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1982

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Lohmann, Roger A. and Lohmann, Nancy, "Aging and the Milieu of Social Policy" (1982). *Faculty & Staff Scholarship*. 2586.

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Aging And the Milieu of Social Policy

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Whither 1984?

Concern for the policy implications of the steadily expanding body of gerontological knowledge has been one of the characteristic features of modern aging studies. The first series of handbooks on the subject, published in 1959 and 1960, contain articles on income, housing and government programs along with reports of basic research data. (1) The Gerontological Society has always been structured in four main sections--for the biological sciences and clinical medicine, social and behavioral sciences and social research, policy and practice. Two of these are clearly "basic science" sections and two are "applied". It is quite fitting, therefore, that attention be devoted to the subject of social policy in a conference such as this concerned with the emerging environmental perspective on aging. Social policy means many different things to different authors. Although it is apparently unfashionable in the new world of political conservatism, our concern in this paper is primarily with public social policy as an environment of human aging. Within the public sector, social policy is a matter not only of legislation, but also increasingly of administrative and judicial decision-making as well. As it relates to the theme of this conference, one might take either of two perspectives to social policy:

Milieu policy: Concern for those legislative, administrative and judicial actions designed to improve the well-being of the old by modifications of their physical, social or phenomenological environments.

Policy as milieu: Public decisions and actions which form part of the context or backdrop for the world of everyday life of older persons. While there are some intriguing threads of suggestion in the present environmental literature which suggest possible future lines of development, and also a number of organizational and community level innovations with "environmental interventions", we believe it is premature to speak of "environmental policy" affecting the aged population) Therefore, we shall restrict ourselves in this context to discussing policy as part of the milieu of human aging.

The Policy Milieu

This is an extremely difficult topic to deal with at this time. Since the Presidential and Congressional elections of 1980, perspectives on aging policy have been shifting almost daily. The Reagan administration speaks with

many tongues, suggesting the elimination, reduction, and increase of social security, Medicare, Medicaid and other aging programs under different guises. It seems reasonable to expect, however, that we are probably entering a period of rapid social change with respect to the major public programs of greatest interest to the old. One reason for such an anticipation is the much-heralded demise of the New Deal political coalition, and the concurrent rise of the new right. There is also a second reason for predicting an era of change in aging programs, and that is that the record of accomplishments of these programs is, with certain major exceptions, a rather dismal one.

Anyone with any level of political awareness has likely spent most of 1981 with a growing awareness of the Reagan budget cuts for a broad variety of social welfare activities. The general perception early in the year was that aging programs would be spared from the "Stockman budget ax". However, later in the year it became apparent that at least one aging program--the Administration on Aging--would experience at least a seven percent cut. The mere fact that such a program--which has experienced nearly 20 years of uninterrupted growth--should experience any cutback at all is novel. The fact that a seven-percent cutback might be regarded in some quarters as being spared is truly a sign of the times.

One facet of the new conservatism, which is drawing so much interest, but not much information, during 1981 is the proposal for converting a large number of social service programs (including the Administration on Aging) into a single community block grant program. The idea is basically an outgrowth of the state-local emphasis of the new conservatism, and a close cousin to the Nixon "New Federalism" of a decade ago. While the idea itself may be laudable, the reality is something else again. In many communities where revenue sharing funds were set aside by local government for human services, the allocation process has been fraught with conflict, agency self-interest and power plays of various sorts. The era of federal political conservatism which we may be entering suggests continued financial shortages in the social sector and cutbacks in services and benefits to older clients. It remains to be seen whether new ways of funding programs will be found. Some foundations currently report dramatic increases in inquiries and applications for funding, and some authorities are talking about the need for renewed voluntary fund-raising activity.

Even without the Reagan Administration and its new conservatism, however, the case for substantial--if less dramatic--changes in the network of services and programs which benefit the aged has been growing for some time. Whether we approach the subject from the vantage point of the environmental threat represented by the New Right or the emerging critique from within, the case for social policy change vis a vis the old must be taken into account. We shall review some of the broader implications of current social policies for the aged, and some of the criticisms raised among

gerontologists, concentrating upon four principal areas: income policy; housing policy; services policy; and symbolic policy.

Income policy

Despite 45 years of continued, incremental tinkering with the income maintenance programs for the old, it would appear that we still have not "gotten it quite right", and the danger now is that weaknesses and flaws in the system of Social Security, Medicare, Medicaid and the Supplemental Security Income program become, in conservative hands, not arguments for further improvement and refinement of these programs, but arguments for their demise. In the meantime, there are still sizable numbers of poor persons among the old. The best estimates, for example, are that roughly 15 percent of the population over age 65 have incomes below the poverty line, and an additional 15 percent have incomes only slightly above that level and can be classified as near-poor. While these percentages are considerably lower than they were even two decades ago, due in large part to the current social policy environment, they are still discouragingly high.

It is highly critical to an understanding of the continuing nature of old age poverty in the U.S. to realize that the phenomenon of poverty is not evenly distributed among the old. Instead, those who are black or Spanish-surnamed, female or live in rural areas are far more likely to be old and poor at present than the population as a whole. The economic position of these populations is straight-forward: Working life, often at difficult forms of manual labor with minimal compensation (often minimum wage or less) and inadequate or non-existent fringe benefits is followed by health-related retirement and public support, again at minimum levels through SSI, Medicaid and public assistance. Furthermore, there is little realistic chance for the improvement of conditions for these hardcore older poor in the foreseeable future.

Women did not enter the labor force in great numbers until the past decade, which means that those women who can expect more adequate retirement benefits based on their own earnings cannot be expected to increase significantly for several decades. And the systematic under-payment of women, minorities and rural residents for work comparable to that done by men, whites and urban residents is a problem which shows no sign of abatement. Thus, it is very likely that the problem of old-age poverty for these sub-groups has been integrated into the very fabric of contemporary society, and can only be dealt with through one form or another of income redistribution, for which there is precious little political support at the moment.

Housing policy

To a very considerable extent, the housing problem of the old in the United States has been treated as a sub-set of the income problem primarily because of the significance of housing as a commodity for most individuals and families. From this vantage point, one would expect that the housing problems of the old would be a function of economic status, and primarily important in the context of economic policy. From this vantage point, inadequacies in housing are seen as a by-product of personal income, and primary attention is directed toward policies which address the production and consumption aspects of housing as a commodity. From this vantage point, various policy strategies have been tried: government provision of housing; public subsidies for market and non-profit developers; tax incentives such as the well-known middle class mortgage deduction on federal income taxes; and a "trickle down" laissez-faire approach which assumes that used housing will eventually work its way down to lower income consumption levels through the workings of the marketplace.

There has even been the semblance of an "environmental policy" approach which has appeared in the case of federal housing policy for the old. Since the publication of Frances Carp's *Victoria Plaza* in the late 1960's, those concerned with the policy implications of housing for the elderly have not only been concerned with the economic issue of production and consumption, but also with the qualitative issue of the living environments of older persons. While this approach has made some impact through the process of designing public and private non-profit housing units and nursing homes, it is also apparent that much remains to be done in this area, and that a significant proportion of the housing created explicitly for the old using public funds has been poorly designed, inadequately constructed, and offers an indifferent legacy to the future.

Services policy

Carol Estes, in *The Aging Enterprise*, declared that services policy for the old is a failure, and we are inclined to agree with her. Public policy support for services to the old in the United States is predominantly offered through three principle legislative avenues: Medicare (Titles 18), important primarily for acute hospital and surgical care and Medicaid (Title 19), most important for long term nursing home care, and Title 20 of the Social Security Act, which provides funding for social services. In addition, Title III of the Older Americans Act, provides support for nutritional and social services through the "Aging Network." Medicare provides approximately \$19 billion annually for health care for those over 65. Medicaid expenditures total approximately \$6.7 billion annually --of which approximately 21% are explicitly for the old. Title 20 funds approximately \$2.9 billion annually for purchase of services by

state departments of welfare, a major part of which is explicitly for older clients.

In this class, the Aging Network spends a rather paltry \$400 million, but is symbolically important as legislation intended specifically for the benefit of the aged. "Deinstitutionalization" or keeping the old out of institutions and living independently has allegedly been a major objective of national aging policy for over a decade now. This is explicitly recognized in the legislative language of both Title 20 and the Older Americans Act. Despite such legislative intent, however, it is abundantly clear to anyone who chooses to examine the issue closely that national public policy also incorporates enormous and powerful incentives favoring institutionalization of the old, and that unless and until these are overcome, the "deinstitutionalization movement" is destined to remain largely rhetoric. In particular, Medicare and Medicaid create enormous financial incentives against home delivered and community based care, as various critics have been pointing out for over a decade.

Further, Medicare and Medicaid also support a bizarre type of labeling process in which the long-term chronic health conditions of the old frequently must be "acute-ized" into reimbursable short-length episodes, and "de-socialized" into purely medical conditions in order to be eligible for public reimbursement. As evidence of the general non-impact of deinstitutionalization policy, the number of nursing home beds in the United States actually increased from 815,000 in 1969 to 1.3 million in 1977 (U.S. Commerce Department, 1979). In both Title 20 and the Aging Network, political and organizational considerations have typically transcended individual client needs and expectations in determining the allocation of funds.

Although Title 20 is ostensibly meant to provide support for state departments of welfare to purchase services which they deem to be needed in their states, in most instances, such determinations are a mere by-product of a bargaining process whereby the best mobilized, most skillful and politically influential service deliverers can routinely expect to gain the largest share of available funds. Meanwhile, the Administration on Aging has been preoccupied for some time with the organizational and political dimensions of creating an "Aging Network" and dramatically less concerned with the range and types of services delivered. And at this the agencies have been extremely prolific: On \$400 million a year, AoA has spawned a five-layered national system in which discretionary funds appropriated by Congress must be acted upon by the national AoA, 10 regional AoA offices, 55 state and territorial Aging Agencies, approximately 600 Area Aging Agencies, and thousands of local projects at varying levels of autonomy from the AAA's before any services are ever provided.

It is appropriate to ask, in this context, if there are really that many matters to be decided for \$400 million? Title 20, like Medicaid, is not explicitly aging legislation. However, it is particularly relevant to the old because of its goal of preventing premature institutionalization. It is likely also a portent of things to come under the proposed Reagan community block grant approach. Thus, it is of no small interest that in some states there has been a marked tendency toward children's services in Title 20 decision-making, while in other instances, Title 20 has been the arena for extended conflict between interests and agencies favoring the young and those favoring the old.

Symbolic policy

A significantly less studied, but equally interesting dimension of aging policy is what can be termed "symbolic policy." We use this term here in two related senses: First, there are the relatively benign propaganda efforts of the Administration on Aging and others to shape a "more favorable public attitude toward the aged." The Ruth Gordon poster circulated nationally for May, Senior Citizens Month during 1981 observance is an example of this approach. The public television series *Over Easy* with Hugh Downs is another example. These approaches combine elements of romanticism, sympathy, and nostalgia in efforts to try to recapture the high esteem in which the old were allegedly once held in our society. On the whole, such efforts constitute little more than well-intentioned efforts to recapture the past and introduce more caring and concern for the plight of others into public society.

Symbolic policy also encompasses another, related but far more pernicious dimension – what Robert Butler calls "the pacification politics of aging". The apparent objective here is for a variety of elites – most notably federal and state bureaucrats and staff members and officials in national interest groups – to create the illusion of widespread involvement and participation in decision-making and policy processes. The presumed motivation behind these efforts is two-fold: To reify their own individual and organizational positions, and to prevent or mitigate the effects of genuine political activism by, or involving, the old. Anyone who has ever become involved with the various White House Conferences on Aging, for example, knows what a sham it is to suggest that the nation's old are identifying their problems and calling for action. Likewise, legislative goals for Medicare, Medicaid, Title 20, the Older Americans Act, and National Housing Acts, to mention just a few, serve no apparent purpose other than assuring the naive and the gullible that elected and appointed officials are "looking out for the folks back home."

The National Housing Act goal of a "decent home and a suitable living environment for all Americans," for example, was probably closer to reality when first enacted in 1949 than it is today. While it can be objected that

these are "goals" to be aspired or striven for and not operational objectives, it can also be conjectured that the principal reasons for such formulations are to foster the "politics of quiescence"--in this case to pacify the old politically (Edelman, 1971). The specter of another Townsend movement, with hundreds of thousands of older persons mobilized, marching and voting their convictions looms large over Washington and state capitals everywhere and one of the most troubling dimensions of symbolic policy is the "bread and circuses" quality of this approach. Old people with various serious, even life threatening, problems should be content with their fate because Washington has identified their problem as a high priority.

Taken together, then the present social policy picture is not one to inspire great confidence in our collective problem-solving capability as a society – the Stockman budget cutters notwithstanding. Despite – or perhaps because of – public income support policies, we have created an apparently permanent underclass of older poor who are predominantly female, minority and rural as a permanent fixture of American life. The "living environments" approach has made relatively little permanent impact on a national housing policy which is predominantly economic and construction oriented. Services policy is poorly conceived and badly out of focus. And, the considerable propaganda resources of the federal government are being divided between the laudable end of creating better public support for the old, and the less laudable end of sowing contentment and political pacification among the old.

Conclusions

So what does all this mean? Our guesses are as good as anyone else's at the current moment. It is well within the realm of reason, for example, that the passionate frenzy of the new conservatives could achieve their avowed ends and virtually eliminate all vestiges of the present social policy system for the old in the next 3-5 years, perhaps replacing it with increased reliance on family, community and state systems. It is likewise well within the realm of reason that bureaucratic and interest group alliances can "weather the storm" politically, emerging in 1982 or 1984 unscathed, and that the present configurations of Social Security, SSI, Medicare, Medicaid, Title 20, National Housing Act and Older Americans Act and the other less prominent components of the national aging policy environment will define the bounds of social provision for the old for the remainder of this century.

Basic Questions

Before we can hope as a society to develop a true national set of coherent, meaningful policies addressing the needs of the old, a number of major issues must be resolved. One of the most fundamental questions at the moment, of course, is whether the Reagan-Stockman approach to limited federal social budgets constitutes a genuine political restoration of pre-welfare state laissez-faire society, a rebirth of the Nixonian New Federalism with a shift of

the burden of public social programs gradually to the states and localities, or a temporary political aberration which will disappear in 1982 or 1984.

If a true conservative restoration is occurring as some have suggested, then it is quite likely that all of the major assumptions underlying income support and social service programs for the old and other dependent population groups will need to be reworked. If, on the other hand, it is only a short term phenomenon, one can only hope that some of the more extreme social policy positions of the present majority--such as the elimination of social security--will be sufficiently discredited to be dropped entirely from the American political vocabulary. A proposal such as that which would leave between 10-20 million persons over age 65 effectively incomeless simply belies credibility in a civilized society. Regardless of what happens politically, however, one thing is clear: The income and service needs of older citizens are very real, and the resources for resolving those problems are to be found nowhere else in the environment of most older people today than in the public policy milieu.

Who Benefits?

One of the most basic questions to be applied to the present system is who the real beneficiaries of Medicare, Medicaid, Title XX, the Older Americans Act and other, minor pieces of social legislation affecting older persons are? Is it older persons, or middle-class and middle-aged services providers who really benefit from these programs? This question has been raised by Estes and others, and needs to be dealt with. Is it really the case that the middle aged get incomes and the old get symbols under present policy?

Further, if it is the old who are really to benefit under such social legislation, which old is it that are to benefit? The young- old, or the old-old? The healthy or the frail? Those with acute or chronic illnesses? Those with low, middle or high incomes? Urban or rural or suburban groups? White WASPS, blacks or other ethnic minorities? Part of the present problem with social policy is the tendency to answer "all of the above" to such questions--and then to fail to follow through.

How are Benefits Delivered?

Another set of issues which arise concern the questions of who does what under public policy auspices, and who pays the bill? In this area, the Reagan-Stockman approach has once again made the role of government, and the role of the federal government in particular, a basic issue in social policy to a degree it has not been for several decades. However, even if one opts for a massive "re-privatization" of human services, a host of public policy questions remain. The nursing home industry, in the United States, for example, is probably the single most privatized sector of the human services, yet it is an

area suspected of widespread abuse and neglect of patients, and -the clamor for inspection, regulation and control of these private institutions is on-going.

One of the current lines of thought has it that many of the problems of professionalized and bureaucratized service delivery systems would be eliminated or minimized by encouraging "natural helping systems." In part, of course, this approach is a disingenuous attempt to cope with the consequences of funding cutbacks; to get for free what once was paid for. It is also true, however, that a variety of fascinating experiments and demonstrations have been going on in this area. It is, however, premature to suggest that the "natural supports" model can be the basis for public policy response to the problems of the aged. It is, after all, not that many years since the natural supports notion of family responsibility was eliminated from public welfare legislation in most states.

Who Pays and How?

The "bottom line" on public policy options is, of course, the fundamental question of who pays for services and benefits and how payment is made? From the vantage point of sources, there are three principal options: private (market) purchases; public subsidies from tax revenues; and voluntary contributions. Basic to the new political economy of the Reagan era is the argument that: 1) the federal government should not support social programs for constitutional and philosophical reasons; 2) current expenditures in this area are bad for the economy; 3) social expenditures merit lower priority than a major defense buildup. It is important to note, however, that this leaves two and not one option: "Privatization" could mean encouraging the growth of entrepreneurial, for profit enterprise to meet the needs of the elderly. This, in itself, would constitute a major shift in orientation away from the current advertising-and marketing thrusts upon such "created needs" as denture deodorants and skin dyes toward more real needs. Given the current income of the aged population, real opportunities for such an approach appear to exist in recreation and leisure time, housing, food and nutrition, health and personal care and other areas. Such an approach has little applicability, however, for the roughly one-third of the old who are poor or near poor and for whom private consumption expenditure to solve problems is simply an unrealistic option. For this population, the Reagan-Stockman approach holds out little promise other than through a new voluntarism which seeks to create programs and services funded by private donations and contributions. In the past, such ventures have been limited by the well-known difficulties of voluntary fund raising, and whether such difficulties could be overcome in a new era of private action remains to be seen.

The social policy milieu in which Americans grow old today is currently a very volatile environment indeed. In many respects, it may be the least

predictable, most risky aspect of the current milieu of aging. The burden of this unpredictability will continue to w of their fate, and upon those approaching old age. However, ultimately the burden of this public policy uncertainty of the moment falls upon each of us as we seek to plan for or anticipate the events of old age yet several decades in the future. It would be an act of uncommon statesmanship to clarify and stabilize this environment as rapidly as possible.

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