

Chapter 1

Introduction: The Political Environment and the New Face of Aging Policy

JANIE S. STECKENRIDER
AND TONYA M. PARROTT

Old-age policies in the United States are heading in new directions as the country enters the next millennium. Gone are the days of program growth, automatic increases, and expanded benefits for senior citizens. Aging policies, like other policy arenas, have changed (and been changed) in response to the fundamentally different political environment that swept the country during the late 1980s. The dominant themes of the current political environment are deficit reduction, program reform, state experimentation, elimination of waste and redundancy, and individual responsibility. These new themes coupled with the demographic forces of the growing number of elderly, especially as the Baby Boom ages toward retirement, have changed the face of aging policy. Aging policy encompasses the myriad of programs directed toward senior citizens and toward an aging population such as Medicare, Social Security, the Older Americans Act, home-delivered meals, subsidized housing, legal assistance, and transportation services.

Old-age policies and programs, constituting over one-third of the federal budget in the 1990s, face a new set of political priorities and constraints within the changed political landscape. Four related shifts loom large in guiding the aging policy responses to these changes: questioned legitimacy of the elderly as beneficiaries, decreased government responsibility offset by increased family responsibility, a bottom-line approach to all programs including those for seniors, and a dramatic change in political leadership in the

mid-1990s. These changed perspectives underline how shifting values in the broader political spectrum impinge on specific policy arenas like aging.

Four Shifts Guiding Aging Policy

For many decades the elderly were presumed to be the most deserving of beneficiaries for government largess. They were often considered vulnerable and needy of services, economically hindered by fixed incomes, and respected for their lifetime of contributions to society. Large federal programs were government's answer for the elderly—Social Security and Supplemental Security Income for income maintenance and Medicare and Medicaid for health care; as well as programs of subsidized housing, energy assistance, transportation services, and legal aid. The budgets for age-related programs grew and the services provided continually expanded. The elderly were seen as such deserving program recipients that benefits were automatically expanded like the Cost of Living Adjustments for Social Security. This legitimacy of the elderly as beneficiaries is now under question. Increasingly seniors are called "Greedy Geezers," a pejorative term suggesting that the elderly are receiving too large a slice of the government pie. Claims for intergenerational equity have also made it into the public vernacular, emphasizing the need to distribute government benefits equally across the generations. Questioning whether the elderly may be "getting too much" of government's benefits—an idea unspeakable in earlier decades—is center stage in the present political environment.

By emphasizing the heterogeneity of the senior population, some of the criticisms about the elderly and the privileges they receive from the federal government have been made valid. For example, not all elderly are poor, alone, disabled, and living from one Social Security check to the next. The very success of many social programs for the elderly has added to the demise of the deserving status "the elderly" were given in earlier decades. It has become increasingly clear that "the elderly" as a group are less defensible as public program beneficiaries than are subgroups of the elderly most in need. Some consequences have been the targeting of services to subgroups, that is, poor, rural, and minority, and the increased assumption of such program costs by the elderly as raised Medicare Part B premiums.

The underlying values of public policy have also shifted as America enters the twenty-first century. The pendulum has swung toward decreased federal government responsibility in all areas. The burden is on states, cities, counties, the private sector, families, and individuals to bridge the gap and to assume more responsibility. Recent debates on welfare reform, Medicare cuts, and block grants reflect this devolving of the federal government. Aging policy, like the broader political environment, is being impacted by this shift in values toward individual responsibility. Monthly premiums for Medicare have been increased, Social Security benefits of the wealthier elderly have been taxed, the eligibility age for Social Security has been raised, social services for seniors have been increasingly targeted to low-income and minority elderly, and proposals for national long-term care insurance have been abandoned—all reflecting the underlying value in public policy that the individual, and for the elderly often their family, must assume a greater share of the responsibilities. Old-age policies have been impacted and altered by the decreased role of the federal government.

The third fundamental shift that pervades aging policy in the current political environment is the bottom-line cost approach with a near exclusive focus on what can be cut. The transition is one from earlier decades of program expansion to this new era of sustaining aging programs. Previously aging programs were considered the third rail of politics, “touch them and you die.” But policymakers no longer view aging programs as sacred and untouchable. Every part of the federal budget, including aging programs, is under the budget-cutting microscope. And because old-age policies are so visible due to their immense size and costs, aging programs are now considered a central component of any budget proposal. The extent of this shift was symbolized by the debates of the 1996 federal budget that hinged entirely on the extent of cuts in the elderly health care program of Medicare. So intense was the political impasse of Congress and the president over balancing the budget and Medicare cuts that the federal government was shut down twice. Budget debates centering on how deep cuts should be in elderly programs are a far cry from the days of program expansion, legitimacy of benefits to seniors, and untouchable senior services.

Last, there was a dramatic change in the political leadership in the House and Senate from the 1994 midterm congressional elections, reversing forty years of Democratic leadership and

accompanied by an intense focus on the House GOP Contract with America. This is important because the Republican agenda dominated the first hundred days; no other issues were given attention in Congress, including aging issues. Moreover, the shift from Democratic to Republican leadership in Congress meant that any chance of expanding health care benefits for the elderly or for any other group (so prominent a theme only two years earlier in the 1992 presidential campaign) were gone. Gone, too, was any possibility to develop long-term care options involving federal financing mechanisms (which seemed inevitable at the annual meeting of the Gerontological Society of America in 1994).

This change in leadership is crucial to a complete understanding of why aging programs were no longer given preferential treatment in Congress. Many aging advocates seemed caught off-guard by the ramifications of the leadership change and unclear where to focus their energies. The congressional leaders with whom many advocates had worked were no longer in power and there was no clear point-person to turn to for support (Liebig, 1995). Not only were aging policies given closer scrutiny in this new political environment, but aging advocates had to devise new strategies to work with the changed leaders, committees, and policy priorities.

It is not just the changed political environment that has impacted aging policies but other broad societal forces are coalescing to generate new directions in old-age policies. America is an increasingly aging nation—the population is getting older, people are living longer, there are more very old persons, and the enormous Baby Boom is quickly moving toward becoming a Senior Boom. (See Figure 1.1.) Plus, there are considerably more frail elderly as people are living longer once they reach old age. It is the frail elderly who are most in need of government services and those who are most costly. Aging policy in the twenty-first century has no choice but to adapt to these changing demographic characteristics.

Another significant societal trend is the cost of medical care that has mushroomed for all ages. The cost increases, however, are especially significant for the elderly since they are the biggest consumers of health care and the government provides their coverage through Medicare. Both Medicare and Social Security are projected to be bankrupt in the early decades of the twenty-first century that also is compelling changes in current aging policies to stall the demise of these programs. There is growing sentiment that changes to these programs need to be made now so that the Baby Boom generation receives, at the very least, something. Another force is

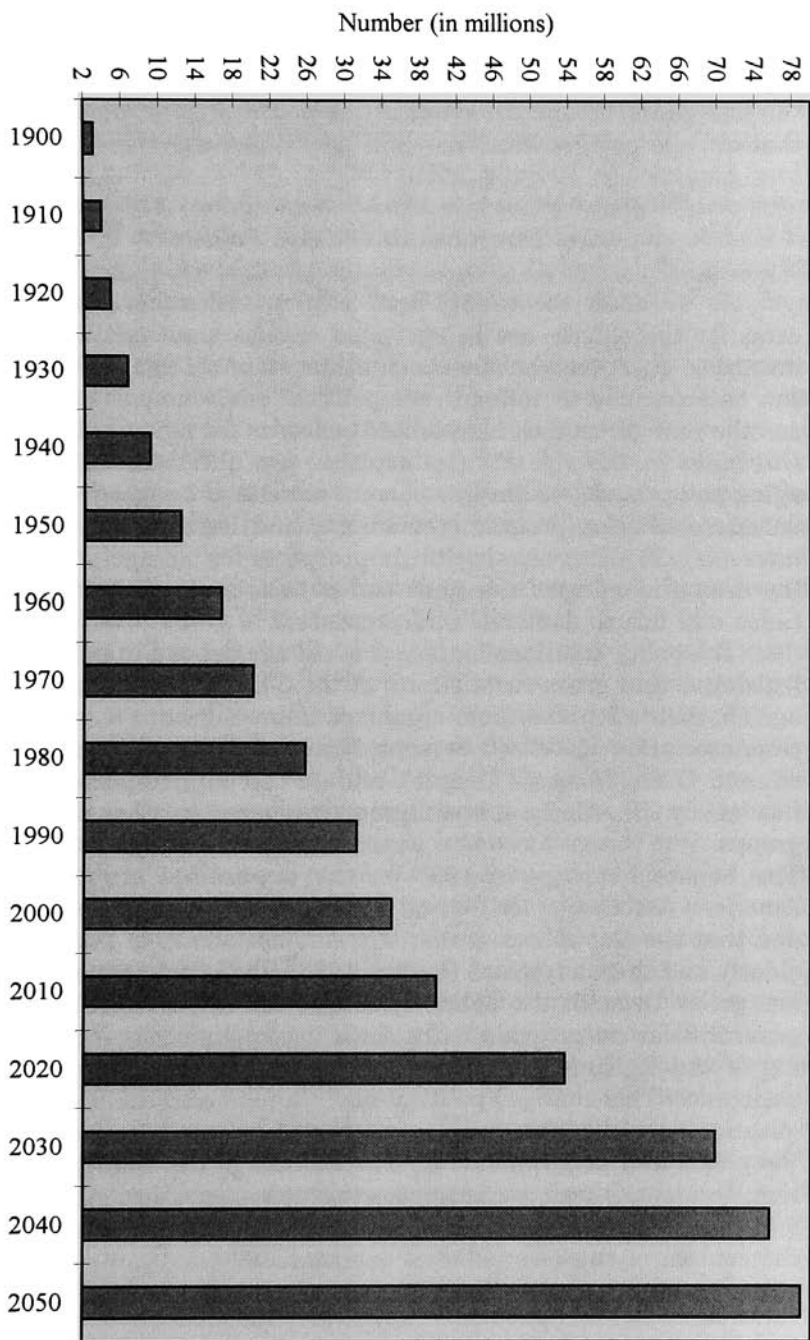


Fig. 1.1 Older Population (in millions)
 United States, 1900–2050 (actual and projected)

the high cost of nursing home care that is crippling older persons and their families. Yet Medicaid, the only governmental support of long-term care, is continually facing state shortfalls in its funding. With the demographic trends ahead, the costs of long-term care are expected to increase significantly. These varied societal forces and the new concerns and priorities of the political environment mean that old-age policies must move in new directions.

New Directions in Old-Age Policies

As we enter the twenty-first century, researchers and advocates for the elderly are being forced to turn their critical lenses inward to question what has been achieved in old-age policy; what can be sustained in this current political environment; and what are the new directions, issues, and concerns for aging policy. *New Directions in Old Age Policies* explores two questions: (1) How is aging policy made within this current climate of budget restraints, deficits, cutbacks, program reductions, and legitimate competing interests? (2) What are the future prospects for old-age policies as the dramatic aging of the American population in the coming decades add future demands and pressures?

The policy solutions for issues of old age depend in part on the legislative and grass roots efforts of the 33.2 million persons over age 65, their advocates from organized interest groups (e.g., American Association of Retired Persons, National Senior Citizens Council, and Older Women's League), and on the public's perception of how needy the elderly are as a group compared to other deserving groups. But things have also changed for the elderly's advocates. The Senate hearings in 1995 on the tax-exempt status of the American Association for Retired Persons is evidence of the changes and that the Republican leadership was not afraid to take on the elderly and their advocates (Liebig, 1995). Today, maneuvering old-age policy through the policy system is far more difficult as the general focus on program cutbacks is accompanied by a questioning of the legitimacy of the elderly as recipients of government assistance. This changed political environment and the heightened questioning of legitimacy in turn calls on researchers to educate the public and policymakers on the realities of the elderly population, to identify and communicate the new issues in aging policy, and then to develop policy solutions that address these needs within the context of the new political environment.

The aging public policy literature presently has a gap in exploring the current and future issues within the different arenas of aging policy. To address this neglected area, this volume looks at the new directions in the specific policy arenas of (1) retirement policies and alternative financing mechanisms; (2) health care policies and reform; (3) housing policies and intergovernmental relationships; (4) interest group politics and strategies; (5) gender bias in aging policies and the plight of older women; (6) changing family demographics, caregiving demands, and policy needs; (7) the ethnic and racial diversity of the elderly facing policymakers; and (8) the competing claims of generational inequity. In each policy arena the possible solutions available to policymakers, given the current political environment, are explored.

While there are several books that address a single aging policy arena such as income maintenance, health care, housing, or older women, there are few books that bring together varying policy arenas into one volume and suggest the future direction of aging policy within the new political climate. Given the multiple policy areas that impact the lives of the elderly, this book provides a multipolicy perspective by addressing the new directions in aging policy in each of these arenas and draws together the policy solutions that take into account the reality of the new political landscape.

This volume is divided into three sections with each focusing on a different aspect of the impact of the changed political environment on aging policies. Section I, "Distinct Policy Domains: A Fresh Look at Old-Age Policies," focuses on three specific policy areas. Robert H. Binstock in "Health Care Policies and Older Americans" focuses on the issues shaping health care policies that affect older Americans. Reviewing the costs of health care and whether population aging has been a major factor in its growth, he also examines current efforts to curb Medicare and the dilemmas in financing long-term care. Different aspects of income maintenance policies are examined by Ying-Ping Chen as he considers Social Security and its current and future policy directions in "Economic Security: Strengthening Social Security and Private Pensions." Chen focuses on the underlying importance of Social Security for future generations of elderly and discusses the various options for shoring up the long-term stability of the system. The changes in housing policy are explored by Phoebe S. Liebig in "Housing and Supportive Services for the Elderly: Intragenerational Perspectives and Options" with an emphasis on intergovernmental relationships. She provides a housing profile of the elderly population and discusses

various housing policies of the federal and state governments. Liebig explores the future of housing policy and suggests that housing inequality among the aged will persist because of forces within the new political environment.

Section II, "Politics and Aging Policy," focuses on the aspects of the political environment that have changed and that are prompting a new face to aging policies. Former assistant secretary for Aging, U.S. Department of Health and Human Services, Fernando M. Torres-Gil contributes an insider's view of policy-making for the elderly in "Policy, Politics, Aging: Crossroads in the 1990s." As the first head of the elevated Aging Department within the Department of Health and Human Services, Torres-Gil summarizes the history of aging policy and succinctly outlines the implications of the changed political environment for future aging policy. Another insider's view is provided by Robert B. Blancato, the chief organizer of the 1995 White Conference on Aging, and Brian W. Lindberg, a delegate in "The 1995 White House Conference on Aging: A Tradition Confronts a Revolution." Each White House Conference on Aging has led the way in setting the agenda for aging policy for the decade to come with early conferences laying the foundation for Medicare, Medicaid, the Older Americans Act, Supplemental Security Income, and Social Security amendments. Blancato and Lindberg discuss the process and the policy imperatives that developed from the 1995 conference and show how the changed political environment shaped the debates and issues.

Politically active and involved, senior citizens are believed by many to have capitalized on their clout in campaigns and elections to influence policymakers in policy debates. Susan MacManus and Kathryn Dunn Tenpas in "The Changing Political Activism Patterns of Older Americans: 'Don't Throw the Dirt Over Us Yet'" describe the current and future political participation of the senior population. Elderly interest groups have long been recognized as a powerful force in aging politics and a force to be reckoned with. However, elderly interest groups have experienced a changing role and increased challenges to their position. Based on interviews with interest group leaders and congressional staff members, Christine L. Day discusses the reaction of elderly interest groups to the new political forces and posits their future position in aging debates in "Old-Age Interest Groups in the 1990s: Coalitions, Competition, and Strategy."

Another major change in the political landscape has been the recent concerns with intergenerational equity and fairness across

the generations in budgetary politics. Giving particular attention to spending preferences indicative of generational conflict over policy priorities, Laurie B. Rhodebeck examines public attitudes toward government spending and their relationship to congressional policy-making. In "Competing Problems, Budget Constraints, and Claims for Intergenerational Equity," Rhodebeck describes the development of the intergenerational equity issue and its role in recent budgetary politics affecting the elderly.

The diversity of the elderly population and the dilemmas posed by the specific subgroup populations is the theme for Section III, "The Family, Ethnicity, and Older Women: Aging Policy Dilemmas." As the federal government decreases its role and as more responsibilities are shifted to the individual, families are of critical importance to the elderly person for support and care. Tonya M. Parrott in "Changing Family Demographics, Caregiving Demands, and Policy Needs" discusses the intersection of family, policy, and an aging society within the context of the changing demographics of family life. She explores the future implications of these trends on help and support of older family members and identifies a diverse set of care arrangements that will require attention in future family policy decisions. Valentine M. Villa emphasizes the need to consider the ethnic diversity of the elderly population. In "The Status of Ethnic Minority Elderly: The Challenge to Policymakers," Villa provides an in-depth profile of the racial and ethnic composition of the elderly population. She demonstrates the critical need for policymakers to account for this diversity in aging policy and to be aware of the unintended consequences of broader policy changes on the elderly, such as in the area of immigration policy.

Aging is predominantly a female experience since most older persons are female and women on the average outlive men. Aging policies, however, tend to be based on the male life cycle model and do not account for the gender differences in life trends of employment, health conditions, or family support. Janie S. Steckenrider in "Aging as a Female Phenomenon: The Plight of Older Women" explores the gender bias in existing aging policies and suggests that aging policies need to be more in line with the realities of the population that they serve.

Old-age policy made great advances from the 1930s through the 1970s, for instance; Social Security, Medicare, Medicaid, Supplemental Security Income, and the Older Americans Act, but the politics of retrenchment during the 1980s produced setbacks for many aging policies and led to the politics of "holding on" rather

than creating new programs or expanding existing ones. The 1990s brought further shifts in the political climate as the future of old-age policy was threatened by the need to cut spending on costly social programs and by the recurring demands to run a "leaner and meaner" federal government with more state flexibility and individual responsibility. The widespread implications of these federal policy funding dilemmas meant costly and often unbearable consequences for state and local governments, minorities, the elderly, and their families. *New Directions in Old-Age Policies* examines the changed political environment, the implications of these changes on specific aging policy domains, and the challenges of demographic trends and of subgroup populations on aging policy. Our goal is to decipher what this all means for the future of aging policy in the twenty-first century.

References

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Part I

**DISTINCT POLICY DOMAINS:
A FRESH LOOK AT OLD-AGE POLICIES**