

FUTURE DIRECTIONS IN SOCIAL SECURITY

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
FIRST SESSION

PART 15—DES MOINES, IOWA
Impact of High Cost of Living

MAY 19, 1975



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Future Directions in Social Security :

- Part 1. Washington, D.C., January 15, 1973.
- Part 2. Washington, D.C., January 22, 1973.
- Part 3. Washington, D.C., January 23, 1973.
- Part 4. Washington, D.C., July 25, 1973.
- Part 5. Washington, D.C., July 26, 1973.
- Part 6. Twin Falls, Idaho, May 16, 1974.
- Part 7. Washington, D.C., July 15, 1974.
- Part 8. Washington, D.C., July 16, 1974.
- Part 9. Washington, D.C., March 18, 1975.
- Part 10. Washington, D.C., March 19, 1975.
- Part 11. Washington, D.C., March 20, 1975.
- Part 12. Washington, D.C., May 1, 1975.
- Part 13. San Francisco, Calif., May 15, 1975.
- Part 14. Los Angeles, Calif., May 16, 1975.
- Part 15. Des Moines, Iowa, May 19, 1975.
- Part 16. Newark, N.J., June 30, 1975.
- Part 17. Toms River, N.J., September 8, 1975.

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FUTURE DIRECTIONS IN SOCIAL SECURITY

MONDAY, MAY 19, 1975

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Des Moines, Iowa.

The committee met, pursuant to notice, at 9 a.m., in the Community Room, Royal View Manor, Des Moines, Iowa, Senator Dick Clark presiding.

Present: Senator Clark.

Also present: David A. Affeldt, chief counsel; Scott Ginsburg, special assistant to Senator Clark; Gerald Yee, minority professional staff member; and Dona Daniel, clerk.

OPENING STATEMENT BY SENATOR DICK CLARK, PRESIDING

Senator CLARK. The hearing will please come to order.

I welcome all of you here this morning. Today the Senate Special Committee on Aging is meeting in Des Moines to continue its overall study of "Future Directions in Social Security."

Fifteen hearings already have been conducted on a wide range of issues—including the actuarial soundness of the social security program, the earnings limitation, proposals to make retirement more secure for older women, alternatives for easing the payroll tax burden for workers—and many other related topics have been included as well.

This morning's hearing will focus on the impact of this country's economic problems on the elderly. Before proceeding, however, it would be appropriate to discuss the role and purpose of the Senate Special Committee on Aging—the committee which is meeting today.

The committee is one of the very few special committees in the Congress. Primarily, it is a factfinding committee. We don't have the authority to approve and report legislation to the Senate. But, we do have a major impact on legislation. In fact, the committee either originated or actively supported all of the landmark legislation for older Americans: Medicare, the 20-percent social security increase, the Older Americans Act, the title VII nutrition program, and the automatic cost-of-living adjustment for social security beneficiaries. All of these were a result, in part, of hearings such as this one—held in Washington or across the country.

The committee also has a direct impact on legislation by assuring that the needs of the aged are appropriately considered as other

Senate standing committees work on proposals affecting older Americans. For example, the Special Committee on Aging is now working with the Labor and Public Welfare Committee to improve the Older Americans Act—in fact, they are working on that bill this week, marking it up or trying to write additional parts to the bill or improve the existing bill.

Just 3 weeks ago, I chaired hearings in Washington, D.C., to find out how well the Older Americans Act is working in rural America, and that hearing resulted in a series of amendments to make the Older Americans Act more sensitive to the needs and problems of rural elderly people. If any of you have suggestions for improving that legislation, we'd be pleased to take those back to Washington.

IMPACT OF RISING PRICES UPON ELDERLY

Today, the committee has come to Des Moines to hear firsthand about the impact of rising prices upon the limited incomes of older Iowans. It is important to take testimony outside of Washington, D.C., because it gives us an opportunity to listen to those individuals most directly affected by rising prices. Too often the Congress fails to get enough ideas and suggestions from older people, and that's why it's particularly good to be here today. At this hearing, we want to determine whether Federal programs for the elderly are working as they are intended to work. If they are not, then we want to know why, and how they can be improved. If programs clearly have outlived their usefulness, then we must be prepared to scrap them and find an appropriate way to begin anew.

Iowa has been in the forefront in developing innovative ideas for responding to the problems and challenges of aged and aging Americans. Traditionally, in Iowa, we have had a deep commitment to our older people—a commitment that has been reflected in concerted action at the State and local levels. After all, Iowa has one of the highest concentrations of elderly people in the United States—it ranks third among the 50 States in the percentage of people over 65. More than 350,000 Iowans are in the 65-plus age category—12.3 percent of our population—and they play an important role in our society.

Another purpose of their hearing is to assess the performance of the social security system and other retirement programs in meeting the needs of the elderly during this period of inflation and recession. All Americans have been affected in one form or another by inflation. But older Americans have been especially hard hit, in large part because of their limited, fixed incomes.

During the past 2 years consumer prices have gone up by nearly 22 percent. To make matters worse, some of the sharpest increases have occurred in areas where older people must spend their money. For example, food has risen by more than 27 percent in that period. There has been a 78-percent increase in home heating fuel oil, a 31-percent jump in utility rates, and a 23-percent rise in hospital costs.

Increased social security benefits, to be sure, have helped soften the blow. But other alternatives must be explored if older Americans are to receive more real income. Right now, there is just not enough income to meet their most basic needs, and that is just one more reason why we must work to put a lid on rising prices.

OVER 3 MILLION AGED LIVE IN POVERTY

Nationwide, there are over 3 million older persons living in poverty. By "poverty," I mean the rockbottom standard: \$2,119 a year for a single person, or about \$40 a week. In the case of an aged couple, the threshold of poverty is determined to be a little more, \$2,662, or about \$50 a week. But these figures are somewhat deceptive because they do not include the "hidden poor"—persons not counted as "poor" because they live in institutions or with their families whose incomes raise them above that poverty line. If these hidden poor could be counted, the number of impoverished aged would swell to more than 5 million, or about one out of every four older Americans.

As a Member of Congress, my first priority is to abolish poverty for the aged once and for all. This country, the wealthiest Nation in history, can bring poverty to an end if it puts its mind and its spirit to the task. This country has a \$1.4 trillion economy—almost \$1½ trillion a year—and we have the resources to permit every one of our older citizens to live in comfort and dignity. What we need is a commitment from Government and the full backing of the American public so that we can insure a decent income for every older person. Certainly that is not too much to ask.

Finally, the committee wants to listen to your suggestions for protecting the elderly from the impact of inflation. We want to get your reaction to legislation that already has been proposed in the Congress and ideas for new legislation, which you may have.

SOCIAL SECURITY REFORM ACT

Earlier this year, for example, I introduced the Social Security Reform Act to make the social security cost-of-living adjustment more responsive during periods of accelerated inflation. This legislation would establish a special consumer price index for older persons to reflect more accurately the impact of inflation upon them—not simply inflation for all Americans, but how it specifically affects older Americans, those things for which they spend their money.

It would permit cost-of-living adjustments twice a year, instead of only once a year as under present law. And, it would raise the supplemental security income standards to the Government's official poverty index. Your comments on these and other proposals would be most welcome.

The committee wants to hear from everyone. While we do not have sufficient time to permit every person to present oral testimony, we have provided a statement form in the back of the room which reads as follows: "If there had been time for everyone to speak at the hearing of the U.S. Senate Special Committee on Aging, in Des Moines, Iowa, on May 19, 1975, I would have said:" Then you can just fill in, or attach, or give us any comments that you would like to make on the matters that we are discussing today.

Your comments on these forms will be put in our printed hearing record, and you will receive a copy of that as soon as it is available. In other words, it will be included in our record just as that testimony which will be presented here at the tables. So we hope if you have any comments, however brief, however long, you will feel free

to go back to that table and someone there will help you to fill out the forms, and they will become a part of the record. We will mail it to you with all of the other testimony. The committee will read your statements very carefully to develop new legislative proposals and recommendations for our annual report.

Our leadoff panel, from the Iowa Commission on Aging and the Department of Social Services, is especially experienced and well equipped to provide a solid foundation for the committee's overall inquiry. On behalf of the committee, I would like to welcome Mrs. Leona Peterson, executive director of the Iowa Commission on the Aging; Dr. Woodrow Morris, chairman of the Iowa Commission on Aging; and Mrs. Beverly Stubbee, special projects director of the Iowa Department of Social Services.

Each of the witnesses is going to make a brief statement and then we will have some time for questions. Let's proceed in the way in which I introduced you with Mrs. Peterson, the executive director of the Iowa Commission on the Aging, leading off.

Please proceed.

PANEL FROM THE COMMISSION ON AGING AND DEPARTMENT OF SOCIAL SERVICES

STATEMENT OF LEONA I. PETERSON, EXECUTIVE DIRECTOR, IOWA COMMISSION ON THE AGING

Mrs. PETERSON. Thank you, Senator Clark, ladies and gentlemen.

In trying to reach some simple, wholistic approach to viewing the current problems of elderly Iowans, we were struck with the concept of a deprivation index, the thought being how useful such an index would be in measuring a given individual or group's deprivation at any given time. As a concept it works well; as a reality the problems of the elderly are so varied and broad that no such indicator has been devised. We come before you today with some indications of the problems, but a complete index we do not have. When one is compiled, we submit the following components should be considered.

Of the 485,000 Iowans over 60, about 45 percent live in rural areas—places of fewer than 2,500. The one cry we hear most often is a plea for transportation. Rural elderly feel isolated, abandoned, and imprisoned by the lack of transportation. These pleas are echoed by urban elderly, but the most distressing cries are rural. Transportation is interfaced and interwoven with all services that the elderly need to maintain a minimum standard of living.

The delivery of services would be a secondary problem of logistics if those services or resources were locally available. Take medicare, for instance. It is a well-known fact that many Iowa towns and communities have no health manpower resources, physicians, dentists, registered nurses, dental hygienists, nor physical therapists.

The Iowa Commission on the Aging's Senescity Index shows that in counties where poverty is greatest there is an alarming lack of these medical resource persons. Where one or two communities might have a doctor or a dentist, communities up to 30 miles away must travel to this scarce medical resource. Again we note the need for

rural transportation. The cost of medical services over the last 2 years has risen an alarming 21.2 percent. These figures are drawn from Bureau of Labor Statistics. This would indicate on a deprivation scale that elderly Iowans are spending one-tenth of their incomes on medical and allied professional services. Indications are that this huge chunk out of a fixed income does not allow for prophylactic or preventive medical care.

Consequently, the 10 percent would be substantially higher in that the level of preventive care indicates that, when these elderly persons see a doctor, their ailment is considered progressive; a greater amount of care and medicine becomes a necessity. Under certain medicare provisions, moneys are not allotted for persons living outside of institutions. This means that home care is out and a person must be institutionalized to receive medical treatments and benefits.

THE FOOD OR NUTRITION PROBLEM

Thus, we come to one form of human maintenance and preventive care: the food or nutrition problem. Over the last 2 years the cost of food has risen a whopping 27 percent. Older Iowans are spending a little less than 30 percent of their income on food. Indications are, human nature being constant, that many are eating insufficient diets. So-called cheap food is generally viewed as nonnutritional. Most elderly simply skip a meal or two daily to save money. An added cost to food is transportation. Many small towns have no mom-or-pop store and the elderly must travel to a town with a shopping center. Food stamps have reduced the cost of food to those who receive them. However many rural Iowans, because of their antiwelfare philosophy and conservative views, would rather starve than be humiliated by taking food stamps.

Letters to the commission indicate that some people would use food stamps if they could get them in the next town or county where they would not be identified. It would seem that only a cash allotment can solve this problem. This indicates a need for a national income maintenance plan.

While we are contemplating income maintenance, there should be some legislation abolishing the mandatory retirement statutes. A person should have the right to maintain as high a quality of life as he or she can sustain as long as they are able to be gainfully employed. Chronological age should not be the sole reason for retirement. Biological age in due course will indicate when a "work life" should be curtailed.

RAPID RISE IN UTILITY BILLS

Along with the sharp rise of medical care and food, letters and phone calls indicate that older Iowans have really been hit hard by the rapid rise in utility bills. Cold winters in Iowa cannot be combated with an extra sweater. Many States have enacted laws requiring utility companies to notify departments of social services before any utility can be stopped during the winter months. It would seem that such a law would be beneficial, nationally, and would benefit

Iowans in particular. Again, 45 percent of Iowans live in rural areas, away from city gas mains, and the cost of propane gas and fuel oil for heat and cooking rose even higher than natural gas.

Low-cost rural housing in Iowa is virtually nonexistent. Old homes are expensive to keep up. Many of these houses may be made livable by some home-rejuvenation programs. Many rural Iowans live in substandard housing.

The Iowa Commission on Aging Senescity Index shows that over the past 20 years young Iowans have left small towns and moved to the cities, leaving many towns with a virtual elderly population. Young, dynamic merchants, professionals, and semiprofessionals have all fled to the cities, leaving many towns with no supportive services at all.

HOUSING CRISIS

While we are talking about rural housing, there is also the urban housing crisis where many elderly are simply warehoused in dilapidated hotels that might as well have signs out saying "Fire Trap."

There is no centralized bureau of housing in Iowa, although there are 125 minihousing authorities throughout Iowa. A recent survey of these 125 authorities showed there is an immediate need for 9,600 units. There is a necessity for a wise distribution of housing units in that some towns might need as few as a half dozen or a dozen units. Since 40 percent of elderly Iowans—some 195,000 persons—live in or near poverty, it seems only logical that some rental relief and some mortgage adjustments are needed on a subsidy basis. The Bureau of Labor Statistics shows that elderly Iowans put 35 percent of their incomes into housing.

The delivery of services, whether someone brings them to you or you go to get them, is dependent on transportation. Most Iowa communities, with the exception of the major cities, have no daily transportation services. A comprehensive statewide interlinking transportation system is imperative.

In conclusion, Senator Clark, I would like to note that if any of this information leads to any legislation, please require that those laws be written in the most direct fashion possible. Our phone rings and our mailbox is full of letters from the elderly who say they can't understand the law or the forms they are required to fill out. Old people don't understand SSI, medicare, medicaid, tax relief, rent relief statutes, and the food stamp program.

I would like to take this time, on behalf of the Iowa Commission on Aging, to thank you for your continued interest and support of the elderly in Iowa. I hope my report has shed some light on the massive problems confronting the elderly in Iowa.

Thank you.

Senator CLARK. Thank you very much.

Next, we are going to hear from Dr. Woodrow Morris, chairman of the Iowa Commission on Aging.

STATEMENT OF DR. WOODROW MORRIS, CHAIRMAN, IOWA COMMISSION ON AGING

Dr. MORRIS. Thank you, Senator Clark, ladies and gentlemen.

One of my most gratifying assignments in the field of aging was my appointment to the President's Task Force on Aging in 1970.

The report of that task force, entitled "Toward a Brighter Future for the Elderly," was, I believe, a landmark report in the field. I would begin my testimony today with a portion of the introduction to the chapter on income in that report:

INCOME ENABLES ELDERLY TO MAKE CHOICES

More income is of primary importance to the elderly because it is money income—the command over goods and services—which enables them to make the kinds of choices which are essential to their independence and dignity.

Central to an understanding of the necessity for increasing the income of older persons is a recognition that income plays a different role in their lives than in those of younger persons. Brief illustrations will clarify this.

Older persons do not share the opportunities available to the young. They cannot improve their income by changing jobs. It is unrealistic to talk of work incentives for a 92-year-old widow. Older persons cannot protect themselves against inflation by bargaining for a higher salary.

Older persons live with the knowledge that cataclysmic illness, capable even with medicare of wiping out a life's savings, is not unusual after 65.

Older persons are, with an increasing frequency, turning 65 with aged parents or close relatives of that earlier generation still alive and, to some extent, financially dependent upon them.

Older persons live, to an impressive extent, in homes which they own. Frequently, however, their homes are in bad repair, too large, too expensive to maintain, in deteriorating neighborhoods, or no longer suitable for health reasons. They often cannot perform do-it-yourself repairs and routine chores. The same property tax increase which buys new classrooms may force them to sell, yet when a house is the only tangible asset one can show for 75 years of living, it has a special meaning to an older person not shared by a younger neighbor. Moreover, publicly subsidized alternatives to homeownership more often than not either are not available or require long waiting periods.

We heard recently of a woman in Ames who is 92 and, reportedly, was critical of her son; her neighbors were joining her in this criticism because her son, who lived in Des Moines, did not come to visit her. The neighbors thought this was too bad. A little investigation uncovered the fact that the son was 72; he was having trouble with transportation, and couldn't get a license to drive his car and had some health problems himself. This is becoming commonplace these days.

Older persons pay higher insurance rates to drive or they depend upon reduced transit fares or they cannot afford to travel. The cost of transportation becomes a major obstacle to using available services and participating in rewarding activities.

Older persons often, for reasons frequently beyond their control, become poor after they reach 65 because of a sharp drop in income on retirement. They may be poor because they have given unselfishly of their resources or because they have outlived savings. Older persons experience low income as a cruel burden. Especially is it cruel to those who have found pride in self-sufficiency, in making their homes attractive, or in good grooming. These supports to self-esteem are as important at 77 as at 27. Moreover, low income can compound other problems, such as loneliness and poor health.

These and a number of other characteristics set the stage for what the role of income is and must be among elderly people. It seems to me that this is the problem that we need to attack.

Despite this somewhat depressing analysis, the task force finds it worthy of admiration that many older persons have struggled with a remarkable degree of success to maintain their dignity in the face of these serious obstacles.

The task force then went on to make recommendations concerning income in four areas: Extension of pensions; social security reform; alleviation of poverty; comprehensive review of the Nation's system for providing income for older persons.

Many of these problems have been attacked in the Congress, and the Senate Special Committee on Aging in its important studies has recommended legislation to other committees of the Senate. Many of these programs to address these needs have been responded to and enacted into law. Many, however, still need to be strengthened, and I would like to comment on some of them.

In 1974, the Congress enacted into law the Employees Retirement Income Security Act. Also, Congress enacted the supplemental security income—SSI—program, which is now about 1 year old. Other related new programs which will eventually benefit the elderly include title XX of the social services amendments and the forthcoming Older Americans Comprehensive Services Amendments of 1975.

SOCIAL SECURITY BENEFITS BELOW BLS INTERMEDIATE BUDGET

There have been major improvements in social security benefits which have been boosted by 68.5 percent in a 4½-year period. However, social security benefits continue to be below the Bureau of Labor Statistics Intermediate Budget estimates.

For the autumn of 1973, the intermediate budget for a retired couple is projected to be approximately \$5,300. Yet average social security benefits for a retired couple will only be equivalent to about two-thirds of that modest standard of living, even with the relatively recent 11 percent raise.

The SSI program has begun to build a floor under incomes of the aged, blind, and disabled. Thus most SSI recipients are assured of a minimum monthly income of at least \$160. A major problem, however, has been reaching all of the eligible older persons. Despite two SSI alert programs, it is estimated that less than 2 million of the 5.2 million identified by the Social Security Administration who might be eligible for SSI are now benefiting from the program.

As far back as 1935, when the old-age and survivors insurance and old-age assistance programs were created, society's expectations were that the welfare program would gradually disappear. This is what Senator Clark referred to a moment ago in terms of ridding our Nation of poverty. We thought, in 1935, that this might be the beginning of an actual disappearance of the need for welfare programs at all.

In 1970, the President's Task Force on Aging urged that the floor under financial assistance be pegged initially at the poverty line. It also expressed the need to provide for automatic adjustments each time the line is recomputed. As of 1975, these goals have not yet been achieved.

Despite these new and improved programs, however, older Americans have still not shared in our Nation's increased income to the extent of younger Americans. Herman Brotman recently pointed out, for example, that:

About twice the proportion of older people are poor as compared to those under 65, . . . the very highest proportion of poor are found in the rural, non-farm areas, then comes the rural farm, and finally the urban in which still one in eight family members and every second older person living alone . . . is poor.

OVER ONE-QUARTER OF ELDERLY IOWANS LIVE IN POVERTY

Translating this to Iowa shows dramatically the economic conditions under which many older Iowans are living. For example, in a recent analysis of census data it was shown that in the State, as a whole, 28.3 percent of persons over age 64 are living below poverty levels. In essentially rural areas the proportion rises to over one-third of the elderly population, while in urban areas the percentage is very close to the State average. An overall index of poverty used by the OEO shows that rural areas tend to exceed the State poverty level by one-fourth; in urban areas the index is below the State level by one-fifth.

Now if these data are correct then SSI has not yet reached eligible Iowans to a fairly large extent. We have 350,000 people 65 or over in Iowa. A recent yearend summary of the first year of SSI in Iowa reported in *Iowa Prime Time*, April 1975, shows 27,000 beneficiaries, of whom about 18,000 are aged. Using the 28.3 percent figure reported to be living below the poverty level in Iowa suggest that 99,050 people are in need of supplementary income benefits.

In Iowa, the commission on aging, in concert with private organizations, the Federal Government, and other aspects of State government, its addressing some of these income-related problems. A notable example is our pesticide survey program. While this program employs only 61 retired men and women and affects, therefore, only a few older Iowans, it is clear that more such programs carried on consistently over time could affect the lives and fortunes of many more. The program also demonstrates the desire of older Iowans for meaningful employment as well as their ability to do the job and do it well.

There is now a bill before the Iowa General Assembly to establish a demonstration project for the employment of retired citizens. If enacted into law this bill, along with title IX of the Older Americans Comprehensive Services Amendments of 1975, will go a long way toward providing special, meaningful employment opportunities for retired persons.

MANDATORY RETIREMENTS: A PECULIAR PARADOX

This matter leads me to comment briefly on mandatory retirement on the basis of age, and on our efforts to employ retired persons through such special programs. This has always struck me as a peculiar paradox in our society.

With regard to age discrimination in employment—of which mandatory retirement is the most notable example—I would support the current efforts of the Iowa Civil Rights Commission, and a bill now before the Iowa General Assembly which would remove mandatory retirement policies from the code of Iowa and provide for the continuation of employment as long as an individual is competent to perform the job. If this can be enacted into law, it will, along with the proposed Federal Age Discrimination Act of 1975, help rid our State of that ageism which tends to put people on the shelf without regard for their desires or their capabilities to continue in the work force.

Another area which affects the cost of living of older people is our too ready tendency to institutionalize the elderly. The commission on the aging is now supporting legislation to provide funds for supportive services to help keep elderly Iowans relatively independent and in their own homes as long as they are secure and comfortable there. Bills which have been introduced in the general assembly, which would assist in this effort, include one pertaining to winterizing the homes of the elderly and one establishing a utility services stamp program.

But these are almost all emergency-type, stopgap measures and do not really speak to the problem of the elderly poor. Nor do they address themselves to the long-range problem of better serving the elderly in the future. It seems to me they will be better served and the fight against poverty more quickly won if consideration is given to using standards of living as a base so that the postretirement living standard will not be significantly lower than that just prior to retirement. Benefits, too, would be more equitably measured if they were based on standards of living, rather than rising prices.

RECOMMENDATIONS

Now, I will end this with six recommendations. Do I have time to insert these?

Senator CLARK. Yes.

Dr. MORRIS. No. 1. I would recommend that corrective action be taken so that all older persons become eligible for sufficient supplementary income to bring their total incomes up to the amount defined by the Federal Government as the poverty line for the elderly, with provisions for automatic adjustments each time the poverty line is computed.

No. 2. I would urge the committee to continue its comprehensive studies of "Future Directions in Social Security," but that special attention be devoted to solutions for improving the financial status and needs of elderly persons in rural areas.

No. 3. I would also recommend that in its continuing studies of "Future Directions in Social Security" special attention be given to the feasibility of using standards of living as a basis for determining benefit levels.

No. 4. I recommend that an independent National Pension Commission be established and that it be authorized to engage in activities which result in protection of employee rights in the fullest sense. And I would further recommend that this Commission enlist the ingenuity of the financial community in designing, as a companion to the social security system, a portable, voluntary pension system.

No. 5. I recommend that the new provisions of titles VIII and IX of the Older Americans amendments of 1975 be strengthened and enacted and that appropriations be made sufficient to implement the special service programs envisaged in those titles.

No. 6. I would recommend the enactment of the Age Discrimination Act of 1975 as a part of the Older Americans amendments of 1975 as adopted by the House of Representatives.

Thank you, sir.

Senator CLARK. Thank you very much.

Next we are going to hear from Mrs. Beverly Stubbee, who is the special projects director at the Iowa Department of Social Services.

**STATEMENT OF BEVERLY STUBBEE, SPECIAL PROJECTS DIRECTOR,
IOWA DEPARTMENT OF SOCIAL SERVICES**

Mrs. STUBBEE. Thank you, Senator Clark, for the opportunity to testify here today on a subject which weighs heavily on the minds of all of us in these times—the impact of inflation.

For those of us who are fortunate enough to be employed, with chance for advancement, job mobility, and cost-of-living adjustments, the inflationary aspects of the American economy is difficult enough, but for those others who have retired from the job market—either by choice, by mandate, or by disability—it can be a bleak life. Dr. Morris and Mrs. Peterson have mentioned some of the most distressing factors in the lives of older people—keeping their homes in repair, transportation to the sources of food, medical care, and social activities. The commission on aging spends much staff time and money from State and Federal Governments assessing the needs of older Iowans, developing programs, and funding local efforts to resolve the problems they see and listen to.

It is ironic that this commission and your committee are pulling strong in one direction to alleviate the burdens of the elderly, and another part of our Federal-State system is pulling very hard in the other to prevent the poorest of our older population from making use of their meager incomes in the most advantageous ways.

SUPPLEMENTAL SECURITY INCOME PROGRAM

I am referring to the supplemental security income program, passed by Congress in 1972 to substitute for earlier public assistance programs and intended to “assist those who cannot work because of age, blindness, or disability.” For, while the program was praised as an improvement over the three it replaced, we who have worked with it since its inception have become disillusioned and skeptical of its success in relieving any of the problems of living on a minimum income level.

True, most people on SSI get more today than they did in December 1973, but we are still not providing well enough for our elderly and disabled citizens who have not accumulated sufficient money, property, savings, or pensions to live comfortably and independently in their later years. The present \$146 per month for a single person will soon be raised to \$158. How many of us here could wake up cheerfully and expectantly in the kind of environment that \$5.26 per day would pay for? Remember, that must cover shelter, food, clothing, transportation, utilities, entertainment, cleaning supplies, aspirin, and anything else that we consider necessary for our existence.

Would those of us who are in the lawmaking business or the program-policy business or the operation of public programs deliberately try to make things tougher for old people? Of course not. But, let's look at some examples of what the SSI program is doing:

An elderly widow has lived in Des Moines all her life. Early in her marriage, she and her husband bought a house for \$3,000, which was kind of average, I think, in those days. The family was raised, the husband died, and the widow lived on their small resources and modest social security until her bank account dwindled. When she applied for SSI, she declared that she owned her home which had recently been reassessed at a market value of over \$25,000—not unusual over a 45- or 50-year period. She is found ineligible for SSI until or unless the market value of her home goes down or she sells it, using the proceeds to live on, while renting a small apartment in another part of town. She would rather stay in her familiar surroundings as long as she is able, but survival forces her to comply with the requirements of the SSI program.

Another older person, a man of 75, did sell his home after his wife died and moved into that small apartment. He had been receiving old-age assistance and was converted to SSI in January 1974. He lives on \$166 per month, including his title II benefits of \$120 per month, and uses the medicaid program to cover his rather high medical expenses. When he suffered a minor stroke, a friend, who is a bit younger, asked him to move into his home—a large, comfortable place in a pleasant neighborhood. When our man reported his change of address to the social security office, he was questioned about his new living arrangement: whom he is living with, the relationship, who owns the property, and what he pays his friend for board and room.

“SUPPORT AND MAINTENANCE IN KIND”

Because there is some indication that he is not paying his pro rata share, the SSA representative must list all of the household expenses and decide whether or not our elderly SSI recipient is receiving “support and maintenance in kind”—which is an SSI term—from his friend. If this is the case, the SSA representative must ask: “Could this person go elsewhere and live as well for the same amount he is paying?” If the answer is “No,” his SSI payment is cut by one-third. In effect, SSI recipients are penalized for trying to make the most of their meager incomes by sharing the cost of living with someone else. Complex and intrusive as this procedure may be, the Social Security Administration may be operating too leniently.

Congressional intent has been researched, and a House Ways and Means Committee report insists that the monthly SSI benefit should be reduced, whether or not he pays anything for his board and room. In the case I have described, his payment would be reduced below \$100, and because his title II benefit is \$120, he is canceled from SSI, thus losing his medicaid in the process. The only way he can get back on is to move out or go to a custodial or nursing home facility. Is this our intent?

If there were time, I could describe other situations where payment is cut more than one-third if the individual is lucky or ingenious enough to make a particularly advantageous arrangement to stretch his \$146 or \$166 as far as possible—such as renting an apartment for a much cheaper amount than others are charged because of a longstanding friendship; or, if babysitting is done in exchange for free transportation to the grocery or the doctor every week, this is

unearned income and the person may not have the advantage of the higher disregard for earned income.

In addition to these atrocities, SSI recipients may lose their eligibility for food stamps unless Congress acts quickly to extend the time for study of their status to see whether or not they really deserve food stamps.

Let us take a close look at what the SSI program is really doing to this most vulnerable group of older American citizens and pledge ourselves to change—lest it be doing the same things to us when we get there.

Thank you.

Senator CLARK. Thank you.

In view of the fact that we only have one microphone, I am going to pass it back and forth.

I want to ask each of the panel members one question.

OLDER AMERICANS ACT AND RURAL ELDERLY

First of all, Leona Peterson, I am curious to know about ways the Older Americans Act can be more responsive to the needs of elderly persons living on farms or in small rural towns. You addressed yourself to that question, but could you just cite ways, as you understand it or as you view it, in which we could really do a better job, in rural areas or on farms, for elderly people? What should we in the Congress really address ourselves to there?

Mrs. PETERSON. Again, I understand that transportation is another policy. But, I would like you to look at less fragmentation of the public policy and more interaction with the other acts. As an example, Dr. Morris mentioned title IX of the Older Americans Act, which would certainly help.

We have looked very carefully at title V of the Older Americans Act. In rural areas a comprehensive senior center would be very advisable. I hear title VIII is in the works and out of the works. The fact that they do list that a certain amount of title III or title VII moneys go for particular services, I think, may be a good trend.

Senator CLARK. Good.

OUTREACH TO IMPROVE SSI?

Dr. Morris, you spoke about a number of areas in your testimony. I was particularly interested in the comments that you made about the number of people in Iowa who are eligible for the SSI program but who are really not covered by that program.

I am curious if you have any particular recommendations that would apply to Iowa, or to other parts of the country, on how we could do a better job. What are one or two of the things that we could do to be certain those people who are eligible and ought to have assistance really get it? What kind of an outreach program, or what can we do that would improve that system, in your judgment?

Dr. MORRIS. You manage to come up with some beautiful questions. Senator. The rest of the country hasn't solved this problem, but I will now solve it.

In the early days of medicare, when people were not signing up, the way Congress and the Department of Health, Education, and Welfare had hoped they would, a program called medicare alert was established. A lot of people, particularly elderly people themselves—I would like to see this combined with the Comprehensive Employment and Training Act (CETA), or with title IX—could be employed to go out and, on a house-to-house, person-to-person basis, contact every potentially eligible older person and sit down with them and help them fill out the two- or three-page form of very perplexing questions.

I will give you a rough example of a question: "List your cumulative income for the past 5 years." I couldn't do that myself; but I have some benefits; I could go to the university business office and have somebody in the business office do it for me. This is an unusual benefit I have that not everybody has, and I realize that. So I think that, if we could train people to go out and make personal contact with eligible elderlies to sit down with them and fill out the forms with them and for them, we would have a good chance of contacting close to 100 percent of the eligible elderly.

I think this is what we need to do, as a matter of fact.

Senator CLARK. Very good.

Beverly Stubbee, the question that I want to ask you is related to your remarks. It concerns food stamps.

This past week the Senate Agriculture Committee approved a renewal of the food stamp program for SSI recipients. Similar legislation was passed a year ago, and now we have extended it another year, so that the people who are receiving SSI actually could receive the food stamp benefits. We are going to be voting on that very soon in the Senate.

FOOD STAMPS OR CASH?

I am reasonably confident that it will be adopted. My question is this: Do you think that older people would prefer to have that food stamp program cashed out—converted to cash—so that they could use that money to buy food and other items, or do you think it is better simply to keep the food stamp program as it is?

Mrs. STUBBEE. I can't speak as to what older people would like to have. But, I imagine, in view of some of the things that were said here today, people are reluctant and humiliated to have to go down and stand in line for food stamps every month, or every couple of months, or every 3 months. I see no reason why we need to have two systems of currencies in this country—one green and another one a multicolored coupon book.

Food stamps are just another form of money. If we expanded our level of income for people, I think cash-out would be advantageous. I don't think we need to constantly, year after year, decide whether SSI people need food stamps. As long as we have the program, and their incomes are under the food stamps levels, they should be able to have them.

ARE INCOME AND ASSETS TESTS NECESSARY?

Senator CLARK. In your statement, you say that means tests in the SSI program are rigid—that it will not allow elderly persons to

escape from poverty. However, other authorities state that SSI is a public assistance program for the low-income aged, blind, and disabled. Consequently, they maintain that it is necessary to have income and assets tests. What is your response to this line of reasoning?

Mrs. STUBBEE. First, we need to decide what the real differences are between title II and title XVI programs. If we conclude that there is a basic philosophical and funding distinction between the two, more real than mythical, then yes, I suppose we must use different criteria to determine eligibility. Means tests—related to income and resources—should, however, be related to a minimum number of basic factors, which are fairly easy to administer. They should not include intrusions into the way people live, the relationships with those they are living with, whether the SSI recipient is living beyond his means, or is clever enough to find a bargain in any of the basics of survival. One's homestead should be exempt from evaluation while he is living there—Iowa saw the wisdom of this in its own planning for the elderly in the OAA program.

Senator CLARK. Thank you very much, panel.

Now, we are going to have a nutrition panel that will address the nutrition needs of the elderly. We will hear from Mrs. Kay Samec, program director of the Central Iowa Area Agency on Aging; Mrs. Frankie Pinson of Des Moines; Mrs. Jesse Garcia, who is going to be accompanied by an intrepeter, David Cortez—incidentally, Mr. Cortez is assistant director of the Spanish-speaking center in Des Moines. Then we are going to hear from Mr. Ralph Davison of Des Moines.

We will hear first from Mrs. Kay Samec, program director, Central Iowa Area Agency on Aging.

NUTRITION PANEL

STATEMENT OF KAY SAMEC, PROGRAM DIRECTOR, CENTRAL IOWA AREA AGENCY ON AGING

Mrs. SAMEC. My name is Kay Samec, the program director for the Central Iowa Area Agency on Aging which covers eight counties in central Iowa: Boone, Dallas, Jasper, Madison, Marion, Polk, Story, and Warren Counties.

I would like to present a few statistics related to elderly and low-income elderly in the central Iowa region and the Des Moines metropolitan area, as a background. I would also like to submit additional graphs* giving important comparative percentages about the population growth of elderly in central Iowa as compared to the rest of the State and the United States.

There are 74,373 persons above the age of 60 residing in the eight counties of central Iowa; 39,847 of whom live in Polk County according to the 1970 census. Of those 39,847, 14,183—or 35 percent—are below the poverty level as defined by the Census Bureau. It is expected that by 1990 there will be 570,000 total population in the central Iowa region: 80,700—or 14 percent of the total—of whom will be over age 60. In 1990, 322,700 total persons will be residing in Polk County, of whom 45,742 will be age 60 and over. These population projections, and the ones I have submitted, are based upon compu-

*See appendix 3, p. 1426.

tations of the Central Iowa Regional Association of Local Governments.

INCOME: A WORRY TO MANY PEOPLE

Income is, without a doubt, a worry to many people. Lack of income is a particular worry to the elderly. Lacking enough income, elderly go without proper food, clothing, medical care, mobility, and fuel to heat their homes in winter. Social security was designed to give an individual a minimum amount of income. For some, social security and supplemental security income is all the income they have. Others may have earned enough to invest in other pension plans, stocks or bonds, and had the foresight to plan for retirement—others have not.

Today we also have such things as the Older Americans Act programs; title III, the community in-home services and planning section of the act; and title VII, the congregate meals program. These programs can supplement an elderly person who has little income, besides being mechanisms for maintaining the elderly in the mainstream of society and reducing isolation—something which transcends economic barriers.

The Central Iowa Area Agency on Aging, supported by title III funds and money from local governments, subcontracts for community in-home service programs and its meals programs. Title III in central Iowa is supporting, in part, information and referral, outreach, a public health nurse program, handyman chore services, mobile meals, and transportation. The largest of these programs is transportation; six of the eight counties are covered by special transportation services for the elderly. Plans for the other two counties are in the planning and approval process. Two of our counties' programs are multifunded with department of social services purchase of services to additionally serve handicapped.

These programs have been operating from different beginning dates. But, since December 1974, the services have transported an unduplicated number of 1,946 persons over the age of 60 and handicapped. Attached is a "Summary of Transportation Operations to Date."

[The material referred to follows:]

SUMMARY OF TRANSPORTATION OPERATIONS TO DATE

	Total spent	Number of rides	Cost per ride	Miles driven	Cost per mile	Dona- tions re- ceived	Dona- tions per ride
Dallas County, Dec. 1, 1974 to Feb. 28, 1975	\$1,330	360	\$3.69	1,978	\$0.67	\$68.40	\$0.19
Jasper County, Jan. 27, 1975 to Mar. 31, 1975	1,380	464	2.79	2,329	.59	115.36	.25
Madison County, Feb. 3, 1975 to Apr. 30, 1975	2,701	2,480	1.09	4,460	.61	224.69	.09
Marion County, Nov. 30, 1974 to Mar. 31, 1975	2,322	607	3.82	6,201	.38	171.99	.28
Warren County, Dec. 3, 1974 to Mar. 31, 1975	1,962	450	4.36	4,082	.48	281.93	.62
Total	9,695	4,361		19,050		862.37	
Average			2.22		.51		.20

Note.—Model cities transportation not included—fiscal year 1976 plan not yet approved by State commission on aging so no reports are available. No financial drawdowns have been requested.

TITLE VII: NUTRITION PROGRAM

Mrs. SAMEC. Title VII is in its second year of operation in central Iowa. Meals are served 5 days a week at nine sites in Polk County

and at four sites in Madison County. These are the two counties originally targeted for the program. In this second year—from October 1974 through April 1975—4,117 different elderly have been served meals in the 2 counties, 79 percent of whom were below the U.S. Census Bureau poverty threshold, or 3,252 elderly were low income.

We get frequent reports from people that this is the only meal they eat. One lady has told me: "Thank God for this program. The only thing I had to eat before was soup I could heat on my radiator." We also get comments from participants who feel involved in life again.

You may wonder what all this has to do with social security. As I mentioned before, these programs are designed to provide supplements to income. With inflation, costly fuel bills, taxes, and medical bills, social security income for some is just not enough. These other witnesses will testify to that.

At this time I would like to introduce the other three witnesses who can really tell it like it is.

Mrs. Frankie Pinson, 93 years old, is 1 of 13 children. She has worked all of her life since she was 10 years old. She has been a widow for 37 years and is alone—no children, no relatives. She receives social security of \$108.10 and SSI of \$57. She does participate in the meals program and receives transportation to the doctor and shopping, but, as she says, "We're in a tight spot."

Mr. Jesse Garcia is 83 years old. In 1918 he worked for 25 cents a day. He quit being a migrant in 1929 and came to Des Moines. He and his wife receive social security, and they, too, participate in the meals program; but there are still problems because of lack of income. Mr. David Cortez of the Spanish-speaking center will read Mr. Garcia's testimony and act as his interpreter.

Mr. Ralph Davison is 67 years old—soon to be 68. He is married to a 35-year-old woman who is disabled by cerebral palsy, and they have a 5-year-old son. They both receive social security and have part-time employment.

All of them have important messages to tell.

STATEMENT OF FRANKIE PINSON

Mrs. PINSON. I am Frankie Pinson; I live in Des Moines, Iowa. I was born in Columbia, Mo., 1 of 13 children. I went to school through the third grade. I was 10 then. I dropped out of school to help mom and the other children. We raised a big garden and kept some pigs and chickens. When I got older, I worked for people doing housework. They taught me how to read and write.

I was married but had no children. My husband was a cook. He died in 1936. I went to work at the Fort Des Moines Hotel doing maid work. I got \$1 a day at first, and later I got 25 cents an hour. I rented out the upstairs of my little house.

When I was too old to work, I had to get old-age assistance from Polk County. They took title to my house, but they still let me live in it.

Now I get a social security check of \$108 and a SSI check of \$57.10. Most of it goes for gas and electricity and telephone. It costs a lot to heat an old house.

I eat a real good meal every day at the Logan meal site. For the other days, on weekends, and my other meals I usually buy potatoes, 1 dozen eggs, some cornmeal for mush, some jowl bacon, and some day-old bread. For meat I buy turkey necks and chicken wings and necks. I buy dry beans when they are on sale. I raise a big garden and can vegetables a lot. Food is the highest thing I buy. I'd like to buy more meat if I could. The food is real good at the mealsite.

I had a light stroke 2 years ago. I have high blood pressure. I get my medicine at Broadlawns-Polk County Hospital. I have a cataract on one eye; I need teeth badly.

We older people are in a bad spot. More money should be spent on older people. It is not right for younger people to get so much on ADC, and older people live on nothing.

I'm 93 years old, and I guess I'm here for some purpose. I want to stay in my own home. I wish Logan had their own van so I could be real sure of getting to the meals every day on time.

Thanks so much.

STATEMENT OF JESSE G. GARCIA, INTERPRETED BY DAVID V. CORTEZ, ASSISTANT DIRECTOR, SPANISH-SPEAKING CENTER OF DES MOINES, INC.

Mr. CORTEZ. While I am speaking, kind folks, kindly focus your attention on Jesse Garcia, because he is the one who is giving us this information.

My name is Jesse G. Garcia. I was born in Mexico in 1891. I came to the United States in 1918, when I was 27 years old. Life wasn't too bad in those days. I could live a comfortable life then. It wasn't until 1930, when the economy of the United States was in bad shape, that it was hard for me and for many of my friends to make a living.

It still hurts me to think of the 1930 depression, because I can still see many of the young children eating what they didn't like. Life was hard years ago. I have seen many changes in Des Moines since I came here. I have my own house and a small piece of land in which I plant a small garden. I built my own house when I was still young; but now I'm 83 years old and my wife, Frances, is 82 years old. We are both retired. We try to make ends meet with the money we receive from social security. For example, with our income, I receive \$183.20 monthly and Frances receives \$128.10—a total of \$311.30.

We have bills just like many of the elderly in Des Moines. My monthly bills are as follows: Gas and light, \$42; water and garbage, \$12; life insurance, \$8; Blue Cross, \$10; telephone, \$9.55; food, \$80—for a total of \$161.55. I also have property taxes to pay each year, plus property tax insurance that is \$52 yearly.

The only work I can do, today, is work on my garden and help my next door neighbors with cutting their lawn—free of charge. I had no means of transportation until the people from Pioneer-Columbus Center began to help me out with some of my problems. They have helped me with transportation. I call them and they come to take me almost everywhere I need to go. They have helped me get a hot lunch 5 days a week, but may I say that I would enjoy a plate of Mexican food every once in a while.

Speaking about food, my wife and I are not able to get food stamps because we get \$311.30 monthly and the national eligibility standard for two is \$233 a month— so we make \$78.30 a month too much. Food prices at grocery stores are also high. We pay the same amount that the rich people do, and we don't get a discount.

Frances and I are fortunate enough to get health care. I go to Southeast Clinic on the south side of Des Moines. Frances pays \$18 for her Blue Cross insurance and life insurance. I feel in good health at the present time, except for my eyesight. I cannot see very well because of a cataract problem.

I can speak a little English, but mostly Spanish. I need an interpreter on many occasions, such as today, speaking with you, Senator Clark.

SOCIAL SECURITY BENEFITS SHOULD BE INCREASED

I believe that social security benefits should be increased because it is hard for us to support ourselves with \$311.30 a month. Food stamps would help us tremendously. Transportation is needed because I couldn't go anywhere if it were not provided. There are Sundays also that we need to go to church but we can't. Free health clinics for the elderly are needed because many can't afford modern-day prices for health care. I need to take care of my eyes, but I don't know when I'll be able to. I don't know if my hearing will leave me; someday I might need a hearing aid or maybe I'll need dentures. I would not be able to afford these things.

In conclusion, I would like to say to you, Senator Clark, that you are our legislator and you know the laws of the land, so why can't something be done to improve the standard of living of the aged?

Thank you.

STATEMENT OF RALPH DAVISON

Mr. DAVISON. At 68 years of age, I guess I am the youngster of this panel—I mean as a senior citizen.

I was born in Brighton, Iowa, in 1907. My mother died just 1 month after my birth, leaving me with my maternal grandparents. They provided my care and schooling but did not have more than just what was needed to provide for the home. There was no estate.

I did manual labor most of my life, beginning while attending high school. One of my daughters, by the first marriage, was discovered to be diabetic at age 2½. She averaged four to six times a year in the hospital from that age until she became 16. My first wife and I were divorced in 1956. There were 3 children.

My present wife is 34, and has had cerebral palsy since birth. She takes good care of our home and has a part-time job at Windsor Presbyterian Church. She is building up enough quarters to be able to secure social security on her own someday. We have a 5-year-old son.

There was no chance for me to have any savings, so we are dependent on our social security and part-time wages. I have paid in on social security since 1937, and continue to do so.

We can understand what a difference it would make to receive only a 5-percent raise instead of 8 percent. I am very thankful I am blessed with good health. I took a part-time job to increase our income.

When you compare an average 5 percent a month raise, cost-of-living increase per year, to only one increase of 5 percent on social security for an entire year, you can see what happens to those on social security.

The Government does not hesitate to spend millions on many projects that would not benefit our own country. If social security was not provided, our country would be burdened with a terrible welfare increase. If the social security raise is not enough to cover this increase in the cost of living, we are in trouble.

The people who receive a good meal at the St. Ambrose congregate meal site are similar to those at other sites. A great majority of them depend upon these meals to sustain their need for correct nutrition. These people have many problems and need help at all times. The cost of food, medicines, utilities, transportation, et cetera, continues to rise.

A friend at St. Ambrose depends upon his social security check. He is handicapped, had polio at a young age, has just enough for meager needs. We can see what an increase of 8 percent would mean compared to 5 percent.

One lady received a \$6 per month raise on her social security and her rent was raised \$5 per month.

Thank you.

Senator CLARK. We thank the panel very much.

Because of time limitations, we must go on to the next panel, but it was most informative, and we appreciate your coming by today and testifying at this committee hearing. Thank you very much.

Next we are going to hear from the foster grandparents, if they will come forward, Miss Paula Maxheim, foster grandparents project director, Iowa Commission on the Aging; Mrs. Mildred Waltz and Gordon Dana of Perry, Iowa; and Mr. Homer Dunlap, Dallas Center, Iowa.

We are going to hear, in this period, about the foster grandparents program and how these witnesses believe it is working or not working, as they care to state.

FOSTER GRANDPARENTS PANEL

STATEMENT OF PAULA MAXHEIM, FOSTER GRANDPARENTS PROJECT DIRECTOR, IOWA COMMISSION ON THE AGING

Miss MAXHEIM. Thank you, Senator Clark, for giving us an opportunity to be here today.

We want to say what the foster grandparents are saying each day of the foster grandparents program:

The foster grandparents program has been an experience such as I never thought possible. It gives me a reason to face each day. My health is better. I am useful. I am needed. It is a means of establishing my personal worth. The foster grandparents program has given purpose to my life.

Today we are discussing the impact of inflation upon the elderly. The foster grandparents program has done a great deal to alleviate the pain of poverty level living, but I must emphasize we will not and we cannot divorce the financial benefits from the emotional and psychological benefits. Much of the success of the program is in the

reduction of the loneliness, isolation, and rejection so often synonymous with growing old.

The foster grandparents here today, Senator, will address themselves to some of the very poignant and personal experiences they have had as a result of becoming a foster grandparent. When the foster grandparents program began in 1965, it worked within a \$7 million budget. In 1971, appropriations were expanded to \$25 million. Today over 12,500 low-income persons, 60 years of age and older, are serving over 25,000 children with special needs.

Iowa is funded for 261 grandparents, only 2 percent of the total number of foster grandparents serving nationally.

The foster grandparents in Iowa serve in seven communities and only one in a major metropolitan area, that one here in Des Moines. Foster grandparent programs are also in Woodward, Charles City, Dubuque, Fort Dodge, Glenwood, and Rock Valley. The commission on aging serves as the grantee for the first four of these.

As a person grows older, he is often faced with successive and severe losses, including loss of job, financial income, financial security, loss of independence, and financial abilities.

Somehow our society evaluates and equates a person's worth on the basis of their financial worth. When one gets old, one gets poor, thus setting into motion many sociological and emotional problems. It is at this point I can say with pride that the foster grandparents program deals with these effectively.

The Booz-Allen administration in 1971 did a cost-benefit profile study of the foster grandparents program. It was found then that the program had two values—economic and noneconomic. At the conclusion of this study, the foster grandparents program was cited as one of the most, if not the most, successful Federal programs in existence at that time.

FOSTER GRANDPARENT BENEFITS EXCEED COSTS

Today I understand there has been a proposed cut in the foster grandparents budget of \$2.5 million. We urge you, Senator Clark, not to support that legislation.

The total cost of the foster grandparents programs selected for the Booz-Allen study was \$12,231,000. These included both administrative and foster grandparent costs. The return on the \$12,231,000 was \$13,883,100. This left a net excess benefit of \$1,652,100.

With benefits exceeding the costs by \$1.6 million, we must conclude that the foster grandparents program is truly a very successful and fiscally sound program.

I recently did a survey of our commission on aging FGP's, with 80 foster grandparents responding, asking them where inflation had hit them the hardest. Many came up with the same problems that you have heard stated so far—food, utilities, and medicine.

When I asked them where they would cut, if they were not receiving the \$32-a-week foster grandparents stipend, over 90 percent indicated food, clothing, and medicine.

One grandmother, whose income is only \$148 a month, said: "I would starve to death. I didn't eat a decent meal until I became a foster grandparent. Now I receive my noon meal."

THE SUSTAINING FACTOR: INCREASED SELF-ESTEEM

Most foster grandparents start out in the program because of the \$1.60-per-hour nontaxable income, which provides a dignified supplement to their income without affecting social security. But, ultimately, the sustaining factor is the increased feeling of self-esteem and personal worth that comes from sharing their life with a child who desperately needs what they have to offer—love, concern, companionship, kindness, and understanding.

As one grandmother said here today: "Without love, you are nothing. We need love and the children need love. We give our love to each other."

If we are to really concern ourselves with the well-being of older persons, then our motto should be expansion of opportunities—opportunities like the foster grandparents program and the senior companion program.

Senator Clark, I urge you to propose and support legislation and appropriations that will expand opportunities for elderly Iowans to serve as foster grandparents and senior companions. That will help them fight inflation; also, it will eliminate loneliness, rejection, and isolation for which there is no price tag.

I would like, now, to introduce to the committee Homer Dunlap, a foster grandparent serving at Woodward State Hospital School, Woodward, Iowa.

STATEMENT OF HOMER DUNLAP, FOSTER GRANDPARENT

Mr. DUNLAP. I am Homer Dunlap. I came in the foster grandparents program quite by accident. I was looking for a job as a night watchman, and the unemployment office asked me if I would like to try the foster grandparents program. So I tried it.

At first I didn't believe it could possibly work. So many people were stubborn and bullheaded like myself and set in their ways. I just thought that they couldn't make a go of it. I was sure of that.

So I bet Mildred, next to me here [indicating], 25 cents that the program wouldn't last 6 months. That was 2 years ago.

FOSTER GRANDPARENTS GIVE LOVE AND ATTENTION

The foster grandparents program does a great deal for children. I had seen certain children with only two or three attendants, and many of these attendants may have as many as 10 children who are still wearing diapers. You can imagine how little time they have to take care of these children. That is where the grandparents come in. They give them the love and attention they need.

I had one boy, and I will call him Ollie. I took him out every day for over a year. I taught him to Indian wrestle and when he won every time he would holler, "Ho, ho"—that was the only word he could say. Then we would sing together. I suppose the reason I sang to Ollie was because he was the only human being I ever knew who enjoyed my singing.

As I sang, he would holler, "Ho, ho." I tell you we sometimes made the halis ring around there.

Another boy that I had, had acquired a habit of beating his forehead and rubbing his shoulders on the floor until he made them bleed. I worked and worked with him and broke him of it. During the process of teaching, I lost that boy, and now I see him when I go in with his forehead bloody every day. This little fellow I miss, because I think they don't take care of him anywhere.

THE DIFFERENCE BETWEEN LIVING AND EXISTING

The foster grandparents program has done a lot for me and for many other people. It has made the difference between living and existing for many of us. I have met many friendly, nice people over there. In fact, that is where I met my wife. There was another lady over there that I always called Sweet Rosie O'Grady. I came along one day and I said: "Good morning, Sweet Rosie O'Grady." My future wife said; "Aren't you going to speak to the rest of us?" I turned around and kissed her and that started the romance. Six weeks later I asked her to take me to Des Moines to buy a new suit. I tried the suit on and I said, "It is a nice enough suit to get married in." She said, "Well, what are we waiting on? Let's go."

Before this I had other problems, too. I developed a drinking problem. You know, most of the friends I met were in the saloons. Since I have gone over there, I have made new friends and I stopped drinking entirely and there is no problem any more.

In closing, I want to say a little something about the transportation; something should be done about it. We get 12 cents a mile. That pays for your gas but grease jobs, oil changes, and mechanical work that has to be done—it does not pay for that.

That's about all I have to say. Thank you very much.

Miss MAXHEIM. Now Mrs. Mildred Waltz of Perry, Iowa.

STATEMENT OF MILDRED WALTZ, FOSTER GRANDPARENT

Mrs. WALTZ. First, let me say that I agree with everything that has been said here today. When I decided to apply for the foster grandparents program I was a door-to-door saleslady. I enjoyed my customers, but my company was pressuring for larger sales and I knew that I could not fulfill their demands.

At that time, my widow's social security pension was \$90 per month, and I certainly needed more income. I had worked for several years at Woodward as an attendant so I was certain that I would enjoy this work, as this had been a longtime dream of mine—to see a program of this kind there.

I felt also that the stipend would help me a great deal. Another reason for my application was the feeling I could repay, in a small way, the debt that I owed so many people for giving my son the help and encouragement that he needed while he was a patient at a mental institution. I felt that, perhaps, I could help someone else's children.

The first year I chose two boys. I call them boys because the retarded child is not judged mentally by chronological age. One boy, Chris, was like a baby when they learn they can throw toys. Louis is of an entirely different personality and understands a great deal. He and I enjoy joking about different things. I taught Chris to stop

throwing, and he would hold toys for long periods of time. Louis also learned from having a grandmother and could say, "Grandma."

To these boys I am still grandma, but they can't understand why she can't take them out. They still can sense that I care for them as a grandma.

There are so many children who do not qualify, agewise, at Woodward but who need our attention and love so desperately. We can give them that extra attention, which the attendants have no time to do. The hospital is short staffed and we can do so many extra jobs like putting on bibs, feeding children, pushing wheelchairs from the dining room, and so forth.

After I lost my first two grandchildren, I had such a let-down feeling, as I had worked so hard with them and now I have to watch them regress. Chris is back to being a baby, and Louis refuses to help himself. Of course I love my present grandchildren, but I can't help but feel those boys are mine, also.

THE PROGRAM IS A "TWO-WAY STREET"

This program is a two-way street. When your family no longer needs you, it leaves a vacuum. One needs to be needed. The foster grandparents program fills this void. This is my third year and I'm always ready to get back on Monday mornings and the children are so happy to see us.

Since my social security has now reached the enormous amount of \$124.10 a month, this is also my social life. Our noontime together supplies this. Also our contacts while working with our children.

I want to inject something here. We have been together 3 years and there has never been any fighting, that I know of, among us.

The foster grandparents program is like a drug. You get hooked on it. This is a job that I can do at this time. For years I was a stranger in my doctor's office. Suddenly I have reached the golden age, I mean, more money goes to the drug and medical professions. I am 63, but I still want to feel I am earning my way. The foster grandparents program is needed both financially and emotionally. We are earning while helping those unable to help themselves.

Thank you.

Miss MAXHEIM. Gordon Dana, Perry, Iowa.

STATEMENT OF GORDON DANA, FOSTER GRANDPARENT

Mr. DANA. Thank you, Senator Clark.

I have been on the program with Woodward only since last July. About 20 years ago my wife and I began to plan what we would do when we retired or got too old to carry on the heavy work that I was doing. I had been a carpenter for about 25 years, also working at the Woodward State Hospital during slack times. She said: "Why not buy a couple of houses and fix them up and have the rentals coming in?" Well, I looked around and these rentals were houses that were bringing around \$40 to \$50 a month, and all I imagined was just \$40 to \$50 a month rolling in each month.

We started and I fixed up some houses. It just went along fine as long as I could do my own repair work, maintenance, and keep the houses up.

But I was back at Woodward during about 1968 and I was working on the ward and I was injured. I had a burst disk. I had other orthopedic surgery, so that stopped the work, and I spent about 2 years in and out of the hospital.

In the meantime we found what it was to have a couple of houses that people were beating me out of the rent half of the time and the damage they caused was shocking. And, when you wanted some repair work done, it was just way out of sight. I paid \$38 to have a faucet put on a bathtub one day—I could have done it myself in 2 hours. In checking up on profits and losses we soon learned many times the loss due to damages and loss of rent exceeded the profits—but that set us to thinking and we sold the houses.

So then that went along until about 2 years ago when last July I joined the foster grandparents program at Woodward. I had worked there before, a total of about 10 years, so I knew quite a few of the youngsters and I liked them. So my subject mostly, today, is about two human beings.

One is a little boy who is a resident of the Woodward Hospital, and the other one is a grandparent. This child is desperately in need of companionship, love, individual attention, someone to talk to, play with, go out on walks with, and the like. The grandparent is the very person who can fill this need.

THE ART OF SHARING

The art of sharing gives the grandparent the feeling of security and of being needed. Consequently, each person looks forward each day to being together. Often it is very difficult to determine who has benefited the most, the child or the grandparent.

Soon after I started at Woodward, I was assigned to a 16-year-old girl. She had been blind since birth. We soon became very good friends, but it was difficult for me to find out much of how she was raised in her early life, and the like, because she was a very brilliant girl. Although blind, she could get around very well inside the room, and later on I found that she could sing. So I asked her to sing and she has a beautiful voice. She even sings solos and sings in the church choir—different things like that. As time went on I became more interested in her singing, and arranged to have her sing for groups of visitors who came to the ward.

On two occasions she sang for our foster grandparents in our dining room when we had guests. This was always met with instant approval.

It was at one of these occasions that one of the guests was a music teacher who came to me and said: "This girl has perfect pitch. Is she getting any special training in music? If she is not, there is a lot of hidden talent going to waste."

Later on when I inquired about her early schooling and musical training, I was told she learned to sing as she laid in her crib while her folks played records on a record player for her entertainment. Later she was admitted to the Woodward State Hospital. I never have heard any more details, and it is very difficult to find out much.

On the most recent occasion was when Mr. Affeldt and his secretary visited our dining room, then my girl sang for our group. The

report I received was that her entertainment was the most significant highlight of the day.

This pleased me very much, and will serve as great encouragement to continue in setting up a program for her continuing further in a music career, which I truly believe is possible.

So when we were in the ward one day I noticed that she had a very good memory because she would call out to different people that she hadn't seen for 3 or 4 years. One day we were in the corridor and she heard Mrs. Sadie Eckert—that is Homer's wife—speaking. She said, "Why there is Sadie Eckert. I haven't seen her for a long time." She always used the term "see" although she never has had her eyesight. It had been 5 years since she had even talked to Sadie or Sadie had talked to her, and she called her by name.

The same way with a lot of the other attendants around there. We have had her down to our dinner hour several different times to sing and you would just be surprised at the way she can remember those songs. She just goes from one song to the other without even stopping. That is the way that she puts in her life. She is a very cheerful little girl. She likes to ride an exercise bicycle I had made up for her and she also rides on a small rocker.

18-YEAR-OLDS DROPPED FROM PROGRAM

Not long ago we had some publicity about setting an age limit on these children. When they get to be an 18-year-old they would have to be taken from their regular grandparent and dropped from the program, and then the grandparent would get another one. I think this is a very, very drastic change to make and it would just cripple that child's foresight. These children would soon become confused and would drop right back to where they were before they were in this program, because they get attached to the grandparent and they live each day for the grandparent to come.

Another thing about my girl. When I would walk into the ward to get her after dinner, she would say, "Here comes Grandpa Dana." How did she know? She remembered my footsteps. Her hearing is that keen. I tried to fool her sometimes and I wouldn't say anything. She says, "I know you are there."

So this program is really needed for many reasons. One thing is that the grandparent needs the extra income to meet the rising costs of food, taxes, utilities, and all of the operating costs of a car and everything. It is my hope that I will never lose this girl. She needs me and I need her.

Senator CLARK. Thank you very much.

Gordon, you were talking just a moment ago about the problem of the foster grandparents program ending at age 18 under the present legislation. I was just talking with David Affeldt who is with the staff of the Special Committee on Aging, and I am informed that legislation has been introduced in the House of Representatives—H.R. 6722. I think you make a very convincing case. I can assure you that we will introduce a companion bill in the Senate and see if we can't make some changes. I think it really doesn't make any sense after you have worked with someone all of these years just to drop them after you make that kind of progress. Some others have spoken about that as well.

I would like to ask Paula to comment and perhaps others on the panel would like to comment as well.

You mentioned, Paula, in your statement that there were 261 Iowans now participating in the foster grandparents programs. How many elderly Iowans, in your judgment, would want to be foster grandparents if there was sufficient funds available?

Miss MAXHEIM. Thank you, Senator Clark.

I think I would also have to add the senior companion program in addition to the foster grandparents program. With Iowa certainly ranging with the States having the most elderly in the poverty level, I would say we can use all of the money and the grandparents. If we had the money, we could find the grandparents.

Mr. Joe Weinstein has three potential foster grandparents programs he could institute if we had the appropriations to do so. Iowa has no senior companion program. I would challenge you to get us one just as soon as possible.

Senator CLARK. Paula, as I understand it, present income standards for those participating in the foster grandparents program is \$2,500 for a single person and \$3,000 for a couple. Do you think that these guidelines are realistic? Do you think they ought to be raised? What is your judgment on that?

INCOME GUIDELINES

Miss MAXHEIM. I would certainly like to see the guidelines raised. Many of the people here today would be eligible for our program. Certainly \$2,500 a year, or \$6.50 a day, is hardly enough for anyone to live on. I personally would like to see this raised to \$3,600 for an individual and possibly higher for a couple. But I think we need to seriously consider this in order to involve more people. In this kind of program it not only helps them financially but helps them in even a greater way with psychological and emotional problems, which I am sure the Senator realizes.

Senator CLARK. I think the testimony we have heard here today indicates that.

We thank you very much for coming and helping inform us.

Now we will have the National Organizations Panel, including Mrs. Pacia Rogers, president, Des Moines Chapter, American Association of Retired Persons; Mr. Mike Cole, board member, State Council for Senior Citizens; and Mr. Donald Bates, president, Des Moines Chapter, National Association of Retired Federal Employees.

We are ready to start on the next section of the testimony. This is identified as the National Organizations Panel, and we will hear from a number of different organizations.

First, Mrs. Pacia Rogers, president of the Des Moines Chapter of the American Association of Retired Persons.

NATIONAL ORGANIZATIONS PANEL

STATEMENT OF PACIA ROGERS, PRESIDENT, DES MOINES CHAPTER, AMERICAN ASSOCIATION OF RETIRED PERSONS

Mrs. ROGERS. Thank you, Senator Clark, ladies and gentlemen.

I am Pacia A. Rogers, president of the Des Moines Chapter of the American Association of Retired Persons. I am here to represent

over 93,000 members of the AARP and its affiliate, the National Retired Teachers Association of Iowa. I am accompanied by Mr. Michael Stronberg, and a member of the staff of the association's legislative council, Mr. Cyril F. Brickfield.

We appreciate the opportunity afforded by this series of hearings to focus public attention on the problems that are of paramount concern to the aged. We are particularly appreciative of this Special Committee on Aging holding field hearings.

Often, we in the heartland of America have the impression that the processes of the Federal Government are far removed from us. Your hearings held here today in Des Moines help us gain confidence that you are concerned about us, and are attempting to be close to the people you represent.

Your hearings on inflation and recession are important because these interrelated economic problems vitally impact on America's aging population.

Our association's comprehensive written statement,* which I will submit for inclusion in the record of this hearing, recommends a number of steps which we think Congress should take in response to remedies proposed by the administration. These recommendations should be adopted to lessen the severity of the impact of inflation and recession on those who are its chief victims: the poor, and the fixed-income elderly.

In the interest of time, I would like to briefly mention just three things. These are the concerns of the elderly as we see them right here in Des Moines.

PRERETIREMENT PLANNING

The first has to do with preretirement processes. People can't wait until a few months prior to retirement to consider their financial and lifestyle arrangements for retirement. Unfortunately, few preplan. The pride they had as a productive worker quickly disappears when they are no longer employed and useful in the world of work. We know from studies that over half of the workers in this country, both male and female, get more satisfaction from work than from leisure. Our early education and training prepares us to make a living, not necessarily to enjoy life. When retired workers—because of poor planning and very inadequate income—feel the loss of productivity, serious problems occur.

I can't begin to emphasize enough that social security income alone is inadequate in this period of inflation. I think that these people need much in the way of information for preretirement planning, and feel that the government and private industry needs to work together as a team. Perhaps the Social Security Administration can prepare information in layman's terms and can encourage business and industry personnel offices to hold preretirement seminars well in advance of retirement age.

Perhaps the Small Business Administration can do the same for small business proprietors and partnerships who do not have personnel offices.

*See appendix, 1, p. 1401.

WORK OPPORTUNITIES AFTER RETIREMENT

The second thing that I would like to talk about deals with the opportunity for older workers to be able to work after retirement. When people can work, this lessens the problems of both inflation and recession on their own living conditions. In order to provide these opportunities of work, I think that the Federal Government can do a number of things. The Government can preserve the freedom of employers and employees to bargain over wage rates. This is particularly true for the situation where a householder may wish to hire an older worker to do some handyman jobs in the home or yard. I hope that the Federal Government would not begin to dictate minimum wage structures for this type of casual employment.

We urge that the Federal Government give full support to the development of employment opportunities for older workers, both in the private sector and in the public service employment. Perhaps the Federal Government could even earmark certain types of grant projects for older workers.

I know that, in Iowa, a grant is supporting some older workers by working to identify banned and outdated pesticides, and the accident incidence from pesticides within the State. Other projects like this would be most beneficial.

LIBERALIZE SOCIAL SECURITY RETIREMENT TEST

The third important thing that we think would be most helpful for those elderly who wish to continue to work, would be to amend the retirement test for social security. We think that the retirement test discriminates against wage earners. It should be amended to permit annual earned income of at least \$4,000 without any reduction in benefits. We would hope that eventually the retirement test would be completely abolished.

Finally, we urge the Federal Government and all levels of government to continue to fund programs which enable the elderly to positively contribute to society. This would include such programs as foster grandparents, the retired senior volunteer program, and the service corps of retired executives. What we hope you can do, is, help us instill in older Americans a feeling of self-worth and productivity, to help older Americans solve the problems of inflation and recession, and give them back that feeling of pride that they thought they lost as a productive worker.

Thank you.

Senator CLARK. Thank you very much.

Now we are going to hear from Donald Bates.

STATEMENT OF DONALD BATES, PRESIDENT, DES MOINES CHAPTER, NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

Mr. BATES. Thank you, Senator Clark. I appreciate the opportunity of appearing here on this panel in expressing the ideas and feelings of the retired Federal worker.

There are several problem areas which should be given consideration by the Congress as well as State governments.

One is the spiraling cost-of-living prices at the grocery store, meat market, filling station, clothing store, and utilities—both gas for heating and electricity.

I was happy to note that the week of May 5 through 8 the Senate approved by a vote of 76 to 13 an amendment expressing the sense of Congress that no ceiling on social security cost-of-living increases be imposed, with both Senators Clark and Culver voting yea.

OPPOSITION TO 5-PERCENT CEILING

As a retired Federal employee, I am unhappy that our President has so thoughtlessly expressed a desire to impose a 5-percent limit on annuity increases based on the Consumer Price Index and the 1 percent add-on be eliminated. At no time, since the law was enacted providing for the 1 percent add-on in 1969, has the 1-percent increase equaled any one of the monthly increases in the 3-month waiting, which the 1-percent add-on was to compensate for. We are not the cause of inflation: we are its victims.

Retirees are, by virtue of their absence from the work force, already on fixed incomes—aided in meeting necessary expenses only by cost-of-living increases, which are catch-up payments lagging months behind the wage and price increases which account for the rise in the Consumer Price Index. I have expressed myself on numerous occasions at our NARFE meetings that, while I was happy to have received an annuity increase, I would be just as happy, and perhaps more so, if the factors which caused the increase would stabilize and thereby eliminate its necessity.

The increase in the price of crude oil by the Arab countries has caused an increase in the cost of living: in the clothes we wear, the automobiles we buy with plastic interiors, vinyl tops, polyester for tires, packaging for meat and other food products, carpets for our floors, childproof tops for medicine bottles—which many of our aged are either not strong enough to remove or with such poor sight that they cannot line up the arrow.

Something should be done to relieve the burden of property taxes for the aged. It would appear that, once a person has reached age 60, he should be relieved of that part of his property tax which goes toward education. As a person reaches that age he has been taxed sufficiently to educate his children.

RETIREMENT INCOME CREDIT NEEDS UPDATING

We Federal retirees believe that the retirement income credit should be revised in order to entitle us to the maximum social security benefits of a married couple filing a joint return, or that of a single person filing individually.

In the year 1920, when the civil service retirement system was established, the maximum annuity was \$60 a month. It was unfortunate at that time that employee and employer contributions were not called a tax or a provision in the law exempting the retirement income from income tax. The contributions to social security are im-

posed as a tax and, because a provision in the Railroad Retirement Act makes it exempt from income tax, we feel the retirement credit should be the equivalent of the social security provisions for exemption from income tax.

Transportation is another area of concern, not only because of the inflated cost of automobiles, but the fuel cost to operate them as well as the unavailability and high cost of adequate public transportation. Many aged people who cannot afford to operate a car, or who are physically unable, reside such distances from public transportation that they are unable to use the public transportation provided, as they have no way of getting to it.

Thank you.

Senator CLARK. Our last witness today is Mike Cole, who is with the council for senior citizens.

Mike, you may proceed.

STATEMENT OF MIKE COLE, BOARD MEMBER, STATE COUNCIL FOR SENIOR CITIZENS

Mr. COLE. I would like to first take about 1½ minutes to inform you folks that the Social Security Administration is not a welfare department. It is not going broke, as the papers have been saying in their news stories, that the Social Security Administration is going down the drain.

I would like to say to you that the Social Security Administration is sound. It isn't going down the drain, and I don't want you elderly folks or the young folks to worry. They have the young people really shook up and afraid that they are not going to have any social security when that time comes. With capable people like Senator Clark and our friends in Congress, we are assured that that isn't going to happen. There is somewhere in the neighborhood of \$48 billion in our trust fund at the present time, so it is not going broke.

RIISING PRICES CRIPPLING THE ELDERLY

I would like to say that what is crippling the people who are drawing social security today is the prices: the cost of eyeglasses, the cost of dentures, the cost that is raised at the doctor's office, your medical insurance is raised. Everything that pertains to your livelihood after you become a senior citizen is being affected by the inflation that is upon our country.

For example, you can go to the grocery store and the two main commodities that a lot of elderly people have to depend on are old-fashioned navy beans and rice. I don't know whether they have come down, but recently a little 2-pound package of navy beans cost \$1.12 which you had been buying, several months earlier, for 39 cents. So the whole economy has been hit and all of the senior citizens have been hit with this.

We believe, as a national organization of senior citizens, that the Social Security Administration should be divorced—taken away—from the Health, Education, and Welfare Department and set up in a department of its own. I believe that Senator Clark has a bill in to that effect.

Further, I believe we should alleviate the cost of social security for the young men in the plan. I have done some serious thinking and it ought to be 3 percent from the worker—he pays 3 percent—his employer pays 3 percent, we take 3 percent from the general fund of the Treasury—which is our tax money. Further, that we raise the lid from around \$15,000, we put it up in the neighborhood of \$50,000. Let some of the people in this country who are able to pay take some of the load off the young fellow who is paying the bill in the plan for his insurance. This isn't welfare; this is an insurance program that you people pay for.

NATIONAL HEALTH SECURITY

Then I would like to say further that with the national health security bill—we do not need national health security administered by an insurance company but administered by a section in the Federal Government. That is what we need.

We know that it is going to take some time to get this program into effect, so on the health bill—the medicare bill on which the Government is only paying 38 percent—we recommend that in this area the deductibles be removed from both A and B, and we also move that the current insurance be removed from it.

We submit that the \$7.50 doctor's call is outrageous. I called the Blue Cross and Blue Shield Insurance Co. the other day and I asked them: "Will you please recommend a doctor to me in the city of Des Moines that I can have for \$7.50 per office call?" There isn't any.

So these are the things that we want done. We want this plan made a comprehensive plan until such time as we can get medicare into a health security program—which is going to take care of all of us.

There are 18 countries in the world that have a much better health care program than we have in the United States. I am sure that Senator Clark and his people and our friends in Congress are going to do us a good job in making more improvements.

Thank you folks for listening to me, and thank you, Senator Clark, for the privilege of appearing before your committee.

Senator CLARK. Thank you very much, each of you on the panel. I'd like to ask several questions at this point.

ENCOURAGING ACTIVITY IN LATER YEARS

First, Mrs. Rogers, your point that inactivity is the greatest enemy of the elderly was a point well taken. What do you think should be done to encourage people to continue to be active in their later years? What are some of the things that we can do to encourage that, in your judgment?

Mrs. ROGERS. First: Senator, there definitely needs to be more pre-retirement planning. Very few people, now, really do get involved in preretirement planning. It isn't something that you start 2 weeks before the retirement date. It is something that you start 10 to 15 years prior. Several of the people on the panel, previous to my testimony, have indicated how they did their own planning.

Second: There should be continued Governmental activities to perpetuate the operation of senior centers where people can get together to mutually discuss and solve their problems.

Third: The continued use of Federal funds to operate programs such as foster grandparents, retired senior volunteer programs, and a service corps of retired executives, so that qualified elderly people can remain productive and contribute to society.

There is one other item, Senator, that, having been in a financial institution for many, many years, I see as being very helpful. I am not completely familiar with it, but it is the IRA program which permits people, during their working years and who are not involved in other pension programs, to have tax credits for savings. I think this is one step in the right direction, and we need more of them.

IMPACT OF 5-PERCENT CEILING ON FEDERAL EMPLOYEES

Senator CLARK. Good. Thank you very much.

I would like to direct my next question to Mr. Bates, who represents the retired Federal employees. You took a strong stand in your testimony against the recommendation to leave the social security increase at 5 percent as recommended by the President. Over the weekend, I noticed that Caspar Weinberger, Secretary of HEW, criticized Congress again for taking a position against holding the increase to 5 percent.

Could you briefly explain why you think that is a bad idea? I'm particularly interested in finding out what impact holding the social security increase to 5 percent would have on Federal employees.

Mr. BATES. It would have a distinct impact on Federal employees, as well as those receiving social security. The impact is that our dollar would buy 6 to 7 percent less than with the increase that would grant it. We would still be short 6 to 7 percent.

Senator CLARK. OK.

Mike, you have indicated your support generally for national health insurance, S. 3, the health security legislation.

Mr. COLE. Yes.

MEDICARE RECOMMENDATIONS

Senator CLARK. I am a strong supporter of that, and I think many people in the Congress are too. But you ended by saying that in the meantime certain additional benefits ought to be included under medicare for older Americans. Would you expand on that a little? Until we get national health insurance, what are some of the things that you think should be included?

Mr. COLE. Some of the things that I think should be included—I think it should be made a complete, comprehensive plan under medicare; I think what should be taken out of it is deductibles. An elderly person going to the hospital now pays the first \$92 or \$94 of their earnings and then at the doctor's office they pay another \$60 there. Then when they go to the doctor, the doctor charges them \$15 for an office call. Medicare pays the top of \$7.50 and then they take that \$7.50 and pay 80 percent of it, so that leaves the elderly really holding the bag in medicare.

I think these things should be eliminated from the program. I think part A—the social security tax, which we pay—is around \$6.70 now for each elderly person for office calls in the doctor's office. I think that should be eliminated. I think that that program should be

upgraded to that extent, Senator, until we can get a good, comprehensive health security bill.

Now, I am not talking about health insurance; I am talking about a health security bill that is going to be financed by the people and the Government, and not be run by an insurance company.

Senator CLARK. OK. Thank you.

Again I want to thank this panel, and thank all of the panels. The hearings have been particularly useful. I hope that those of you who have individual comments to make will feel free to go to the table in the back of the room, where there are forms for you, and write any comments to the committee that you may have.

GREATEST SINGLE PROBLEM: INADEQUATE INCOME

The hearings have been helpful. I think that we have learned a number of things. First and foremost, it seems to me, the testimony today indicates that older people feel that our greatest single problem is inadequate income and the problems of inflation. Many of the problems that have been discussed here could be solved, or at least alleviated, if people simply had an adequate income. So social security improvements are basic.

We have heard a number of other things, particularly about the effects of inflation on income. We have heard a fair amount from the nutrition panel on the necessity to maintain and increase the congregate meals program, the meals-on-wheels program, and we have heard about the successes and the shortcomings of these programs in terms of just not being able to cover enough people.

We have heard a good deal about the foster grandparents program—how it works in one particular instance and how it can work generally, why we need more funding, why we need that kind of program in Iowa, and some of the guideline changes that need to be brought about as a result of that.

THE NEED FOR BETTER HEALTH CARE

We have heard, I think, a good deal from this last panel, particularly about the need for better health care, not only for a permanent plan, which we want to work toward as quickly as possible, but in the interim, additional benefits that ought to be covered under medicare.

Mike Cole has addressed himself to deductibles, and a lot of people have spoken to me about trying to include prescription drugs, dentures, and eyeglasses under medicare as well.

We also have heard about the necessity to have an actual cost-of-living index—an index to increase the cost-of-living proportion, how it affects older people, and to do that on a more regular basis.

So I think those are some of the things that we have learned. We have had a number of references here about the necessity in the Older Americans Act to improve the transportation system. Several people, particularly on the first panel, talked about the effects of these programs on people living in rural areas where they have unique problems, particularly problems of transportation.

So, with all of this, you certainly have given us something to think about. We are going to be going back to Washington, with your suggestions and ideas. When the Older Americans Act is rewritten during this next week, we are very hopeful that the testimony that each of you has given today will help and guide us in Congress to do a better job and to do it in a more responsive way.

Thank you very much for coming.

[Whereupon, at 12 noon, the hearing was adjourned.]

APPENDICES

Appendix 1

STATEMENTS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. STATEMENT OF THE NATIONAL RETIRED TEACHERS ASSOCIATION AND THE AMERICAN ASSOCIATION OF RETIRED PERSONS

As advocates for the aged, our associations cannot ignore what is happening in the economy nor what can be expected to happen if the administration's energy, tax relief, and budgetary programs are implemented. The interests of the aged cannot be separated from the interests of the population as a whole, nor can the systems upon which the aged are so dependent for a substantial portion of their income security be considered out of the context of the performance of the economy in which they exist.

Let it be understood at the outset—inflation/recession and the remedies proposed by the administration are the most serious threats to the economic security of the aged at the present time and are seriously jeopardizing the programs upon which millions of them are dependent for income security, health care protection, and other basic needs.

Let it also be understood—the exorbitantly high prices artificially established for oil, both at home and abroad, are largely responsible for creating this situation.

I. INFLATION-RECESSION AND THE AGED

For the poor and fixed-income aged, the combination of inflation and recession in 1974 was catastrophic. With less purchasing power to begin with, these groups are the most vulnerable to the effects of inflation and the least able to keep pace with it by supplementing their income through employment. Forty-five percent of the aged have total, annual money income of under \$4,000 (see table 1); as recently as 1973, 16 percent of the aged were living in poverty, compared with 11 percent for the total population (see charts I and II, p. 1403). Because of the high rates of inflation in food, housing, and other necessities on which the poor and fixed-income aged tend to spend far higher portions of their total income, they have, over the last 3 years, suffered a relatively greater loss of purchasing power than other groups (see table 2).

Simultaneously, the recession with its present 8.9 unemployment rate has rendered even more difficult, if not impossible, any relief from inflation through increased income from employment. Even in the best of times, the aged encountered a formidable combination of barriers to employment. With an increasing number of workers competing for a diminishing number of jobs, the unemployment alternative, as a means of sustaining purchasing power is not available to most of the aged.

II. INFLATION-RECESSION AND THE INCOME MAINTENANCE SYSTEM

Not only are our associations concerned with the impact of inflation/recession on the purchasing power of the aged individual, we are equally concerned about its financial impact on social security and other cost-indexed and self-financed retirement systems. With the social security trust funds sufficient to continue benefit payments for only 9 months in the absence of a continuing influx of payroll and self-employment tax revenues, and with social security benefit levels subject to automatic increases that are directly related to the cost of living, the performance of the economy is of critical importance.

TABLE 1.—1973 ANNUAL INCOME BY AGE¹
 [Percent of population² by income levels]

Current total money income	Age 65 and over			Age 25-64		
	All consumer units	Families	Nonfamily persons	All consumer units	Families	Nonfamily persons
Under \$1,000.....	2.8	0.8	5.3	1.9	1.0	6.2
\$1,000 to \$1,499.....	4.9	1.1	9.7	1.1	.5	4.2
\$1,500 to \$1,999.....	6.9	2.0	13.0	1.5	.8	5.0
\$2,000 to \$2,499.....	8.9	3.1	16.1	1.7	.9	4.9
\$2,500 to \$2,999.....	8.6	4.9	13.2	1.5	1.1	3.4
\$3,000 to \$3,499.....	7.1	5.5	9.0	1.7	1.3	4.0
\$3,500 to \$3,999.....	6.1	5.8	6.5	1.6	1.3	3.5
\$4,000 to \$4,999.....	10.8	12.4	8.9	3.9	2.9	8.5
\$5,000 to \$5,999.....	8.3	10.6	5.3	4.0	3.2	7.7
\$6,000 to \$6,999.....	6.3	8.8	3.2	4.2	3.6	6.7
\$7,000 to \$7,999.....	4.4	6.5	1.8	4.7	4.3	6.9
\$8,000 to \$8,999.....	4.0	5.7	1.8	5.1	4.7	6.8
\$9,000 to \$9,999.....	3.0	4.2	1.4	4.9	4.8	5.5
\$10,000 to \$11,999.....	4.5	6.7	1.8	10.9	11.4	8.8
\$12,000 to \$14,999.....	4.8	7.6	1.2	15.1	16.4	7.4
\$15,000 to \$24,999.....	6.0	9.9	1.3	26.8	30.8	7.4
\$25,000 to \$49,999.....	2.0	3.4	.4	8.4	9.9	1.2
\$50,000 and over.....	.6	1.0	.1	1.0	1.1	.5
Midpoint (median).....	\$4,441	\$6,426	\$2,725	\$12,243	\$13,500	\$7,367
Arithmetic average (mean).....	\$6,696	\$9,029	\$3,772	\$13,681	\$14,965	\$7,533
Percent under \$4,000.....	45.3	23.0	62.2	11.0	6.9	31.2
Percent over \$12,000.....	13.4	21.9	3.0	51.3	58.2	17.9

¹ Tabulation developed from table 25, Consumer Income Current Population Reports, p. 60, No. 97.

² Age population based on March 1974 Current Population Reports estimate.

TABLE 2.—COMPARATIVE PRICE INDEXES
 [August 1971=100]

	Poor person's index	Rich person's index
1971: October.....	100.13	100.31
1972:		
April.....	102.04	101.76
October.....	103.91	103.62
1973:		
April.....	108.36	106.93
October.....	114.07	111.49
1974:		
April.....	120.52	117.49
October.....	127.94	125.02
Percent changes:		
1972.....	3.8	3.3
1973.....	9.8	7.6
1974.....	12.2	12.1
1971-74.....	27.8	24.6

Source: Consumer Price Index and Professor Thad Mirer.

Note.—According to the recent staff study of the Joint Economic Committee "Inflation and the Consumer in 1974," [94th Cong. 1st Sess. pp. 27-28 (1975)], prices have risen more for the low-income consumer in the last 3 yr than for the high-income individual. From October 1971 to October 1974, the poor person's index rose 27.8 percent while the rich person's index increased 24.6 percent—a difference of 3 percentage points.

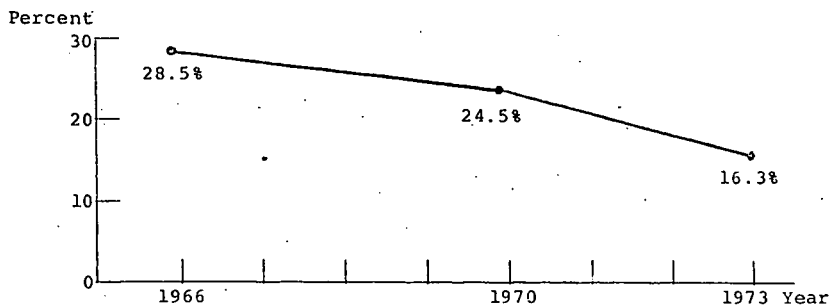
The above table is reproduced from that recent staff study.

Workers who are not employed are not paying social security taxes. High rates of inflation trigger automatic benefit increases, which, in turn, must be financed from contributions from a diminishing number of active workers.

Any extended continuation of high rates of inflation and unemployment, coupled with a zero or negative population replacement rate, is, as the 1975 report of the OASDI trustees indicates,¹ a serious threat to the financial solvency of the system. As presently structured, the social security system may not be adequately flexible to accommodate these trends. As a matter of first

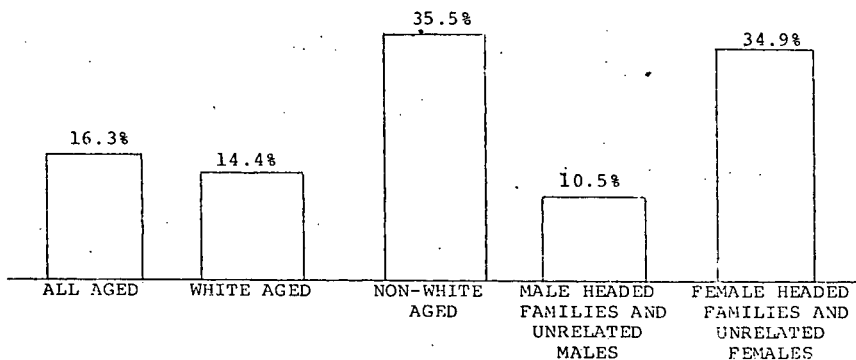
¹ The 1975 OASDI trustees' report indicates that the short-range deficit, which is largely the result of unexpectedly high rates of inflation and unemployment, will require additional financing for the system equal to 1.3 percent of taxable payroll.

CHART I
PERSONS AGE 65 AND OVER IN POVERTY



Source: U.S. Bureau of the Census

CHART II
AGED POVERTY IN 1973, SELECTED CHARACTERISTICS



Source: U.S. Bureau of the Census

priority, therefore, the system must be desensitized to variable long-term rates of inflation and provided with new sources of revenue.

III. ASSESSMENT OF THE ADMINISTRATION'S REMEDIES

Considering the current economic situation and its impact on the aged and their income support programs, it was reasonable to expect the administration to take their situation into account in developing its remedial policies. But with those policies, our associations were dismayed. The energy, tax relief, and budget proposals that finally emerged for the administration would provide enormous benefits to the oil/natural gas industry and high-income taxpayers at the expense of the poor and fixed-income aged and the programs on which they depend for much of their income support, health care protection, and other basic needs. Moreover, those proposals would destabilize the economy even further.

While the Congress has largely refused to accept the administration's recommendations, that such recommendations were made in the first place is indicative of the insensitivity in the executive branch to the needs of those who constitute the most helpless and vulnerable portions of society.

IV. THE ENERGY PROGRAM : MORE INFLATION

Our associations are persuaded that the consequences of the implementation of the administration's energy program (tariff, excise tax, windfall profits tax, and deregulation of old oil and new gas) would be: (1) more double-digit inflation; (2) deepening recession; (3) increased portions of consumer budgets devoted to energy; (4) another massive shift of wealth from consumers to the energy industry; and (5) permanent energy prices at levels wholly unjustified by the supply increase. The burden of the program would fall more heavily on those with the least ability to pay—and most heavily on the aged poor. While the aged poor use less energy than the other groups—including the non-aged poor—they are already spending a higher proportion of their budgets on fuel. For them, higher prices would mean doing without or cutting expenditures for food, housing, and medical care.

Last year's enormous surge in domestic and foreign energy prices contributed to record industry profits. It also, however, contributed between 25 and 50 percent of last year's record 12 percent inflation, and with the aid of the highly restrictive monetary and fiscal policy that the inflation triggered, brought on the current recession. To our associations, the administration's energy program is unacceptable as a policy option to reduce our reliance on foreign imported oil.

We seriously doubt that higher energy prices will produce the reasonable contraction of energy demand and the reasonable expansion of energy supply that the administration assumes. A recent study by the Senate Interior Committee indicates that in response to the 1974 energy price increases (that were responsible for between one-quarter and one-half of last year's 12 percent rate of inflation) fossil fuel demand declined only 2.4 percent from 1973 levels. We do not believe that this reduction in demand was reasonable in view of the extent to which prices were increased last year; moreover, the reduction that was achieved was hardly worth the shock to the domestic economy that the energy price increases produced.

In addition, a reasonable expansion of domestic supply in response to higher prices is a questionable assumption. While it is important to provide the price and profit incentives necessary to expand domestic production of oil and gas, excessive concentrations of market power in these interrelated industries may produce high prices and profits without any reasonable supply response in the absence of policies designed to restore a workable degree of competition.

With imported, new domestic and old domestic oil selling in the marketplace at \$12, \$11, and \$5.25 per barrel, respectively, and with oil industry prices and profits at record levels, immediate higher prices are neither justified nor necessary to stimulate increased domestic production. Moreover, with constraints in the capital goods markets, higher prices for domestic oil will add nothing to the supply incentives but will add inflationary pressures within the economy.

Certainly, there can be no doubt that the prices established for OPEC oil are set without reference to world supply and demand and are therefore artificial. Considering the inflationary consequences, we must protest the administration's willingness to give the oil and natural gas producers what they want—the power to peg prices for old domestic oil at these same artificial OPEC levels. It is ironic that while the administration is opposed to artificial pricing practices in the world market, it is willing to tolerate these same practices in the domestic market by advocating deregulation of old oil and new gas.

To us, it is the best cost of finding, developing, and producing oil that should be determinative of prices (and would be if the market were competitive). The ability of the domestic oil and gas industry to boost the prices for that portion of oil and gas which is not under price ceiling regulation (new oil and intrastate gas) to the artificial levels established by the OPEC cartel is a clear manifestation of oil/gas industry noncompetitiveness and a strong argument against the decontrol of old oil and new gas price ceilings.

A \$12 per barrel OPEC level price for old oil cannot be justified on the basis of the cost of producing that oil (plus a reasonable rate of return on the investment necessary for its production). Nor can such price levels be justified as the means for providing producers with the capital necessary to finance the cost of exploring for and developing new sources of oil. Business investment is also financed by selling stock and borrowing in the capital markets.

The ability of major domestic producers to boost oil and gas prices to the artificial OPEC levels is evidence of the market power they possess. Where such market power exists, the ability to control supply—to keep prices high—also exists. Not only does the existence of this market power and the absence

of workable competition render the theory of the administration's energy program unworkable, but the cost and inflation consequences for consumers and the economy render it unacceptable in any event.

As an alternative means of reducing energy demand, our associations are supporting a combination of policies including: (1) white market gasoline rationing or a rebatable gasoline tax; (2) an import quota; (3) a graduated excise tax (at the time of purchase) on new and used automobiles (based on weight and horsepower); and (4) a standby, mandatory fuel allocation system. However, such policies should be phased in gradually to allow stimulative monetary and fiscal policy time to revive the depressed economy. It appears that the Congress will reject the administration's proposal to deregulate new gas and old oil, and, to lower energy demand, develop a program similar to what we have recommended.

V. THE TAX RELIEF PROGRAM: HELP FOR THE HIGH INCOME

Contrary to the administration's claims, its tax relief proposals would have failed to offset the effects on the poor and fixed-income aged of the higher prices its energy program would have produced. Moreover, a disproportionately high portion of the tax rebate dollars would have gone, not to the low income who have been hurt the most by inflation and are most in need, but to the high income. Together, these two administration programs look very much like a scheme for the redistribution of income—from the poor to the wealthy.

Our associations were involved in the effort to include all the elderly in the class of intended beneficiaries under the House-passed version of the Tax Reduction Act—a bill we considered a substantial improvement over the administration's recommendations.

Since the intent of the rebate was to provide a quick economic stimulus, a portion of the rebate dollars should have been channeled to those most likely to spend them rather than save them—the fixed-income aged. However, since the rebate feature of the House bill was contingent on 1974 tax liability and since less than 46 percent of the aged had any, the associations recommended that the minimum rebate be set at \$100, thereby providing a negative tax payment to any adult individual who had a liability of \$100 or less. We argued that while the negative payment would be a policy departure, it would not be permanent and, in any event, was thoroughly justified. The Senate accepted a floor amendment to provide a \$100 payment to each social security, railroad retirement, and supplemental security income recipient.

While the associations supported the Senate amendment (which was reduced in conference to \$50) because it would provide a proportionate share of general tax revenue dollars to most aged nontaxpayers who would not have shared in the rebate under the House bill, we nevertheless feel that the amendment is deficient. First, in an apparent attempt to disguise the negative tax nature of the special payment, the amendment avoided the Internal Revenue Code and instead conditioned the availability of the payment upon the receipt of a benefit from one of the three sources. Those who were not recipients of benefits from these sources will not share in the special payment even though they are aged and nontaxpayers and should have been included.

Second, since the special payment was not made part of the code rebate provision, many of the aged who are taxpayers and who will receive rebates in excess of \$50 will also receive the special payment. This is a less-than-efficient use of limited resources. It seems rather inequitable that some who perhaps should not receive the special payment because they will receive an even higher rebate will get both and some who should receive the special payment because they will not receive a rebate will get nothing.

VI. THE BUDGET IN THE CONTEXT OF INFLATION-RECESSION

We believe that the administration's budget is inadequate to accomplish the critical objectives of putting the people back to work and getting the economy moving again. While the budget contains a \$52 billion deficit, this is totally a function of the unemployment rate.

Of greater concern to us are the greater economic losses that result from prolonged recession. High unemployment and low economic growth will mean successive deficits (see table 3) and lost output and that, in turn, will mean that the pie we all must share will be smaller than it might otherwise have been.

Our associations would accept a greater deficit this year, if that would mean higher rates of growth, lower rates of unemployment, and lower deficits than those projected by the administration for succeeding years.

TABLE 3.—ECONOMIC ASSUMPTIONS
[Calendar years, dollar amounts in billions]

Item	1973 actual	1974 actual	Assumed for purposes of budget estimates			
			1975	1976	1977	1978
Gross national product:						
Current dollars.....	1,295	1,397	1,498	1,686	1,896	2,066
Constant (1958) dollars:						
Amount.....	839	821	794	832	879	1,061
Percent change.....	5.9	-2.2	-3.3	-4.8	5.6	6.5
Prices (percent change):						
GNP deflator.....	5.6	10.2	10.8	7.5	6.5	4.0
Consumer Price Index.....	6.2	11.0	11.3	7.8	6.6	4.0
Unemployment rate (percent).....	4.9	5.6	8.1	7.9	7.5	5.5

Source: Office of Management and Budget, "The United States Budget in Brief, Fiscal Year 1976," January 14, 1975.

While we favor highly stimulative monetary and fiscal policy to combat the recession, the powers of the Council on Wage and Price Stability must be expanded if this country is to deal effectively with the type of inflation we experienced last year. It was not, as the administration would have one believe, the type that results from excess Government and consumer spending (excess demand) but rather from the ability of certain industries like steel, automobiles, chemicals, oil, and gas to boost their prices to artificially high levels despite declining demand for their goods and services. The price-setting power of such industries comprises an inflationary force within the economy largely independent of market conditions and monetary and fiscal policy. The administration has yet to learn that tight money and restrictive budgets as a means of dealing with this type of inflation are not very effective and are extremely costly. As long as we restrict ourselves to the use of the instruments of monetary and fiscal policy, pretending that they are suitable for all types of inflation, we will always be limited to primitive stop and go economic tactics.

VII. ARBITRARY LIMITATIONS OVER AND CURTAILMENTS IN FEDERAL PROGRAMS:
INCREASED BURDEN FOR THE POOR AND FIXED-INCOME AGED

To facilitate its design of tax relief for the high income and another surge in prices and profits for the oil/natural gas industry and still keep the projected fiscal 1976 deficit to a minimum to avoid generating "aggregate demand" inflation, the administration's 1976 budget was replete with proposals to limit or curtail expenditures for programs on which the poor and fixed-income aged are highly dependent. Together, they constitute an extraordinary manifestation of insensitivity to, if not contempt for, the needs of these groups. Although the administration's attempt to increase the cost of food stamps to recipients through regulatory procedures was frustrated through timely action by the Congress, the struggle is representative of what we expect to occur for the next 2 years. While the administration criticizes the Congress for its tardiness in making progress on economic and energy matters, it fails to mention that considerable congressional effort is being expended to prevent the administration from doing damage.

1. *Arbitrary Limitations*

The most callous of the proposals advanced by this administration is the 5-percent limitation on the automatic cost-of-living adjustments in social security and other retirement and welfare programs. To this or any other arbitrary limitation, our associations are strongly opposed.²

Although we can appreciate the administration's concern over the rate of growth in income security programs, we also detect an attitude that the aged, who have been the chief beneficiaries of this increased spending, have gotten enough, perhaps even too much. We would point out, however, that as of 1966, nearly one-third of the aged were living below the poverty level.³ Moreover, despite benefit increases, the trend toward a concentration of older family units in the lower extreme of the national income distribution continues (see table 4).

² We are gratified by the action taken by the Senate on May 6 in approving the amendment of Senators Church and Clark to the Council on Wage and Price Stability Act Amendments of 1975 (S. 409) expressing disapproval of the 5-percent limitation. We are also pleased with the action taken by the House in approving an amendment to the House Budget Committee's resolution for fiscal 1976 to remove a proposed 7-percent cap on automatic adjustments. Both amendments had our support.

³ See charts I and II, p. 1403.

TABLE 4.—FIFTHS OF FAMILIES RANKED BY SIZE OF MONEY INCOME BY AGE

Age of head in years	Total			Lowest fifth			Second fifth			Third fifth			Fourth fifth			Highest fifth			Top 5 percent		
	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972	1952	1962	1972
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
14 to 24.....	5.2	5.5	7.7	7.1	8.4	13.2	8.0	8.5	12.4	6.0	6.0	7.5	3.7	3.4	3.8	1.3	0.9	1.6	0.3	0.2	0.5
25 to 34.....	23.6	19.3	22.0	13.8	13.5	17.1	26.1	21.9	23.7	29.5	26.3	27.7	28.7	22.4	24.5	19.7	12.7	16.8	9.2	7.3	9.4
35 to 44.....	23.8	24.4	19.7	15.7	14.8	11.7	22.2	20.8	16.0	25.2	26.0	21.0	28.4	30.8	24.3	27.7	29.3	25.6	24.8	26.7	24.5
45 to 54.....	19.8	20.8	20.7	16.1	14.1	11.7	17.0	17.3	14.9	18.6	18.9	19.4	21.0	22.8	25.8	26.5	30.9	31.7	29.7	33.1	36.3
55 to 64.....	14.6	15.6	15.9	17.2	14.9	13.5	14.0	14.4	15.3	12.9	14.7	16.4	11.9	14.7	16.0	17.0	19.0	18.4	25.2	22.4	22.6
65 years and over.....	13.0	14.5	14.0	30.1	34.3	32.8	12.7	17.1	17.6	7.8	8.0	7.9	6.4	5.9	5.6	7.9	7.2	5.9	10.9	10.2	6.8

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 90, "Money Income in 1972 of Families and Persons in the United States," U.S. Government Printing Office, Washington, D.C., 1973, p. 40.

Since the aged are less able to offset that impact of inflation through increased income from other sources such as active employment, they are dependent on automatic increases under the escalators to maintain the purchasing power of the "real" benefit increases enacted in the last few years. If an arbitrary ceiling were imposed and the inflation rate exceeded the ceiling, the number of aged in the subpoverty group would once again begin to rise.⁴

2. Medicare and Medicaid Cutbacks

The administration's proposed curtailments⁵ in medicare and medicaid as a means of restraining health-care-inflation-induced increases in Federal spending under the programs, completely ignores the increasing cost burden on aged beneficiaries that has resulted from this same inflationary trend. Medicare now covers less than 38 percent of the aged's annual health bill. Inflation-induced increases in program expenditures would best be remedied by restraining inflation in the health care market. Of course, that would require the administration to challenge the health industry lobbies—something that is unlikely to occur.

Our associations have urged the reimposition of health care controls, at least over hospital charges. While such controls are in place, fundamental reform must be undertaken that would make such controls unnecessary in the future. We are convinced that cost-reimbursement procedures must be abandoned in favor of payment procedures reforms in medicare now and any program of national health insurance that may be enacted. Such reforms could include prospective approval of institutional providers' annual budgets—(with medicare payments made on the basis of those budgets)—and schedules of charges based on these budgets. These procedures should be complimented by negotiated fee schedule procedures for licensed professional practitioners. If, following the termination of controls, such reforms are still inadequate, then a more complete restructuring of the delivery of health care will have to be considered.

The aged need more medicare protection—not less—and the budget should provide for such an expansion. We believe that medicare should be expanded to the extent indicated in our associations' health bill, the Comprehensive Medicare Reform Act of 1975⁶ which was introduced by Senator Ribicoff—(D-Conn.)—and which would assure comprehensive health care protection for the aged and disabled.⁷

3. Housing for the Aged: A Disguised Reduction in Commitment

The 1971 White House Conference on Aging set forth a recommendation that the Federal Government set an objective of not less than 120,000 new housing units for the elderly each year until needs are met. We are already over 500,000 units in arrears of this objective.

HUD estimates that it will make commitments to build or rehabilitate approximately 600,000 housing units over the next 18 months under the new section 8 housing assistance program. Despite this goal, the 1976 budget reflects

⁴ We would also add that superimposing a ceiling on benefit increases in programs that are self-financed such as social security without limiting increases in the taxes which support those programs could mean a windfall to the Federal Government which could be used to disguise, under the unified budget, deficit spending in other areas. For this reason, our associations are supporting the bill introduced by Senator Church to restructure the Social Security Administration as a separate independent entity and to remove the social security revenues and expenditures from the unified budget.

⁵ The administration has proposed increasing the cost-sharing under the hospital insurance program through the introduction of a 10 percent coinsurance feature after the \$92 deductible. With respect to the supplemental medical insurance program, the administration has proposed that the \$60 annual deductible be subject to automatic increases concomitant with increases in social security cash benefits. As a partial offset, however, a maximum cost-sharing limit of \$750 per year would be introduced for each program.

⁶ S. 1456, 94th Cong., 1st sess.—1975.

⁷ The Comprehensive Medicare Reform Act would achieve the goal of comprehensive health care protection by: (1) eliminating durational, spell-of-illness and post-hospital limitations on items and services already covered under Medicare; (2) adding additionally-needed health care services such as intermediate care facility services, eyeglasses, hearing aids, dental care and outpatient drugs; and (3) eliminating the Medicare combination of deductibles, coinsurance, copayments and premiums and substituting therefor a simple system of minimal copayments applicable to the more costly items of health care; however, even these copayments would be subject to a catastrophic protection feature pursuant to which anyone who is covered and at or below the poverty level would pay no cost-sharing amount, while anyone above the poverty level would pay copayments for services used during the year up to a maximum that is related to his income—but in no event more than \$750 per family per year.

a reduction in actual reservations compared with fiscal 1972, the last full year of HUD utilization of its authority under the subsidy programs. This reflects the administration's decision to phase out activity under its four traditional subsidized housing programs while placing almost total reliance for housing production and rehabilitation on section 8.

Our associations' goal is the utilization of all the available options within the housing law to promote adequate shelter for the aged. While we are pleased with the many program improvements which were incorporated into the Housing and Community Development Act to make the section 8 program effective, we must still ask why the door has been closed to a number of program designs, such as the interest subsidy stimulus of the sections 235 and 236 programs and why HUD has been so slow in implementing the revised section 202 housing for the elderly program which the 1976 budget reluctantly incorporates.

The difficulty in attempting to force the administration to meet the housing needs of the aged is well illustrated by the struggle to revitalize section 202. Although section 202 is one of a number of weapons within the HUD arsenal to meet the housing crisis and to stimulate the depressed housing market, it has taken 7 years and three acts of Congress to get HUD to reimplement it.

The fiscal 1976 budget indicates that HUD would utilize the funds which the Congress authorized under the revised program as enacted by the 94th Congress. However, we have seen little action within the Department to write the regulations that would make the program operational. The Department has already said that the program will not be able to spend the \$215 million presently available until fiscal 1976.

Our associations are urging an expansion of section 202 to a minimum of \$600 of the \$800 million already permitted under the 1974 legislation. We are also urging a continuation and adequate funding of the 235 and 236 housing subsidy programs and of the traditional public housing program until the performance of section 8 achieves the success envisioned in the budget.

4. Title XX Social Services: The Budget Request is Inadequate

Our associations are outraged at the administration's recommendation to reduce the Federal matching under the social service programs from 75 percent to 65 percent in fiscal 1976 and to 50 percent in fiscal 1977. Here is another administration attempt to frustrate Congress' attempt to help the aged. Moreover, the position of the administration is self-defeating since the implementation of title XX would provide less costly alternatives to institutional care for older persons.

The budget calls for \$1.95 billion under title XX for fiscal 1976 for services to the elderly, blind and disabled. However, the potential services could be broadened to the \$2.5 billion ceiling if provisions were enacted for the reallocation of a State's unused social services funds to State which have the need for additional funds. Our associations are not only opposed to the decrease in the Federal matching share under the programs but also urge the full \$2.5 billion ceiling amount and the necessary adjustments in the law to meet this ultimate allocation.

5. The Older Americans Act: More Curtailments

To put into proper perspective the 1976 budget requests for the Older Americans Act programs, the extension of the authorizations for which are currently before the Congress, the administration's proposed rescissions in funding already approved by the Congress for fiscal 1975 should be taken into account. The major rescissions for the aging programs included: (1) a \$9 million reduction in the title III State and community programs (from the \$105 million approved to \$96 million); (2) elimination of all funding for title IV training (\$8 million already approved); (3) a \$25.4 million reduction in the title VII nutrition for the elderly program (from the approved \$125 million to \$99.6 million); and (4) the impoundment of the entire 1975 appropriation for the title IX Older Americans Community Service Employment Act (\$12 million already appropriated plus an additional \$24 million expected).

The fiscal 1976 budget represents a \$42.4 million cutback in funding under AoA (from \$245 million in fiscal 1975 to \$202.6 million). The title III recommendation is \$96 million, compared with the \$105 million appropriation for fiscal 1975. The budget ignores title IV training the special transportation study mandated in 1973 amendments, the authorized programs for multidisciplinary centers on gerontology, the authorized programs for development and expansion

of multipurpose senior centers, the authorized programs of title VII for older readers services and better coordination of higher education programs for older persons. The title VII nutrition recommendation is \$99.6 million, down from the current \$125 million. Nothing is requested for the title IX employment program.

Taken together, the cutbacks proposed in the fiscal 1976 budget would constitute the largest dollar percentage reduction in the entire history of the act. Obviously, with his administration, the needs of the aged are not a priority. Along with the budget rescission requests for fiscal 1975, the budget request for fiscal 1976 are wholly unacceptable to our association. If progress is to be made toward achieving the goal of the Administration on Aging to develop a network of State and local agencies on aging to work toward the development of a comprehensive service delivery system for older Americans at each respective level of government, we believe a minimum of \$150 million for title III is needed. If more, rather than less, of the aged are to be served by the title VII nutrition program, the full \$200 million authorization must be made available.

With respect to the title IX employment program, the administration's failure to seek any funds is attributable to its opposition to any continuation of a categorical approach to meeting the employment needs of older persons. Since its inception, there has been a constant struggle to secure funding for title IX despite the fact that the program is modeled after the highly successful Operation Mainstream program.

Our associations feel that the need for title IX is obvious. In the last 6 months of 1974, there was a substantial increase in the number of persons over 55 who were unemployed. In November 1974, some 440,000 were unemployed; by January, the number had climbed to 600,000. We have urged an extension of authorization for the program at \$100, \$150, and \$200 million for fiscal years 1976, 1977, and 1978 respectively. Although we are seeking an appropriation of \$80 million in fiscal 1976 to continue the program, considering the lack of employment opportunities presently available to the aged, a strong argument can be made for full funding.

6. Other Aging Programs: Other Cutbacks

Other programs designed to improve the quality of life for the aged are also threatened by the 1976 budget. Funding for the National Institute on Aging, the National Institute of Mental Health, and for the administration of the Age Discrimination in Employment Act is either reduced or inadequate. ACTION's aging programs would be reduced by approximately \$1.8 million, including a \$2.4 million reduction for the highly successful foster grandparents program.

VIII. CONCLUSION

The poor and fixed-income aged have been hurt a great deal by the combination of inflation and recession. The response of the administration has been to advance a series of interrelated energy, tax, and budget programs that would render their economic situation even more desperate. While the automobile, steel, oil, gas, and utility industries and high income taxpayers would benefit, the poor and the aged would suffer.

While our associations continue to argue before the Congress for policies and programs that would treat the aged fairly and help them to cope with the economic situation, we find ourselves expending ever-increasing effort to frustrate the proposals of an administration, the antiaged bias of which is readily apparent.

ITEM 2. STATEMENT OF GWENDOLYN R. SPEER, EXECUTIVE DIRECTOR, SOUTHWEST IOWA AREA XIII, AGENCY ON AGING, COUNCIL BLUFFS, IOWA

Recently the Southwest Iowa Area XIII Council on Aging conducted its seventh annual senior citizens festival, May 28, and 800 elderly came from the eight southwest Iowa counties.

During this event a panel of five, consisting of members of the board of directors and the advisory council of area XIII, conducted a forum and listened to the aged in regard to their social security income, how they were combating the effects of inflation, and their reactions to programs for the elderly.

All interviewed admitted inflation was affecting them generally. They found they must concentrate on the basics—groceries, rent, medicine, and taxes, and eliminate all but the bare necessities. They appreciated the social security raises, but found as the raise became effective the cost of rent, food, and medicine went up; however, they were accepting it as a way of life and rolling with the punches. It was mentioned at this time, in spite of public education in regard to SSI, there were still many completely unaware.

A member remarked recent activity on the part of States, toward property tax reduction was most helpful.

Most were against mandatory retirement and insisted the ceiling be taken off the amount that could be earned by those on social security. The general feeling is that a ceiling takes away incentive. Mandatory retirement is discrimination.

In regard to mandatory retirement, one gentleman remarked, "as long as lawmakers can continue to make laws at any age, there should not be mandatory retirement at 65." Special part-time employment programs sponsored through Federal funds, such as the pesticide and water programs, fill a real need. More effort should be made for part-time employment for the elderly.

Few enjoy eating alone. Most seek company. Congregate meal sites have filled a real need for obtaining nutritious meals, but the main beneficial result is the opportunity to make new friends.

All voice the opinion they want activity—something to plan for, something to look forward to, a place to go at a nominal price. They especially favor group activity with a purpose.

Another real need is the day-care center for the older person. This, it is felt, will prevent institutionalization, and encourage young people to shoulder a portion of parental responsibility.

In conclusion—it was the consensus of the entire group—older persons want to stay in their own home. They will do anything to accomplish this. It was also agreed meals on wheels, home health aide programs, and transportation are essential supportive service to help keep the senior citizen in his own home.

In working with a title III program for 6 years, I feel the only solution is to continue to conduct these same programs, only on a larger scale.

We emphasized the importance of purposeful activity to keep senior citizens active.

May 28, 800 elderly had gathered together for a festive occasion; 400 volunteered to fill out a questionnaire: "Life Satisfaction." Enclosed please find the results showing the attitudes of active elderly. Proof we must redouble effort toward prevention programs.

[Enclosure]

LIFE SATISFACTION

[In percent]

	Agree	Disagree	Undecided
1. As I grow older, things seem better than I thought they would be.....	93	7
2. I have gotten more of the breaks in life than most of the people I know.....	87	13
3. This is the dreariest time of my life.....	27	70	3
4. I am just as happy as when I was younger.....	76	21	3
5. My life could be happier than it was.....	43	52	5
5.a My life could be happier than it is now.....	30	63	7
6. These are the best years of my life.....	60	33	7
7. Most of the things I do are boring or monotonous.....	17	79	4
8. I expect some interesting and pleasant things to happen to me in the future.....	80	17	3
9. The things I do are as interesting to me as they ever were.....	83	14	3
10. I feel old and somewhat tired.....	40	57	3
11. As I look back on my life, I am fairly well satisfied.....	90	9	1
12. I would not change my past life even if I could.....	71	24	5
13. Compared to other people my age, I make a good appearance.....	78	19	3
14. I have made plans for things I'll be doing a month or a year from now.....	66	31	3
15. When I think back over my life, I didn't get most of the important things I wanted.....	41	55	4
16. Compared to other people, I get down in the dumps too often.....	25	71	4
17. I've gotten pretty much what I expected out of life.....	85	13	2
18. In spite of what some people say, the lot of the average man is getting worse, not better.....	32	62	6

The above was taken from the article "Continued Growth and Life Satisfaction" by John J. Kurtz, Ph. D. and Stephen Wolk, Ph. D. in the Gerontologist Magazine.

Appendix 2

LETTERS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. LETTER FROM HORACE SMITH, SENIOR CITIZENS ORGANIZER, GREATER OPPORTUNITIES, INC., DES MOINES, IOWA, TO SENATOR DICK CLARK, DATED MAY 14, 1975

DEAR MR. CLARK: "The United States spends a larger portion of its Gross National Product on health care than any Nation in the world." In 1970 it was 7 percent per capita, \$324 (page 1, Blue Cross, "What Went Wrong?" Sylvia A. Law 1974). "Between 1950 and 1970 health costs per capita went up from \$79 to \$324, an increase of 7.3 percent per year while American wages increased at an average of only 4.3 percent a year." "Basic Facts on the Health Industry," Report of House Committee on Ways & Means, 92d Congress, 1st session, pages 8-9 (1971).

What of the retired person whose wages are social security? He now pays a larger dollar amount of his income for health care than before medicare came into being due to deductibles and exclusions and the relentless increase in health costs.

He pays a bigger percent of his income for food than the general public. Yet he has no union to force an increase in his living wage. To cut down the increase in social security from the estimated 8 percent (as scheduled by law due to inflation increase) to 5 percent as proposed by some Congressmen is a vicious attempt to hurt the helpless.

Senior citizens everywhere would support an index of inflation giving extra inflation point credit for the peculiar needs of the aged.

Respectfully submitted.

MR. HORACE SMITH.

ITEM 2. LETTER AND ENCLOSURE FROM KATHRYN KIRSCHBAUM, MAYOR, DAVENPORT, IOWA; TO SENATOR DICK CLARK, DATED MAY 16, 1975

DEAR SENATOR CLARK: Although the economic impact of inflation on older Americans, especially those with fixed incomes, must be great, I will confine my comments to those areas relating to programs and activities for which the city of Davenport has some responsibility and direct involvement. The high cost, and lack of availability, of decent housing is the major problem for the elderly in the city of Davenport. The enclosed summary of census and housing information clearly shows that a significant proportion of elderly have low income, pay far too much for housing, and live in substandard housing. To make a long story short, the section 8 housing program of the Federal Government is not going to have any significant impact on improving the housing situation for elderly in Davenport. HUD's decision to concentrate on subsidizing existing housing is a good example of generalized policy being absolutely unworkable when applied to actual circumstances. Efforts to secure approval of the Davenport City Council to build low-rent housing for the elderly at local government expense have elicited an outcry of concern that by raising local taxes we will be forcing elderly, who can barely make it, out of their homes. Fortunately, the Iowa legislature has tended to the need for property tax relief for elderly in Iowa, but that does not begin to solve the housing problem. The ability to remain independent, in charge of their own circumstances and self reliant, must surely be understood by persons of all ages.

In addition, in our work with our local commission on aging for senior lowans, we have learned how desperately is needed additional money for the nutrition program, health services, outreach to overcome the isolation of old age, opportunities for limited employment and legal services, and the opportunity to feel needed and involved in community life.

The need for rational and realistic assistance is overwhelming. Blanket-type bureaucratic decisions will simply not solve the problems of individual circumstances. If there is some way to provide assistance that can be adequately tailored to local needs, without being suffocated in paper work and red tape, it would be sorely appreciated.

Sincerely yours,

KATHRYN KIRSCHBAUM.

[Enclosure]

THE ELDERLY

The general housing characteristics of Davenport's elderly population have been presented in a previous section. Here, an attempt will be made to define both quantitatively and qualitatively the special housing needs of this group.

Davenport had, in 1970, 10,435 persons aged 65 or over and 6,586 households headed by a person over 65. Among these elderly households 4,419, or about two-thirds, were owners and 2,167 were renters. Elderly individuals make up 45.9 percent of all one-person households. In 1970, 1,587 elderly homeowners and 1,356 elderly renters were living alone. Information from the special census of 1975 indicates that the elderly population has risen slightly to approximately 10,588. The number of elderly rental households has remained constant since 1970, according to this survey data. The number of elderly owners is estimated to have risen slightly since 1970.

Among all groups in Davenport, those over 65 have the lowest incomes. This fact is the primary reason for the housing problems of the elderly. In 1970, the median income of elderly homeowners was approximately \$4,300 and for elderly renters the median income was \$3,100. Estimates supplied by HUD for 1974 indicate median incomes of \$6,200 for owners and \$3,750 for renters. In 1970, of 9,378 persons living on incomes below the poverty level, 2,300 or 24.5 percent were elderly [in 1970, the poverty level for one person 65 or over was \$1,757 and for a two-person elderly household it was \$2,215]. This group, the aged poor, occupies the most seriously inadequate housing in the city.

The problems of elderly homeowners are different than those of elderly renters. Generally, elderly homeowners would prefer to remain in their homes as long as possible. Though most elderly owners have little or no debt remaining on their homes, taxes, utilities, and insurance can amount to a large percentage of income. In addition, because they occupy older than average homes, maintenance and repair costs are a constantly recurring and increasing expense. These problems are most acute for the 1,041 elderly owner households which had incomes of less than \$2,000 in 1970. Of these 1,041 households, 764 are composed of one person living alone. This group undoubtedly includes many for whom maintaining a home has become both a physical and economic burden and who would welcome the chance to move into suitable rental housing, if it were available. It should be noted, also, that there are 146 elderly homeowners whose homes lack complete plumbing facilities.

Elderly renters, and especially low-income elderly renters, are trapped by spiraling rental costs generated by the housing shortage in Davenport. Half of the 2,162 elderly rental households have incomes less than the 1974 median of \$3,750. According to the standard that housing costs should not exceed 25 percent of income, the maximum acceptable expenditure for rent and utilities with an income of \$3,750 is \$79. But even in 1970, only a third of all elderly renters paid less than \$80 for rent, and this group includes many of the 438 elderly rental households lacking some or all plumbing.

Among all elderly renters in 1970, 1,435 or 65 percent paid more than 25 percent of income for rent and 1,074 or 48 percent paid more than 35 percent of income for rent. Approximately 450 elderly renters were living alone on incomes below the poverty level of \$1,757. Of these 450, 200 were living in the downtown and another 100-150 were living in the inner ring (census tracts 106-109). These areas, of course, have the highest concentration of substandard housing in the city.

Table 32 summarizes the pertinent information on the housing problems of Davenport's senior citizens.

TABLE 32.—ELDERLY HOUSING PROBLEMS 1970-74

	1970	1974
Elderly population.....	10,435	10,588
Elderly households.....	6,586	6,646
Owners.....	4,419	4,484
1-person households.....	1,587	1,610
Renters.....	2,167	2,162
1-person households.....	1,356	1,350
Median income, all elderly households.....	\$3,900	\$5,450
Owners.....	4,300	6,200
Renters.....	3,100	3,750
Incomes below poverty level:		
Elderly persons.....	2,300	2,300
Percent of all persons below poverty.....	24.6	
Elderly households.....	1,650	1,650
Percent of all households below poverty.....	44.5	
Number of elderly households lacking complete plumbing facilities.....	584	450
Number of elderly renters paying more than 25 percent of income toward rent.....	1,435	1,412
Number of elderly renters paying more than 35 percent of income toward rent.....	1,074	962

Sources: 1970 Census Report HC(2)-55, "Metropolitan Housing Characteristics: 1974 THIS Survey"; Department of HUD income estimates.

The number of elderly households below poverty is estimated to have remained constant since 1970. Between 1970 and 1974 the incomes of elderly people have risen appreciably, but poverty thresholds have also increased during this period. In 1974, as in 1970, 65 percent of all elderly renters pay more than 25 percent of income toward rent. The percentage paying more than 35 percent of income toward rent has declined slightly from 48 percent to 44 percent.

A figure of prime importance in table 32 is the 450 elderly households living in units lacking complete plumbing. To this number must be added those households living in units which have code violations of more than minor nature. Approximately 800-900 elderly households are living in substandard dwellings, according to the above definition.

There are presently, in Davenport, approximately 113 assisted housing units for the elderly, including 73 at the Lend-A-Hand, 25 in the city's two FHA-236 projects and 15 in the section 23 rent subsidy program. Though an estimate of need is not the same as an estimate of demand, on the basis of the growing elderly population and the increase in housing costs, there is a need for some 600 assisted units over the next 3 years. Depending on the state of the housing market in the city, approximately 400 of these units will have to be new construction in order to satisfy the special housing needs of the elderly.

ITEM 3. LETTER FROM DOROTHY L. TSCHOPP, COORDINATOR, AMES AREA COORDINATING COMMITTEE FOR SENIOR CITIZENS, AMES, IOWA; TO SENATOR DICK CLARK, DATED MAY 19, 1975

DEAR SENATOR CLARK: This is in response to the invitation to attend the hearing on May 19, 1975, in Des Moines concerning social security and the SSI program. My comments are based mainly on the program as it affects the elderly and reflects the concerns that I have while working with this client group.

Basically, the SSI program is a workable program and the elderly feel comfortable with it. For the most part, they do not equate SSI with welfare since it is associated with the Social Security Administration. Where the elderly were reluctant to accept old age assistance because of the stigma attached, they readily accept SSI. However, I do have some concerns especially with respect to the SSI program.

By qualifying for SSI, the elderly are automatically eligible for medicaid in Iowa. In addition, SSI recipients are also eligible for nursing home assistance. For those with incomes slightly above \$166, they receive too much to qualify for medicaid, but too little to survive financially in a medical crisis. It would seem advisable to raise the amount they can receive to at least \$200 per month—which is still within the poverty level—thereby including some of the marginal persons who are just not making it.

It would also seem reasonable to increase allowable resources. A person may qualify for SSI, and with it an array of other services, when living in their own home. When she/he must sell the home, the asset once considered a home and exempt then is transformed into an asset which is nonexempt as a resource. Usually, the older person upon selling their home must start renting, increasing housing expenses significantly. At the same time, their SSI is discontinued, medicaid is cancelled, and food stamps must be reevaluated so that they must pay more for them—and in all likelihood, food stamps would be discontinued. There is great reluctance on the part of the elderly to use this money as supplementary income—their home was their security; their security is now this same money.

The process of using these resources is quite debilitating, and usually the end result is to again be on SSI, or public assistance. It would seem more humane to allow the elderly to keep some of their resources that it took a lifetime to accumulate and assist them financially before they become broken persons and financially barren.

In working with senior citizens, I have also come into contact with several widows who are in the age range of 55 to 62. It would seem logical to include this particular client group in programs designed for SSA dependents. For the most part, this group of women are not equipped with the necessary skills to seek gainful employment, and all too often they lack the motivation and self-confidence to train themselves with a marketable skill. The security of their home is further threatened when they no longer can pay high property taxes, and even mortgage payments. They do not qualify for property tax reimbursements as provided by Iowa law. This vulnerable group seems to need some sort of assistance.

Finally, it would seem to be in the interest of the elderly to be able to coordinate the existing programs in a manner that would insure complete services to their varying needs. We, in the field of the aging, find it most frustrating to successfully negotiate a solution in one area, only to find the solution made another area of need worse. It is comparable to fighting a brush fire! The client group we are working with is fairly stable in their poverty—the condition rarely improves, and more often than not, worsens. They are truly an honest group of people who sometimes apologize for even asking questions. Most would rather starve and do without, rather than go through the frustrating, and even demeaning, experiences they are subjected to. We, as their advocates and brokers, are also frustrated.

It would seem reasonable that our affluent society that our elders helped build would someday look upon the elderly with more kindness, giving them the dignity that they so much deserve, and allow them to live their remaining days with an adequate income, decent housing, sufficient food, and above all, the knowledge that someone still cares about them.

Sincerely yours,

DOROTHY L. TSCHOPP.

ITEM 4. LETTER FROM VENNETTA M. FIEDLER, OF SPENCER, IOWA; TO SENATOR DICK CLARK, DATED MAY 20, 1975

DEAR SENATOR CLARK: In addressing oneself to the various and very real needs of the older citizen, one might overlook an item of importance. As demeaning as a subsistence income is to one's morale, perhaps the gravity is not in proportion to the damaging effects all of the programs geared to assist the aging have on the pride of those we categorize as Senior Citizens.

When caught up, as we are, in "Do-Goodness," we tend to, at times, outdo ourselves in forcing our supportive services on the aging, and in doing so, regretfully, dampen their enthusiasm toward working out their own solutions.

Most of the topics enumerated in the third paragraph of your letter of May 12, 1975, certainly are concerns for those of us who are working with people, and particularly the elderly.

Public education toward the understanding that the needs of the elderly are not so widely different than the needs of any other age group, would be a priority on the list of the things to do to alleviate the problems of the Senior Citizen.

Respectively,

VENNETTA M. FIEDLER.

ITEM 5. LETTER FROM DAVID K. LESLIE, DIRECTOR: TELETOES, THE UNIVERSITY OF IOWA, IOWA CITY, IOWA; TO SENATOR DICK CLARK, DATED MAY 21, 1975

DEAR SENATOR CLARK: Thank you for your letter of May 12 and your request for information for the Senate Special Committee on Aging. There are several topics which I hope the committee gives close attention.

One topic is that of health care. I strongly urge that Congress provide additional seed money for the promotion of program development and basic research that are designed to attack the wide scope of problems facing the aged in our country. It is my impression that the seed money appropriated to date to investigate health care problems of the aged and to develop pilot programs has directly and indirectly benefited many elderly. The seed money has also contributed to our increased awareness of the need for additional help and guidance in the broad area of health care for the aged. Several broad areas to which seed money should be directed are: (1) means of keeping the elderly actively involved with society and its institutions at large, (2) means of improving among younger population groups the image of and consequently respect for the capabilities of the aged (and consequently their self-image), and (3) means of counteracting behavior and valuing patterns which in our youth-oriented culture tend to put the 65-plus population "out to pasture" irrespective of their abilities and consequently to regard older Americans as being relatively useless. There are many approaches towards seeking solutions and probably a number of acceptable solutions to the above broad problems. The approaches need to be explored and such exploration needs financing and guidance such as can best be offered at the governmental level.

The second topic of major concern to me is that of social security benefits. Many elderly are capable of part-time work but cannot reasonably exist on the part-time income alone. They are eligible for social security benefits which tend to decrease as taxable income increases.

Separately or in combination the social security benefits and part-time work income may not be adequate to allow elderly to pay taxes on their homes or meet spiraling medical and other expenses. Many elderly are forced to compromise their lives in ways that are humiliating and foster loss of independence in order to arrange the "best combination" of part-time work and social security benefits in order to minimally survive. I believe the system should encourage independence on the part of senior citizens in ways that it does not currently do. One of the inequities of the present regulations results in a person subsisting on part-time work and social security benefits receiving less social security income than do people with independent income that is exempt from social security calculations and frequently is of considerable magnitude. In other words, some people do not have to work because of independent tax-free income and are eligible for full social security benefits while others without such independent income must hold a part-time job which taxable income reduces the amount of social security benefits they receive. This particular flaw in the social security program results in the have benefiting more than the have nots who are in the greatest need of help.

Thank you for the opportunity to share some of my concerns with you and the committee.

Sincerely,

DAVID K. LESLIE.

ITEM 6. LETTER FROM MARK SCHARLATT, DIRECTOR, AREA XIV AGENCY ON AGING, SOUTHERN IOWA COUNCIL OF GOVERNMENTS, CRESTON, IOWA; TO SENATOR DICK CLARK, DATED MAY 23, 1975

DEAR SENATOR CLARK: I am writing in response to your May 12th letter to provide written testimony regarding the effect of the economy on the needs and survival capability of older Iowans.

I wish the following testimony to be considered as focusing on the problems of those older Iowans who reside in the rural and small town area of southern Iowa.

To begin, the area I represent (area XIV) is overwhelmingly comprised of rural country and very small towns. This area has a population where 25 percent of the people are 60 years old and older. Because of the lack of jobs available, areas like mine lose many of the young people after they complete high school. Consequently, the elderly are becoming an ever-increasing segment of the population in an area already concentrated with elderly. Further, because our young people must often leave their rural and small-town communities to seek jobs in the urban areas, the tax base of our counties becomes increasingly smaller.

The vast majority of towns in this area are very small with populations ranging from 50 to 1,000. Most of these towns are dying populationwise, with stores—particularly grocery stores—closing down, leaving many of the elderly without services and without transportation.

The area is poor, relatively speaking, with one out of every three older Iowans having incomes below poverty guidelines. Many of the elderly, particularly the lower income elderly are widows living alone.

The truth is sometimes stranger than fiction, but there are some obvious truths that the above-mentioned description makes clear. The elderly, like people of all ages, seek to survive and survive in comfort if possible. The elderly are often quite skilled at survival due to a lifetime of experience. The elderly, like people of all ages, can get accustomed to living in substandard housing, having to skimp on groceries, becoming increasingly isolated from friends and services because of lack of transportation, traveling 20 miles to a doctor or dentist for health care and hoping that the one or two doctors in the rural county are not out on an emergency call. They can get accustomed to it, but that doesn't mean they like it. They try hard to survive the circumstances that confront them because to lose means the loss of independence.

If the goal is assisting the elderly to survive and perhaps to survive in relative comfort, if the goal is to promote independence, then the elderly in rural Iowa need two things: income and services.

For the elderly living solely on social security, particularly with inflation, the management of the household budget is an art in and of itself. The many elderly widows and widowers who live alone are particularly faced with just this problem. Inflation and limited incomes that many elderly have first remove the little comforts that all of us take for granted. When incomes become too limited, the first personal necessity that gets cut is food because it is a variable and not a fixed expense. Old people, particularly those living alone, often won't go to the trouble of cooking just for themselves. They begin to purchase smaller amounts and types of groceries necessary for a good balanced diet in order to pay for fixed expenses such as rent, utilities, and doctor bills. Travel, recreation, and home repairs get put aside as well at the first sign of not having enough money.

Limited incomes, then, have their major impact on nutrition, mobility, recreation, and home maintenance.

The problems that arise from living on fixed and/or limited income well known to most of us and are quite profound. Just as important, particularly in the rural areas, is that services are quite limited or not available at all for people regardless of income. Many services simply just do not exist in rural counties. Many rural southern Iowa counties and towns do not have mass transportation, dentists, doctors, available jobs, available housing, and grocery stores. These services which are too often lacking or absent in rural Iowa, are typically available in any urban area. So, for the elderly in rural Iowa, income

is important, but not the whole picture. More funds need to be placed in rural areas for nutrition, transportation, and health services, in addition to providing the elderly with the spending power to purchase the services that are available.

Urban, rather than rural areas continue to receive the major focus of attention with regard to Federal funds for aging programs. We sincerely hope that such a trend will reverse itself.

Respectfully,

MARK SCHARLATT.

ITEM 7. LETTER FROM MARCIA W. SWIFT, ADULT SERVICES SUPERVISOR, LINN COUNTY DEPARTMENT OF SOCIAL SERVICES, CEDAR RAPIDS, IOWA; TO SENATOR DICK CLARK, DATED MAY 27, 1975

DEAR SENATOR CLARK: This is in response to your letter of May 12 requesting written testimony on how the economy has affected older Iowans and the programs that serve them. I would like to comment on four specific areas that are of concern to elderly citizens and the impact that our inflationary economy has had in these four areas. I will be addressing myself to the supplemental security income program, the health care needs of the elderly, the housing needs of the elderly, including health care facilities, and the nutritional needs of the elderly. Our agency works daily with the elderly poor, that is, those who are on SSI or come close to meeting SSI eligibility guidelines. We work with these individuals in the areas of health care, housing and nutrition and we feel that it is this group of people who are the hardest hit by a spiraling inflationary economy.

The supplemental security income program, initiated in January 1974, established a minimum Federal payment for the aged, blind, and disabled. The program provides a base payment of \$146 a month or \$1,752 a year to eligible individuals. The State of Iowa has been supplementing this payment in certain instances of protective living arrangements. Individuals attempting to live on this amount of income in their own homes are having a very difficult time in making ends meet. Individuals who are residing in boarding or custodial homes could never have paid for this needed care without the State supplementation to the SSI grant.

The basic payment level for SSI has recently been increased. It has not, however, been increased near enough to the point where it can provide a decent standard of living to its many recipients.

I would like to discuss the issues of health care, housing, and nutrition in terms of the elderly persons attempting to meet these needs while living on SSI or even worse, the elderly people who are just barely ineligible for the SSI program.

In Iowa, recipients of SSI are automatically eligible to receive title XIX or medicaid. This program pays for much of their medical costs, including prescription medicines, hospitalization costs, and doctor's office calls. It is the individual whose social security makes him ineligible for SSI that is having the most difficult time meeting medical expenses. Social security recipients usually receive medicare but this coverage is not as comprehensive as the medicaid coverage. Medicare does not cover prescription drugs. Also, individuals are expected to pay premiums, deductibles, and coinsurance. A hospitalized medicare patient, having to pay the deductible as well as a certain percentage of the hospital bill beyond what medicare pays, quickly finds himself running out of money.

Medical costs are continually increasing, while at the same time medicare coverage seems to be decreasing. We often see older persons who have depleted much, if not all of their savings in order to pay their hospital bills. Many elderly people are trying to pay a little at a time on their back hospital bills and are going without other basic necessities in order to meet these costs. Even worse, we visit with many elderly people who are going without needed medical services, especially medications, because they feel they cannot afford them. We are finding that we have to rely more and more on county general relief funds in order to assist low-income elderly in paying their medical bills.

Housing is another area that has great impact on the lives of elderly persons. More and more older persons are being forced into having to give up their homes because they cannot afford the upkeep and taxes. The State of Iowa has a property tax reimbursement program for senior citizens which has relieved this situation a great deal. However, there is still the problem of city assessments for street repairs and the like, which many senior citizens cannot afford. We are being faced right now with this situation in one of our small towns in Linn County. Many elderly people cannot afford these assessments and see the selling of their home as their only alternative.

The availability of adequate low-rent housing is presently at a crisis point. It is especially acute for the elderly who so often must be near public transportation and who often have to find residences without architectural barriers such as steep stairways. We have a number of rent supplement housing programs in Linn County but these programs have long waiting lists. As it is with rising medical costs, rental costs are also increasing. Many elderly people receiving SSI and social security find that they cannot afford to rent a decent house or an apartment. We often find ourselves in an advocacy position attempting to discourage a landlord from raising an elderly person's rent so that they may remain where they are. Due to the scarcity of available low-rent housing and the inability to afford regular housing, many older people are living in deplorable housing conditions. We see these people regularly but are hampered in changing their situation by a lack of resources and their lack of adequate income.

In relation to housing, the increasing cost of utility service is also having a detrimental effect on many older adults. This is especially crucial as far as meeting heating and fuel costs is concerned. This past winter we conducted an outreach effort to attempt to locate elderly individuals who were having difficulty in meeting fuel costs. In the rural parts of Linn County we found instances of older adults paying up to as much as 50 percent of their monthly income for fuel. We found instances of poorly insulated homes and homes being heated solely by a gas burning stove or a small electric heater. In most instances, this was occurring because the occupant of the home could not afford proper insulation or heating measures.

The cost of nursing home and other health facility care is also increasing. These increases are understandable in light of recently passed Federal regulations which will increase the staffs of health care facilities and in light of minimum wage increases for personnel of such facilities. Due to the high expense of residing in health care facilities, residents are depleting their savings sooner and more and more are ending up on public assistance. Since a facility is not allowed to charge less for their private paying residents than for their public assistance residents, costs are raised for everybody and the cycle of running out of money and going on public assistance is perpetuated. The fact of having to enter a health care facility is frightening enough to elderly people. The knowledge that the money will not last to pay for the care needed only compounds the fear and makes the entire experience that much more difficult.

Nutrition is the last area I would like to briefly discuss. We are all aware of how food costs have risen in the last few years. Again, the elderly people on fixed incomes are the hardest hit. The food stamp program has somewhat relieved this situation for senior citizens but problems still exist. For one thing, many elderly people who are eligible for food stamps do not apply for them out of feelings of pride and a determination not to go on "welfare." A recent Department of Agriculture ruling that the Federal portion of rent supplement payments must be counted as income in computing food stamp benefits has driven the cost of stamps up for many individuals. I am aware of at least a dozen instances where it has resulted in the ineligibility of the elderly person for the food stamp program. In order to counteract the rising costs of food many aged people are skimping on what they eat or are not eating the proper foods. This of course, results in poor nutrition and rapidly brings on a decline in physical and mental health.

I hope that some of this information will be of benefit to you as you explore the problems of senior citizens in today's economy. Your concern and interest in

improving the quality of life for Iowa's older population is greatly appreciated.
Very truly yours,

MARCIA W. SWIFT.

ITEM 8. LETTER FROM R. J. GALLES, EXECUTIVE DIRECTOR, MID-SIOUX OPPORTUNITY, INC., REMSEN, IOWA; TO SENATOR DICK CLARK, DATED MAY 28, 1975

DEAR SENATOR DICK CLARK: There is no doubt the senior citizens are a part of a population affected the most by the rising cost of living. The elderly are living on a fixed income of social security or SSI. Even their savings that were thought to be sufficient a few years ago now appear inadequate.

The amount of social security that is allowed for burial costs is so completely insufficient that many elderly limit themselves the use of any of their savings for food, rent, or fuel for fear of not having funds with which to bury themselves. The elderly seem to find some comfort in the fact that at least they can afford to die without family or welfare assisting them. Perhaps we hear this so often because society has placed our elderly in such a bleak despairing situation that death is the only escape they see and would at least like to do this with some dignity. Social security has not raised in proportion to rising living costs.

In the area of housing for our elderly, either the total amount of social security should be raised or a program of adequate rent subsidy must be adopted. The older citizen cannot afford to pay the average market rent for decent housing.

The fear of living out one's last years in a nursing home or an institutional setting is frightening and depressing to the elderly. All would rather remain within their own homes, regardless of however humble they may be, than to give up their own independence, neighborhood, belongings and, sometimes, even identity. Money to develop and continue homemaker-health programs has not been sufficiently available for agencies, private or public. Medicare allows a very small percent to be spent for home-health care. This should be changed to allow for more. Then, when and where home-health care is available, the elderly could better afford to use it.

R. J. GALLES.

ITEM 9. LETTER AND ENCLOSURE FROM LARRY L. BREEDING, EXECUTIVE DIRECTOR, HEALTH FACILITIES ASSOCIATION OF IOWA, WEST DES MOINES, IOWA; TO SENATOR DICK CLARK, DATED MAY 30, 1975

DEAR SENATOR CLARK: Pursuant to your letter of May 12, 1975, enclosed is a statement from Health Facilities Association of Iowa regarding the long-term health care profession in the State of Iowa.

We are submitting this to you for inclusion in the written statement to be prepared in conjunction with the May 19 hearings held in Des Moines in relation to your position as a member of the Senate Special Committee on Aging.

I attended that hearing and was most impressed with the information brought forward.

I trust the enclosed statement will be of benefit to you and if we may be of assistance to you regarding long-term health care facilities in Iowa, do not hesitate to contact this office.

Very truly yours,

LARRY L. BREEDING.

[Enclosure.]

STATEMENT FROM THE HEALTH FACILITIES ASSOCIATION OF IOWA REGARDING LONG-TERM HEALTH CARE IN IOWA

The implementation of medicare and medicaid in the late 1960's brought the Federal Government, for the first time, participating in the care of the infirmed elderly and the medically indigent. This infusion of Federal funds

brought with it necessary rules and regulations for the elderly in the United States.

Having the second highest percentage of elderly of any State, Iowa was necessarily thrust in a position of being a leader in providing quality long-term care for those necessitating same. The program in Iowa consists of medicare funding skilled nursing facilities and medicaid funding intermediate care facilities. Iowa instituted a cost-related payment system for these intermediate care facilities in which the State, with Federal participation, reimburses the facilities for actual costs incurred in caring for the residents. This is a State administered program with Federal supervision.

It is the position of the Health Facilities Association of Iowa that the State of Iowa has one of the very best programs for the care of the infirmed elderly. The Iowa Department of Social Services has done a fine job in administering this program and has worked closely with the profession and consumers in implementing a process that provides quality care in safe surroundings at a fair price. While we are consistently working with State and Federal officials for further refinements of the program, we feel Iowa can be looked to as a State in which Federal and State government, along with the consuming public and the providers, have worked together to create a quality health care delivery system.

Our major concern is that the Federal Government will continue its financial participation, but allow Iowa sufficient latitude to properly administer to its own without unnecessary stringent rules and regulations which would restrict Iowa's flexibility to administer to the needs of its citizens.

ITEM 10. LETTER FROM JANE L. BECKER, EDUCATION SUPERVISOR, PROJECT P.A.C.E., DIRECTOR, AREA RESIDENTIAL CARE, INC., DUBUQUE, IOWA; TO SENATOR DICK CLARK, DATED JUNE 19, 1975

DEAR SENATOR CLARK: Genevieve Heathcote, director of Project Concern, shared your correspondence, dated June 13, 1975, within the context of our foster grandparent advisory board meeting, June 18, 1975.

The purpose of my correspondence is to express support of the legislative action you will introduce to correct the arbitrary chronological age cutoff for foster grandchildren. As you well know, an individual who is age 18 and older, may possess a mental age of only 3 years. I am pleased this restriction will hopefully be corrected.

Secondly, as an advisory board member and as an educational administrator and programmer in the field of mental retardation, I have been concerned by the Federal Government's role perception of the foster grandparent. More specifically, Federal guidelines dictate that this role is not to involve instruction of retarded children, but to offer warmth, love, etc. While this is an important concept to embody, I urge that it should be paired with the right for foster grandparents to instruct youngsters, while under the supervision of qualified special education personnel. Generally speaking to limit FGP activities to socialization, is limiting to the foster grandparent and most definitely limiting to the foster grandchild. Finally, maintaining this restriction, the perpetuation of the myth—retarded children don't and can't learn; they just need love—is present and incompatible with nationally-recognized progressive models of instruction for all levels of handicapped and retarded individuals.

In closing, thank you for your continuing interest and information regarding programs for the elderly and the mentally retarded.

I would be most appreciative of any information concerning the FGP program and programs for the mentally retarded in the forthcoming months. Thank you for your consideration.

Sincerely yours,

JANE L. BECKER.

ITEM 11. LETTER FROM ELEANOR PADLEY, ATKINS, IOWA; TO SENATOR DICK CLARK, DATED JUNE 20, 1975

DEAR SENATOR CLARK: I would like to present testimony in behalf of the senior citizens of Iowa and the senior citizens in general. The facts are: The majority

of elderly people are living on a fixed income, such as savings, annuity insurance, and social security; none of these increase in amount, yet the cost of living constantly increases, creating a wider and wider margin between their income and the cost of living.

Every time they go to the grocery store, means more money out of their fixed income.

Sincerely,

ELEANOR PADLEY.

ITEM 12. LETTER FROM DONALD R. JOHNSON, COUNTY RESOURCES COORDINATOR, COMMISSION ON AGING, MUSCATINE, IOWA; TO SENATOR DICK CLARK, DATED JUNE 23, 1975

DEAR SENATOR CLARK: I would like to submit the following remarks for your consideration to include in the hearing record of the U.S. Senate Special Committee on Aging.

This great country of ours is doing less for its older people than many other free countries around the world. What must we, as common citizens, conclude when our Government insists on being number 1 in defense and seemingly could care less about the abject poverty that exists throughout the Nation?

Fortunately, there are some who are concerned; and, I am proud to say, that Senator Richard Clark of Iowa is one of these.

The following areas are in critical need of reevaluation:

1. Supplemental Security Income.—We define a poverty level but then do nothing about it, so what good is it? We must raise the SSI levels at least as high as the poverty line, and cut down on the amount of time elapsed between application and the first check.

2. Comprehensive National Health Insurance.—Every year we talk about it; but how long must our Nation's elderly continue to be pushed about by the American Medical Association's wishes? We need a comprehensive health policy now, not in 10 or 20 years. This should pay for 100 percent of medical costs incurred. The amount of money saved by eliminating the existing medicare-medicaid bureaucracy would be staggering.

3. Social Security Administration.—A clear, concise and simply worded explanation of any new benefits should be included in the same envelope as the social security check. This seems to be done sporadically now but not consistently.

It would also be very, very helpful to include a check stub with each check or at least a year-end statement automatically sent for social security, SSI, or disability income received during the year. It is sometimes difficult to ascertain total annual income when an adjustment or two in benefits has been made. Most recipients are reluctant to request this information personally.

Many older people seem only to read local newspapers and listen to small local radio stations. For this reason, it would be helpful to publicize more emphatically in local newspapers, radios, etc. any new changes in social security policies. And I, again, encourage very simple, short, and concise explanations regarding the changes. Legal jargon is very confusing even to younger people.

I hope these suggestions are helpful; and I thank you and encourage you for your past and present interest in older people.

Sincerely,

DONALD R. JOHNSON.

ITEM 13. LETTER FROM GENEVIEVE HEATHCOTE, EXECUTIVE DIRECTOR, DUBUQUE AREA PROJECT CONCERN FOR THE ELDERLY AND RETIRED, INC., DUBUQUE, IOWA; TO SENATOR DICK CLARK, DATED JULY 1, 1975

DEAR SENATOR CLARK: Thank you for your communication regarding the hearing of the Special Committee on Aging in Des Moines. I would have liked to attend the hearing, but it was impossible at that time.

I was particularly pleased with your proposed legislation concerning the mandatory age-18 cutoff for retarded children who may be assigned to foster

grandparents.—We have not been complying with this regulation in our local program because, as you pointed out, it serves no useful purpose that we could determine. It will be nice if you manage to legitimize us.

I have also been hearing that funding for this program is being or is going to be cut federally. I want to strongly advocate expanded funding, rather than cuts, in this program. It is such a great program, benefiting as it does both the elderly and the retarded and handicapped. I am not an advocate of expanding Government spending—but for this program I am. I don't believe there's any way the money could be misused and not benefit those for whom it is intended—and I can think of no two groups of people more deserving of a few benefits.

I would suggest, also, that the foster grandparent program might be a bit more flexible in allowing the local host institution to define the role of the foster grandparent as it best fits into their particular program—subject to supervision, of course. There is such a wide disparity of philosophies and procedures and programs between institutions for these handicapped youngsters, that to try to define the role of the foster grandparent by a rigid set of regulations can really pose a problem, especially for an institution such as Area Residential Care here in Dubuque—which is well in the vanguard when it comes to innovative programs for educating the retarded.

On a couple of different subjects I would like to express myself also:

1. The need for transportation for older persons—they identify this as their No. 1 priority in this part of the country. Nutrition programs may be a No. 1 need in metropolitan areas, but in the basically rural Midwest it is transportation. Most of the interest in the title VII nutrition programs here is because they have some transportation funds built in—but again they are not flexible enough to really meet the needs here. The only other transportation funds available are title III—which is seed money and the cost must be assumed locally in 3 years. Some Department of Transportation money is available on a one-time basis for equipment, but the problem comes in the continuing operating costs. Transportation is an expensive service and becoming more so daily. I'm not even sure that specialized transportation for the elderly is the way to go—I think public transportation in general—designed in ways to accommodate elderly and handicapped needs—should be encouraged—both for reasons of ecology and economy. Maybe legislation could be devised to create some incentive to cities and/or areas to provide adequate public transportation.

2. A pet peeve of mine is profit-making nursing homes—or any other institution serving the more-or-less helpless. I would really like to see homes run for a profit motive made illegal. I am in and out of nursing homes—both profit and nonprofit—constantly, and the more I see the more strongly I feel on this. As soon as the motive is to make a profit for the investors, the focus of the home administration shifts from, "How can we best meet the needs of our residents?" to, "Where can we cut costs and still stay within the letter of the law?" Most of the profit-making homes I visit have attractive new buildings. (They must be profitable—they are springing up like mushrooms), but they are understaffed and what staff there is is underpaid and undertrained. I also think it is inequitable that the profit-making homes may be reimbursed by medicaid or medicare (one or both, I'm not sure), on the basis of their cost per patient per day plus a percent for profit. I really don't feel my taxes should go to help someone else make a profit!

I am very pleased that you are taking such a vital interest in the problems faced by our older citizens. I don't like to use the term problems of the elderly as I feel the problem is with the rest of society which has not structured itself to make it possible for all to satisfy their basic needs as we grow older. I hope our long-range goal is not more special programs for the elderly, but communities which provide for the needs of all citizens from youngsters to oldsters as a matter of course.

Sincerely,

GENEVIEVE HEATHCOTE.

Appendix 3

POPULATION GRAPHS COMPARING PERCENTAGES OF ELDERLY IN CENTRAL IOWA, SUBMITTED BY KAY SAMEC, CENTRAL IOWA AREA AGENCY ON AGING

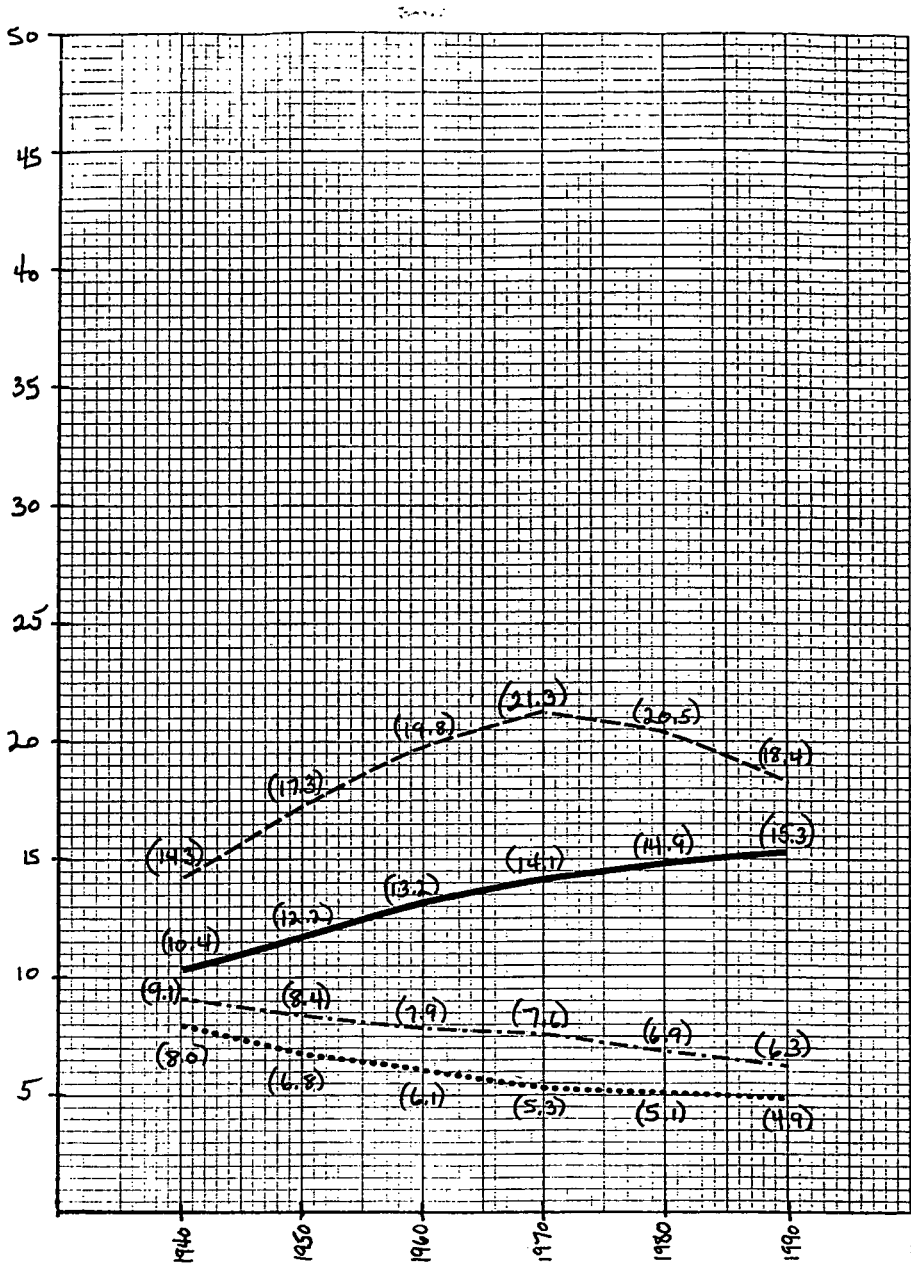
BOONE COUNTY

- County's elderly as a % of total county population
- United State's elderly as a % of total United States population
- County's elderly as a % of CIR's total elderly
- County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	4,244	4,866	5,539	5,648	5,500	5,100
Total Population in County	29,782	28,139	28,037	26,470	27,000	27,700
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions



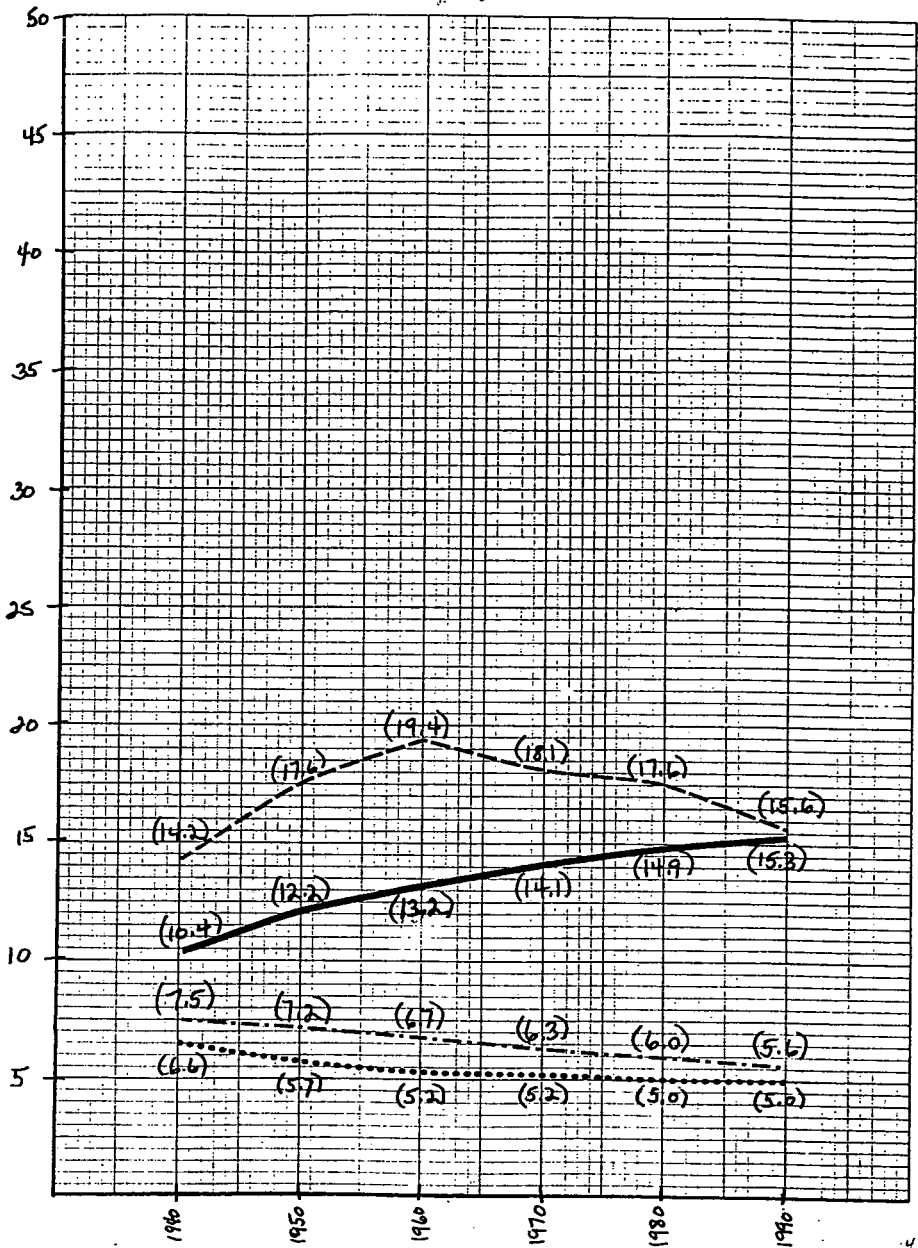
DALLAS COUNTY

- County's elderly as a % of total county population
 ————— United State's elderly as a % of total United States population
 - - - - - County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	3,500	4,164	4,683	4,713	4,800	4,500
Total Population in County	24,649	23,661	24,123	26,085	27,100	28,801
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions



JASPER COUNTY

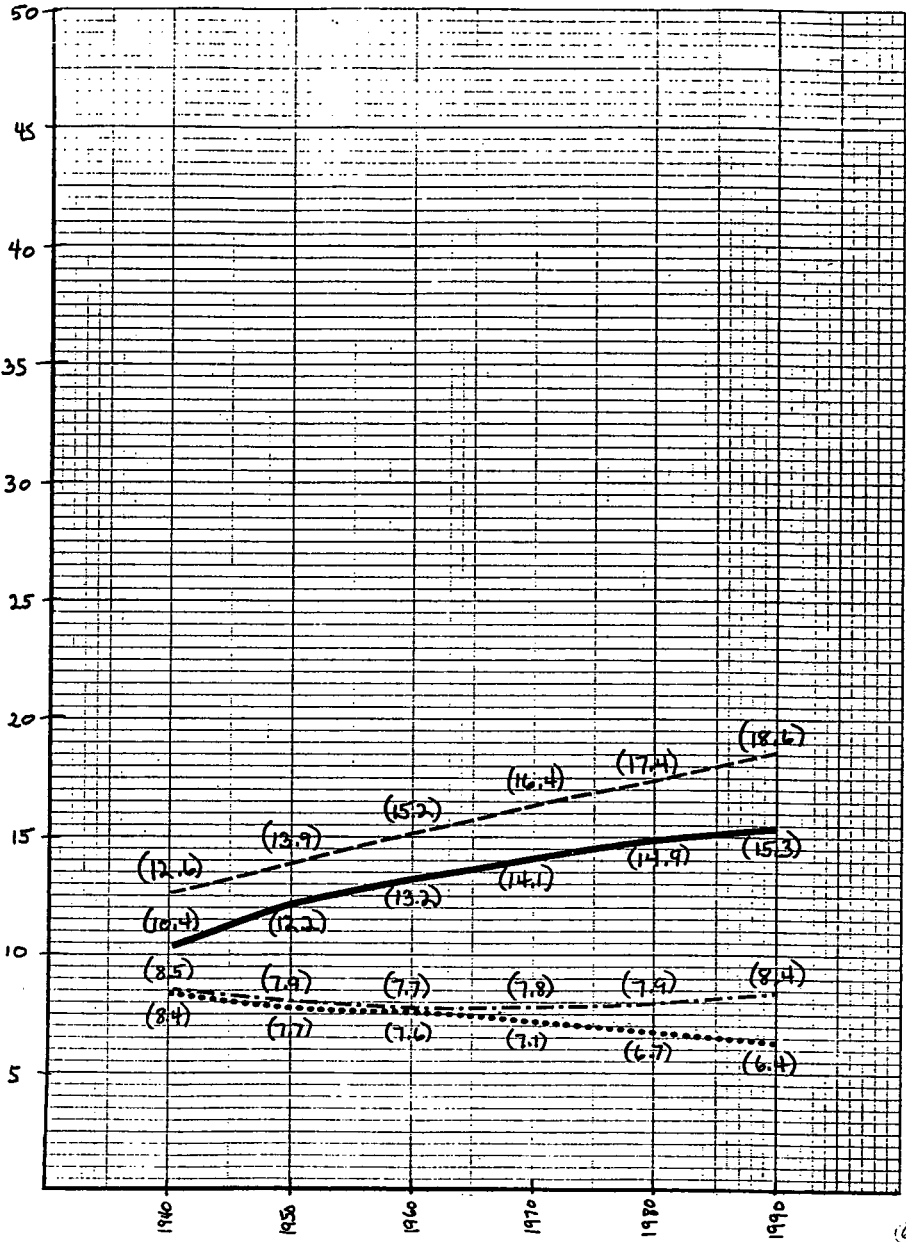
- County's elderly as a % of total county population
 _____ United State's elderly as a % of total United States population
 - - - - - County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	3,975	4,497	5,365	5,826	6,300	6,800
Total Population in County	31,496	32,305	35,282	35,425	36,200	36,600
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions.

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MADISON COUNTY

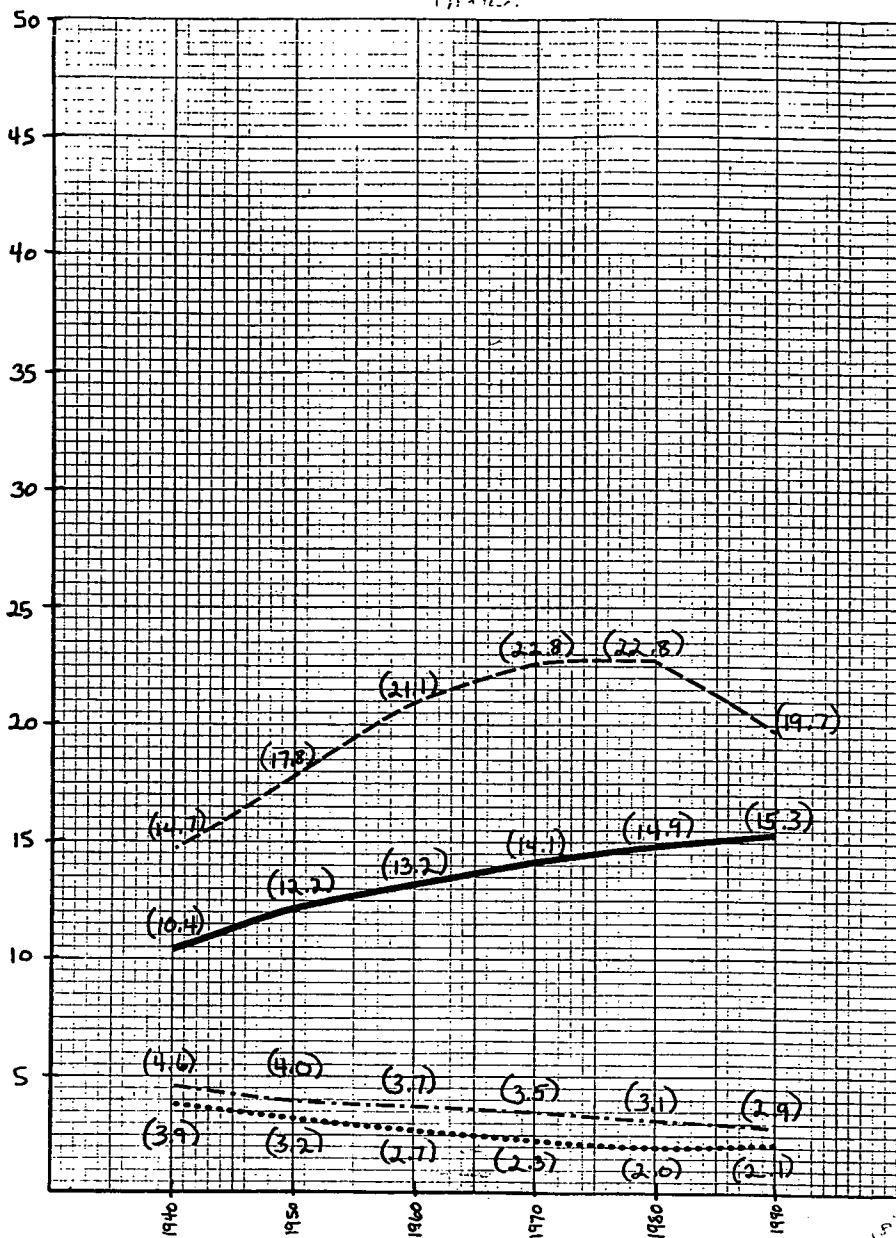
- County's elderly as a % of total county population
 _____ United State's elderly as a % of total United States population
 - - - - - County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	2,134	2,333	2,589	2,631	2,500	2,300
Total Population in County	14,525	13,131	12,295	11,558	11,000	11,700
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions

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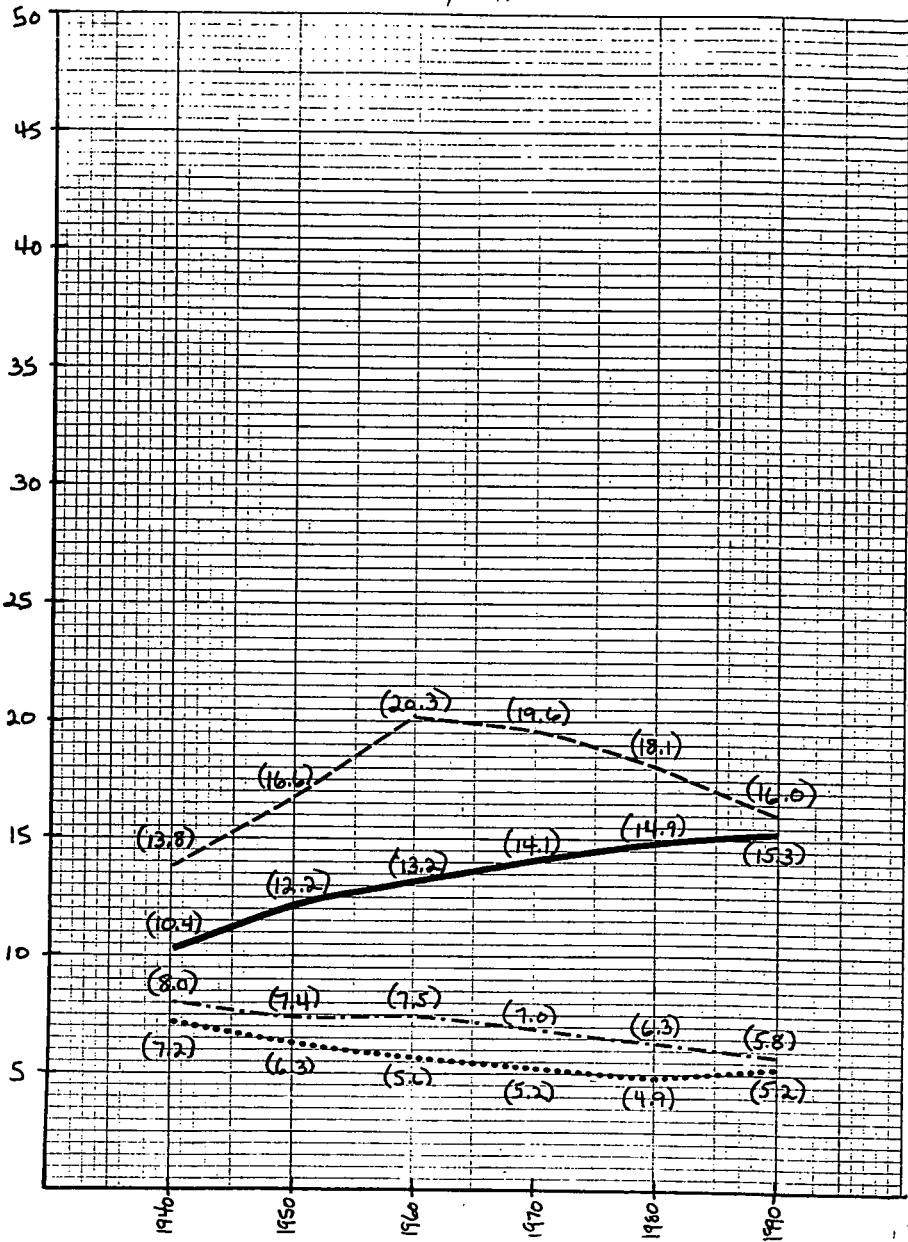
MARION COUNTY

- County's elderly as a % of total county population
 .----- United State's elderly as a % of total United States population
 - - - - - County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	3,729	4,293	5,256	5,169	5,000	4,700
Total Population in County	27,019	25,930	25,886	26,352	27,700	29,400
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions



POLK COUNTY

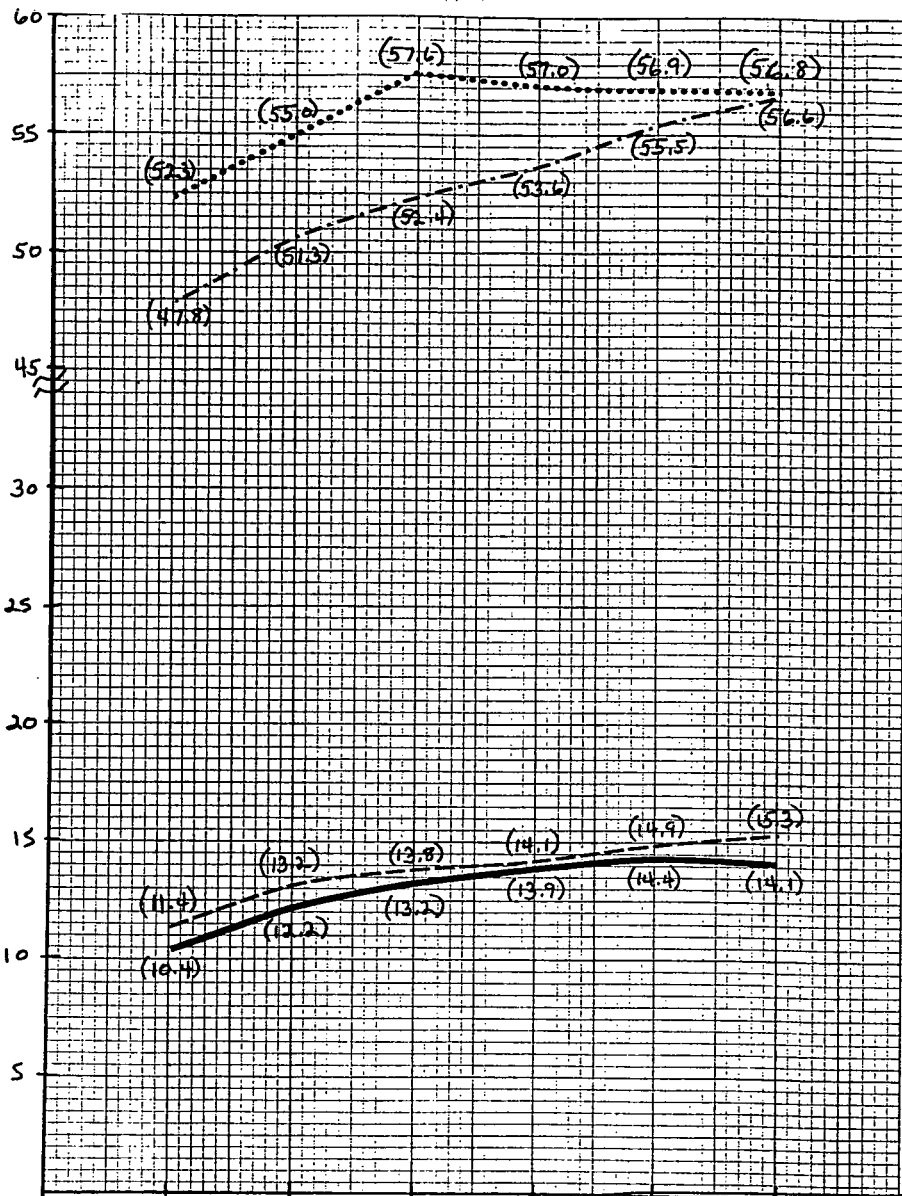
- County's elderly as a % of total county population
 ————— United State's elderly as a % of total United States population
 - - - - - County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	22,411	29,803	36,688	39,847	44,182	45,742
Total Population in County	195,835	226,010	266,315	286,101	307,100	322,700
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions

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STORY COUNTY

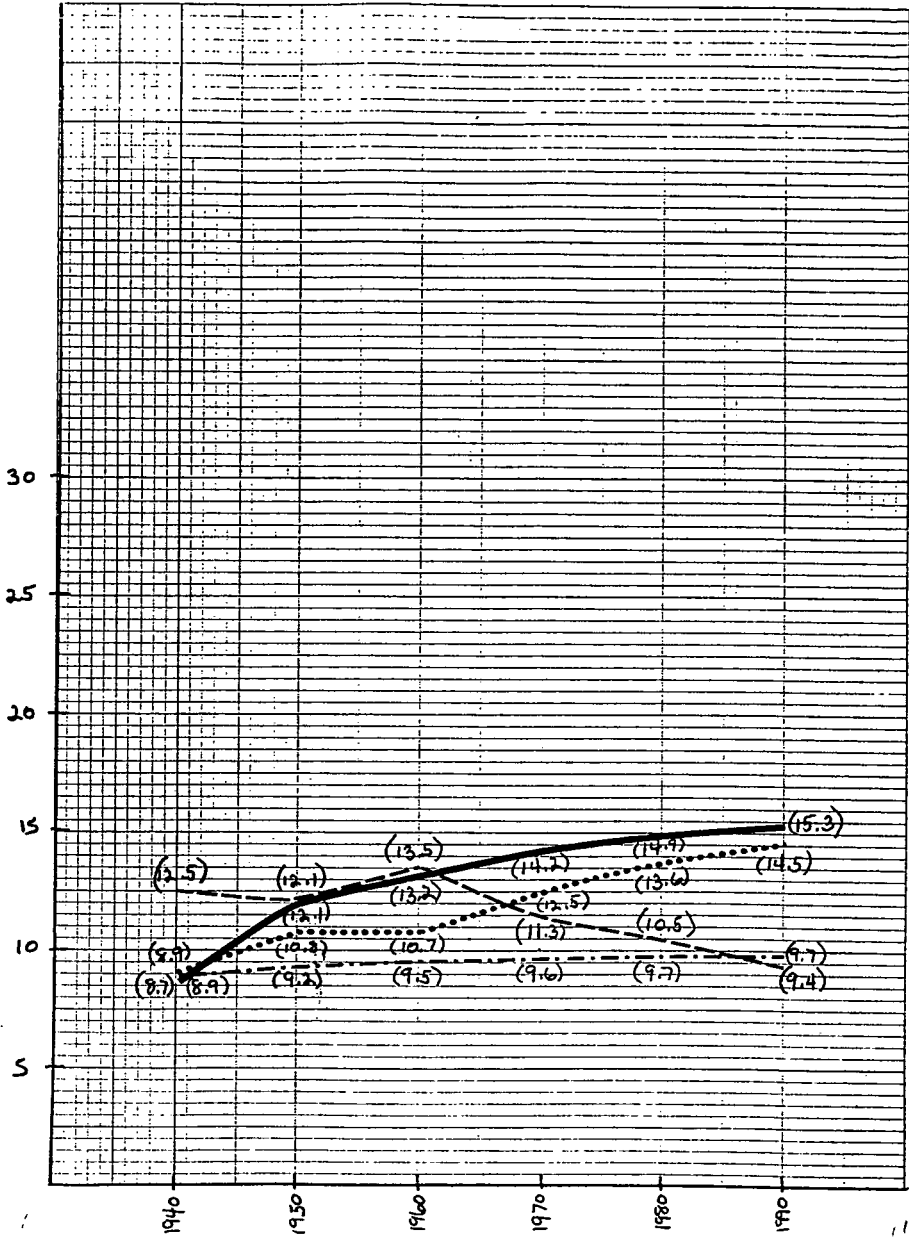
- County's elderly as a % of total county population
 _____ United State's elderly as a % of total United States population
 - County's elderly as a % of CIR's total elderly
 * * * * * County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	4,178	5,348	6,665	7,108	7,700	7,830
Total Population in County	33,434	44,294	49,327	62,783	73,400	82,900
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions

(Stow)



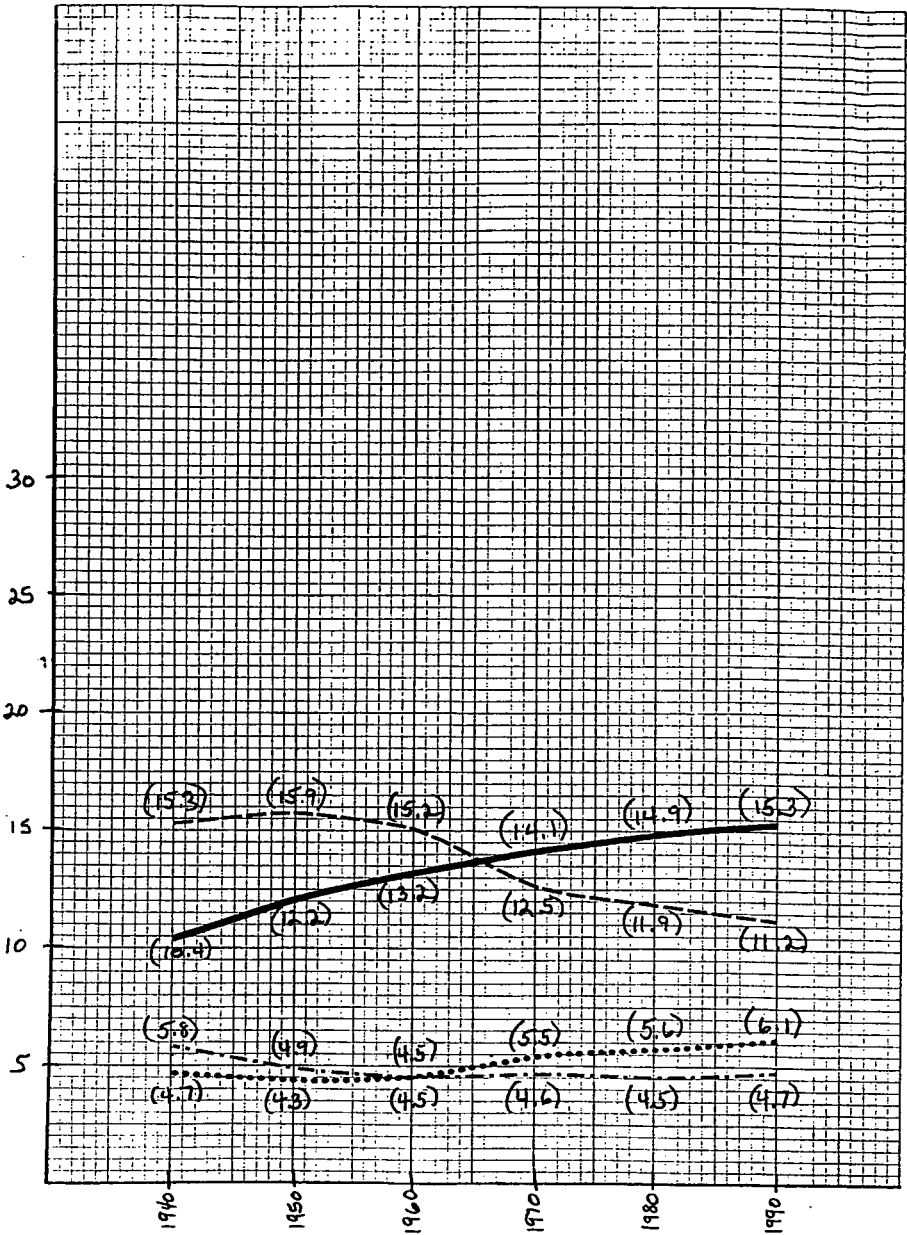
WARREN COUNTY

- County's elderly as a % of total county population
 ===== United State's elderly as a % of total United States population
 -.-.-.-.- County's elderly as a % of CIR's total elderly
 County's population as a % of CIR's total population

	1940	1950	1960	1970	1980	1990
Elderly in U.S.*	11,460	18,369	23,702	28,812	33,244	37,042
Total Population in U.S.*	132,165	151,326	179,323	203,302	223,302	241,798
Elderly in County	2,708	2,832	3,175	3,423	3,600	3,800
Total Population in County	17,695	17,758	20,829	27,432	30,000	34,000
Elderly in CIR	46,879	58,136	69,960	74,365	79,700	80,700
Total Population in CIR	374,435	411,228	462,094	502,206	540,000	570,000

CIR - Central Iowa Region

*Figure in Millions



Appendix 4

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing a form was made available by the chairman to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

If there had been time for everyone to speak at the hearing of the U.S. Senate Special Committee on Aging, in Des Moines, Iowa, on May 19, 1975, re: "Future Directions in Social Security: Impact of Inflation Upon the Elderly," I would have said:

The following replies were received:

LELAND AHERN, ALTOONA, IOWA

Mobile X-ray needed in rural Iowa. Mentioned in social security outlines of services but seems to have been almost completely neglected throughout the United States.

NELLIE E. AMES, DES MOINES, IOWA

I am interested in securing the best possible legislation for all senior citizens. I attend the title VII nutrition program and find it to be a great help to many. I am a volunteer and help in as many ways as I can to make it a friendly place to be. I come in daily contact with these people. The nutritious meal is of real importance but just getting up in the morning, cleaning up, and having a place to go where you can meet old friends and new friends for a few hours is an immense help.

It is here that I have learned the needs of these people, many of them living alone—widowers, widows, and some who have never married.

The expenses of maintaining a home which you have worked all your life for. It is hard to get competent help at a reasonable price. Prices are high on food, clothing, taxes, prescriptions, insurance, transportation and housing. (No government insurance please!)

You have helped in so many ways to make things better for senior citizens and should encourage to do as much as you can for this group. Social security should be increased; also medical benefits.

HELEN M. ANDERSON, DES MOINES, IOWA

Perhaps some consideration should be given to the person 60 to 65, many of whom have lost their jobs because of age, although disguised as for many other "reasons."

I think that everyone over 60 should be given a 20 to 30 percent lower rate on all utilities without a lot of embarrassing and humiliating questions.

And something very definitely must be done about the increasing property taxes, making it impossible for many of the elderly to remain in their homes. I believe people should be allowed to stay in their own homes if they wish and if there is any possible way for them to do so.

Thank God for programs like the senior community service aides program and title IX, or many of the people over 55 would be in worse predicament than they are.

And thank you, Senator Clark for your efforts in behalf of our senior citizens.

VADA L. BABCOCK, DES MOINES, IOWA

Housing is a great problem for many oldsters in area XI in Iowa. I know many senior citizens at Royal View Manor (public housing) and also quite a few at River Hills I. Rent there is on a sliding scale. My mother-in-law moved there 3 years ago. How wonderful for her to be in Des Moines near us. The activities in that building have been a godsend for her.

The many older people who are eligible for SSI and do not receive it or even know about SSI is tragic. I. & R. and outreach about SSI is much needed. Many people fear a lien on their homes if they sign up for SSI; they still believe their homes will be taken because of the way old-age assistance was handled.

ELMER C. BETZ, DES MOINES, IOWA

Not only has inflation destroyed our living patterns during the past several years, it certainly appears that in the future it will be even more ravaging. To increase our social security payments by the percentage lost by inflation will leave us falling farther and farther behind in the actual expenditures we must make to go on living.

Economic recovery, so frequently predicted by our Government's spokesmen, is actually still receding. Congress, having taken the initiative from the administration, is doing nothing to contain inflation. Isn't congressional criticism discouraging any positive moves by the administration? Who is to supply the leadership against inflation? Isn't there someone with courage enough to propose some measures that will start us in the right direction?

Thus far, so many proposals seem to be inflationary in their results rather than establishing a more sound economy. Isn't it possible that if we concentrated on fighting inflation, that we would find our economy recovering?

Is it possible that if we go on inflating our economy, that we will have no economy that can really recover? If we continue to depreciate our U.S. dollars, who would end up with the real wealth? Might we in the end, have an economic revolution?

For the total good of our Nation, we should opt for stopping inflation as soon as possible.

RAYMOND BOUMA, DES MOINES, IOWA

Transportation costs: Amtrak and the airways should be lowered on certain days for the elderly. With children residing long distances, as is not uncommon these days, and the possibility of restricted driving licenses, even these could be taken away entirely. This could cause us to be placed in a position of denial to visit them.

LAHONNE CAHAIL, DES MOINES, IOWA

My job means a lot to me. I feel like these children need my love and understanding.

And if I can help them this way, I feel like I am being needed.

Also the wages keep so much as social security does not pay all the expenses.

GRETCHEN CHADWICK, FORT DODGE, IOWA

In reference to your Senate hearing in Des Moines on the "Impact of Inflation on the Elderly," I am attaching comments from the Fort Dodge foster grandparent program for your consideration.

With the many benefits, both financial and psychological, as set forth in the attached foster grandparent comments we would hope you would support expanded legislation and appropriations for the foster grandparent program in

Iowa as well as increasing the income guidelines for eligibility to enter the FGP program.

We appreciate your continued awareness and support of the elderly of Iowa.

EVA E. CRANK, DES MOINES, IOWA

Inflation has skyrocketed so high that it is difficult to live on social security checks. Breakfast food, Jello, canned goods, paper products, and many more are going up in place of going down. There should be some type of control on these items.

Dentures and eyeglasses should be included in medicare and something should be done about the health program. We cannot pay the prices that are asked by the doctors and hospitals. It just isn't possible.

Also the transportation is a problem. We should have a dial-a-bus system.

OPAL M. CUTLER, DES MOINES, IOWA

We pay our medicare insurance and also pay Blue Cross and Blue Shield to pick up what medicare doesn't pay. Medicare will only pay 80 percent of what they consider a fair charge. Doctor's overcharge according to medicare. Therefore, we pay all three, the medicare insurance, Blue Cross and Blue Shield, and end up paying the doctor the amount not covered by medicare. Why can't the doctors have a fair charge for those on social security. Some bill surely could be passed to take care of the amount the doctor overcharges. This is a great burden to social security people, and also medicines are so high we have to pay their prices and take that from our other items—mainly food. Can this be changed?

FAYE DABB, PLEASANTVILLE, IOWA

I think social security should be increased according to the higher cost of living. Also I think the laws that are passed should be made known to all elderly. Some know nothing of the things they are entitled too. It seems there is no problem of getting money for people who come to this country to start a new life, so I think the elderly, disabled, or blind and every senior citizen who has spent their lives paying taxes and giving of their time and efforts to make this a better place to live, should have the best.

CLAUDE E. DAVIS, DES MOINES, IOWA

The real culprit is the crooked manipulations of the gamblers on the commodity futures markets. They are responsible for the high cost of living, building up the prices of soybeans, wheat, corn, and other food items both for humans and livestock. If these manipulations were stopped we would not have the high cost of food items. I hope the new board governing the operations of these markets do so in the public interest; this is a must. Either correct these illegal operations or close them. Let them shoot craps or gamble some other way.

EMILIE DUIMSTRA, DES MOINES, IOWA

As an assistant director in the Pre-Retirement Planning Center of Drake University, Des Moines, I was most interested in the hearing on social security. All comments made were valid.

I would conclude, from all that was said, that the problems of older persons in regards to social security and other benefits are a matter of "too little, too late." All governmental agencies taking an interest in our older citizens and trying to provide aid to them should be commended for their concern. However, I believe that a program of retirement preparation should augment all these programs.

Implementation of programs for those nearing retirement, such as those now being successfully run here at Drake, would do much to alleviate the problems of retired citizens by making them aware of possible problems with ample time and resources to try individually to solve such problems.

The U.S. citizen is still an independent individual who prefers to solve problems for himself, choosing for himself his own retirement lifestyle and his own methods and resources to make retirement fulfilling.

SADIE DUNLAP, DALLAS CENTER, IOWA

I am 71 years old and have an income of \$98.24.

I had worked at Woodward Hospital and school at different times and when I learned about the foster grandparent program I was anxious to get back, as I knew so many of the residents, and knew the attendants didn't have time to give them the loving care they hungered for.

I had been lonely since the death of my husband and needed love and extra income myself.

The children are always eager to see us and have various ways of showing it, such as starting and getting in his wheelchair and putting his arm around my neck and loving me.

Teaching them to do some little thing takes much love and patience but when they have learned it, it is a real thrill to them and us too.

My little girl starts waving her arms and making noise and looks at the lights when taken from room to room.

I feel like getting up and going to work especially after the weekend and the salary we receive is a great help now that everything has gone up in price.

The electric bills and also the telephone seems to be raising all the time; instead of coming once a month it seems like it comes every week. It is a job when you go to the grocery store to select the necessary food one should have because of the higher prices all the time. Clothing, especially shoes, have increased so much.

Medicine and the difference one has to pay after what medicare does not, and the prices to carry the insurance one feels they have to have.

But the thrill and love of the children makes it worth the sacrifice.

Extreme care should be taken that the money being paid out will be carried out. That the aging will get raises to correspond to the higher rate of everything one has to buy. And also not be all used up at the time their younger workers will be drawing their social security. Medicare has been wonderful and yet it seems as though we should have something on our medicine cost. I take three prescriptions that cost from \$10 to \$12 each time they are filled. I also carry supplemental Blue Shield and it has raised in price the last 3 months.

Upkeep on driving the car has advanced so much the past year, that it may be one of the things we will have to give up. But how? We drive to work and always try to make the stops in town that are needed such as groceries, etc.

MARIAN ECKMAN, FORT DODGE, IOWA

I am a foster grandmother at the activity center, Fort Dodge, Iowa. I work in the p.m. from 11:30 to 3:30. I only have an income from social security, and if it wasn't for my work here I would have a hard time paying my expenses.

I love my clients and they love me. They would miss me if I would have to leave.

I hope that the people that are interested in this project will understand that we are needed.

JOSEPHINE FLAHEETY, DES MOINES, IOWA

The foster grandparent program has meant a very great deal to me. Being alone it has given me a new lease on life. I feel I am wanted and needed in this program. To be alone is a very lonely life.

The stipend we receive is just so wonderful as social security does not pay for all our needs. I hope and pray that this program can continue as it has been a new and wonderful life for me.

R. A. FOGARTY, DES MOINES, IOWA

Currently, the medicare health insurance program, a Federal Government program run by the Social Security Administration, helps pay for dental care only if it involves surgery of the jaw or facial bones.

Care in connection with the treatment of filling, removal, or replacement of teeth, root canal therapy, surgery for impacted teeth, and other surgical procedures involving the teeth or structures directly supporting the teeth are not covered.

People with minimal incomes cannot afford the dental care necessary for their general health. Therefore, I recommend that the medicare's hospital insurance and medicare's medical insurance help pay for dental care not now covered.

NANNIE FORK, PLEASANTVILLE, IOWA

Increase social security so everyone could live as they should and keep the transportation going. As a lot of the old people don't have any other way to go.

RUTH HALL, DES MOINES, IOWA

More relief on prescription drugs; also more help from medicare. Relief on taxes charged elderly. More relief on utility rates. Better rates (lower) on bus fare. Also on garbage collection and water rates.

CECIL HARVEY, DES MOINES, IOWA

Inflation has been very hard on elderly retired people. You have your social security, yet prices have increased so much on food, clothing, utility, taxes, and many other items, especially medicine. I work as a foster grandmother. This helps out on expenses. I also see just how much these children need our help so I can truthfully say it helps me financially and to feel more secure and really do worthwhile work. I take care of a little blind boy for half a day. He cannot talk but can hear. He can go nowhere by himself. I take him to music, speech, and braille therapy and dress and undress him for swimming. I also take a little boy down for lunch. He is learning to eat with a spoon and not his hands. This little boy really needs help—afternoon I work in the art room and help a little blind girl with her art work. Also help children in wheelchairs who have the use of one hand and cannot cut with scissors or do all their work. We help those that need it most. This has been a very good experience for me knowing I can help the children and earn and live with dignity.

OPAL HEWITT, DES MOINES, IOWA

The foster grandparent has been a godsend to me; both financially and I love working with children. Also like getting together with the other grandparents. It makes me feel needed after, so many years as a registered nurse.

My social security doesn't go far enough, seems like, so the stipend sure helps.

MRS. JOSEPH HICKEY, DES MOINES, IOWA

I would like to express my thanks for the foster grandparent program. I learned of it from a relative in Minnesota. I was very depressed at the time, my husband had just died after a long illness with cancer. The store I worked for had closed after 92 years in business. I like people and missed them. There aren't too many job openings for 65-year-old women. I soon felt that the days didn't have much meaning. I had never learned to drive, so after my husband's death I had no transportation. So when foster grandparents came to Fort

Dodge I joined and met many people my age and older who were just as anxious to meet new friends too, and get back into the working world again. Each day is a little different and a reason to get up and go. The 4 hours is nice, too, as I can still have time for housework, etc. I am in the group with the mentally and retarded children; and in this past year have learned more about them than I knew in my whole lifetime. They are loving and each bit of progress they make is something to be happy about and proud to be part of it.

Financially the money has helped do many small repairs, my home is 50 years old, things do wear out. I have used my checks on sewer repairs, plumbing, painting, and general repairs. Even a new sink after 30 years. A taxi from my home to town costs a dollar each way. Since I am older I can't climb the hills that are necessary to get there. Perhaps if we had bus service groceries are a little cheaper in the large stores. I find it takes more money to have things repaired, because of the higher cost for repairmen. The utilities this year are twice as high as I ever paid on the same 50-year-old house; also telephone, paper, insurance. Food is expensive for everyone, even a person living alone. So everyone is in the money squeeze. If I didn't have the stipend I probably wouldn't put on the new roof I am planning on. It is 30 years old and badly needs replacing.

MARY IRVIN, DES MOINES, IOWA

I am a widow and a foster grandparent. This program has given me a new lease on life, and something to get up for. And the time goes so fast now that I keep busy. The foster grandparent program has been a godsend for senior citizens who want to feel useful and needed. We work with the retarded and mentally disturbed who need love and understanding as we do. The stipend has given me the ability to be independent and be able to take care of myself. If it were not for this extra help I am sure, on my social security of \$153, I would be asking the State for help.

KORINNE JACKSON, DES MOINES, IOWA

I am Korinne Jackson of Des Moines. I have lived in Iowa for 55 years. 51 of these years at the same place in our home which we purchased in 1924.

I am concerned about my status now as a widow. My husband died July 14, 1974. I find that something should be done for the social security of the widow. We lived on our social securities. Now that my husband is gone, so is his social security, which was almost one-half of our living expense. I do not understand how I am expected to take on half the money to pay the same bills. My husband was ill for 9 years, so that any savings were used up. Since he became ill in 1965, there was no medicare and \$3,400 doctor and hospital bills took all savings and current income. His hospitalization insurance canceled his policy when he had the second stroke. Fortunately we own our home, where I kept him and gave him the best of care, until at 85 years old, he died. I am 75 and my health policies as well as other things is going up. I don't want to be dependent. Please do something about cutting the widows income in half.

RUTH E. LAKERS, DES MOINES, IOWA

SSI—to find new recipients, why not use computers to send out a questionnaire to each person who receives a social security check of less than \$166 asking four questions: (1) Other wage income, (2) pension, (3) interest from savings or bonds, and (4) other property, excluding home.

Door-to-door workers to help find SSI people. This has been proven through community development of Des Moines in the Pioneer Columbus Area. It must be funded, not volunteers, for this is a very time-consuming job.

I would like to see medicare cover at-home doctor care, help pay for fees for home nursing instead of uprooting them of being individuals and institutionalizing them into becoming a bed number instead.

Medicare to cover dental care, glasses, hearing aids, and other medical supplies for lower tract surgery.

MRS. GRACIE LARSEN, AMES, IOWA

Numbers of elderly persons eligible for SSI by income are ruled ineligible by resources. Thus, the old person who saves for house repairs, for burials, or for a little feeling of security is penalized. Many elderly Iowans are in that penalized group. Resource level should be raised, and only a cashable asset should be considered a resource.

SSI representatives should tell applicants why they are not eligible and what is necessary to establish eligibility. Old people often do not understand many complicated forms and need careful, personal explanation.

LORETTA LLOYD, DES MOINES, IOWA

I enjoyed your meeting here at Royal View Manor. I've been here since it opened and have never enjoyed living anywhere as I have here. I'm 75 years old and worked till I was 73 years old, when I moved into low-rent housing here. I'm receiving SSI and also food stamps, which I'm not ashamed of. Our only transportation is a problem bus. Hoping in time you in the Senate will soon get us a bus.

WILLETTA O'BRIAN, DES MOINES, IOWA

Being a participant of the foster grandparent program has been a wonderful thing for me. Working as I have with children has given me a sense of being needed, wanted, and loved. The association with other people in the program is also needed.

I have appreciated the stipend I receive. If I wasn't working I would find that the social security I receive would not be adequate.

I sincerely hope the program will continue.

PAULINE OFFERMAN, DES MOINES, IOWA

1. Combine social security checks and those entitled to supplementary together.

2. Send cash instead of food stamps.

3. Dial-a-minibus, we cripples have a hard time boarding city buses and senior citizen buses.

4. Have more modern movies.

5. Quit giving us a raise in social security and taking it right back for increased rent and food stamps.

6. Allow certain portion of food stamps for necessary items such as kleenex, soap, toilet paper, clothes, and shoes.

7. I am elderly and have spinal disability.

DOROTHY PACK, MELCHER, IOWA

Why when the elderly in Iowa (particularly in nursing homes) receive a raise in social security on the cost of living, this raise goes entirely to the nursing home and the expense money returned to elderly stays at \$25. Medicine which has to be purchased by elderly has raised, also the personal purchases as bed pads, kleenex, and hairwashing. Burial insurance as benevolent, and clothing, have all raised. Why does not a certain percent of these raises revert to the person and a percentage to the nursing care home.

MRS. PEDERSEN, DES MOINES, IOWA

You have the names of all social security recipients, so why not send the food stamps directly to these people. Give stamps according to the amount of checks, the smaller the checks, the more stamps.

The stamp program stinks. Young people get ADC, low-rent housing, stamps, commodities, and medical care. They can buy more than necessary food with stamps.

I believe two elderly people can't get stamps if their checks are more than \$240 a month. They have worked all their lives to make these programs possible.

OPAL PEPPLES, DES MOINES, IOWA

The foster grandparent program has helped me financially and given me peace of mind.

With everything going up—gas and lights, property taxes, lot rent (I own a mobile home), insurances, groceries, doctor and medical (I'm not quite old enough for medicare) bills, this program has meant so much to me.

I had worked at the Woodward State Hospital for 5 years so the job at the vocational rehabilitation center has been a pleasure to me.

WILBUR S. PERKINS, HARDY, ARK.

I wrote you recently concerning my problem with IPERS and the "buy back" legislation of 1973. Basically the problem is this: I had to produce written evidence of official school board minutes or contracts proving that I was under contract before July 4, 1953. Unfortunately, such records were not available and I had destroyed my own 1953 contract with Lacona Indiana School District—I did secure written official evidence of employment in the Indianola, Iowa, system for 1952-53 year but IPERS wouldn't accept it—neither would they accept the information of verification of my contract from my superintendent or board members at that time. They insist that the date of contract must be available to approve my request to "buy back." They acknowledge that the money was paid back in 1961 and was under employment in 1953-54 at Lacona.

HARRIET REED, R.N., DES MOINES, IOWA

I am a health planner responsible for long-term care and problems of the elderly in the central Iowa area. It has been my observation that many of the elderly dependent upon only social security benefits can barely afford the minimal needs we all have. Inflation has had a dramatic effect upon their food costs, fuel bills, and health care costs. Benefits should be increased.

Additionally, I would like to express my personal frustrations with the difficulties understanding the qualifications for various programs, including social security. My family has been trying to help my 72-year-old grandmother find out if she qualifies for social security so she can get medicare. She is frightened of losing the veteran's benefits she receives and Government offices make the process difficult by referring questions to others and insisting my grandmother, who has difficulty walking, come to their office. The idea of trained persons to go out and help with the many forms is a good one.

MERLE E. REED, BOONE, IOWA

In the future we know that social security will not meet all the requirements of the people that receive it. Some new formula will have to be worked out to fund the program and the program should be divorced from HEW.

The social security fund should not be included in the general Federal budget. I believe that the extended care and nursing home part of social security should be overhauled, so that when a patient is placed in one they should be treated as a person and not be forgotten.

We are also in need of a national health program, one that is completely run by the Government not by private insurance companies.

JOHN A. ROBINSON, DES MOINES, IOWA

We here in the United States need the help as much as the Viet—I think if our Government took care of its own people instead of outsiders we would be more prosperous here. We, the aged, are not a favor-asking people.

EMMA RODENBORN, DES MOINES, IOWA

The foster grandparents has done a great deal for me in more ways than one. My stipend has filled the income gap which I needed. Working with the retarded children is a lot more to it than people think; and we feel that we are really needed in this important program. I do feel that it also gets us out and meet people and do things we never would do otherwise. We really feel we do have a place in life and it is a worthwhile program.

ANN RYAN, FORT DODGE, IOWA

What the foster grandparents mean to me socially?

This program is a blessing to the retarded children. Every day counts, they love to be loved and so do we grandparents. It has been so rewarding for us older citizens to see how they have improved in all the activity. This program has helped me pay for transportation, food, and rent. *Please help to keep the foster grandparents program.*

ALICE SHERMAN, DES MOINES, IOWA

When I get the raise on social security I will have less than I have now as I get an SSI check and they give me a medical card every month and that pays for my back brace as I have to have a new one every year and it also pays for new glasses when I need them as I cannot afford to buy either one. When I get the raise that will take away my SSI check and also my medical card.

I wish you would tell me how I'll be getting more to live on.

ESTHER M. SLACK, DES MOINES, IOWA

I think there should be more security for women, 20 percent social security automatic raises, and the automatic cost-of-living adjustments. Also more tax relief for senior citizens. Also lower price on heating fuel (oil) and utility rates. Better transportation for senior citizens and lower rates. More medical payments on medicare.

EVELYN M. SMITH, DES MOINES, IOWA

I would like to say that I surely hope our President will let the eight percent increase in social security go through. If not it will really put us older senior citizens in bad shape.

Also, I would like to add this: I urge you all there in Washington to pass some sort of busing law for the many who don't have cars to get around. Thank you, Senator Clark, for taking the time to speak to us on the issues at this time.

ROZELLA SPALTI, PLEASANTVILLE, IOWA

When a law is passed to help, do not throw up so many road blocks to so many people in taking advantage of the help intended.

EVA E. STRINGER, DES MOINES, IOWA

I need help to pay for medicine. I am 79 years young, a widow 14 years. Have had two heart attacks, high blood pressure shots need that medicare or Blue Cross and Blue Shield doesn't pay for. My social security is \$234.20. Thank you and God bless you.

DOROTHY TSCHOPP, AMES, IOWA

SSA did reach out to all those seemingly eligible, i.e., those who were receiving \$146 per month. Solution is to raise limit of resources about \$1,500. SSA declares eligibility only and when either resources and/or income rise slightly above maximum allowed (even for a short time) persons are indiscriminately "thrown out" of SSI. SSA offers no solution. Many times the elderly are saving for burial expenses and for catastrophic diseases. We have found that placing the elderly's savings in an irrevocable trust is the only way to meet requirements.

MARTHA VOIGHT, DES MOINES, IOWA

I love children and working with them gives me a feeling of being needed. The \$1.60 per hour helps me pay for my groceries.

GLADYS WHITTINGTON, FORT DODGE, IOWA

I am a foster grandmother at the activity center in Fort Dodge, Iowa. I work from 11:30 a.m. to 3:30 p.m. There are 10 to work with. The three afternoon grandmothers give each one individual attention. Helping, loving, as we can.

I have seen so much improvements in the year I have been with these clients. They have larned to love us and we love them. It's a busy, happy time for all.

If the supervisor did not have the three morning grandmothers and the three afternoon grandmothers, I am sure she could not carry out her job.

Being on social security, the stipend we receive is a godsend. I use it for utilities, groceries, and medicine. I hope this great country of ours will see how important it is to take care of our retarded, and elderly.

MARGARET WICKWIRE, DES MOINES, IOWA

As a representative of an agency working with close to 800 elderly persons, I would like to bring to your attention a recurrent problem with the social security system which has caused some elderly persons a great deal of frustration and in some instances considerable financial hardship. This problem is the unreasonable length of time it takes to correct any mistake the computer makes in printing checks. Sometimes the mistake is in the amount of the check. Sometimes it is in the name or address.

Our worst example has been a woman who needed to have a change in legal payee. The papers were signed in September 1974. Nine months later, the May 1975 check still comes to the former payee. The local social security office has been notified numerous times.

A second problem, related to the first is the number of months it usually takes to process a new SSI application. To an outsider this delay appears to be an insensitivity to the lack of other resources which the SSI applicant has to tide him over until the checks begin to arrive.

Speaking for the elderly who are hurt by these delays, I urge that steps be taken to overcome these deficiencies in the operation of the social security system.

GLADYS B. WILLIAMS, INDIANOLA, IOWA

Many people do not know the meaning of the Older Americans Act—including public officials. If we are to have success in establishing many of these programs, we need to educate the public. I am familiar with what is available because of my interest in various programs, but we must arouse the interest of those persons who do not know what the program is all about.

I would like to suggest that a copy of the Older Americans Act be sent to every library in the State of Iowa so it will be available to all who wish to study it.

I am a senior citizen—a retired office worker, and serve as a volunteer in the community.

The public hearing today has been very informative. I will look forward to receiving a copy of the hearing as soon as it is available.

I hope that the goal of "social security" will be to help all retired and elderly persons have an income sufficient to meet living expenses so they can live in dignity.

LOUISE WOOD, DES MOINES, IOWA

Senior community service aides project will run out of funds on June 20, 1975, and it is a program that helps people that are too young to draw social security and to old to find gainful employment.

I know it has been a godsend to me after working 16 years at one place and they close up and try to find employment somewhere else. We all need this 20 hours a week and hope you can help us receive funds to keep it going.

So will you please ask for AARP to be included in the 1975 Labor Appropriations bill.

ODESSA E. WORLEY, DES MOINES, IOWA

Is there anything that can be done about reducing Government widows pensions because a raise in social security; and why does a disabled man with a family have to be refused a little assistance. He was asked to leave his home and the relief would help his family.

While I worked they told him (my son) to let your mother help you, she is working.

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