The Changing Face of Aging Politics

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I have been asked to address the “changing face” of aging politics, and I would suggest that it is a profile that has been altered in four significant ways over the course of the past 30 years. Understandings of population well-being and appropriate policy response are at the root of each of these four alterations.

The Emergence of Structured Diversity in Aging

Changes in the size, well-being, and diversity of the older population over the course of the late 20th century are historically unprecedented. From a time when an estimated two-thirds of older persons were poor (early 1930s) to a time when a documented 39% were poor (1959), we have now arrived at a point where the comparable figure hovers at around 13%. Today, well over 90% of older Americans have acute health care insurance, in contrast to less than 50% in the mid-1960s. And, today, three-quarters of older Americans own their own homes, with three-quarters of those being owned mortgage-free. These are truly extraordinary developments and serve to document the fact that improvements in the aggregate well-being of older people over the course of recent decades have occurred at a faster rate than for other Americans.

Yet, these aggregate figures mask very real difficulties facing major aging subpopulations. Table 1 makes clear how great are the variations in economic well-being among the aged by race, gender, and age itself. Data on morbidity rates and on functional ability present a broadly comparable picture wherein men fare better than women, the younger-old better than the older-old, and the majority aged better than older minority populations.

In much contemporary discourse, a new stereotype has emerged, one that holds the aged population to be surprisingly “healthy, wealthy, and wise.” This stereotype largely ignores problems confronting aging subpopulations. References to “Greedy Geezers” (in the U.S.) and to “Woopies” (well-off older people) and “Opals” (old people with affluent lifestyles) in Britain (Falkingham & Victor, 1991) place this new imagery in sharp relief. Many older populations have been lifted out of a life of destitution from which their own parents may have suffered, but it is critical not to lose sight of how selective the rising tide of well-being in old age has been.

The Long-Unheralded Expansion in Public Expenditure on Aging

Public policy has been central to both the improved overall well-being of the older population and the striated coloration of the improvement. Only modest liberalizations had taken place in the Old Age and Survivors title of Social Security over the half-century following Social Security’s enactment in 1935. However, in the decade of 1965–1974, the following legislative actions transpired: enactment of Medicare, Medicaid, and the Older Americans Act (OAA, 1965), passage of the Age Discrimination in Employment Act (1967), six increases in Social Security benefits resulting in a 35% increase in real purchasing power over this time period, tying future Social Security adjustments to the cost of living index, enactment of the Supplemental Security Income program (1974), introduction of a major nutrition program to the OAA, enactment of the Employee Retirement and Income Security Act (1974), and an increase in OAA expenditures from $6.5 million in 1966 to $227 million in 1974.

These enactments and expansions constitute the framework of contemporary aging-related public policy. Legislative action in the late 1970s and 1980s was more restrictive than expansionary — introduction of the prospective payment plan to Medicare in 1983 and the Social Security reforms of 1983 (including the initial taxation of benefits). Nonetheless, benefit liberalizations placed into law in the late 1960s and 1970s, the inflationary consequences of the porous regulations of the early years of the Medicare program, and the growth in age-related Medicaid expenditures (to the point where they constitute roughly one-half of the nation’s nursing home expenditures) meant that action in the 1980s only marginally slowed expenditure growth rates.

These programs have brought unquestioned benefits to millions of older Americans, but the benefits have been unevenly distributed. Although it is an earnings-related and a nonmeans-tested program, Social Security has been the principal engine driving down poverty in old age. Yet, its earnings-related feature and benefit formula that penalizes individuals for years not in the labor force to the disadvantage of women and low-skilled workers. And, as Crystal and Shea (1990) document, Social Security does not serve to reduce inequality of in-
come in old age; it is simply less unequally distributed than other income sources in old age — principally private pensions and savings.

Medicare has vastly broadened health care coverage for older Americans, but, as Leader (1988) argues, its coverage is directed substantially more toward the health-related needs of older men than of older women. Employment Retirement Income Security Act (ERISA) provisions have served to strengthen private pension plans. However, only about one-half of American workers have private pension coverage, and those without such coverage are disproportionately found in marginal or “secondary” labor markets.

**Aging Politics and the New Right**

These issues of inequity and inadequacy have long been central to the policy agendas of social welfare professionals and others of liberal persuasion. Since the late 1970s, however, conservative commentators have broadened and recast policy debates around social welfare policy in general and aging-related social policy in particular.

Key chapters in the right’s ascendency center on the growth of conservative “think tanks” such as the Heritage Foundation and the Cato Institute (Bjerre-Poulsen, 1991), the election and initial policy successes of Ronald Reagan in the early 1980s, and the growing prominence of “intergenerational equity” concerns, centered on Americans for Generational Equity (AGE) in the 1980s and in the Concord Coalition of the 1990s.

How to interpret attacks on social spending from the right has become a matter of considerable dispute. Such interpretation is critical, for as Kelman (1987) notes, which “face of an issue” dominates is central to the ultimate outcome. Thus, was the major health care reform proposal of the Clinton Administration about “assuring health care coverage for all Americans” or was it “a bloated and ill-designed scheme which would cost jobs and weaken America’s competitive position in the world”?

There are several “faces” to contemporary aging policy. The AGE activists of the 1980s succeeded, at least in media circles, in casting the debate in raw generational terms — old age benefits were robbing the young of their future. Headlines such as “The Coming Conflict as We Soak the Young to Enrich the Old” (Taylor, 1986) and “Consuming Our Children?” (Chakravorty, 1988) received wide attention.

To others, assaults on aging programming were less about either age or generation than they were about the appropriate role of the public sector in American life. Thus, Quadagno (1989) wrote that the AGE efforts were really about nothing less than “de-socializing” our principal social insurance program rather than being principally directed at fomenting age-based competition. Policy critics targeted age-related programming, not because they had anything in particular against older people, but rather because — to paraphrase bank robber Willie Sutton — when it comes to social welfare expenditures, “that’s where the money is” (Hudson, 1991).

After lying dormant briefly in the early 1990s, the issue of age-related spending, how to understand it, and what to do about it, has resurfaced with a vengeance. The Concord Coalition has proposed the heretofore unheard of step of means-testing Social Security through — depending on one’s position — a highly progressive or near-confiscatory tax on the benefits of higher income recipients. The Bipartisan Commission on Entitlement and Tax Reform empaneled in 1993-94 considered (but could not reach a consensus on) a proposal to change the Social Security benefit formula (downward) and raise the normal retirement age, proposals that would have resulted in a 43% cut in Social Security benefits when completely implemented (Kingson & Quadagno, 1995).

Similar proposals put forth in 1995 by Senator Alan Simpson of Wyoming and Bob Kerrey of Nebraska — and the former’s pointed attack on the tax status of the American Association of Retired Persons — have maintained pressures on aging-related programs to the present.

An intriguing new wrinkle in the posture of the new right to these issues is found in Speaker Newt Gingrich’s “Contract With America.” Whereas the conservative posture toward old age benefits has been largely hostile to this point, Gingrich’s proposal represents a noticeable appeasement to aged middle- and upper-class constituents. Its first provision would greatly liberalize the so-called “retirement test” under Social Security. Currently, workers between ages 65 and 69 can earn up to $11,160 before a 33% reduction in Social Security benefits is imposed. Under the Gingrich proposal, that cutoff point would increase $4,000 annually until a very high ceiling of $30,000 is reached. The second provision would repeal a key part of the deficit reduction law enacted in 1993 which subjected 85% of Social Security benefits of high income elders to income taxation.

Three points are important here. First, older persons would be indulged to the tune of several billion dollars. Second, the benefits would accrue, in the first case, exclusively to middle and higher income elders and, in the second case, exclusively to very high income elders. Third, allowing older workers to keep public benefits (Social Security) while the Contract calls for slashing the public benefits of many

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**Table 1. Poor Elderly Persons by Age, Sex, Race/Ethnicity**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 and older</td>
<td>5.6%</td>
<td>27.8%</td>
<td>18.6%</td>
<td>7.6%</td>
</tr>
<tr>
<td>65-74</td>
<td>4.5%</td>
<td>24.6%</td>
<td>18.0%</td>
<td>6.4%</td>
</tr>
<tr>
<td>75 and older</td>
<td>7.8%</td>
<td>34.4%</td>
<td>20.1%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 and older</td>
<td>13.2%</td>
<td>37.9%</td>
<td>25.3%</td>
<td>15.4%</td>
</tr>
<tr>
<td>65-74</td>
<td>10.2%</td>
<td>33.6%</td>
<td>22.7%</td>
<td>12.3%</td>
</tr>
<tr>
<td>75 and older</td>
<td>17.3%</td>
<td>43.9%</td>
<td>30.1%</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

The Partial Estrangement of Liberalism and Aging Policy

The developments sketched out above have, as well, had a disquieting but probably necessary impact on the relationship between liberalism and public policy directed toward the old. Unquestionably, the “fit” between liberal political beliefs and aging advocacy was long nearly perfect. Older persons were the quintessential population suffering from poverty, illness, and isolation associated with the workings of an unbridled free market economy. They were also at a stage of life where they were singularly unable to remedy such problems on their own.

The deservingness of the old and the American policy response to them are, in comparative perspective, two of the most striking features of the expansion of the American social welfare state. Their poor economic standing made it possible for the old as a class to be principal beneficiaries of the nation’s major social insurance programs — Old Age and Survivors Insurance and Medicare. As well, the poor among them were specially regarded, rendering them the recipients of the country’s first public assistance program (Old Age Assistance) and its first federalized one (Supplemental Security Income). In the American context where only weak forces have existed on the left, the aged were perfectly suited to inaugurating programs without getting into issues of work effort and fraud, two concerns that have haunted similar efforts directed toward working age populations (and which partially underlie Speaker Gingrich’s strategy above).

The emergent liberal view on the politics of the aging since the late 1970s — not unlike the right — is a result of the changing realities and perceptions of the relative needs of the old and non-old. Many liberals have had concerns on both the within-population and cross-population issues. On the first point, liberals would clearly like to do more on behalf of poor, female, minority, and very old elders, but they do not wish to target benefits to the extent that the principle of universalism — near to the liberal heart (Hudson & Kingson, 1991) — would be sacrificed. However, the forced repeal of the Medicare Catastrophic Care Act in 1992 made it strikingly clear to liberals (and others) that the old were not a singular constituency — the affluent old were quick to abandon their poor aged cousins when the cost of supporting the poor was placed on their shoulders.

The cross-aging pressures on liberals are strong as well. Numerous social welfare needs have arisen or become exacerbated in recent years, and liberals have as much interest in these needs as in those of elders. In fact, it is probably safe to say that — if they had their druthers — most liberals would shift a significant portion of social insurance spending away from the old age benefits toward children, the working poor, and the uninsured. They are kept from this by the political obstacles that would be raised by the old and by the refusal of actors to their right to countenance expanded benefits to these other populations.

The similarities and divergences in conservative and liberal positions on age-related benefits may be best summed up by a Concord Coalition consultant, Neil Howe (personal correspondence): “Conservatives would drastically curtail all entitlement spending; liberals would shift it from old to the young.” No liberals have abandoned the elderly altogether, and some liberals continue to find little fault with the pattern of benefit distribution. But the days of older Americans carrying the ideological freight for welfare state expansion are clearly over.

Conclusion

The future of aging politics and age-based public policy are in considerable turmoil. Traditional age-based health and social service policies, such as those long associated with Medicare and the Older Americans Act, have increasingly moved in the direction of functional means-testing, through the use of activity-of-daily-living scales and similar mechanisms. Renewed pressure in the income area is also pointing in that direction, whether through benefit taxation (President Clinton) or means-testing of benefits (Concord Coalition). Yet, how this reining in of old age benefits plays out against the real or presumed power of older voters (cf. AARP and Gingrich proposal) remains an intriguing question. As they say, “stay tuned.”

References


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