physical surroundings. In recognition of the importance of housing to the welfare of older persons, the Special Committee on Aging established the Subcommittee on Housing for the Elderly.

During the past year the subcommittee has examined the adequacy of the supply of decent housing suitable for older persons and has reviewed current efforts, both public and private, to produce such housing. In particular, the subcommittee has attempted to evaluate the effectiveness of Federal programs in helping to expand the supply of suitable housing for the elderly and to determine the need, if any, for further Federal legislation.

The subcommittee conducted five hearings—a 2-day hearing in Washington, D.C., on August 22 and 23, 1961, followed by field hearings in Newark, N.J.; Philadelphia and Scranton, Pa.; and St. Louis, Mo. In addition, some testimony on housing problems was taken in other of the 34 hearings conducted by other subcommittees of the Special Committee on Aging in 1961 and early 1962.

At the hearings conducted by the subcommittee, 53 expert witnesses appeared, collectively bringing to bear an extraordinary breadth and variety of knowledge and competence. In addition, during the field hearings, the subcommittee set aside a portion of the hearing time for comments by members of the audience in what was called a "Town Meeting." During this part of each hearing, the floor was open to anyone present who desired to speak on the subject of the hearing. The hearings were well attended, especially by older people, and in this way the subcommittee was able to gather a number of enlightening comments from people actually involved in the problems being studied.

The staff of the subcommittee also reviewed current literature and reports on the subject of housing for the elderly and conferred on particular questions with experts both within and outside of Government. Committee members and staff visited a number of housing projects developed for older persons, including 12 selected projects in California, a State where the volume of activity under present Federal programs is especially great. The subcommittee chairman also visited housing for the elderly in Sweden, Denmark, and Rumania and conferred with officials taking the lead in developing such projects in those countries.

Present housing programs for senior citizens, and any new legislation with respect to these programs, are the legislative concern of the Housing Subcommittee of the Committee on Banking and Currency. This subcommittee, therefore, respectfully urges that the Special Committee on Aging make available the findings and recommendations in this report to the Subcommittee on Housing for its consideration.

The outlines of the problem

While the Nation's nearly 17 million older citizens are a heterogeneous group with an endless variety of individual characteristics, they tend to have certain problems in common which bear on their housing needs.

Incomes of the elderly are low.—Most people over 65 are retired from the work force and live on reduced incomes. As Henry D. Sheldon has remarked: [1]

> Since ours is a money economy, income is generally regarded as the best single index to welfare * * *. Food, shelter, clothing, medical care—in many contexts, self-respect—may all be had for a price.

While there is not always a direct relation between income and well-being, too many older persons live in the economic cellar. In 1960 the median personal income of men aged 65 and over who were family heads was about $1,900, and the median income of persons 65 and over who were living alone was $1,050.[2] At that low an income level, people can hardly buy the first two of the everyday necessities, food and clothing, to say nothing of securing adequate housing.

Income declines as age advances.—Senior citizens, whose incomes have already declined because of retirement from the work force, may expect still further reduction of income as the years go by. When one partner of an elderly couple dies, the other partner's income is cut. It is typical of aged widows that they receive about half the income of aged couples. The average social security benefit to widows in 1959 was $56 a month, as compared with $119, for couples.

Income cannot be increased.—An elderly person is not only retired on a reduced income, but he is rarely able to augment his income through employment. The proportion of older male workers in the labor force has been decreasing steadily since modern industrialization began, partially because their skills tend to become obsolete and partially because of the trend toward earlier retirement. Over the past half century, participation of older men in the labor force has declined by about 50 percent.

The elderly have limited liquid assets.—Most of the savings of older people are tied up in homes and in life insurance rather than in forms readily convertible to cash. According to a Federal Reserve Board survey, 46 percent of spending units [3] with heads 65 years of age or more had liquid assets in 1959 of $500 or less. Moreover, as might be expected, liquid asset holdings decreased with income. Among those aged spending units with less than $3,000 of annual income, almost half had liquid assets of $200 or less.

A survey by the Bureau of Old-Age and Suvivors Insurance in 1959 of a sample of its beneficiaries shows a similar picture. Among couples, 28 percent had no liquid assets at all and another 12 percent

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[1] Sheldon, Henry D., "The Older Population of the United States," John Wiley & Sons, Inc., 1958, p. 112.

[2] See "Sources and Size of Money Income of the Aged," by Lenore A. Epstein in the January 1962 Social Security Bulletin.

[3] A spending unit is defined as a household in which income is pooled for the use of all members with one member substantially in control of its expenditure.

had liquid assets of less than $500. Among the single elderly (widowed, divorced, or never married), 43 percent had no bank deposits or savings and an additional 13 percent had some but less than $500.

Only a very few have any substantial property assets.—Contrary to the traditional notion that older people tend to own property, few, in fact, own real property with any substantial value and even fewer own marketable securities.

The Federal Reserve Board found in a 1957 survey that only 11 percent of the aged spending units owned corporate stocks and bonds or Government securities. Virtually all of those owning such assets were in the group which also had $2,000 or more in liquid assets.

Most of the savings of the aged are represented in equity in their homes and for most this equity is their only substantial asset. Data from the 1960 census show that the median value of homes owned and occupied by persons 65 to 74 is $9,900. Those owned by persons 75 and over had a median value of only $5,600. Typically these properties are old homes, often located in areas no longer considered to be desirable residential areas and frequently run down and neglected because of the physical and financial inability of their owners to maintain them. Thus, these assets often are difficult to convert to cash, and when sold do not yield enough to provide suitable new housing.

Retirement lasts a long time.—The trend toward increasingly early retirement, coupled with increasing longevity, means that the retirement period will tend to be longer and longer. A 65-year-old today has a life expectancy of 14 years. If we were considering only the problems of the relatively young retirees in vigorous health, providing housing for the elderly at prices they can afford would be less difficult. But such housing must be suitable not only for the earliest phase of retirement, but for the latter stages, when frailty, disability, accident proneness, weakened vision and hearing difficulties are liable to accelerate and multiply. Housing design and location must take these potential disabilities into account.

The elderly are clustered in the decaying cores of cities.—The elderly are harder hit than any other age group by urban renewal and other community redevelopment programs. Because the elderly have low incomes and because they tend to be residual occupants of old and deteriorating urban neighborhoods, their concentration in such neighborhoods is particularly great.

Their removal from these neighborhoods is especially fraught with personal and social problems. Even if their housing is substandard, it is nonetheless situated in an area of longstanding associations and familiarity, the values of which are compelling. If the elderly must be relocated, the psychic cost to the elderly person of change itself cannot be disregarded.

Household size is usually reduced.—Housing designed for families is not necessarily suitable for retired persons. By the time parents reach age 65 their children have generally established homes of their own, leaving the parents as a two-person household. But even by this time widowhood has overtaken many, and by age 75, fewer than half are living with their spouse in their own household. If the older persons remain in their original family homes, they are liable to have more space than they can utilize, maintain, or afford. Specialized housing for the elderly, therefore, needs to be designed for one-person and two-person households.

Yet many older people live with their children.—According to 1960 census data, 2,300,000 elderly people live with their children or other adult relatives. The oft-heard complaint that children have lost their sense of filial responsibility appears to have little basis in fact.

The cherished belief that in the past grandparents always had a home with their children also has been challenged. Prof. Robert W. Kleemeier of Washington University, who testified before the subcommittee, said:

> There is ample reason to believe that in the past it was characteristic for children to leave the parents at home while they went forth, frequently to the frontier, to set up homes of their own. Living in the extended family of grandparents, children, cousins, uncles, and other relatives was * * * simply not the common rule. Nor do we have any evidence from earlier times that having the grandparents live with their children and grandchildren was better accepted then than today. The romanticized larger houses of former times * * * which remain today [are] relics or monuments of the past; the one-room cabins are gone and forgotten.[4]

In any case, there is solid evidence that many of the millions of older people who live with adult children would prefer not to have to do so. For a great many the arrangement cannot help but be unsatisfactory—both for the older person who has lost command of his own household and for the child who must struggle to meet the needs of the elderly parent as well as those of his own children and spouse. Dr. Kleemeier and other witnesses pointed out that the desire to be independent of their children is very strong among the elderly.

In addition, it must be remembered that the number of four-generation families in the United States is increasing rapidly. Since 1920 we have experienced a ninefold increase in the number of persons 85 years and older. A million Americans are in this category; 5.6 million are 75 or more. So the question arises: If a 65-year-old retiree is expected to live with his children with whom do his 86-year-old parents live?

Most elderly persons live where they have always lived.—The extent to which older people move to warmer climates upon retirement is vastly overestimated. Florida, California, Arizona, and other "sunshine States" have some "retirement communities" settled mainly by northerners, but compared to the total of 17 million older people the number in these communities is negligible. California and Arizona actually have a smaller proportion of persons over 65 than does the United States as a whole. Of all the States along the southern border of the country, only Florida has a percentage of elderly higher than the national average, and even Florida has fewer old people in relation to population than do five Northern States—Iowa, Missouri, Nebraska, Vermont, and New Hampshire.

The fact is that few elderly persons have both the financial means and the desire to spend their retirement years in a locality other than the one in which they spent their working years. The problem of

[4] Hearings before the Subcommittee on Housing for the Elderly, pt. 1, Washington, D.C., Aug. 22, 1961, p. 43.

housing for the elderly is a universal one, shared by every State and every community.

Older people differ in what they want and need.—While housing of 17 million older people has to be considered as a national problem, and one of great magnitude, it must also be regarded as 17 million individual problems. The aged and aging differ widely in their needs and desires. Some prefer to live in "projects" or "retirement colonies" confined to their age group, while others prefer to live in close proximity to younger families. Some prefer apartment living; others are not happy without a separate house with a lawn and garden to care for. Some want to live downtown with ready access to community activities and services; others prefer to live on the edge of town or in the suburbs. Some are sufficiently vigorous to live independently; others can maintain their households with a minimum of help, if they live in the kind of housing that is easy to maintain; still others require medical care or supervision in varying degrees.

A visitor to housing projects for the elderly in Sweden and Denmark is particularly impressed with the variety of accommodations and services offered, and the care with which housing and health services are related. In downtown Copenhagen, the chairman of the subcommittee visited a project which encompassed the four sides of a city block surrounding a pleasant park. The compound provided apartment units with cooking facilities for those able to take care of themselves, community dining facilities for those who were ambulatory but unable or unwilling to do their own cooking, and a nursing home for those no longer ambulatory. Similarly, a high-rise building in downtown Stockholm designed for the very aged provided apartments in the lower five floors for persons capable of some degree of independent living, with nursing home and hospital facilities on the higher floors. An apartment development for retired workers in suburban Stockholm provided cooking facilities in each unit but prepared in a central kitchen a choice of hot meals which could be ordered and sent in to the individual units.

The program developed in each American community for housing of its elderly citizens should include a variety of types of accommodations and offer each individual or couple a range of choice.

Summary of conclusions

(1) *A national problem.*—Housing for the elderly is a national problem of great magnitude, which the Nation has only begun to recognize and come to grips with. And the problem will grow as the number of elderly persons grows—from 17 million over 65 in 1960 to 24.5 million in 1980.

(2) *Magnitude of the need.*—While the supply of housing is inadequate for all age groups—as indicated by the estimated 11 million substandard units still in use—a higher proportion of elderly than of any other age group live in substandard dwellings because their income is least. About 5 million households among the 11 million containing elderly persons, or 45 percent, need to be better housed.

(3) *Need for specially designed housing.*—Even among elderly persons living in "standard" housing, many are ill-housed because units designed for families may be unsuitable for the special needs of elderly persons, especially those most advanced in age. They need housing especially designed for older persons. Such housing units should be

suitable in size for single individuals or couples, easy to maintain, economical in cost, convenient to community activities and services, and incorporating certain design features which reduce the hazards to older people whose physical mobility is reduced. Housing properly designed for older people enables them to maintain independent households longer than is possible otherwise.

(4) *Need for range of choice.*—Individual retired people differ widely in their housing needs and desires. Specially-designed housing should, therefore, offer a range of choice, adjusting to the requirements of the older person rather than requiring him to make the adjustment to a style of living he may find objectionable.

(5) *Expansion of Federal programs.*—In view of the severely limited incomes of most persons over 65, substantial improvement in the living conditions of the Nation's elderly depends heavily on Federal assistance to provide specially designed housing at reduced costs. Present Federal programs—FHA insurance, direct Federal loans, and special public housing units—are well-conceived, and for those relatively few persons whom they serve, they are of great benefit. But compared with the magnitude of the need, they have barely scratched the surface—producing a few thousand units when the need is in the millions. If the Nation is to succeed in providing decent shelter for all its older citizens, it must undertake an effort on a scale far greater than is now underway.

(6) *Financing of Federal programs.*—Such an effort can hardly be undertaken as long as all of these Federal programs depend on appropriated funds which are included as budget expenditures. The FHA and VA programs which have been instrumental in the vast expansion of "suburbia" since World War II have succeeded only because their insurance and guarantee operations were outside the budget. The direct loan and loan insurance programs for the elderly involve no cost to the taxpayer, and no net increase in the Federal debt. In the case of the direct loan program, all the Government does is pass on to the borrower the comparatively low interest rates which the Government is able to obtain. The mortgage insurance program makes private financing more readily available by insuring lenders against loss. Yet through the technicalities of budget presentation these transactions are treated the same as other governmental expenditures which involve 100 percent subsidy. Either a new method of financing housing for the elderly must be found which will bring down interest rates without requiring the use of appropriated funds, or the methods of budget presentation must be changed so that repayable loans are not lumped in with outright expenditures.

(7) *Nursing homes.*—Progress in meeting the need for good nursing home accommodations has been retarded by the exclusion of nonprofit nursing homes from FHA insurance aid now given to proprietary nursing homes.

(8) *Research.*—In order that housing for the elderly may be properly planned, much more knowledge is needed. Research should be of two kinds—general studies aimed at learning more about the effects of various housing arrangements on older persons and evaluating the varied projects which have been undertaken; and community-by-community studies of the shortcomings of housing for the elderly and the particular needs and desires for improved shelter expressed by the elderly themselves in each locality.

(9) *Community organization and leadership.*—Even if the limits could be removed from Federal assistance, few communities are prepared to take advantage of such assistance and proceed rapidly with the design and construction of specialized housing for the elderly. This is due not only to the absence of data, referred to above, but to the absence of community organizations prepared and competent to assume leadership. The country needs more specialists in the field of housing for the elderly, and communities need to mobilize the resources of all organizations, both public and private, which can contribute to leadership and planning.

(10) *Community planning.*—Based on the results of both general and local research, each community should develop a plan for housing its own elderly which will enable those who are ill-housed to move into suitable dwellings and offering a range of choice within the limits of what the elderly can afford. This plan should be an element of, and consistent with, the community's comprehensive physical plan.

(11) *Urban renewal.*—Urban renewal has worked particular hardships on elderly persons, both because they are heavily concentrated in renewal areas and because as a group they are less adaptable and hence suffer more from sudden and enforced change in their living arrangements. Every possible step should be taken to soften the impact of urban renewal on older people.

Principal recommendations

The subcommittee offers the following recommendations, which are developed in more detail in the remainder of this report, and requests their consideration by the Housing Subcommittee of the Committee on Banking and Currency.

(1) *Expansion of Federal programs.*—Federal assistance under existing programs for housing for the elderly—FHA insurance, direct loans, and special public housing units—should be expanded as rapidly as communities are prepared to take advantage of these aids. The authorization for the direct loan program should be increased immediately, since applications exceed total funds now authorized.

(2) *Financing of Federal programs.*—To make the needed expansion of Federal assistance possible, a new method of financing those programs which involve no subsidy—the insurance and loan programs—should be devised to remove their dependence on appropriated funds, or methods of budget presentation should be revised so that these transactions, which involve no ultimate expenditure, are not classified as outright expenditures.

(3) *Community organization and leadership.*—In order that all of a community's resources may be mobilized to deal with the housing problems of its elderly citizens, the restriction on participation by local housing authorities in the direct loan program should be modified.

(4) *Nursing homes.*—Nonprofit as well as proprietary nursing homes should be made eligible to participate in the FHA mortgage insurance program.

(5) *Research.*—The Housing and Home Finance Agency should undertake a major research program to obtain far better data than now exists on the housing needs of the elderly and the effect on older persons of various housing arrangements.

(6) *Community planning.*—Federal assistance to community planning should be expanded to provide aid for surveys of the housing

needs of the elderly in each locality and the development of comprehensive community plans.

(7) *Urban renewal.*—In order to ease the impact of urban redevelopment on housing for the elderly, the following steps should be considered:

(*a*) Amend provisions of the Housing Act of 1949 relative to local noncash grants in aid to permit local public agencies to make sites available for development by cooperative and nonprofit sponsors of housing for the elderly and to credit the value of such sites to the project as a local noncash grant.

(*b*) Authorize the Federal Housing Administration to insure mortgages for the rehabilitation of the residence of an elderly homeowner on terms which do not require full amortization of the loan. Such mortgages could require payment of interest only or interest plus a part of the principle with the balance becoming due upon the sale, devolution, or other transfer of the property.

(*c*) Authorize rent subsidies for limited periods to enable persons displaced by urban renewal or other Federal programs to obtain decent housing, the subsidies to be included as part of the project cost.

II. Magnitude of the Need

While it is impossible to state precisely the unmet need for housing for the elderly, a few basic facts are clear:

(1) There are 17 million Americans over 65 of age, and the number is growing every year.

(2) Of these, several million have unsolved critical housing problems.

(3) The major need is for rental housing, at prices which retired people with low incomes can afford.

There was no dissent from these general propositions at the hearings conducted by the subcommittee.

The Cornell University study

Until special tabulations of 1960 census data are available, a Cornell University study, published in 1961, provides the best data at hand for estimating the magnitude of the national need for better housing for older persons.[5] The study analyzed the housing status of a national sample of OASDI beneficiaries.

The study concluded that 45 percent of the elderly individuals or couples in the sample were inadequately housed. Applying this rate to the estimated 11.3 million households containing persons 65 years of age or over, a present need for about 5 million new or rehabilitated units for the elderly is indicated.

In defining what constitutes adequate housing, the Cornell researchers not only considered the physical condition of the dwelling unit and such factors as plumbing and the availability of hot water but also assumed that older people need to live independently. Therefore, those older persons living with their children or with others were included among those needing better housing.

These findings appear consistent with estimates based on U.S. census data that over 11 million substandard units were occupied by

[5] "Economic Aspects of Housing for the Aged" Glenn H. Beyer, Center for Housing and Environmental Studies, Cornell University, 1961.

the population as a whole in 1960, using physical criteria alone to define "substandard." [6] All available evidence is that older persons occupy substandard housing in a much higher proportion than do other age groups.

Relation of housing to income

The major barrier between older people and the improved housing that they need is, of course, their lack of resources.

The Cornell study found that 76 percent of the need was among those in its sample with annual incomes of less than $2,000. The proportion declined as income went up. Among those with incomes over $5,000 living in their own households, the need was negligible.

Statistics derived from the 1960 Census will illustrate the economic disadvantage of the elderly compared with younger families.

Among families with heads 65 or over, 31.4 percent had money income of less than $2,000, compared with 10.2 percent of younger families. At the other end of the income scale, 37.1 percent of families with heads under 65 had incomes of $7,000 or over—compared to only 16.4 percent of older families.

The median money income of all families headed by persons 65 years or over was $2,897, compared to $5,905 for younger families. For two-person families—which include almost three-fourths of all older families—median income was $2,530. This was less than half the median income of $5,314 reported for two-person families headed by persons under 65.

The economic disadvantage of the elderly who live alone or with nonrelatives is even greater. The median income for persons 65 and over in these categories was $1,050; for those under 65, it was $3,370. Only about one-fourth of the aged unrelated individuals reported any earnings in 1961, whereas five-sixths of younger persons living alone or with nonrelatives reported earnings.[7]

About 1.8 million elderly persons living alone or with nonrelatives had incomes of $1,000 a year or less. Assuming that they should not pay more than 40 percent of their income for housing, they cannot be helped by the production of housing which rents for more than $33 a month. Another million have incomes between $1,000 and $2,000, which would limit them to a housing expenditure of $33 to $67 a month.

These figures do not take account of the 2.3 million elderly persons who live with adult children or other relatives and whose incomes, as a group, are undoubtedly among the lowest. While some of these living arrangements probably are entirely satisfactory, the weight of evidence suggests that this is not generally the case. A great deal of testimony was heard by the subcommittee, especially from older people themselves, that they did not wish to live with their children and were doing so, or would do so, only as a last resort.

A special study of housing for the elderly in California [8] developed data strongly indicating that elderly persons live with relatives largely out of financial necessity. It was found that the percent of older persons living with relatives decreased sharply as incomes increased.

[6] See estimate by Dr. Rheinhold Wolff, reported on pp. 10–11, "Study of Mortgage Credit," Subcommittee on Housing, Senate Committee on Banking and Currency, 1960.
[7] See Epstein, Lenore A., "Sources and Size of Money Income of the Aged," Social Security Bulletin, January 1962.
[8] Smith, Wallace F., "Housing for the Elderly—An Evaluation of Existing and Proposed Programs," Institute of Business and Economic Research, University of California, 1961.

The range was from 37 percent of those with incomes under $1,000 per year to only 4 percent of those with incomes of $5,000 and over.

The Cornell study found that about three-quarters of the need for better housing (76 percent) was among the elderly beneficiaries with annual incomes of less than $2,000; 16 percent among those with incomes of from $2,000 to $2,999; and the other 8 percent among those with incomes of $3,000 or more. The percentage of need found among the elderly living in their own households with incomes of $5,000 or more appeared to be negligible. The need is especially marked among widowed or single women and widowed or single men, whose needs were 49 and 22 percent, respectively, of the total needing better housing.

The published data from the Cornell study do not give a finer breakdown of the incomes of those needing better housing than that given above. The entire study sample, however, was stratified by $500 increments in annual income. If the assumtion is made that the income distribution of those needing better housing is the same as the distribution of the total sample of elderly person households, a more detailed breakdown of ability to pay for housing can be obtained.

In fact, the incomes of those in the sample found inadequately housed probably tend to be lower than the overall distribution would indicate. However, the following table will give a general picture of the numbers of elderly who now need better housing and who are able to pay in each of several rental ranges. The relation of income to rent levels in this table assumes that elderly persons or couples should allocate no more than 40 percent of their income to housing.

Ability to pay of elderly households needing better housing—Estimated number of households by rent range

Possible monthly rent range:	*Estimated number of households*
Less than $33	1,000,000
$33 to $50	1,100,000
$50 to $67	900,000
$67 to $83	700,000
$83 to $100	400,000
Over $100	900,000

When assets as well as income are taken into account, the picture is not materially changed. The Federal Reserve Board study showed that 29 percent of the spending units headed by persons 65 and older had no liquid assets at all and an additional 17 percent had less than $500.

State committee studies for the 1961 White House Conference on Aging

Background studies conducted by State committees in preparation for the White House Conference on Aging in 1961 show how widespread is the recognition that millions of older citizens need better housing. Here are some of the findings of the State studies.

In **Alabama**, 40 out of 51 directors of local public housing authorities reported a need in their communities for housing especially designed for older persons, with some pointing out that applications could not be filled because of the lack of facilities; 35 of 67 county agents indicated that the typical housing for rural elderly was marginal, and another 12 stated that it would be classed as submarginal.[9]

[9] Background studies prepared by State committees for the White House Conference on Aging, report by the Subcommittee on Problems of the Aged and Aging, 1960, pp. 24–25.

A study conducted in **Arizona** showed that almost all elderly persons who were renting apartments or houses found it difficult to stretch incomes to cover other needs after paying rent. The majority of those living with married children said they did so out of necessity and would much prefer maintaining homes of their own.[10]

In **Arkansas,** the most frequent answers to the question of the principal unmet housing needs of older persons were "better housing at lower rent" and "nursing homes or expansion of present home." [11]

The **California** study indicated that nearly two-thirds of old-age assistance recipients maintain their independence, living alone or with their spouses. It was conservatively estimated that 13 percent of all housing—12 percent of the dwellings owned and 14 percent of those rented—were substandard. The study indicated that the aged in California have less than half the income of other families or persons in the State.[12]

Colorado reported a concentration of older persons in large urban areas. In Denver, the greatest concentration is in the downtown Capitol Hill district, where many small hotels, rooming houses, housekeeping rooms and small apartments are located. The primary concentration is of single women who spend about 50 percent of their incomes on rent. Single older men pay less rent for housing which is appreciably inferior to that in which the older women live.[13]

In **Georgia**, 38 percent of the representatives of 95 casework agencies listed adequate housing as a broad unmet social service need of older people. The housing problem ranked second only to that of health care. Georgia county questionnaires indicated that representatives in three counties out of four did not believe that private enterprise could receive a fair and reasonable return on an investment in new housing for elderly persons. Eighty-two percent of 50 reporting counties said that a principal unmet housing need of their older people was desirable low-cost housing.[14]

A survey reported by **Hawaii's** study committee indicated that among 262 responses from both individuals and couples over 50 years of age, 210 favored independent living. Self-owned homes were heavily favored over rental units. Hawaii reported that the area of greatest need is housing for the middle income group, whose income is above the eligibility limits for low-rent housing units but too small to cover the cost of entering a completely paid life-care program in the deluxe class.[15]

The **Illinois** report said:

> A large number of senior citizens, who have had many years in which to pay off mortgages, are homeowners. Because of generally low income levels, however, it appears that sacrifices in food, clothing, and other requirements must sometimes be made to maintain the home. Many elderly homeowners would obtain the cash needed to meet changing living requirements if they could sell their homes. The design of these older buildings, however, frequently prevents them from being readily accepted on the market. Other social and

[10] Ibid., p. 132.
[11] Ibid., p. 191.
[12] Ibid., p. 281.
[13] Ibid., p. 463.
[14] Ibid., pp. 1119–1121.
[15] Ibid., pp. 1214–1216.

economic trends are affecting elderly housing needs. The average household size has been decreasing. Families live in dwelling units, usually without room for older relatives. Care of the aged in the home is no longer an accepted family responsibility.[16]

The report for **Indiana** summarized a survey conducted in Bloomington which showed that 27 percent of elderly men and 19 percent of the women had only one or two of the following conveniences: electricity, running water, automatic hot water, central heating furnace. The Indiana housing committee reported being appalled at how little housing was currently being constructed or designed for the use of older people.[17]

Kentucky's report said: "Very little is known about the housing problems of the aging population in general * * *." However, the report continued, "many old age assistance cases live in substandard houses, lacking inside water or plumbing facilities or electricity and often in need of major repairs." [18]

In **Louisiana's** report, the New Orleans Division of Housing Improvements indicated that 45,000 out of 168,000 housing units were considered substandard; that is, dilapidated or without either private bath or running water. Most of the housing problems were in Negro areas, where inhabitants were often charged exorbitant rents for inadequate dwellings. A Department of Public Welfare representative reported that many welfare recipients were living in old, dirty, unsanitary tenement houses with only outside running water and often with no gas, necessitating the use of kerosene for cooking and heating. Rent for such units was usually $20 a room per month, including water and electricity.[19]

Maine presented a brief report on a Bar Harbor survey which showed that old people want to remain as long as possible in their own homes, but that these become financial and physical burdens to maintain. The survey "revealed a need for housing at rents within the incomes of the retired." [20]

The working paper prepared by the **Washington** Committee on Housing and Living Arrangements for the Washington background paper states:

> Unable to live with relatives, and unable to maintain their own homes, even those with adequate incomes need assistance in finding satisfactory living arrangements. Those with inadequate income, unable to obtain or maintain housing that meets * * * regulations requiring decent, safe, and sanitary quarters, are, in large measure, living in substandard dwellings.[21]

A small survey conducted among senior citizens in the State of Washington reported that 28 percent of the total expressed dissatisfaction with their housing and living arrangements.[22]

The **Wisconsin** study included data on a survey conducted in Milwaukee, which showed that 3,000 elderly couples and single

[16] Ibid., pp. 1323–1324.
[17] Ibid., p. 1660.
[18] Ibid., p. 2301.
[19] Ibid., p. 2457.
[20] Ibid., p. 2605.
[21] Ibid., p. 7349.
[22] Ibid., p. 7455.

persons were living in substandard housing. Milwaukee had 1,880 low-rent public housing units at the time, of which 290 were occupied by older people. Another project of 120 units designed for the elderly was soon to be built. At the same time, the elderly had been applying for public housing units at the rate of 300 per year and the then current backlog was approximately 500 applications.[23]

In the "Background Paper on Housing" for the 1961 White House Conference on Aging, the section on "Housing for Independent Living" states, "the great majority of older people cannot afford to pay either purchase or rental prices of housing available in most of our cities today." The report continues, "older families and individuals have been forced to allocate abnormally high percentages of their annual incomes for preferable housing, or they have been forced to seek some form of subsidized housing."[24]

Examples of local need studies

The Public Housing Administration has conducted several test surveys to measure the demand for housing for senior citizens in low-rent public housing.

In Toledo, a survey among a small group of elderly families who were living in or had applied for public housing showed that 28 percent were living in substandard units or had lived in substandard units before moving into public housing.[25] Only a small percentage owned their own homes prior to moving into public housing. About one-third of the elderly tenants had shared dwelling units, mostly with relatives, before moving into their public housing units.

In its Minneapolis survey of 259 single elderly persons who were applicants for low-rent housing, PHA found most striking the fact that the elderly budgeted very high proportions of their income for private housing.[26] Nearly one-third of all persons reporting paid more than one-half of their income for rent and utilities Significantly, the proportion of elderly who paid more than half of their income for rent was lower (23.2 percent) among those occupying substandard housing than among those who lived in standard housing (41.3 percent) The survey showed that 246 of the respondents would obtain rent reductions if they moved into low-rent units.

Half of those surveyed in this study indicated that they wanted to move into low-rent units to save money, to be able to get along on their social security payments or to be able to afford better food and clothing One widow reported that she was living on $75 a month and paying $50 rent She said, "When expenses are paid, I have only about $14 per month for groceries That does not take care of medical care, dental care, glasses or clothing."

Testimony at recent House hearings

The recent hearings held by the General Subcommittee on Education of the Committee on Education and Labor of the House of Representatives contains further pertinent testimony on present problems of housing for the elderly.

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[23] Ibid., p. 7840.

[24] "Background Paper on Housing," 1961 White House Conference on Aging.

[25] "Sources of Demand for Low-Rent Housing Specifically Intended for Elderly," preliminary results of special PHA survey in Toledo, Ohio, Public Housing Administration, Economics Branch, October 1960, 4 pages.

[26] "Determinants of Demand for Housing for the Elderly," survey of elderly applicants for low-rent public housing, Minneapolis, Minn., 1960, Public Housing Administration, Economics Branch, January 1961, 5 pages, plus accompanying tables.

With reference to the Federal direct loan program, the Honorable George E. Brown, Jr., member of the California State Assembly and member of the Governor's Advisory Committee on Housing said:

> And the studies of the Commission, I think, have indicated very clearly that for that segment of the population which is in the low income group, and the elderly are almost always in this low income category, there is no way of providing adequate housing for them without some form of governmental subsidy, either in the form of low interest loans, or tax credits, or something of that sort. In my opinion, the best program would be one in which all of these things were involved, that is, where low interest money was available, where local agencies and jurisdictions would cooperate in providing certain of the services that might be necessary, possibly, whether there could be some remission of taxes. In other words, every level of government should be doing a part of this job in order to make sure that there would be housing available within the reach of these low income groups.
>
> Otherwise, private industry is just not going to be able to meet this need, as much as I would like to see it meet the need. I don't think there would be any question, even on their own part, that they could hope to provide housing facilities within the income range necessary here.[27]

At the hearings of the House subcommittee on April 9, 1962, at New Brunswick, N.J., Dr. Hayvis Woolf, director of public welfare, Cranston, R.I., submitted a statement in which he said:

> * * * In the State of Rhode Island, welfare receipients are allowed in their budgets just $35 a month for rental of suitable or possibly unsuitable living quarters. Since by the 1950 census, our average rental in my community is $50 a month, this presented an acute problem and made me realize that our elderly citizens were not receiving sufficient subsidies through the old age program for suitable, comfortable living quarters.
>
> Many of our aged citizens who are afflicted with heart trouble and arthritis are living in third-floor apartments and tenements, not being able to go our of doors because they can not walk the stairs. Many were being housed with expenses exceeding their allotments for rent and fuel; constantly struggling to pay all the bills. Then there is the percentage that can only afford dilapidated and substandard dwellings due to the low budgets.[28]

Conclusions

Great numbers of our elderly citizens are living in housing which is dilapidated, unsafe, or at least quite unsuited to persons of advanced years, and many others do not live in dwellings with the privacy,

[27] Stenographic transcript of the hearings of the General Subcommittee on Education of the Committee on Education and Labor, House of Representatives, on "Problems of the Aged and Aging," pp. 61–62, Sacramento, Calif., Mar. 30, 1962.

[28] Stenographic transcript of the hearings of the General Subcommittee on Education of the Committee on Education and Labor, House of Representatives, on "Problems of the Aged and Aging," New Brunswick, N.J., Apr. 9, 1962, pp. 115–116.

convenience, and minimal amenities so important to independence and dignity.

While no exact measurement of the need for better housing for the elderly exists, all available data indicate that the elderly who are ill housed number in the millions. The subcommittee accepts the import of the estimate in the massive Cornell University study that 5 million elderly households now need better housing. These findings are consistent with those of other studies, including analyses of U.S. census data.

The inability of the aged to obtain decent housing is the simple result of lack of economic power. Among those elderly persons living alone or with nonrelatives, almost 2 million can pay no more than $33 a month for housing, and another million can pay no more than $67. It is beyond question that a majority of these people cannot now be in suitable housing with the resources at their command.

Most of the 2.3 million older people living with adult children or other relatives are doing so out of financial necessity rather than of choice, and would be happier and better housed if living independently.

In the light of the low incomes of the elderly and their lack of resources, the production or rehabilitation of units for decent housing for the elderly on the massive scale required is not likely to be accomplished by private enterprise without Federal assistance to bring housing costs down within the range that the older persons can afford.

III. Present Federal Programs and Their Effects

Through a series of enactments since 1956, the Congress has recognized that Federal assistance is required if the vast needs of the Nation's elderly for better housing are to be met.

These measures have two goals:

(1) Expansion of the supply of housing especially designed for older persons—units appropriate in size, easy to maintain and manage, with built-in safety features, located with ready access to community services, and usually incorporating auxiliary facilities for older persons ranging from simple activity rooms to more ambitious recreation centers, dining halls, and health care facilities. Such housing differs markedly from the rest of the Nation's housing supply, which is designed in the main for occupancy by families. The special FHA insurance program authorized in 1959 is designed to make private mortgage funds more readily available for such housing.

(2) Reduction in the cost of such housing in order to bring it within the ability to pay of retired persons living on reduced incomes. One of the Federal programs—public housing—reduces costs through outright subsidy. Another—the direct loan program—involves no subsidy by the taxpayers but reduces costs, and thus brings down rentals, by passing on to nonprofit and cooperative sponsors the lower interest rates at which the Government is able to borrow.

The subcommittee heard few suggestions in its hearings that the Federal Government curtail or eliminate its activities. The weight of testimony was heavily on the other side—that private enterprise, unaided, cannot hope to solve the Nation's problem of housing for the elderly and that Federal programs should therefore be made more effective.

Typical of the expert testimony was that of George W. Grier, director, Conference Study of Housing for the Aging, Brookings Institution, who told the subcommittee:

> I believe that the general conclusions on the economic status of the elderly * * * clearly indicate the need for substantial assistance through the channels of government. Without this assistance, the housing problems of the elderly will not be solved; it is as simple as that.[29]

Since 1956, Federal efforts in the field of housing for the elderly have steadily accelerated, perhaps due in some measure to the work of the special Committee on Aging and its predecessor subcommittee of the Committee on Labor and Public Welfare. In 1961, the Congress greatly increased the magnitude of Federal programs in the field. Applications for Federal assistance and commitments made by the Government increased sharply in 1961, and the rise has continued in 1962.

This chapter will briefly review activity and accomplishments under the present Federal programs.

Public housing for the elderly

The low-rent public housing program was authorized by the Congress in the Housing Act of 1937 as a local-Federal aid to communities through which they may provide safe, decent, and sanitary housing for families who cannot afford standard private housing. The dwellings are planned, built, and operated by local housing authorities and financed through bonds issued by the local authorities. The bonds are amortized out of net rental income earned by the authority with deficits made up from Federal funds appropriated for that purpose.

Low-rent public housing has been available to many low income older families from the inception of the program, but two changes made in the law in 1956 greatly expanded its usefulness. Those amendments extended eligibility to single elderly men and women, as well as families, and specifically authorized accommodations designed especially for the elderly. In 1961, the Congress increased construction cost limitations on units especially designed for the elderly and authorized an additional annual subsidy of up to $120 for each elderly family housed. To the extent that rents which the elderly families can afford to pay are too low to cover operating expenses, this subsidy serves to maintain the solvency of the project.

In addition, the Housing Act of 1961 authorized the Public Housing Administration to contract for the approximately 100,000 additional dwelling units which can be financed with what remains of the original authorization under the Housing Act of 1949. While no portion of the 100,000 unit authorization was specifically set aside for units for the elderly, it can be anticipated that local authorities will utilize a substantial proportion of it for that purpose.

In 1961, the Public Housing Administration received applications for and programed 15,442 dwelling units for senior citizens. Of these, 10,139 were newly programed in 1961, and 5,303 had been programed in previous years but designated for the elderly for the first time in 1961. Funds involved amounted to $200.7 million.

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[29] "Hearings before the Subcommittee on Housing for the Elderly," pt. 1, Washington, D.C., Aug. 22, 1961, p. 8.

In comparison, the number of public housing units for the elderly programed in the 5 preceding fiscal years, 1956 through 1960, was 25,241.

Actually completed in 1961 were 2,291 units, compared with 1,181 completed over the previous 5 years.

A total of about 116,000 persons 62 and older are now sheltered in public housing, including about 75,000 elderly families, somewhat less than half of whom are single-person families.

Almost 2 million elderly persons, considering only those now living alone or with nonrelatives, can afford to pay no more than $33 a month for housing. Except for subsidized public housing, very little standard housing—certainly no new units—can be provided at such rentals.

The figures derived from the Cornell study suggest that over 2 million—almost half of the elderly now needing better housing—have incomes low enough to make them eligible for public housing. It does not follow that all of these must necessarily be provided for in public housing, but it is safe to assume that a substantial proportion would be better accommodated in this way than in units otherwise available, and that for a large majority, public housing is their only hope for improved living conditions.

The table below shows the rent levels actually being charged elderly occupants of public housing during 1960.

Rental charges for elderly tenants in low-rent public housing, 1960 (includes all elderly moving in during 1960)

	North	South	West
Number moving in	8,110	6,215	1,273
Monthly gross rent per unit:	*Percent*	*Percent*	*Percent*
Under $25	3.9	49.2	15.2
$25 to $29	20.3	25.1	23.9
$30 to $34	24.3	10.9	15.0
$35 to $39	16.7	7.0	22.4
$40 to $49	23.1	6.2	17.1
$50 and over	11.7	1.6	6.4

New Jersey accommodates over one-fifth of all the elderly who occupy federally aided public housing in the United States. Newark specifically, has been the leader in this field, with approximately 2,000 elderly families living in conventionally designed public housing, an additional 300 families in housing specially designed for senior citizens, and 450 more such units now under construction.

Yet even Newark's effort falls far short of meeting the needs of that city's elderly. Referring to the effects of urban renewal, highway, and other public programs, Louis Danzig, director of the Housing and Redevelopment Authority of Newark, told the subcommittee:

> Modest estimates within the next 5 to 10 years indicate the desplacement of over 10,000 families of low and middle income of which more than 2,000 are expected to be elderly families, in addition to 1,225 such families currently on application. And our experience indicates an additional 2,500 applicants on the announcement of the availability of our new elderly housing this December.[30]

[30] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 2, Newark, N.J., Oct. 16, 1961 p. 149.

The development of public housing specifically for the elderly has gained momentum. Projects now planned and under construction will multiply eightfold the number of such units available. But, clearly, only a beginning has been made.

Table 1 shows public housing units in existence and those in planning or construction in each State as of March 31, 1962. Activity under this program is heavily concentrated in a few States, but even in these the number of units in prospect are relatively few. When the current authorization is exhausted there will remain substantial need for housing for the low-income elderly.

TABLE I.—*Specially designed low-rent public housing for the elderly* [1]

	Number of units		Number of units
Alabama	675	Nevada	200
Alaska	0	New Hampshire	690
Arizona	0	New Jersey	4, 812
Arkansas	446	New Mexico	100
California	871	New York	5, 775
Colorado	63	North Carolina	357
Connecticut	1, 615	North Dakota	25
Delaware	216	Ohio	3, 716
District of Columbia	292	Oklahoma	0
Florida	1, 269	Oregon	212
Georgia	1, 490	Pennsylvania	1, 748
Hawaii	96	Rhode Island	769
Idaho	30	South Carolina	0
Illinois	4, 635	South Dakota	0
Indiana	975	Tennessee	1, 028
Iowa	0	Texas	1, 614
Kansas	282	Utah	0
Kentucky	283	Vermont	0
Louisiana	1, 040	Virginia	0
Maine	0	Washington	512
Maryland	0	West Virginia	168
Massachusetts	3, 964	Wisconsin	633
Michigan	1, 154	Wyoming	0
Minnesota	1, 879	Puerto Rico	48
Mississippi	233	Virgin Islands	56
Missouri	544		
Montana	0		
Nebraska	220	United States and possessions	44, 735

[1] Units under annual contributions contracts between PHA and local authorities and units under reservation not yet under annual contributions contracts as of Mar. 31, 1962.

Source: Office of Program Policy, Housing and Home Finance Agency, June 1962.

Direct loan program, section 202

Perhaps the most promising new program to provide rental housing for the elderly was inaugurated with section 202 of the Housing Act of 1959. This legislation, as ammended by the Housing Act of 1961, authorized the Housing and Home Finance Administrator to make low-interest, long-term loans to private nonprofit corporations, consumer cooperatives, or public bodies (except local public housing authorities) which sponsor rental or cooperative housing and related facilities for older persons or families. The Congress authorized $50 million for the purpose in 1959 and raised this limit to $125 million in 1961.

Loans may be made for terms up to 50 years. The current rate of interest is 3½ percent.

Sponsors under section 202 must be able to demonstrate that they have existence in perpetuity or that they have an assured life at least equal to the maximum term of the loan. Therefore, most sponsoring organizations have ties with labor, fraternal, church, and civic groups of considerable public stature, and frequently are related to some regional or national organization.

The purpose of this program is to provide suitable housing for older persons whose incomes are too high for public housing but not sufficient to meet the cost of good housing in the conventional, completely private market. The program is administered by the Community Facilities Administration and is for persons 62 years of age and older.

William L. Rafsky, redevelopment coordinator for the City of Philadelphia, stated to the subcommittee that 5,000 substandard dwelling units in Philadelphia are occupied by elderly people. Concurring with a number of other witnesses on this point, Mr. Rafsky expressed the opinion that present programs to produce reduced rent housing for the elderly must be substantially enlarged. Speaking specifically of the direct loan program under section 202, Mr. Rafsky declared:

> We believe that $125 million made available under the housing provisions of the act of 1961 is much too small to meet the need. We can understand that perhaps Congress and the administration in Washington wanted to have some experience, but we would urge that if this experience is in any way successful, that the appropriation be increased significantly, because we know now that there are more than enough demands in Philadelphia alone to take a tremendous share of that $125 million. We think that it is important, therefore, to emphasize this.[31]

Assemblyman George E. Brown, Jr., of California, in his testimony quoted earlier, said:

> The direct Federal loan program * * * is extremely valuable and useful, but the amount of funds available under that do not begin to meet the needs here in California, and even the hundred million dollar program which we presume will be passed this year, will only be a drop in the bucket so far as meeting the overall needs of the elderly for housing.[32]

The direct loan program got off to a slow start in 1960. Of the $50 million authorized, only $20 million was appropriated immediately. The following year—after the authorization was increased—an additional $60 million was appropriated, and with a rapidly developing momentum virtually all of this amount has been reserved during the last fiscal year. Applications now in process bring the total to considerably more than the current authorization.

Table II shows, by State, the projects, dwelling units, and total amounts of loans in active applications under this program as of March 31, 1962.

[31] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 3, Philadelphia, Pa., Oct. 18, 1961, p. 240.

[32] Stenographic transcript of the hearings of the General Subcommittee on Education of the Committee on Education and Labor, House of Representatives, on "Problems of the Aged and Aging," pp. 61–62, Sacramento, Calif., Mar. 30, 1962.

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TABLE II.—*Loans executed and active applications for direct loans for rental housing for the elderly* [1] *as of Mar. 31, 1962*

[Dollars in thousands]

State or possession	Number of projects	Number of housing units	Amount of loan
United States and possessions	132	11,892	$132,466
Alabama	1	200	1,342
Alaska	0	0	0
Arizona	1	153	1,816
Arkansas	2	249	2,670
California	15	1,189	11,914
Colorado	4	245	1,687
Connecticut	2	96	1,050
Delaware	0	0	0
District of Columbia	0	0	0
Florida	5	485	4,830
Georgia	3	428	7,100
Hawaii	0	0	0
Idaho	0	0	0
Illinois	7	489	4,719
Indiana	2	240	3,568
Iowa	6	361	3,334
Kansas	2	80	971
Kentucky	0	0	0
Louisiana	6	677	6,223
Maine	0	0	0
Maryland	1	46	568
Massachusetts	0	0	0
Michigan	10	886	9,294
Minnesota	11	974	12,835
Mississippi	0	0	0
Missouri	2	80	792
Montana	3	371	4,754
Nebraska	1	40	196
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	3	383	3,921
New Mexico	1	95	950
New York	6	697	9,068
North Carolina	1	153	1,545
North Dakota	4	153	1,617
Ohio	3	482	7,374
Oklahoma	4	379	3,714
Oregon	1	60	694
Pennsylvania	2	290	3,720
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	8	454	4,450
Tennessee	2	402	5,116
Texas	7	722	6,292
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	3	152	2,130
West Virginia	0	0	0
Wisconsin	2	126	1,762
Wyoming	1	55	450
Possessions	0	0	0

[1] The active program includes all applications received to date, less withdrawals or rejections.

Source: Office of Program Policy, HHFA, June 1962.

As the table shows, 132 applications for direct loans were active as of March 31, amounting to $132,466,000 for 11,892 units. Applications were for projects in 34 States, with the most projects, though in some cases not the most units, in California, Minnesota, Michigan, South Dakota, Illinois, and Texas. The activity in the Middle West is largely accounted for by church organizations with long experience in the field of the elderly.

An analysis of 49 projects for which funds had been reserved as of December 31, 1961, showed that median rentals [33] for 29 projects

[33] Median rentals are medians of weighted average rentals.

with housekeeping units were $70 for efficiency apartments, $86 for one-bedroom, and $115 for two-bedroom apartments. For projects with congregate dining facilities, the median monthly rental per person, including meals, was $128. The range in the latter projects is from $87 to $150, with about half the projects in the $125 to $135 range.

The direct loan program has quickly grown to a volume of $100 million per year, and appears to be still growing, while only $45 million remains available for appropriation under the original authorization of $125 million. Since this program is now the principal avenue of attack on the problems of perhaps one-third of the elderly who now are ill housed—those in the middle and lower middle income range—it should be supported with an increase in authorization sufficient to enable it to meet the demands made on it and to avoid discouraging potential sponsors.

The gratifying rate of recent growth in the direct loan has occurred despite the difficulty of finding sponsors able to undertake such projects in particular communities. The development and operation of nonprofit rental housing project for the elderly represents a fairly ambitious undertaking requiring a high level of leadership and organizing ability. In many communities the organization with the most experience and leadership ability capable of carrying out a needed project is the local housing authority, and in some localities it may be the only group.

Local housing authorities are excluded from participation in the program under the provisions of section 202. The subcommittee is aware of the deliberations leading to this exclusion and the reasons for it. The subcommittee would prefer to see projects undertaken by private nonprofit and cooperative sponsors rather than by public bodies. Yet, to provide the greatest flexibility and to mobilize all the leadership that is available, the subcommittee believes the eligibility provisions should be modified to permit housing authorities to participate where private groups are not prepared to move to meet a demonstrated need. Such a provision should result in more activity under the program, particularly in smaller communities.

Rental housing for the elderly, section 231

Under section 231 of the National Housing Act, as amended, the Federal Housing Administration is authorized to insure lenders against losses on mortgages used for construction or rehabilitation of rental accommodations for older persons. The Federal National Mortgage Association is authorized to purchase such mortgages under its special assistance functions, and to make advance commitments to do so.

A rental housing project may be eligible for section 231 mortgage insurance if it contains eight or more units specially designed for occupancy by persons 62 years of age or older. The amount of an insured mortgage may not exceed $12.5 million for a private mortgagor or $50 million for a public sponsor. Where the sponsoring group is a public instrumentality or a private nonprofit organization, the mortgage may be as much as 100 percent of estimated replacement cost on new construction or 100 percent of estimated value on rehabilitated structures. Where the sponsor is profit-motivated, the corresponding mortgage limits are 90 percent. The loans may be for terms up to

40 years. The maximum interest rate, prescribed by FHA is currently 5¼ percent plus a ½-percent mortgage insurance premium.

Projects insured under section 231 cover a broad range of types. Some have only housing; others have hobby shops, social rooms and health units; and still others have dining rooms, cafeterias, infirmaries, libraries, and extensive recreational facilities.

Because of the diversity in services and facilities, as well as in types of sponsors, rental charges vary widely. In 15 pending projects of the housekeeping type, the median rental per unit is expected to be $92, with average rents varying in individual projects from $79 to $171 a month. In 35 pending projects, with meals included, the median of weighted average rentals is $155 per person and the range of average rents is from $101 to $250.

Eighteen profit-motivated projects whose applications are in processing stages have rentals ranging from $83 to $166.

During 1961, mortgage insurance commitments under section 231 were made for 7,568 units in the amount of $87.7 million; as compared with commitments for 9,578 units totaling $94.9 million in the preceding 5 years combined.

Units actually completed in 1961 totaled 2,297 in the amount of $27.6 million, compared to 3,118 units, in the amount of $37.4 million, during the preceding 5 years.

Table III shows the numbers of dwelling units in projects built or in process in each State as of March 31, 1962. Sponsors in two States, Arizona and California,-have made by far the most use of this program—almost one-third of all units—and Florida ranks third. On the other hand, many of the most populous States have had surprisingly little activity under this program. This suggests that this program has stimulated housing primarily for senior citizens who have the resources to live in retirement communities in warm climates. The FHA hopes to make greater use of this program for construction or rehabilitation of housing for the elderly in their home communities.

TABLE III.—*Rental housing for the elderly built or proposed with FHA mortgage insurance (sec. 231)* [1] *as of Mar. 31, 1962*

	Dwelling units		Dwelling units
Alabama	80	Nevada	0
Alaska	0	New Hampshire	0
Arizona	4, 181	New Jersey	368
Arkansas	74	New Mexico	0
California	4, 584	New York	1, 397
Colorado	1, 039	North Carolina	264
Connecticut	133	North Dakota	52
Delaware	0	Ohio	775
District of Columbia	659	Oklahoma	169
Florida	2, 057	Oregon	1, 389
Georgia	48	Pennsylvania	206
Hawaii	0	Rhode Island	0
Idaho	32	South Carolina	0
Illinois	289	South Dakota	122
Indiana	407	Tennessee	355
Iowa	327	Texas	1, 876
Kansas	266	Utah	174
Kentucky	539	Vermont	0
Louisiana	326	Virginia	0
Maine	0	Washington	1, 161
Maryland	210	West Virginia	0
Massachusetts	25	Wisconsin	867
Michigan	910	Wyoming	0
Minnesota	377	Puerto Rico	0
Mississippi	206	Virgin Islands	0
Missouri	238		
Montana	158	United States and possessions	26, 851
Nebraska	511		

[1] All applications received to date, less applications rejected, commitments expired, and mortgage insurance terminated.

Source: Office of Program Policy, Housing and Home Finance Agency, June 1962.

Moderate income housing, section 221(d)(3)

A new program with important potential for the elderly is section 221(d)(3) of the National Housing Act, enacted in 1961 as a tool to help meet the needs of moderate income families, including those displaced by urban renewal or other governmental programs and in need of relocation housing. Because they tend to be residual occupants of old and deteriorating urban neighborhoods, a greater proportion of older persons than younger persons are affected by urban renewal.

Loans under section 221(d)(3) now carry an interest rate of 3⅛ percent and a waiver of the ½-percent FHA insurance premium. These terms permit substantial reductions in financing costs and hence in rent levels.

The usefulness of section 221(d)(3) for the elderly is greatly impaired by its present limitation to family units. Census figures show that about 22 percent of the older population live alone or with nonrelatives. A large proportion of these are widowed individuals.

In the Housing Act of 1956, the Congress made single men and women over 65 eligible for occupancy of public housing. Section 221(d)(3) also should be similarly amended.

The regular FHA mortgage insurance

In its regular insurance program, FHA encourages older persons to own their own homes. FHA not only insures mortgages for housing being purchased by a person 62 years of age or more but permits friends, relatives, or even a corporation to make the downpayment. It also permits a third party, such as a son or daughter, to become a cosigner of the mortgage in order to make it acceptable to a lending institution.

Nursing homes, section 232

Nursing homes are an important element in the supply of specialized housing for the elderly. Some types of nursing homes, therefore, have been aided by FHA mortgage insurance. This program, under section 232 of the National Housing Act, is discussed in chapter IV.

Rent levels in major programs

Any comparison of rental charges under several major programs for housing for the elderly must be qualified because of the lack of comparability of the housing involved, even within each program. Rents reflect differences in a wide variety of factors, such as land costs, type of structures built and construction costs, the distribution of units by type and size, the related facilities included, services offered, tax liabilities or exemptions, reserve requirements, the inclusion or exclusion of sponsor subsidies, founder's fees, etc.

Data comparing rents in these projects are offered below as broad approximations of the rent levels achieved or proposed.

Rental charges for specially designed housing for the elderly [1]

	Housekeeping [2]		Congregate [3]	
	Median	Range	Median	Range
Public housing	$35	$20-$70		
Direct loan (sec. 202)	75	48-110	$128	$87-$150
Federal Housing Administration (sec. 231):				
Nonprofit	92	79-171	155	101-250
Profit motivated	118	83-166		

[1] Rent data indicated for public housing are for the 1st 20 projects completed in which all units were designed for and occupied by senior citizens. The data for the FHA program are for 68 projects which were in processing stages either as "initial endorsements" or "commitments outstanding" as of Nov. 30, 1961. The statistics for the direct loan program are for 49 projects which had received fund reservations as of Dec. 31, 1961. The median rents and rent ranges are based on estimated average rents and do not necessarily represent specific rents.

[2] Per unit per month.

[3] Per person per month.

It is clear that the benefits of FHA insurance under section 231 are largely limited to those retired persons in the upper portion of the income scale. Housing produced under the direct loan program is beginning to meet some of the need of those in the middle income brackets, but only public housing is available for the income levels of about half of the elderly population.

Impact in relation to need

The number of housing units specially designed for the elderly total fewer than 100,000 under all three programs, including those now in process of approval as well as those completed or under construction. Most communities have no such housing at all, and five States have not a single unit under any of the programs.

A brief survey by the subcommittee of housing activities for the elderly underway in California revealed some "retirement communities" being developed without benefit of any Federal programs, but these were designed only for the very highest income brackets and included a high proportion of people in their fifties. Moreover, deluxe settlements of this type appear to be limited to California, Arizona, Florida, and a scattering of other locations in the sunshine belt. For the rest, there appears to be little significant production of specially designed housing outside the umbrella of the three Federal programs discussed in this chapter.

Thus, the 100,000 units which have resulted from 6 years of Federal effort represent most of the Nation's progress during that period in dealing with the special housing problems of the elderly. And when measured against the estimated 5 million elderly households in need of better housing, the results seem almost negligible. Compared to what is being done in Sweden, Denmark, and some other countries, our Government programs are indeed limited. Clearly, there is little hope for better living conditions for most of those now badly housed unless these programs can be expanded to a wholly new order of magnitude.

While the dwelling units in federally assisted projects are disappointing in number, they are gratifying in quality. Subcommittee members and staff who visited these projects were deeply impressed with the benefits they brought to the occupants. Elderly persons living in housing designed especially for retirement living were, almost without exception, enthusiastic about their accommodations. Activity rooms and recreation centers were, as a rule, crowded with older persons enjoying one another's companionship and busily engaged. While many aged men and women do not prefer to live in housing occupied only by their own age group, visitors to these projects cannot help but be impressed with the satisfaction shown by those who do choose such a living arrangement when their quarters are well designed and the project well located.

Drawing upon the experience of those projects so far constructed, future housing for the elderly can undoubtedly be improved. But the subcommittee is satisfied that present programs are well conceived and provide a creative solution to the housing problems of those relatively few among the elderly whom they are able to serve. The principal shortcoming in present programs, in short, is that they are far too limited. They should be rapidly expanded until the full demand and need for such housing is met.

The barrier of budget practices

Any proposal to expand existing programs of housing for the elderly is at once confronted by the limitations of the budget. Under the section 231 and section 202 programs, for each unit of elderly housing produced, an investment of from $10,000 to $12,000 is required. One million units—to rehouse only 20 percent of the 5 million households in need of rehousing—would require from $10 to $12 billion. It is difficult to see how any Federal programs depending upon appropriated funds can be expanded to the required scale within the limits of what can be allotted from each annual budget. Section 202 depends entirely on appropriations, and section 231 does to the extent that mortgages insured under its provisions are purchased by FNMA with appropriated special assistance funds.

The Federal Housing Administration and the Veterans' Administration have been able to assist in the vast expansion of suburban housing since World War II only because their multi-billion-dollar insurance operations—regardless of the contingent liabilities that were incurred—were completely outside the budget. The same kind of creative energy that the FHA and VA helped to loosen to meet the needs of returning war veterans now is needed to meet the needs of millions of ill-housed elderly. Yet the principal programs that can be employed for this purpose must, under present budget practices, operate within the budget.

No one could quarrel with this procedure to the extent that subsidies are involved. Insofar as the taxpayers subsidize the new housing, they are making expenditures in the usual sense. But in those programs where no subsidy is involved—and this applies to programs under sections 231 and 202—the question as to whether the loans and mortgage purchases should be treated as outright expenditures can properly be raised.

It is anomalous, indeed, that the public housing program, which does involve a subsidy, has less impact on the budget than those programs which involve no subsidy. This results from the technicality that the bonds which finance public housing projects are issued by local housing authorities rather than by the Federal Government. The latter assumes the liability to pay off the bonds through annual contributions, but the payments are spread over a 40-year period and hence the addition to any one year's budget is only a fraction of the total.

In contrast, in the case of the section 202 direct loan program, the entire capital cost of the project is entered as a budget expenditure in the year in which the loan is made. The same applies to projects insured under section 231 when the mortgages are purchased by FNMA under its special assistance authority. Since privately sponsored projects which do not involve subsidy would appear to be worthy of at least equal encouragement to that given to public housing projects, it is ironic that present budget practices make it significantly easier to finance the latter.

Loans and mortgage purchases, which are lumped in with other "expenditures" in the budget are in fact quite different from other items in the column. Mortgage loans are investments which bear interest and are ultimately repayable in cash. They involve no subsidy, no ultimate cost to the taxpayer. No business would classify such an investment as an outright expenditure; neither would a State or local government; neither do most foreign governments.

As President Kennedy said in his criticism of Federal budget practices in his Yale University address on June 11, 1962:

> The administrative budget has sound administrative uses. But for wider purposes it is less helpful. It omits our special trust funds and the effect they have on our economy. It neglects changes in assets or inventories. *It cannot tell a loan from a straight expenditure. And worst of all it cannot distinguish between operating expenditures and long-term investments.* [Italic added.]

In the case of mortgage loans, if the Government borrows $1 billion in order to lend $1 billion, its assets and liabilities are increased by equal amounts—yet present Federal bookkeeping treats the transaction as though $1 billion in net deficit and net debt had been created.

The subcommittee recognizes that a new method of budget presentation is not likely to be adopted soon in its entierty, but we suggest that the Subcommittee on Housing of the Committee on Banking and Currency consider experimenting with a new approach applied only to the elderly housing programs as the only way to make it possible to meet an urgent and nationally recognized need.

Such an approach might be a simple provision limiting the figure entered opposite these programs in the "expenditures" column of the administrative budget to the estimated ultimate net loss, if any. This would appear to be an accurate application to these programs of the concept of "expenditure." And it might have the effect of making the programs of assistance for elderly housing as workable and effective on a large scale as regular FHA mortgage insurance, which—because it is not recorded as a budget expenditure—has so greatly facilitated mass construction of suburban housing.

Without some such approach, construction of housing for the elderly in the quantities needed seems out of the question.

Conclusion and recommendations

Present Federal programs are well conceived but they have barely made a beginning in meeting the needs of our older people for suitable housing. They should be continued and expanded as rapidly as communities are prepared to utilize them. Of particular and immediate importance is the expansion of the direct loan program under section 202 of the Housing Act of 1959, since applications more than cover the total funds now authorized. Authorization for the public housing program and for FNMA special assistance funds for the purchase of mortgages insured under section 231 are, for the time being, sufficient, but as communities develop their plans these authorizations undoubtedly will have to be increased in the future.

The following actions are recommended for consideration of the Subcommittee on Housing of the Committee on Banking and Currency:

(1) An increase in the authorization for appropriations under section 202 to permit appropriations for fiscal year 1963 to sustain the levels of operation that have been achieved under the program and to allow for further growth. An increase in the range of $250 to $500 million would appear justified.

(2) Development of a new method of financing that will relieve the section 202 program and FNMA special assistance funds for purchase of section 231 mortgages of dependency on appropriated funds, or a revision in methods of budget presentation so that these loans and mortgage purchases are not lumped in with outright expenditures in the administrative budget.

(3) Amendment of section 202 to permit local public housing authorities to sponsor projects where a demonstrated need exists and where no nonprofit or cooperative group is available to sponsor the needed housing.

(4) Amendment of section 221(d)(3) of the National Housing Act to include single elderly persons as eligible occupants of housing constructed under its provisions.

IV. Nursing Homes

Mortgage insurance for construction of proprietary nursing homes was made a part of our housing programs for the elderly in 1959 by adoption of section 232 of the National Housing Act.

Nursing home facilities are especially important for the oldest group in the population. The average age of patients in nursing homes today is about 80 years. Two-thirds are over 75. And this is the fastest growing age group of all.

Section 232 of the National Housing Act, as amended, authorizes the Federal Housing Administration to insure mortgages for financing qualified new or rehabilitated proprietary nursing homes. These are nursing homes which are privately owned, and for patients "who are not acutely ill and do not need hospital care but require skilled nursing care and related medical services."

The limit on an individual mortgage is $12.5 million, and it may cover up to 90 percent of the estimated value of the property. The appropriate State agency must certify that the home is needed and that reasonable State or local standards for licensing and operating such establishments are in force.

The current rate of interest for these loans is 5¼ percent plus one-half percent mortgage insurance premium.

It is apparent to the subcommittee that this program, limited as it is to nursing homes constructed by proprietary sponsors, is directed to only a small fraction of the problem. There is a great need for nursing homes constructed under nonprofit auspices to provide care at moderate rates.

Ernest J. Bohn, director of the Cleveland Housing Authority, testified on this point before the subcommittee in Washington:

> I am satisfied that this committee will have to get into this matter in order to have a decent place to live for all of our senior citizens. In general, nursing homes are pretty much of a disgrace in most communities in our country with of course some notable exceptions. It costs a lot of money to build and to operate a good nursing home. The FHA can now insure 90 percent of the value of a private nursing home under section 232 of the recently amended National Housing Act.
>
> I am satisfied, however, that in order to have a decent place for our senior citizens who are senile, incontinent, and who may have illnesses which probably spell the end of the road there must be some public subsidy. The only really good private nursing homes in my own city that I know about which operate without subsidy have to charge about $500 a month for all services. How many of us in this room can pay this fee for a beloved parent and still support his family?[34]

Appearing before the subcommittee in Scranton, Elias Cohen, Commissioner of the Pennsylvania Office for the Aging, also discussed

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[34] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 1, Washington, D.C., Aug. 22, 1962, p. 31.

the limited segment of nursing home need to which this program is addressed. He declared:

> Typically, these facilities will provide for the relatively well to do. This is going to be the $70, $75 a week and up group, and I might point out that points up a major fallacy in the program and the approach to a certificate of need.
>
> The need is based upon the market as a whole, without reference to the segments of the market. What is the need for Negroes in the community? Are there homes, nursing home beds, available for Negroes? Are there nursing home beds available for the public assistance recipients, or for the moderate income group? And so on.

Commissioner Cohen also observed:

> There is no question but that the availability of 90 percent mortgaging even with the FHA escrow requirements is highly attractive to investors. And this is precisely what the program is attracting—investors * * *.
>
> Typically, the proprietary facility will have no affiliation with a social agency, will not provide casework and counseling or group-work services, or major programs in activities of daily living, restorative services, or recreational therapy.[35]

Proprietary nursing homes have an important role in meeting the needs of the aged, but it is a limited and specialized role. Institutions of this type provide for upper middle and high income aged persons who need to be cared for in an institutional setting but who do not require intensive paramedical or social services. Such people represent a minority of the total needing nursing home care.

Table IV shows the range of monthly charges proposed by the sponsors for nursing homes for which FHA had issued mortgage insurance commitments as of January 1, 1962, and the maximum amount paid for nursing home care under OAA or MAA programs in each State.

These data bear out the testimony of witnesses with respect to the segment of the market being reached by this program. The median range, $300 to $330 per month, corresponds closely to the figures quoted in Commissioner Cohen's testimony.

It is clear that nursing home construction under this program has little impact on the needs of the lower middle and low income groups which account for most of the present unmet need. Nor do public assistance payments bring more than a few of these beds within reach of the lowest income group. Payment schedules in most States, with a few exceptions for patients requiring maximum care, do not reach even the lowest minimum rate represented in these projects.

[35] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 4, Scranton, Pa., Nov. 14, 1961, p. 346.

TABLE IV.—*Range of charges in nursing homes under FHA mortgage insurance program and maximum payments for nursing home care, by State*

State	FHA insured nursing homes[1] range of monthly charges		Maximum payment OAA or MAA[2]
	Low	High	
Alabama	275	325	125
Alaska			100
Arizona			80
Arkansas	270	300	90
California	312	450	[3] 96
Colorado			195
Connecticut	240	270	[4] 210
Delaware			75
District of Columbia	360	360	(5)
Florida	330	330	100
Georgia			65
Hawaii			(5)
Idaho			175
Illinois	200	575	(5) (6)
Indiana			(7)
Iowa			(5) (6)
Kansas	240	240	(7)
Kentucky	185	260	110
Louisiana			165
Maine			180
Maryland	240	300	115
Massachusetts	300	480	198
Michigan	183	350	90
Minnesota	274	274	[8] 225
Mississippi			40
Missouri	(5)	(5)	[9] 65
Montana	(5)	(5)	(10)
Nebraska	300	300	(7)
Nevada	(5)	(5)	135
New Hampshire			165
New Jersey	390	541	190
New Mexico			(7)
New York	240	380	[8] 240
North Carolina	392	392	175
North Dakota			(5)
Ohio	210	330	[8] 160
Oklahoma	160	200	129
Oregon	270	450	192
Pennsylvania	260	390	165
Rhode Island			185
South Carolina			150
South Dakota			(7)
Tennessee	300	450	80
Texas	155	300	71
Utah	158	158	200
Vermont			165
Virginia			150
Washington			191
West Virginia	330	360	100
Wisconsin			[9] 225
Wyoming	225	285	180
Medians, all projects	300	330	

[1] Projects complete, under construction, or under commitment as of Jan. 1, 1962.
[2] Sources: "Characteristics of State Public Assistance Plans Under Social Security Act," Public Assistance Rept. No. 49, Bureau of Family Services, 1962; "The Health Care of the Aged," U.S. Department of Health, Education, and Welfare, 1962; and "Nursing Home Rate Survey," Nursing Homes, May 1962, p. 30.
[3] Maximum is $116 for persons with incomes of less than $20 per month.
[4] Payment is $225 to nursing homes with approved recreation therapy programs.
[5] Not available.
[6] Negotiated based on services required; no fixed maximum.
[7] Negotiated by counties or municipalities; maximum actually in effect not available.
[8] Negotiated by counties or municipalities; highest maximum in State shown.
[9] Maximum is $100 per month if patient completely bedfast.
[10] No payment except for eye care.

Progress toward meeting the major share of the nursing home bed need depends on construction of new nursing homes under voluntary, nonprofit auspices. The Hill-Burton program is the only one now assisting such projects. It has provided since 1954 for matching grants of from one-third to two-thirds of project cost. Most of the nursing homes aided have been constructed by public and nonprofit hospitals.

Table V shows the number of additional nursing home beds needed in each State as of July 1, 1960, according to Public Health Service standards, compared with the number constructed or in process with mortgage insurance under section 232 and the number approved for grants under the Hill-Burton program. This table plainly shows that in the nursing home field, too, only a beginning has been made.

TABLE V.—*Unmet nursing home bed need and beds added through major Federal programs, by State*

State	Additional beds needed	Beds added in projects		
		Total	FHA (sec. 232)[1]	Hill-Burton[2]
Alabama	4,211	479	81	398
Alaska	46	43		43
Arizona	643	620	332	288
Arkansas	4,846	606	150	456
California	5,869	1,628	652	976
Colorado	3,654	180	41	139
Connecticut	64	478	360	118
Delaware	260			
District of Columbia	1,125	184	184	
Florida	7,445	1,488	1,243	245
Georgia	8,987	892	250	642
Hawaii	1,373	148		148
Idaho	918	365	64	301
Illinois	23,778	2,208	1,506	702
Indiana	4,321	371	110	261
Iowa	6,522	553		553
Kansas	3,828	319	64	255
Kentucky	3,343	341	98	243
Louisiana	5,480	291		291
Maine	2,779	116		116
Maryland	2,957	339	68	271
Massachusetts	13,660	619	175	444
Michigan	11,291	1,390	737	653
Minnesota	4,802	965	92	873
Mississippi	3,372	110		110
Missouri	345	689	354	335
Montana	1,026	359	42	317
Nebraska	2,153	357	80	277
Nevada	492	249	100	149
New Hampshire	1,723	205		205
New Jersey	16,133	824	367	457
New Mexico	1,521	156		156
New York	20,994	2,779	1,402	1,377
North Carolina	12,696	286	71	215
North Dakota	142	544		544
Ohio	8,235	1,372	312	1,060
Oklahoma	1,036	699	320	379
Oregon	4,189	655	272	383
Pennsylvania	15,880	1,207	173	1,034
Rhode Island	720	84		84
South Carolina	5,175	448	108	340
South Dakota	1,020	576		576
Tennessee	4,942	645	326	319
Texas	19,907	1,588	701	887
Utah	612	225	116	109
Vermont	968	194		194
Virginia	1,818	296	188	108
Washington	3,014	213		213
West Virginia	1,083	294	75	219
Wisconsin	6,798	943	504	439
Wyoming	798	60		60
Guam	39			
Puerto Rico	1,985	354		354
Virgin Islands	36			
United States and possessions	261,054	31,124	11,718	19,406

[1] Includes all applications received through Mar. 31, 1962, less applications rejected, commitments expired, and insurance terminated. Source: Housing and Home Finance Agency, Statistical Reports Staff.

[2] Includes all projects approved through Mar. 31, 1962. Source: Hill-Burton program progress report through June 30, 1961, and Hill-Burton monthly project registers through Mar. 31, 1962.

The subcommittee does not minimize the contribution of the Hill-Burton program in the nursing-home field. In fact, we suggest that the appropriate committees consider increasing the funds available for this purpose. However, the subcommittee finds that nonprofit groups which potentially are sponsors of nursing homes now are at a comparative disadvantage in performing their role since they are wholly—or, even in Hill-Burton aided projects, in large part—dependent on raising funds through private subscription.

The tremendous demands upon private philanthropy for urgently needed hospital and educational facilities makes it very difficult for nursing-home facilities to draw from the same sources.

This point was well stated by Commissioner Cohen:

> * * * the amount of money that is available for nursing-home construction under Hill-Burton is extremely limited, and in Pennsylvania the grant is limited to one-third. In some States it is a little better than that, but this is a very severe limitation.
>
> In Pennsylvania we have attempted to channel most of those Hill-Burton moneys into the public facilities, which we think is sound. But the nonprofit facility definitely needs to be strengthened, and they have no place to turn. They have to go out and raise their money through public subscription, or conventional financing, and this imposes tremendous burdens.[35]

Recommendation

Section 232 of the National Housing Act should be amended to extend the benefits of mortgage insurance to nursing-home projects sponsored by nonprofit organizations.

V. Research and Community Planning

As many of our witnesses pointed out, one of the most serious lacks in the field of housing for the elderly is reliable statistical and qualitative information. George W. Grier of the Brookings Institution testified that even with 1960 census data—

> We will still know very little about the specific nature of the inadequacies in dwellings occupied by older persons. For example, we will not know how many are firetraps, lack light and air, or have unsafe electrical wiring. We will not know how many older people live in third- or fourth-floor walkups. We will not know how many of their dwellings have only minor defects which could easily be remedied with modest expenditures * * *. We will not know how many live in housing which appears satisfactory in light of our present knowledge about needs. And we will know nothing at all about the suitability of the neighborhoods where old people live, although there is good reason to believe that this may be at least as important to their health and happiness as the condition of the dwellings themselves.[36]

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[35] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 4, Scranton, Pa., Nov. 14, 1961, p. 347.

[36] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 1, Washington, D.C., Aug. 22, 1961, p. 8.

Under a special appropriation made last year the Bureau of Census has prepared special tabulations of data on housing conditions of the population 60 years and older. These tabulations will provide the basis for answering many of Mr. Grier's questions. Analysis and interpretation of these special tabulations is now underway and the Housing and Home Finance Agency has published the first of a series of six reports on these data. The report entitled "Our Senior Citizens and How They Live: Part I" is included with this report as an appendix.

We look forward to the release of the remainder of the reports on how the elderly are currently housed. These studies will help to inform us on such questions as the condition of structures occupied by elderly persons, the number living in nonelevator structures of four or more floors, incomes of elderly individuals living with relatives, and rent-income ratios in various age and household categories—questions on which we can now barely make educated guesses and which are of fundamental importance.

But even this information will only begin to fill the gaps in our knowledge. Moreover, housing for the elderly is something more than units of physical shelter. Many of our witnesses emphasized this point. We need to know more about the physical environmental problems of elderly people, within the total context of the problems that affect them.

Housing needs, both in terms of the facilities and their surroundings, vary with the characteristics and preferences of individuals and are affected by a number of factors including income, health, personal interests, long-established habits and attitudes, and family and social ties. The neighborhood or community looms larger in the lives of older people after retirement. For individuals with diminished physical stamina and financial resources, convenient access to community and commercial services takes on greater importance. As one witness put it, "increasing dependence on outside aid is a basic fact of growing old." But, since the elderly lack mobility, the outside aid must be close at hand. The need for independent living and, at the same time, dependence on the community, must shape planning and action in the housing field. We must recognize the place of older people and their requirements in the community structure.

Despite the general agreement that there are monumental needs in housing for the elderly, present knowledge does not permit much refinement of these gross measures or the identification of specific types of housing needs and their magnitudes.

Research needs

As existing programs gain momentum, the lack of reliable data on actual problems and preferences of older people and on appropriate methods for dealing with them will be felt more and more acutely.

The Housing and Home Finance Agency last year called upon the Brookings Institution to examine and report on the present state of knowledge of the subject of housing older people. As a basis for this study, background papers were prepared by leading experts. Mr. Grier, who was quoted above, was coordinator of this study.

He reported to the subcommittee in its initial hearing on some of the areas of needed research agreed upon by the study participants. He pointed out, for example—

> * * * the need for provision of various facilities and services in close relationship to the dwelling * * * is a topic which as yet has received all too little systematic attention in housing research and program formulation. In papers prepared for our study, Mr. Frederick Gutheim and Mr. Robert L. Wilson both identified this matter as one of critical importance. It seems clear that we should devote much more attention to determining the need of the elderly for various kinds of facilities and services, and to ascertaining how these things can best be provided within the housing setting, without at the same time promoting an excessively "institutional" atmosphere.[37]

Another major concern expressed by this group is for better exploitation of existing sources of information. Major studies in many communities relating to urban planning, economic development, and transportation produce masses of original data relevant to the physical environmental conditions and problems of older people. This relevance is in most cases incidental to the purposes of the studies, but with relatively little expense the data could be arranged and analyzed to provide new insights into the situation of the elderly in the modern urban community and the place of housing in the total complex of their problems.

For example, in a massive, nine-county study, known as the Penn-Jersey study, being conducted in the Philadelphia-Camden metropolitan area to provide a firm foundation for transportation policy, a wealth of data has been accumulated on population characteristics and on transportation needs and patterns of the population. It should be possible to use these data, and to a large degree the computer systems already devised, to analyze the trips made by elderly people as to their frequency, length, purpose, and mode of transportation, and as to the age, family status, income, type of residence, and type of neighborhood of the traveler.

Data have been developed in this study on the histories of more than 6,000 families. The information includes changes of residence, changes of employment of family members, and changes in family composition. Analyses of those families in the sample containing elderly members could contribute very materially to our knowledge of the place and problems of the elderly in contemporary urban society.

The Penn-Jersey study is probably the largest of its type ever undertaken, but it is only one example of many that are underway or will be undertaken which hold such possibilities. The Housing and Home Finance Agency, being in the best position to be aware of such studies and their content throughout the country, might well be given the necessary funds to capitalize on these opportunities.

Participants in the Brookings Institution study, as well as a number of witnesses at subcommittee hearings, emphasized the need for more basic social research on the impact of physical environment on the health, attitudes, and capacities of older persons for relative self-sufficiency. This is needed to test assumptions implicit in present approaches to providing housing for the elderly and to gain new understanding for future action.

[37] Ibid., p. 7.

Walter M. Beattie, president-elect of the Gerontological Society, emphasized at the subcommittee hearing in St. Louis the need for basic research as a foundation for planning to meet the needs of the elderly—

> This testimony is being provided with the hope that it will underscore and emphasize the lack of funds, including Federal, to support needed social welfare research as related to the provision of housing for the elderly. While millions of dollars may be spent on a particular project, it is not possible to point to the availability of funds which are related to the identification and evaluation of some of the more basic issues involved * * *.
>
> I urge the special committee of the Senate to reappraise current Federal housing laws and to assure that social welfare research and social planning be considered along with physical planning and design as an integral part of the provision of housing for the elderly. In addition, Federal programs while designating minimum space requirements, basic safety features, and so forth, fail to identify beyond physical shelter, these requirements which make possible more effective and satisfying living for older persons * * *. We now see the importace of alternatives, but we must determine the range of such alternatives according to the socioeconomic differences within our communities, as well as the effects of disability on one's ability to live independently. This is important and must be based upon a research approach to assure sound information as a basis to sound planning.[38]

Research will provide a basis for the continuing evaluation and improvement of Federal programs. While the pace of these programs should be accelerated, not slackened, there is already enough experience under these programs to begin to evaluate results. The results obtained through the varied programs underway in the more advanced European countries can likewise be evaluated. Are we producing housing designed, grouped, and located according to the way our older population wants to live or should live? Are we effecting maximum improvement in housing available to the elderly from the resources being directed into this field?

Community planning

National statistics and generalized research data on the environmental needs of the elderly are not in themselves enough. Solutions must be worked out for real people, in actual communities, on a community-by-community basis. Very few communities are today prepared to develop a comprehensive plan for rehousing those older citizens who need rehousing that will be consistent with, and an integral part of, the community's master physical plan.

Mr. Stephen Angell, a community council executive from Allentown, Pa., was one witness who called attention to these gaps in knowledge:

> It is my contention that if we are to understand the needs for housing for the elderly in Lehigh County, we must have a stronger base of fact than now exists upon which to make

[38] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 5, St. Louis, Mo., Dec. 8, 1961, pp. 444 and 445.

> the needed decisions for action; and only with this kind of factual information, can we plan effectively and can we make the necessary interpretation to the community and gain support for whatever program is decided upon.[39]

Mayor Frank Slattery, of Wilkes-Barre, Pa., in his testimony at the Scranton hearing, also emphasized the importance of intensive local surveys to identify needs and develop sound plans.

Such surveys must be initiated and carried out locally. But the national interest in these goals is indisputable and underlies the legislation which Congress has enacted. This national interest warrants Federal encouragement and support of local planning.

The urban renewal program holds great possibilities for improving the housing and general living conditions of the older population if their special characteristics are kept in mind throughout the renewal process. Several witnesses emphasized the tendency for elderly persons, and especially elderly persons of low income to be concentrated in old, deteriorating neighborhoods in the urban core—neighborhoods where urban renewal projects are centered. Sidney Willis, planning director of Jersey City, reported to the subcommittee on a nine-county study of housing conditions and markets in northern New Jersey:

> * * * among the major findings is the concentration of the region's elderly persons within the core portion of the region. Our elderly families are predominantly located within the core, within the large urban centers, in the older suburbs surrounding the cores. More than 60 percent of all our elderly in the entire northeastern New Jersey area are within a concentrated part of north Jersey surrounding Newark and Jersey City. One out of every five of our elderly families are within 22 municipalities surrounding Newark, including, of course, Jersey City and most of Hudson County. It is within this very area where we find the predominance of our deteriorated neighborhoods and housing areas. Seventy-five percent of all the deterioration in the entire nine-county area is concentrated within this small area.
>
> It is obvious to us on this study * * * that the problem of the elderly is inextricably related to the whole problem of the deterioration of our metropolitan core. If we cannot solve the problems of renewing and rebuilding our core then we will leave most of our elderly families within an area of undesirable environment. This, I think, is the very heart of the matter of providing decent, safe and adequate family environment for our elderly families.[40]

Mr. Willis strongly recommended that the problems of the elderly be included in all planning and programing of housing and urban renewal carried out with Federal assistance. Many other witnesses emphasized the necessity to integrate any approach to the housing problems of the elderly with planning for the total social and physical development of the community. Conversely, community development planning must concern itself not only with the physical plan

[39] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 4, Scranton, Pa., Nov. 14, 1961, p. 362.

[40] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 2, Newark, N.J., Oct. 16, 1961, p. 160.

but also with the social consequence of projects, including the consequences for the elderly population.

Recommendations

(1) To improve the basis for evaluating present approaches and guiding future Federal action, and to assure the integration of planning efforts for the elderly with general urban development, the Housing and Home Finance Administrator should undertake and coordinate a research program to study such subjects as—

(*a*) Present patterns of housing for senior citizens and identification of those which make for successful living in retirement;

(*b*) New programs and techniques in housing for the elderly and their effects; and

(*c*) The need and effective demand for senior citizens housing, the preferences of older persons, and patterns of migration.

(2) Federally assisted urban planning conducted at the State, metropolitan or community level should take account of the elderly population, its characteristics and needs, and potentials for meeting such needs within the areas affected.

(3) Assistance for community planning under section 701 of the Housing Act of 1954, as amended, should be expanded to provide grants for the development of plans for housing for the elderly. The authorization should permit planning bodies to utilize the services of communitywide councils of social agencies for the purpose.

VI. Urban Renewal and Rehousing of the Elderly

The areas cleared for urban renewal projects, being centrally located within the city and often in that part of the city most familiar to elderly residents, may be ideally suited for their housing. Mr. Sidney Willis commented on this point in his testimony:

> They [the elderly] do not—our data substantiates this statement—they do not wish to be transported to some suburban, green area, but they prefer to be within the metropolitan heart where they can get services, where they can get their kind of medical attention, where they can be accessible to their families * * * and where they can enjoy the contact and the relationships of close human association. This can only be provided in our core areas.[41]

The clearing of land in the heart of a city should offer challenging opportunities for developing housing and related facilities for older people. It should be possible to develop neighborhoods containing a selection of moderate-rental housing possibilities, built around a core of such facilities as a senior center, a shopping area, and a health center or clinic. Parks, streets, and walks, as well as public transportation within these neighborhoods could be planned in terms of the patterns of daily life of the elderly residents. In some areas it might be possible to locate such a planned community in the vicinity of a nonprofit general hospital which would be suitable for affiliation with the health center and could serve as a base for a home-care program.

Some low-income housing, including some housing for the elderly, has been developed in urban renewal areas, but mainly in the form of

[41] Ibid.

public housing. The potentials for redevelopment in housing and related facilities for the elderly have rarely even been approached.

Among the barriers to such development are the cost of cleared land and the natural desire of local authorities to emphasize reuses which make maximum contribution to tax resources. As one witness, Dr. Robert Barre, city and regional planning consultant, put it at the subcommittee hearing at Philadelphia:

> The social and economic needs of the people who are being displaced are being sacrificed to the desire to reestablish the economic value of the older sections of the cities.[42]

Ways need to be devised to stimulate the cooperation of community groups and local redevelopment officials to plan and develop in renewal areas communities serving elderly people of low and middle income and providing related facilities.

One device which might be effective is suggested by section 112 of the Housing Act of 1949, as amended. This section provides, among other things, that the value of land in or adjacent to an urban renewal area acquired by an educational institution or nonprofit hospital for redevelopment for educational or hospital uses may be credited to the urban renewal project as a local noncash grant.

The direct loan program under section 202 can be used by nonprofit sponsors and cooperatives to finance both independent housing and facilities for congregate living with health, social, or other services. Mortgage insurance is available to both profitmaking and nonprofit sponsors for construction of rental housing for the elderly, in which even more flexibility in the type of housing is possible. Nonprofit sponsors or groups of sponsors and local redevelopment agencies should be stimulated to work together in using these aids to produce a variety of moderate-rental housing possibilities for the elderly in a planned development.

This might be accomplished by applying the precedent of section 112, and amending provisions of the Housing Act of 1949 relating to local noncash grants to permit local public agencies to make land available to nonprofit sponsors for the development of rental housing for the elderly and to credit the value of such land as a local noncash grant to the project. This device might be limited to planned neighborhood developments including appropriate social, health, and commercial facilities. Senior centers, branch public libraries, and any other public facilities, as well as land devoted to clinic or similar facilities that may be constructed and operated by adjacent nonprofit hospitals, may be included as noncash grants under existing provisions.

Rehabilitation

As physical strength and financial resources decline, the elderly homeowner often finds it impossible to maintain his home in good repair. Its deterioration may contribute to hazards and inconvenience in his living arrangements as well as to the general decline of the neighborhood. It may also be true that some alteration or conversion of the structure would make it more suitable for elderly occupants.

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[42] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 3, Philadelphia, Pa., Oct. 18, 1961, p. 296.

The problems of the elderly in financing improvements and major maintenance were brought up on several occasions during the hearings. In Philadelphia, a "town meeting" speaker told of her own problem:

> * * * And I have to put every penny of that social security away for my taxes and water rent, and the house is falling apart over my head, and I have got a lovely neighbor that is slurring me all the time because my house is running down. He has just made repairs on his, and he is always saying I will have to get it done eventually. * * * [43]

In areas designated as rehabilitation areas under the urban renewal program, owners are required to invest the amounts necessary to bring structures up to specified standards of quality, and FHA mortgage insurance is available for that purpose under section 220(h) of the National Housing Act, as amended. But this program, despite its desirable objectives, often works hardship on elderly persons with low, fixed incomes who are concentrated in these areas. Many such people cannot afford to make mortgage payments or to pay the increased rent necessary to amortize these improvements, and are displaced from their homes by this mandatory "dressing up" process. This problem was brought sharply to the attention of the subcommittee in Newark by Mr. Budd Chavooshian, director of the New Jersey Division of State and Regional Planning:

> * * * it was found through a sample survey that next to nonwhite, households with elderly persons would be the hardest hit by a rehabilitation program calling for increases in housing costs. Of the total number of individuals over the age of 65 found among the sample households, two-thirds were found in households which would be displaced by a rehabilitation program costing more than $500 per unit; that between 1960 and 1970, assuming a rehabilitation cost of $3,000 per unit, it is likely that displacement of the elderly might number between 2,000 and 6,000 in northeast New Jersey.[44]

The concern of the business community of Baltimore, as well as that of the Maryland Commission on Aging, was voiced by State Representative Margaret Schweinhaut, chairman of the commission. Speaking to the subcommittee in Philadelphia, she stated:

> One problem of great concern to our businessmen is the matter of rehabilitation of older homes occupied by older people. They are finding too many such people not able to take advantage of the FHA financing for this rehabilitation because of their inability to handle the cost of amortization. Our State commission, therefore, is asking whether FHA might be authorized to guarantee fixed term mortgages on a nonamortizing basis, until such time as the property changes hands through sale or death of the owner. Under such an arrangement, interest only would be paid during the life of the mortgage. A plan of this sort should be care-

[43] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 3, Philadelphia, Pa., Oct. 18, 1961, p. 317 (Mrs. Ida Adler).

[44] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 2, Newark, N.J., Oct. 16, 1961, p. 143.

> fully considered, especially as it would relate to the problem of displacement of owner-occupants in a rehabilitation area.[45]

Such a measure would be likely to contribute considerably both to the objectives of neighborhood rehabilitation and to the improvement of housing conditions of a sizable segment of the elderly population. Its application, however, would be limited to the problem of the owner-occupant. Further study needs to be given to the problem of the elderly renter whose rent is increased due to the increased value of the building in which he lives.

Relocation

The most direct and drastic impact of urban renewal on the housing arrangements of the elderly comes with property acquisition and relocation of occupants in a project area to be cleared.

Local public agencies are required by Federal law to relocate residents of these areas in "decent, safe, and sanitary housing" as a condition to participation in the urban renewal program. The Urban Renewal Administration requires the submission of a plan setting forth the sources of housing units which will be drawn upon to relocate project residents and including specific plans and construction schedules for new housing required for relocation. The responsibility for assuring each person acceptable alternative housing rests entirely with the local public agency and continues until each person has been so relocated or has refused the services of the relocation agency.

Within the past year, URA has intensified its enforcement of this responsibility of local public agencies, and an Office of Assistant Commissioner for Relocation and Community Organization has been established for the purpose.

However, problems of suitable relocation, particularly for low-income, elderly persons, continue to be severe and almost universal. Expert witnesses and individuals speaking in "town meeting" sessions repeatedly called attention to the hardships and to the inadequacy of solutions that were possible under present arrangements. Mr. William L. Rafsky, redevelopment coordinator of Philadelphia, called attention especially to the situation of the elderly owner-occupant for whom the proceeds of the sale of his property was not sufficient to arrange really acceptable alternative housing:

> One other aspect of local activity that I would like to point out to the committee concerns itself with the special problem of displacing the elderly through the city's public improvement and renewal program. We recognize that in many cases there are people living in decent shelters that meet at least our minimum standards, where they may have paid off all of the obligations including mortgage, and they are then forced to move, and are only given the value of the property that they occupy in terms of purchasing or renting new facilities. In an effort to minimize that hardship, we have taken advantage of the relocation provisions of the Housing Act, section 221 under the FHA, and we have had some success in modifying the normal credit rating that FHA has. They are now willing, for example, to take into account under 221,

[45] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 3, Philadelphia, Pa., Oct. 18, 1961, p. 244.

because of the Fannie Mae takeout, that the life expectancy of the elderly could not possibly amortize the mortgage, but I have to emphasize that this has been almost a custom operation in which you have to hand-bring almost every family through our relocation process to make it work, and so although we think of 221 as being a helpful device, we think that the FHA approach to it has to be strengthened, that they have to take a different look at the elderly, particularly when they are displaced because of public improvements, and we believe that this is another factor that the committee and the Congress ought to look into in terms of new recommended legislation.[46]

The severity of the problem, especially as it affects the Negro aged was brought out forcefully in St. Louis by Mr. Leo Bohanan, executive director of the Urban League of St. Louis:

I would say that the housing and other socio-economic conditions of the aged Negro will worsen in succeeding years unless immediate action is taken. There is a feeling, and I think it is borne out by some observation, especially in the Negro community, that you can equate slum clearance with Negro clearance because the greatest concentration of your Negro population lives in the slum areas. And when you do have slum clearance, which means clearance of your Negro population, you have a massive problem of relocation which, in my opinion, has not been solved in any city yet * * *.

* * * the aged Negro male and his aged wife or his widow, they constitute, I would say, the most pathetic and permanent casualties to this rebuilding program, because it has been said before, many of them through sacrificial thrift, I would say, have been able to purchase and build homes and shelters in the slum and blighted areas 20, 30, 40 years ago, the only areas that were open then—and to a great extent now—to Negro citizens. The question is where will they relocate, because the price that the aged Negro receives for his home is not enough to cover the cost of another building, and their future earning power being exhausted, as has been indicated earlier by testimony, they do not qualify in most cases for mortgage loans.[47]

Town meeting witnesses, on several occasions, spoke of their own experiences or those of friends in being displaced by urban renewal or some other public works, and of the apparent hopelessness of finding acceptable new housing. One witness speaking from the floor in St. Louis declared:

* * * in St. Louis County, the poor people are being just literally thrown out of their homes, and the Federal Government knows of this, and we still can't get anything done. What can these people do? * * *[48]

[46] Ibid., p. 239.
[47] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 5, St. Louis, Mo., Dec. 8, 1961, pp. 450 and 451.
[48] Ibid., p. 498 (Daniel W. Witt).

An elderly gentleman told the subcommittee in Newark:

> What I am particularly interested in is this. Before we tear down any housing, let's build housing previous to it, so that when we have to displace these tenants we have places for them to go to. Build first, then you can tear down.[49]

Of course, the displacement and relocation problem is not limited to renewal operations. Mr. Sidney Willis of Jersey City pointed out to the subcommittee that, apart from renewal plans, a tremendous amount of displacement of urban core residents in northern New Jersey would occur in the next 10 years through Federal highway programs and school construction, and made the following recommendation:

> * * * that Congress establish as a principle that all Federal programs in metropolitan areas deal with the problem of displaced persons under the same standard that Congress wisely required under the Housing Act. To avoid competitive relocation programs, provisions should be made that each municipality, or group of municipalities, establish permanent, local relocation administrative units to which payment would be made as part of the cost of Federal highway or any other Federal program affecting the metropolitan area. Incentives should be established for similar payments from State, county and independent authorities based on the amount of their displacement resulting from their individual programs in each municipality.[50]

Relocation staffs and methods vary considerably, and undoubtedly these problems are met more effectively in some cities than in others. However, most projects present many individual case problems which defy adequate solution even by the most competent and dedicated relocation staffs. New tools are needed to help make the relocation of elderly persons from slum areas a forward step rather than a catastophic event in their lives.

It is apparent that a great majority of the elderly persons who have to be relocated simply do not have the means to move to standard private housing. This brings about a heavy dependence on public housing as the major relocation resource. But public housing, and especially units for the elderly, is scarce everywhere. Waiting lists of four or five times the annual turnover are commonplace. Just the announcement of approval of a new public housing project for the elderly usually brings a shower of new applications to the local housing authority—many more than the number of units planned.

So public housing alone, even when amply supported, cannot fully meet the need. Some device must be found for tapping the private supply of decent, safe, and sanitary housing.

One method which might be considered is a direct rent subsidy. An elderly person or family, forced to relocate, would be given a supplement to meet the difference between the rent they can afford and the rent they must actually pay.

[49] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 2, Newark, N.J., Oct. 16, 1961, p. 195 (Charles W. Hancock).

[50] Ibid., p. 162.

A number of cities are experimenting with such rent supplementation programs. Among them are Des Moines, Iowa; Waterloo, Iowa; Battle Creek, Mich.; Kalamazoo, Mich.; Port Huron, Mich.; East Chicago, Ill.; Maywood, Ill.; Wichita, Kans.; Topeka, Kans.; and Fargo, N. Dak.

Such supplementation payments would appear to be a cost properly chargeable to the projects necessitating the relocation—at least during the life of the project. Following the completion of a project the Federal share of rent supplementation could be assumed by the Public Housing Administration for a specified period or until such time as the persons could be placed in standard housing at rents they can afford.

A category of persons for whom the problems of relocation often cannot adequately be solved is that of the owner-occupant whose plight was described by the expert witnesses quoted earlier. At present, this person is offered little alternative to moving into public housing where, as a renter, he may quickly use up the modest capital realized from the equity in his home.

Elderly people who, during their working years, paid for a home may be able to maintain themselves on low, fixed incomes, but may not have sufficient income for rent payments or for amortization of a mortgage on another home meeting relocation standards. Thus, the elderly owner-occupant often has forcibly taken from him a very real and practical, as well as psychological, element of security.

This is one of the most frequent and serious of relocation problems. The rent supplementation device would at least relieve the direct financial problems of these victims of circumstances and probably would greatly facilitate adjustment to loss of homeowner status. It would open up a far wider range of possible solutions to the relocation problem.

A third problem area is the discovery through the relocation process of elderly persons who should not be living in independent housing because of disabilities requiring care in nursing homes or other institutions providing some degree of supervision.

Relocation agencies should call upon the whole range of health and social agencies in the community for the proper handling of these cases. It appears from comments made during the hearings that this is being done, but increasingly more facilities for nursing home care and for minimal care in congregate settings are needed for successful relocation as well as to meet the general needs of the elderly population. The need for study of new ways to promote developments of this type, especially in connection with the reuse of renewal areas, was suggested earlier.

Recommendations

(1) The Urban Renewal Administration should recognize the special needs and physical limitations of elderly people by specifically requiring their consideration in relocation plans. The requirements for relocation applicable to urban renewal operations should be made to apply equally to all federally aided programs which involve the acquisition and clearance of residential property.

The Subcommittee on Housing should consider legislation to:

(2) Amend provisions of the Housing Act of 1949 relative to local noncash grants in aid to permit local public agencies to make sites

available for development by cooperative and nonprofit sponsors under section 202 or section 231 and to credit the value of such sites to the project as local noncash grants.

(3) Authorize the Federal Housing Administration to insure mortgages for the rehabilitation of the residence of an elderly homeowner on terms which do not require full amortization of the loan. Such mortgages could require payment of interest only or interest plus a part of the principle with the balance becoming due upon the sale, devolution or other transfer of the property.

(4) Authorize municipal, metropolitan, or other local jurisdictions with relocation responsibilities to make rent supplementation payments for limited periods where necessary to enable low-income persons to relocate in standard housing, such payments to be included in the project costs.

INDIVIDUAL VIEWS OF SENATOR PRESCOTT BUSH

The committee report understandably makes a number of generalized statements which reflect the opinions of its authors. Many of these are probably accurate. There are others, however, which, lacking substantiation through comprehensive research, can only be described as "possibly accurate." They may or may not be true.

This is inevitable in view of the great gaps in our knowledge about both housing and the aging in our Nation.

In the housing context, this fact was given emphasis by George W. Grier, director, conference study of housing for aging, Brookings Institution, when he said while appearing before the subcommittee:

> It seems logical that if we want to improve the housing of the elderly we should know first of all something about their present situation. It turns out that our present statistical data give us almost no help on this subject. On the data which we have, the most recent in many respects are from the 1950 census. The 1960 census is not yet ready. The 1960 data will not be much better than the 1950 data although they will be more recent.[1]

This concern with the lack of complete, accurate data has been expressed on many occasions by numerous experts involved in housing for older people.

It would suggest, therefore, that the committee's recommendation for additional statistical studies be given a high priority. Conceivably some of the more complicated expansions of what is an already comprehensive housing program for the elderly might well be deferred until such information is available.

Independence of older people, financial and other, should wherever possible be a major objective of society in its efforts on their behalf.

Freedom to care for themselves and to choose how their lives shall be spent is deeply cherished by America's older people. This has been attested repeatedly at hearings held by the Senate Special Committee on Aging.

A significant group to which such freedom is especially important are the older people who now own their own homes and have largely been ignored in Federal proposals relating to housing.

Approximately two-thirds of over-65 couples and numerous single or widowed individuals own their own homes, mostly mortgage free.

Ignoring this group can lead to a serious oversight in recommendations for Federal action on behalf of older people. Such homeownership can at once be a possible resource for assuring independence for the aged and a possible burden for them.

Among the large number of older homeowners there are many whose homes no longer meet their needs. Often such homes were

[1] "Hearings Before the Subcommittee on Housing for the Elderly," pt. 1, Washington, D.C., Aug. 22, 1961, p. 15.

purchased many years ago to meet requirements created by growing families.

Now the children have left the home and their elders might be served better by a smaller house, an apartment, or, at extreme ages, even residence in one of the life-care homes such as are sponsored by many church groups.

Federal taxes imposed on paper capital gains can, however, substantially reduce the equity which might accrue to older people, should they wish to sell such homes.

Since much of the taxable "gain" involved in such a sale reflects an erosion of the dollar's value and today's higher sale price often will buy no more than what was originally paid out in purchasing the home, such taxes constitute confiscation of part of the individual's equity, with a corresponding reduction in his economic independence.

In contrast to younger citizens who receive compensating higher pay in an inflationary situation, the senior citizen is often thus confronted with an irreplaceable loss.

Because of this, many older people with homes too large for their needs are discouraged from changing their residence. Sometimes they remain in homes, the care and financing of which are both burdensome.

Removal of this capital gains tax impediment will permit many older persons to use the equity they have in their homes more effectively. In some instances it will simply permit reductions in housing expenses; in others it will free capital so as to actually increase income usable for other purposes.

Failure to remove this inequity leaves this large group of older people the major single exception to the following statement by Robert C. Weaver, Housing and Home Finance Agency Administrator. Mr. Weaver said:

> Our senior citizens have ceased to be the forgotten generation. They have achieved under the Housing Act of 1961 the same opportunities all others have to live securely and comfortably according to their particular needs.[2]

There is now before the Senate Finance Committee a bill (S. 2666) which would "amend the Internal Revenue Code of 1954 so as to exclude, from gross income, gain realized from the sale of his principal residence by a taxpayer who has attained the age of 60 years." This would give the older homeowner freedom to sell such property without the current unfair penalty.

It is recommended that the Finance Committee give favorable consideration to this proposal and add its basic provisions as an amendment to the first appropriate revenue measure reported out for action by the Senate.

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[2] "What's New in Housing for the Elderly," Housing and Home Finance Agency, March 1961.

APPENDIX

OUR SENIOR CITIZENS AND HOW THEY LIVE: AN ANALYSIS OF 1960 CENSUS DATA

PART I: THE NATIONAL SCENE IN APRIL 1960

According to the 1960 census there were 23.7 million elderly persons 60 years of age or over living in the United States. Special tabulations of 1960 census data produced as a result of a contract entered into between the Housing and Home Finance Agency and the Bureau of the Census make possible a detailed analysis of the living arrangements of the estimated 22.2 million of these people who lived in households either as their heads or as household members.[1] In the subsequent discussion these will be referred to simply as "the elderly" or "senior citizens," and the households to which they belong as "elderly or senior citizen households." At a later date the Bureau of the Census will be able to provide a direct estimate of the number of elderly living in rooming houses or institutions, a figure which cannot now be arrived at merely by comparing the total elderly population with the number estimated to be members of households. What is now known, however, is sufficient to establish that members of households make up all but a small proportion of the total elderly population.

This study provides data for the United States, the 50 States, and the District of Columbia, 212 standard metropolitan statistical areas, and 136 places with populations of 100,000 or more (including the 5 boroughs of New York City). Figures for the United States, for the States, and selected SMSA's will be published by the Bureau of the Census. Photocopies of all other tabulations may be purchased from the Bureau of the Census at a moderate cost.

The present analysis is aimed at focusing attention upon some of the most salient features of the national picture. Subsequent reports will deal with other aspects of the situation.

Before getting into the substance of what the figures show it may be desirable to point out two differences in coverage between the present study and the widely used 1950 data, the tabulation of which was also financed by the HHFA.[2] First, coverage of the present study has been extended to include all elderly persons living in households, whereas the 1950 study was restricted to elderly heads of nonfarm households. Second, the age range of persons included has been widened to include persons 60 years of age and over, in contrast to the 1950 study for which the lower age limit was 65. The first change in coverage was made because elderly nonfarm household heads account

[1] This study has been conducted under the urban studies and housing research program of the Housing and Home Finance Agency in the Office of Program Policy, Morton J. Schussheim, Assistant Administrator. The report was prepared by the Statistical Reports Staff, E. Everett Ashley III, Director.

[2] Ashley, E. Everett, III, "Where and How Older People Live Today," "Housing the Aged," edited by Wilma Donahue, Ann Arbor: University of Michigan Press, 1954, pp. 13-20.

for only about 55 percent of all the elderly living in households, and tabulations relating only to heads of nonfarm households, therefore, provide only a partial picture of the income and housing situations of all senior citizens. The second change was made largely because Federal, and many State and private programs, extend aid to the elderly between 60 and 65. Consequently, it becomes important to be able to see the situation as it relates to all people 60 years of age and older rather than limiting the view merely to those 65 and older.

By lowering the age limit from 65 to 60 some 6.6 million persons are included in the study who would otherwise be omitted. This brings the total number of persons in households that are included to 22.2 million, of whom 69 percent are 65 years of age or more. Moreover, 87 percent are 62 or more and thus comprise the age class for whom special Federal housing programs have been designed.[3]

About 70 percent of all elderly persons (as defined above) are members of households that own their own homes. While most of these households are headed by elderly persons, some have heads that are under 60 years of age. The proportion of the elderly who own their own homes in each of the 5-year age groups up to 85 and for the group 85 and over is also about 70 percent. The proportion of persons under 60 at the time of the 1960 census who lived in owner units was by way of contrast only 63 percent (table 1).

Turning now to the living arrangements of those 60 and over in 1960, the study shows that almost half of the elderly persons living in households live as two-person households, including 40 percent who are husbands and wives living together. The remaining 50 percent are divided equally among one-person, three-person, and four-or-more-person households. Because most of the three-person households include a married couple, essentially only the 17 percent of elderly households with four or more persons are large enough to include three-generation families. This shows how far we have departed from the traditional American farm household where it was more often the rule than the exception to find grandparents, children, and grandchildren living together under one roof (table 2).

The extent to which senior citizens have at least nominal control over their living arrangements is indicated by the proportion who are household heads or wives of heads. For senior citizens living in both owner and renter units the proportion is high, 81 percent for owners and 84 percent for renters. Other persons related to the household head, who presumably have some claim on living space in the household, account for 15 percent of elderly persons in owner units and 12 percent of elderly persons in renter units. A small proportion of elderly persons do not have the security either of nominal ownership or of being related to the household head. Included in this group are 2 percent of the elderly who live in owner units and 2 percent of those in renter units. (There are in addition a small number of persons living for the most part in owner households for whom information on relationship was not tabulated (table 3.))

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[3] Three programs of HHFA provide housing aids for senior citizens. Through the Federal Housing Administration a special form of mortgage insurance is made available for the construction or rehabilitation of both nonprofit and profit-motivated multifamily rental housing projects for occupancy by the elderly. The Public Housing Administration provides liberalized financial aid to local authorities for new or remodeled public housing specially designed for the elderly, and it has also broadened eligibility requirements for admission of the elderly to other public housing projects. The Community Facilities Administration administers a program of low-interest-rate direct loans of up to 100 percent of the development cost of rental-type housing specially designed for senior citizens of moderate income, sponsored by private nonprofit corporations, consumer corporations, or certain public agencies.

How much income do senior citizens receive?

A major factor influencing the living arrangements of senior citizens is their money income. To shed light on this important element in the housing picture among senior citizens, the study dealt with both the individual income of elderly householders as well as with the total household income of households containing elderly members.

A. Individual income

Considering first individuals with incomes in 1959, the data reveal that elderly heads of households received far larger incomes than did the oldest elderly members who were not heads. However, the median of $1,900 for the elderly heads was only about two-thirds of the median income received by all persons 14 years of age and over who had incomes that year. Incomes of male heads, whose median was $2,400, were very much higher than of female heads, whose median was only $1,100. Incomes of oldest members other than heads averaged only $800 (median), reflecting the very low incomes received by women related to heads, a majority of whom are wives.

The income situation of these oldest members can be seen more clearly when the relationship to the head is taken into account. This reveals that the median income of $1,100 received by elderly women not related to the head was significantly higher than the median of $700 received by those related to the head. Men not related to the head also received considerably more on the average than those related to the head. From this it might be tentatively assumed that higher contributions toward household expenses and hence higher incomes are required of persons not related to the head than from those of whom wives are a special case, having a special claim by virtue of kinship (table 4).

B. Household income

While the individual income of senior citizens gives an idea of the housing that elderly individuals could afford if they were to choose to live in their own housing units, the combined income of all related household members comes closer to indicating their ability to pay for housing under their present living arrangements. As might be expected of households with members above the usual age range for full-time workers, the median income of elderly households of $3,300 was well below the median of $5,000 received by all households in 1959, according to the current population survey of the Bureau of the Census. Even elderly households with male heads had incomes of only $4,200. Although it is quite likely that renter households need more income than do owner households to cover housing expense, the latter with a median of $3,800 have the higher incomes, compared to the median of $2,400 for renter households.

The marked income advantage in favor of owners is not shared by one-person households, but is due to incomes of households with two or more persons. The income received by the 3.8 million single elderly persons who maintain their own households is of special interest because for them household income can be directly related to housing, whereas in larger households such income may include the income of persons under 60. For these single-person households the median incomes for renters and owners of $1,200 and $1,100, respectively, were essentially the same, and mean that many of them cannot afford decent housing. It is also possible that many owners living alone, all of whom have some equity in their homes and for this reason are apt to be better off generally than renters with the same income, feel constrained to remain owners because they cannot afford suitable rental housing (table 5).

How well are senior citizens housed?

A. Condition of units

The influence of the relatively low income level of senior citizens upon their housing is plainly reflected in a high proportion of deficient units occupied by households with one or more elderly persons in April 1960. Over 19 percent of the 16 million housing units in which senior citizens lived may be characterized as substandard in that they lacked private bath, toilet, or hot running water, or were structurally deficient. By comparison only 15 percent of the housing units occupied by households in which there were no senior citizens lacked one or more plumbing facilities or were dilapidated and were thus substandard. The better quality of owner units, 15 percent of which were substandard as compared to 28 percent of renter units, was also implied by the distribution of household income. Units occupied by households with heads under 60 years old were in better condition than those occupied by heads 60 or over, probably because the heads under 60 were still active in the labor force and so were very likely to have larger incomes. In fact, in a great many of these households the head is a son or daughter with whom aging parents have come to live (table 6).

The extent to which housing quality and income are related is shown by the median incomes of households in standard and substandard units. Among owners in standard units the median was $4,400, while the median for owners in substandard units was only $1,500. Furthermore, 36 percent of the owner households with incomes less than $1,100 lived in substandard housing, whereas at the other extreme only 4 percent of the households with incomes of $5,000 or more lived in such units.

Elderly renter households in the higher range of incomes were also considerably better housed than households with lower incomes. Renters in standard units had median incomes of $3,300 as opposed to $1,300 for those insubstandard units. Nearly one-half of the renter households with incomes of less than $1,000 lived in substandard units, but for those receiving incomes of $5,000 or more the percent in substandard units was 9 percent (table 7).

B. Crowding

The number of persons per room provides a second rough measure of the suitability of housing occupied by senior citizens. On the basis of this criterion senior citizens fare better than the population generally. Only 4 percent of the units they occupy are crowded with 1.01 or more persons per room, whereas 12 percent of all units in the country are that crowded. Although at 6 percent the proportion of crowded rental units in which elderly live is somewhat greater than for owner units, it is still well below the average for all renter households in the Nation.

In spite of the general abundance of space in housing units in which senior citizens live, an exception must be noted with respect to households with heads under 60 years of age, 13 percent of which are overcrowded (1.01 or more persons per room). This figure breaks down into 20 percent for renter households and 11 percent for owner households. Included in the 20 percent for renter households are 8 percent in units that are seriously overcrowded with more than 1.5 persons per room. Among households with heads under 60 are undoubtedly many in which overcrowding has resulted as one or more elderly parents have moved in with children in homes ill equipped to accommodate extra persons (table 8).

By combining the information on crowding and condition a fairly clear idea of the general housing situation of elderly households with heads under 60 years old can be obtained. The units occupied by these households are generally in better physical condition than other units occupied by the elderly, but at the same time they are apt to be more crowded, probably because in many of them two or three generations are living together.

How often do senior citizens move?

Households with one or more senior citizens move much less frequently than do households with younger persons. This inference can be drawn by contrasting the mobility of persons of all ages taken together with the mobility of households having one or more senior citizens. About one-half of the former moved at least once in the years 1955–59 while 30 percent of households with one or more senior citizens moved one or more times during this same 5-year span. About 40 percent of them lived in their present unit from 6 to 20 years and 30 percent for more than 20 years. Owner households, only 20 percent of whom moved during the 5 preceding years, generally remained in one residence longer than renters, one-half of whom moved during the same period (table 9).

What sort of housing do senior citizens choose when they move?

Some information on this is available for those elderly households who moved into their present quarters during the past 5 years. Of these recent movers 18 percent moved into new units and became owners, while 4 percent moved into new units and became renters. The vast majority, however, moved into units that had been built before 1955, 31 percent as owners and 47 percent as renters. The tenure chosen by recent movers makes it appear that the high rate of homeownership among the elderly (some 70 percent as pointed out earlier) is due mainly to adjustments made earlier in life.

What type structure do senior citizens live in?

There is some controversy as to whether senior citizens are better off physically in single-family housing units or in more compact apartment-type units. Each offers certain advantages, the former for the pursuit of established hobbies centering about the home and garden, the latter in the way of reduced burdens in upkeep and household chores. While the present tables throw little light on the ultimate answer to this problem, they do indicate something about the prevailing pattern. Of the owner households 9 out of 10 live in single-family housing units, 1 percent in trailers, and about 9 percent in structures with 2 or more units. As might be expected, a far smaller proportion of renter households, 42 percent, live in single-family units. Outside of a small number that live in trailers, the rest live in multifamily structures, 24 percent in two- to four-family structures, and 33 percent in buildings with five or more units (table 10).

What proportion of income do renter households spend on housing?

Since housing costs of renter households are generally paid out of current income, the ratio of rent to income is a good index of the importance of gross rent (contract rent, plus the average monthly costs of utilities and fuel) in family budgets. Because of declining incomes in the later years the rent-to-income ratio is on the average higher for the elderly than for younger families. Thus 31 percent of two-person elderly nonfarm households and 62 percent of one-person elderly nonfarm households pay 32.5 percent or more of their incomes for rent, fuel, and utilities, a ratio that would be regarded as very high and probably excessive by most families. The rent-income ratio varies widely by income class. Among two-person households 77 percent of those with incomes under $2,000, 24 percent of those with incomes of $2,000 up to $5,000, and 2 percent of those with income of $5,000 or more spend 32.5 percent or more of their incomes on rent, fuel, and utilities. A similar but slightly wider range exists in the rent-income ratio of one-person nonfarm households (table 11).

TABLE 1.—*Number of persons 60 years old and over who are members of households, by age groups and tenure, April 1960*

[Number of persons in thousands]

Age group	Tenure					
	Number			Percent		
	Total	In owner-occupied units	In renter-occupied units	Total	In owner-occupied units	In renter-occupied units
Persons 60 years old and over in households	22,237	15,977	6,261			
Age class available	21,632	15,487	6,145	100	100	100
62 years and over	18,889	13,544	5,345	87	88	87
65 years and over	14,994	10,761	4,233	69	70	69
60 years and over	21,632	15,487	6,145	100	100	100
60 to 64 years	6,638	4,726	1,912	31	31	31
65 to 69 years	5,818	4,174	1,644	27	27	27
70 to 74 years	4,368	3,134	1,233	20	20	20
75 to 79 years	2,747	1,960	787	13	13	13
80 to 84 years	1,345	969	376	6	6	6
85 years and over	717	524	193	3	3	3
Age class not available	605	490	115			

Source: Bureau of the Census.

TABLE 2.—*Number of persons 60 years old and over, by sex and by number of persons in household, April 1960*

Living arrangement	Number (thousand)	Percent
Persons 60 years old and over	23,702	100
Men	10,912	46
Women	12,790	54
Persons in households	22,237	100
In households consisting of—		
1 person	3,755	17
2 persons	10,943	49
Husband and wife	8,746	39
Others	2,197	10
3 persons	3,799	17
4 or more persons	3,741	17

TABLE 3.—*Tenure and living arrangements of persons 60 years old and over who are members of households, April 1960*

Tenure and living arrangement	Number of persons (thousands)	Percent
Persons 60 years old and over in households	22,237	100
In owner households	15,977	72
In renter households	6,261	28
In owner households	[1] 15,977	[1] 100
Head or wife of head [2]	12,863	81
Related to head	2,312	15
Not related to head	313	2
In renter households	[3] 6,261	[3] 100
Head or wife of head [2]	5,229	84
Related to head	764	12
Not related to head	152	2

[1] Includes 490,000 persons 60 years old and over for whom information on relationship was not tabulated.
[2] Includes only wives in households with no nonrelatives present. Wives in households with nonrelatives present are included in the line "Related to head."
[3] Includes 115,000 persons 60 years old and over for whom information on relationship was not tabulated.

Source: Bureau of the Census.

TABLE 4.—*Number of persons receiving income and individual income in 1959 of household heads 60 years old and over and of oldest other household member 60 years old and over, April 1960* [1]

[Number of persons in thousands]

Relationship to household head, and sex	Number of persons	Median income
Heads of households	12,448	$1,900
Men	8,705	2,400
Women	3,743	1,100
Oldest other member	5,401	800
Men	879	1,200
Women	4,522	800
Related to head	4,984	-------------
Men	675	1,100
Women	4,309	700
Not related to head	417	-------------
Men	204	1,400
Women	213	1,100

[1] 3,784,000 persons 60 years or older, including 3,324,000 females, were reported as being without income in 1959.

Source: Bureau of the Census.

TABLE 5.—*Number of households and income in 1959 of households with members 60 years old and over, April 1960*

[Number of households in thousands]

Tenure and living arrangement	Number of households	Median income [1]
All elderly households	[2] 15,973	$3,300
Male head	11,289	4,200
Female head	4,684	1,500
Owner households	11,105	3,800
2-or-more-person households	9,164	4,600
Male head	7,783	4,800
Female head	1,380	3,500
1-person households	1,941	1,100
Male head	506	1,400
Female head	1,435	1,000
Renter households	4,868	2,400
2-or-more-person households	3,054	3,800
Male head	2,398	4,200
Female head	655	2,900
1-person households	1,814	1,200
Male head	601	1,400
Female head	1,213	1,100

[1] Income received by head and members related to head.
[2] In this and all subsequent tables, elderly households include households with heads under 60 and 1 or more members 60 years of age or more.

Source: Bureau of the Census.

TABLE 6.—*Quality of housing units for households with members 60 years old and over, April 1960*

[Number of housing units in thousands]

Tenure and age of head	Total	Standard [1]	Substandard	Percent substandard
All occupied housing units	15,973	12,905	3,067	19
Owner occupied	11,105	9,397	1,708	15
Heads under 60 years	1,980	1,784	197	10
Heads 60 years old and over	9,125	7,613	1,511	17
Renter occupied	4,868	3,508	1,360	28
Heads under 60 years	722	564	157	22
Heads 60 years old and over	4,146	2,944	1,203	29

[1] Units that are not dilapidated and have private inside toilet, private bath or shower, and hot running water.

TABLE 7.—*Income in 1959 and housing quality for households with persons 60 years old and over, April 1960*

[Number of housing units in thousands]

Tenure and quality	Household income in 1959						
	Total	Less than $1,000	$1,000 to $1,999	$2,000 to $2,999	$3,000 to $4,999	$5,000 or more	Median income
All occupied housing units	15,973	2,912	2,733	1,872	2,763	5,693	$3,300
Owner occupied	11,105	1,760	1,735	1,285	1,918	4,407	3,800
Standard	9,397	1,134	1,288	1,067	1,687	4,221	4,400
Substandard	1,708	626	446	219	231	185	1,500
Percent of owner-occupied units	15	36	26	17	12	4	----------
Renter occupied	4,868	1,151	998	587	845	1,286	2,400
Standard	3,508	597	622	429	685	1,175	3,300
Substandard	1,360	554	377	158	159	111	1,300
Percent of renter-occupied units	28	48	38	27	19	9	----------

Source: Bureau of the Census.

TABLE 8.—*Persons per room for households with members 60 years old and over, April 1960*

Tenure and age of head	Number of households (thousands): Total	Persons per room: 1 or less	Persons per room: 1.01 or more	Persons per room: 1.51 or more	Percent of households with: 1.01 or more persons per room	Percent of households with: 1.51 or more persons per room
All occupied housing units	15,973	15,274	700	235	4.4	1.5
Owner-occupied	11,105	10,708	397	103	3.6	.9
Heads under 60 years	1,980	1,768	212	44	10.7	2.2
Heads 60 years old and over	9,125	8,940	185	59	2.0	.6
Renter-occupied	4,868	4,566	303	132	6.2	2.7
Heads under 60 years	722	577	145	55	20.1	7.6
Heads 60 years old and over	4,146	3,989	158	77	3.8	1.9

TABLE 9.—*Duration of residence in present unit and year structure built for households with members 60 years old and over, April 1960*

Tenure, duration of residence, and year unit built	Number of households (thousands)	Percent
All elderly households	15,973	100
Living in unit more than 20 years	4,883	31
Living in unit 6 to 20 years	6,461	41
Living in unit 5 years or less	4,628	29
Unit built 1955 to 1960	1,038	7
Unit built 1954 or earlier	3,590	23
Owner households	11,105	100
Living in unit more than 20 years	4,177	38
Living in unit 6 to 20 years	4,655	42
Living in unit 5 years or less	2,272	21
Unit built 1955 to 1960	841	8
Unit built 1954 or earlier	1,431	13
Renter households	4,868	100
Living in unit more than 20 years	706	15
Living in unit 6 to 20 years	1,806	37
Living in unit 5 years or less	2,356	48
Unit built 1955 to 1960	197	4
Unit built 1954 or earlier	2,159	44

Source: Bureau of the Census.

TABLE 10.—*Number of housing units in structures occupied by households with members 60 years old and over, April 1960*

Tenure and type of structure	Number (thousands)	Percent
All occupied housing units	15,973	
Owner occupied	11,104	100
1 family	9,921	89
Trailer	135	1
Other	1,048	9
Renter occupied	4,869	100
1 family	2,045	42
2 to 4 units	1,186	24
5 or more units	1,622	33
Trailers	17	(1)

Less than 0.5 percent.

TABLE 11.—*Percent of 1- and 2-person renter nonfarm households with members 60 years old and over in April 1960 spending 22.5 and 32.5 percent or more of household income on gross rent in 1959* [1]

Size of household and rent-income ratio	Renter households [1]	Household income		
		Less than $2,000	$2,000 to $4,999	$5,000 and over
2-person households [2]	100	100	100	100
22.5 percent or more	50	92	57	10
32.5 percent or more	31	77	24	2
1-person households	100	100	100	100
22.5 percent or more	78	95	57	14
32.5 percent or more	62	84	26	4

[1] Excludes households not paying rent in cash, also excludes households with no income or net loss.
[2] Does not include a small number of 2-person households with nonrelatives.

Source: Bureau of the Census.

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