

Social Justice for the Elderly & the Intergenerational Compact

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OVERVIEW

- CENTRALITY OF SOCIAL JUSTICE FOR SW
- THE MEANING OF SOCIAL JUSTICE
- SOCIAL JUSTICE & THE ELDERLY: A BRIEF HISTORICAL PERSPECTIVE
- THE ATTACK ON “ENTITLEMENT PROGRAMS” & ITS IMPLICATIONS FOR SOCIAL JUSTICE
- ADDRESSING THE SOCIAL SECURITY “CRISIS”
- SOCIAL JUSTICE AS AN INTERGENERATIONAL ISSUE: POVERTY, HEALTH, & MENTAL HEALTH
- CREATING A SOCIALLY JUST SOCIETY FOR ALL

CENTRALITY OF SOCIAL JUSTICE

- JUSTICE, NOT CHARITY
- ETHICAL IMPERATIVE OF JUSTICE (NASW)
- SOCIAL JUSTICE & REDISTRIBUTION
- SOCIAL JUSTICE & SELF-DETERMINATION
- SOCIAL JUSTICE, POWER & PARTICIPATION
- PERSISTENT CHALLENGES TO SOCIAL JUSTICE

The Evolution of Social Justice in Western Societies

- From Group Specific to Universal
- Religious & Secular Concepts of Justice
- Social Justice & Human Well-Being
- Social Justice, Equality, and Freedom
- Social Justice & The Social Contract
- From Justice as Product to Justice as Process

Social Justice in the U.S.

- Different views of social justice exist in different regions and among different groups.**
- Cultural distinctions shape groups' concepts of justice. Reflected in language, goals, programs, and organizational forms.**
- The U.S. concept of social justice today is an evolving hybrid of diverse cultural norms.**
- Conflicts between social justice & the maintenance of social/political stability, and between equality and individual freedom**

Social Justice Today: Conflicting Interpretations

- 1. Equal Rights & Opportunities- Fair Play**
- 2. Equal or Equitable Results- Fair Shares**
- 3. Justice Based on Merit**
- 4. Justice Based on Productivity**
- 5. Justice Based on Individual Needs**
- 6. Justice Based on Individual Status**
- 7. Justice as Compensation for Past Injustice**

Social Justice & The Elderly: A Brief Historical Perspective



Social Justice & The Elderly: A Brief Historical Perspective

- **The Elderly as “Worthy Poor” Dependents**
- **Condescension Towards the Elderly**
- **Economic Irrelevancy & Poverty**
- **The Fear of the Poorhouse**
- **Differential Treatment by Race**
- **The Movement Towards Social Insurance**
- **Resistance to the Provision of Aid to Elderly**

Widespread Poverty & Limited Aid



The Movement Towards SS

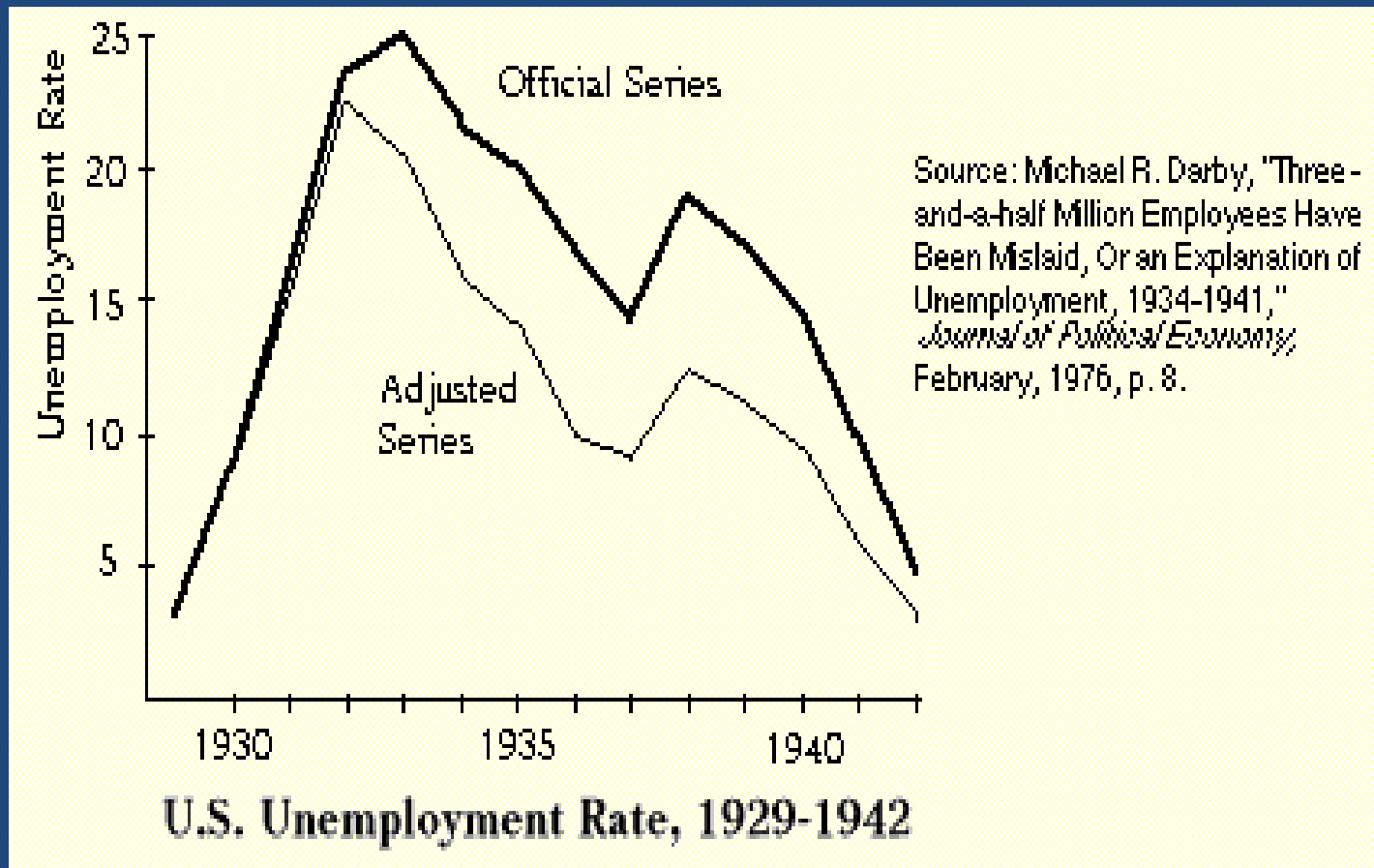
Motivations for its Passage

- ◎ Prevent future Depression by creating a floor on consumption (Keynesian economics)
- ◎ Reduce poverty among elderly, unemployed, children, and their caretakers. Lack of savings, pensions. NO safety net.
- ◎ Recognition of the universal nature of need.
- ◎ Reduce pressure for more radical reforms

August 14, 1935: SS Becomes Law



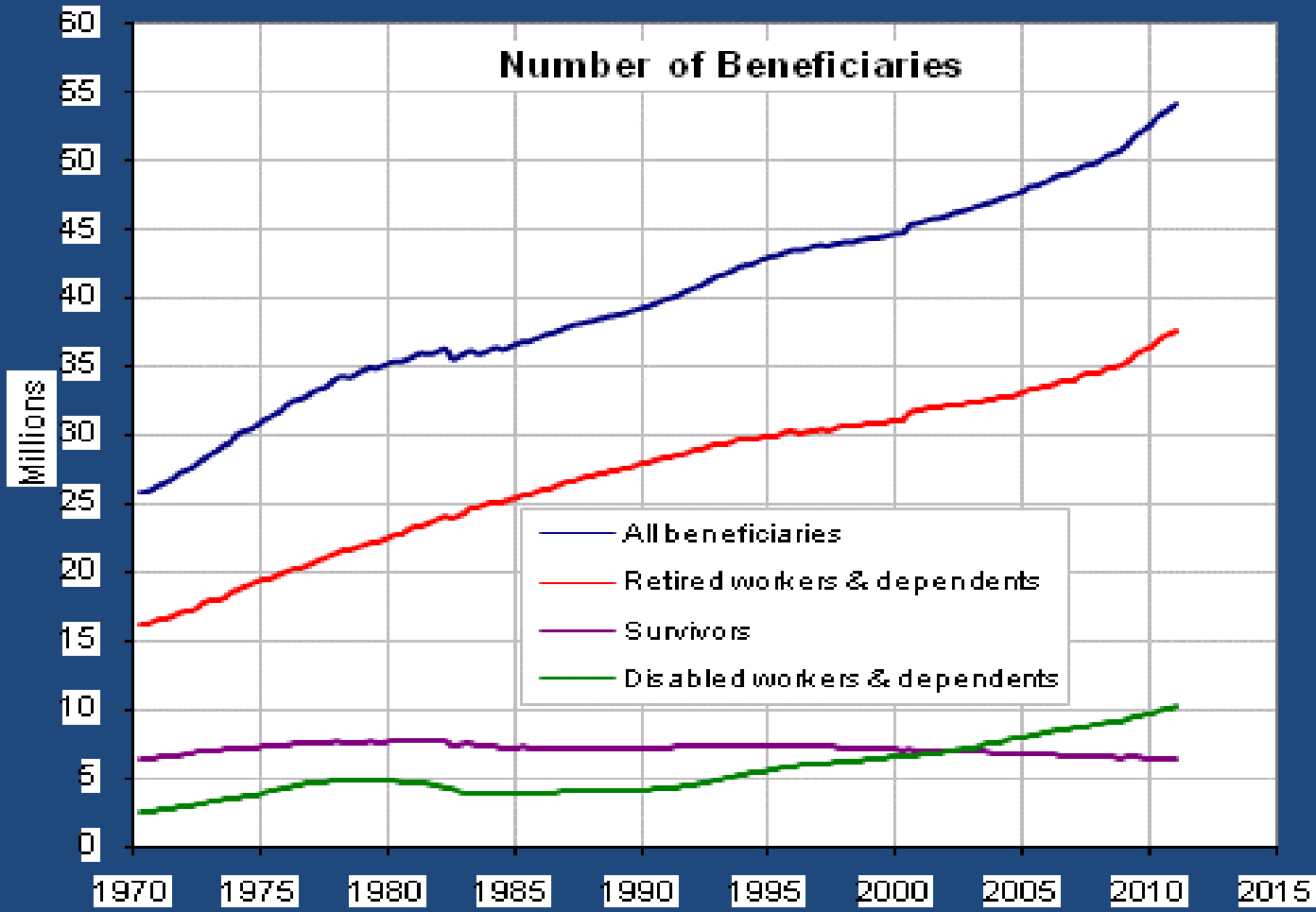
The Impact of Social Security: Unemployment Rate, 1929-1940



Evolution of Social Security

- Increase in risks and groups covered
- Gradual liberalization of insured status
- Slow movement toward higher benefits
- Increases in taxes & size of the tax base
- Linkage of cost of living to benefit levels

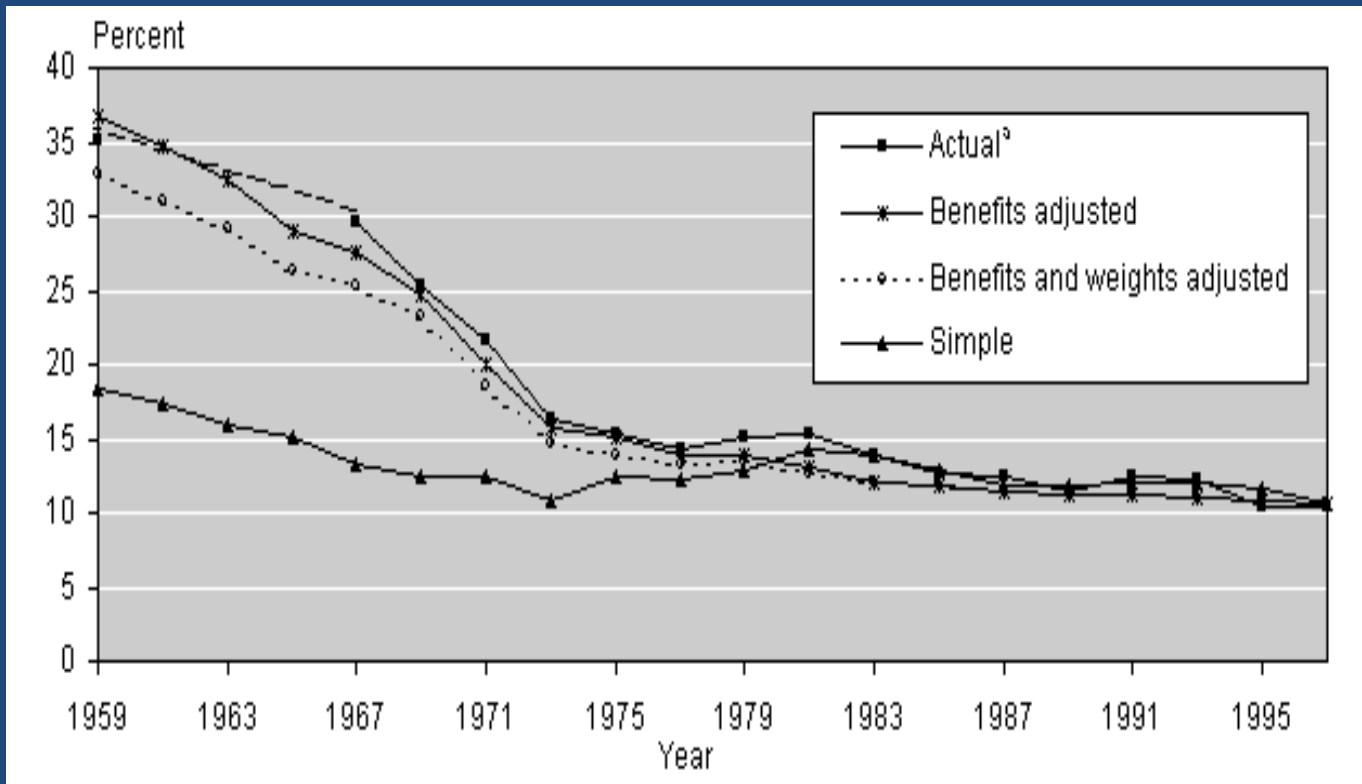
The Growth of Social Security



Shared Principles (until 1980s)

1. SS is an earned right & not means tested
2. SS should be contributory & self-financed
3. Benefits are related to wages & employment
4. Benefits should be universal & national
5. SS should be modestly redistributive
6. Participation in SS should be compulsory
7. Higher benefits and expanded eligibility are preferred policy goals
8. SS should be protected against inflation

Impact of SS & Medicare on Elderly Poverty



Who Receives Benefits Today?

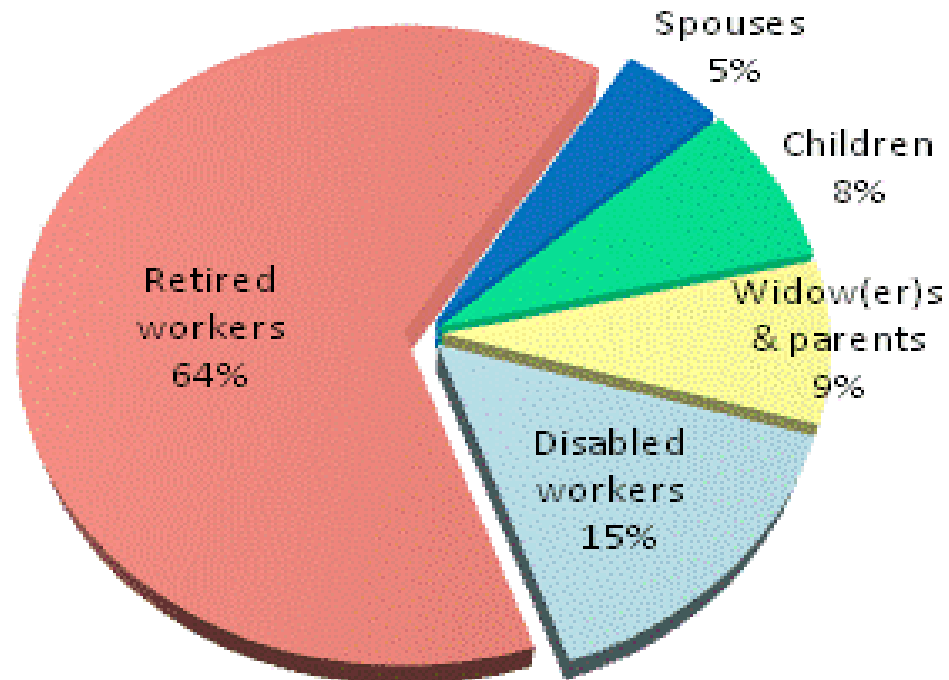
- Over 58 million persons
- Women are 56% of adult beneficiaries
- SS provides 50%+ of income for nearly 2/3 of beneficiaries.
- SS provides 90% of income for half of all elderly women & entire income for 1/3 of elderly African Americans & Latinos

Elderly Women of Color: A Particularly Vulnerable Population

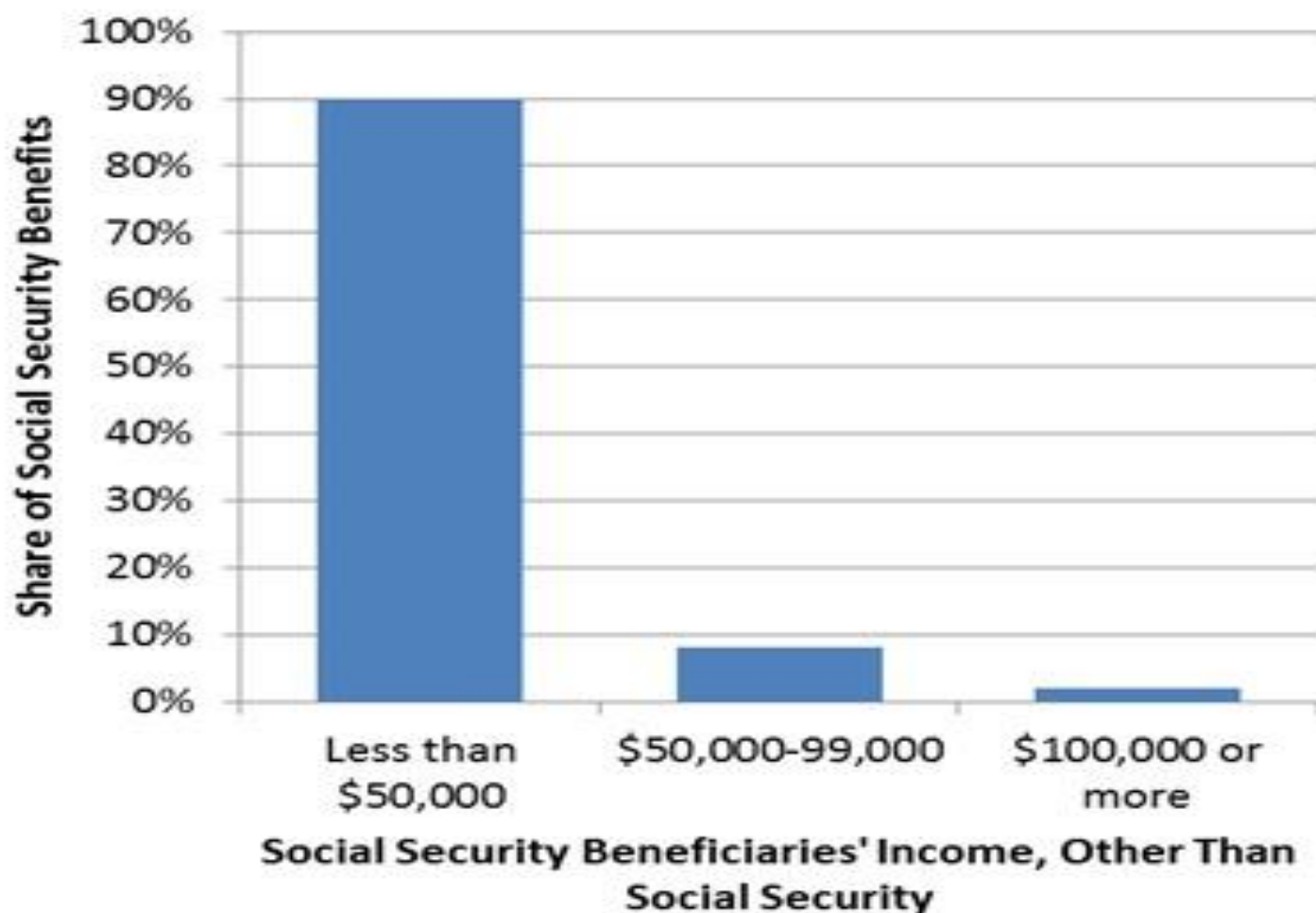


Who Receives Social Security?

Beneficiaries at end of 2010



Most Social Security Benefits Go to People Who Make Less than \$50,000 a Year

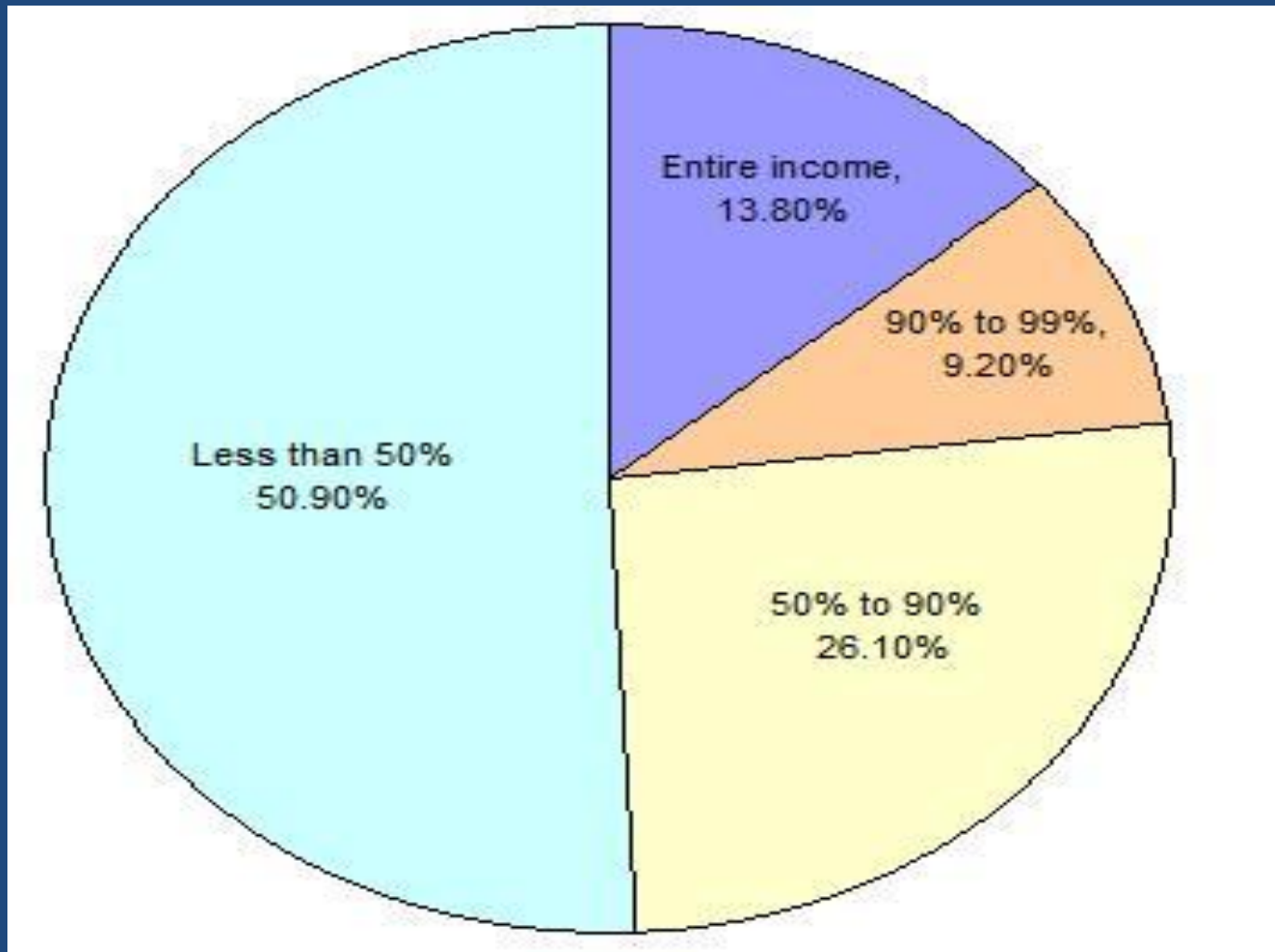


Sources: Center on Budget and Policy Priorities (CBPP), based on data from the Center for Economic and Policy Research (CEPR).

Average Monthly SS Benefits

- Retired worker: \$1,182
- Retired couple (worker + spouse): \$1,738
- Disabled worker: \$1,120
- Disabled worker w/spouse & child: \$1,669
- Widow(er): \$1,124 (higher as survivor)
- Young widow(er)with two children: \$2,618
- Maximum SSI: 674/.; 1,011/couple
- Maximum benefit for individual: \$2346 (higher if 67+ when first retired)

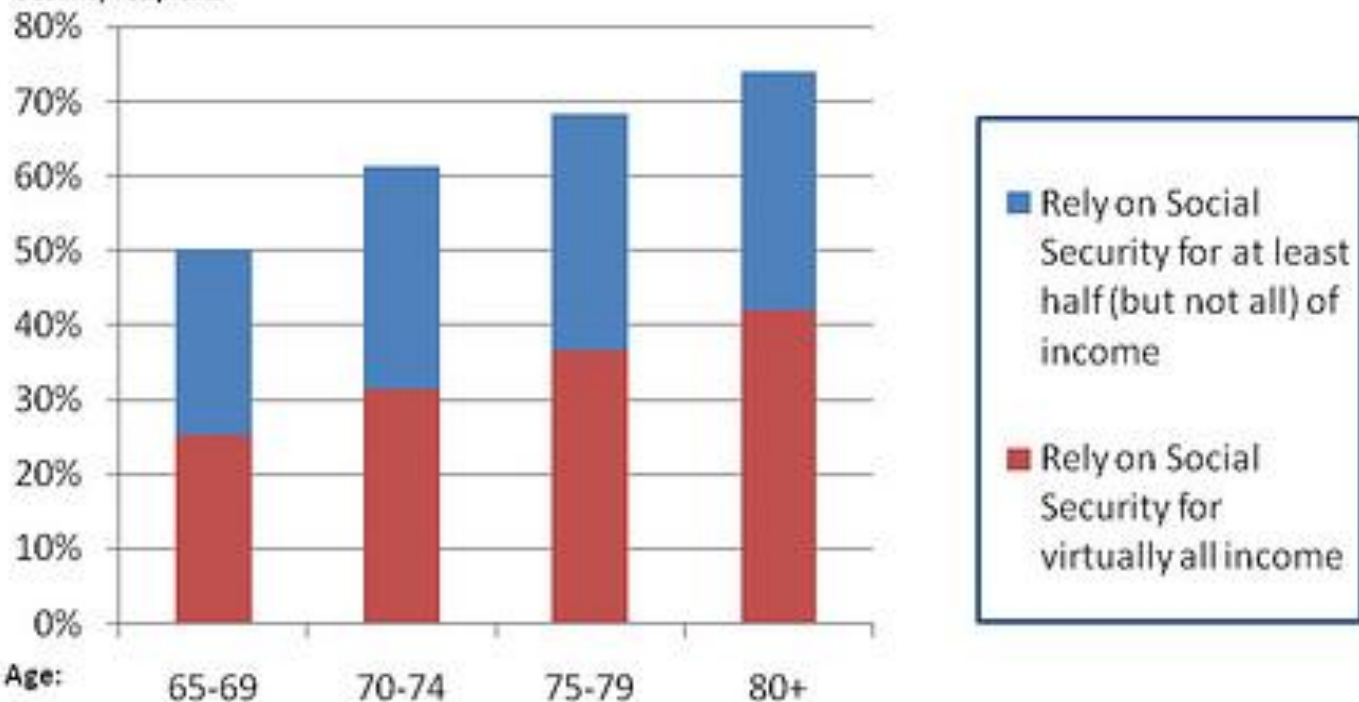
Reliance on Social Security



Reliance on Social Security Grows as Retirees Get Older

Chart #6

Percentage of Social Security recipients



Source: Social Security Administration's *Income of the Population 55 or Older, 2008* (Released April 2010)

Prepared by the Democratic Staff of the Committee on Ways and Means, Subcommittee on Social Security
Representative Xavier Becerra, Ranking Member

June 22, 2011

Is Social Security Socially Just?

- Funding of SS is funded by a regressive tax.
- Workers pay twice: In taxes and in cost of goods.
- Discriminates against women, especially married women, persons of color, gays & lesbians
- Maintains inequities in occupational structure
- Lacks health insurance for most of population
- Pensions not funded through general revenue
- Does not provide adequate return on savings

The Attack on Entitlements

- **Historical Resistance to the New Deal**
- **Linkage of SS & Medicare with Socialism**
- **Economic & Ideological Justifications**
- **Impact of Economic Globalization**
- **Impact of the Great Recession**
- **Entitlements as the New Wedge Issue**

Myths Behind the SS “Crisis”

- **Myth #1: Social Security is going broke.**
- **Myth #2: Raising the retirement age is necessary because people live longer.**
- **Myth #3: Trust Funds are full of IOU's.**
- **Myth #4: SS adds to the deficit crisis**

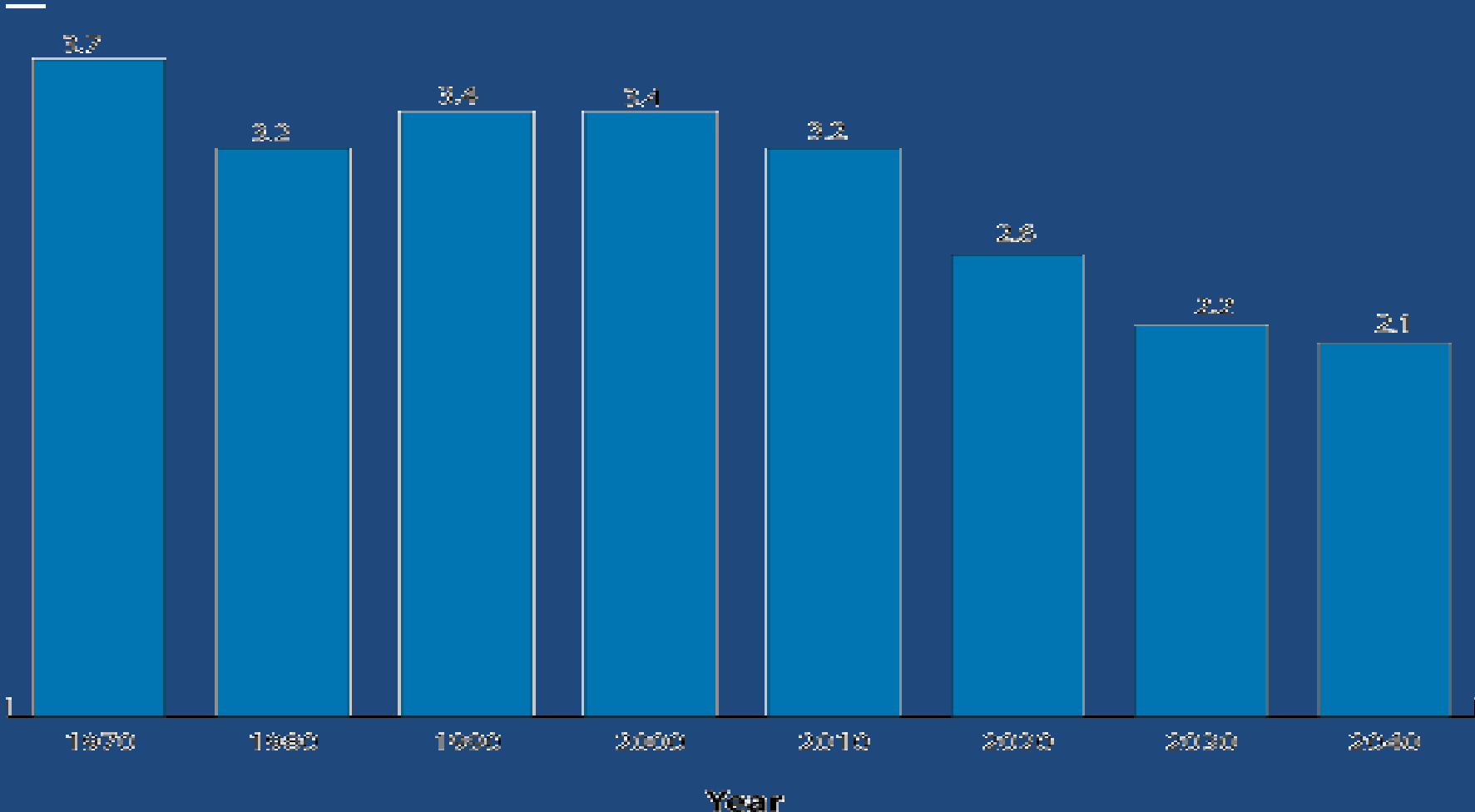
The Reality

1. By 2023, SS surplus will be \$4.6 Trillion. In 2010, it ran a surplus of ~\$83 Billion. By 2037, SS can still pay 75-78% of benefits (without any policy changes)
2. The main reason life expectancy up is a drop in child mortality. Different by class & race.
3. Trust funds hold trillions in U.S. T-Bills, not IOU's. Gov't has never missed a payment.
4. This is impossible (by law). In fact, SS has reduced the deficit for the past 25+ years.

Real Long-Term Problems

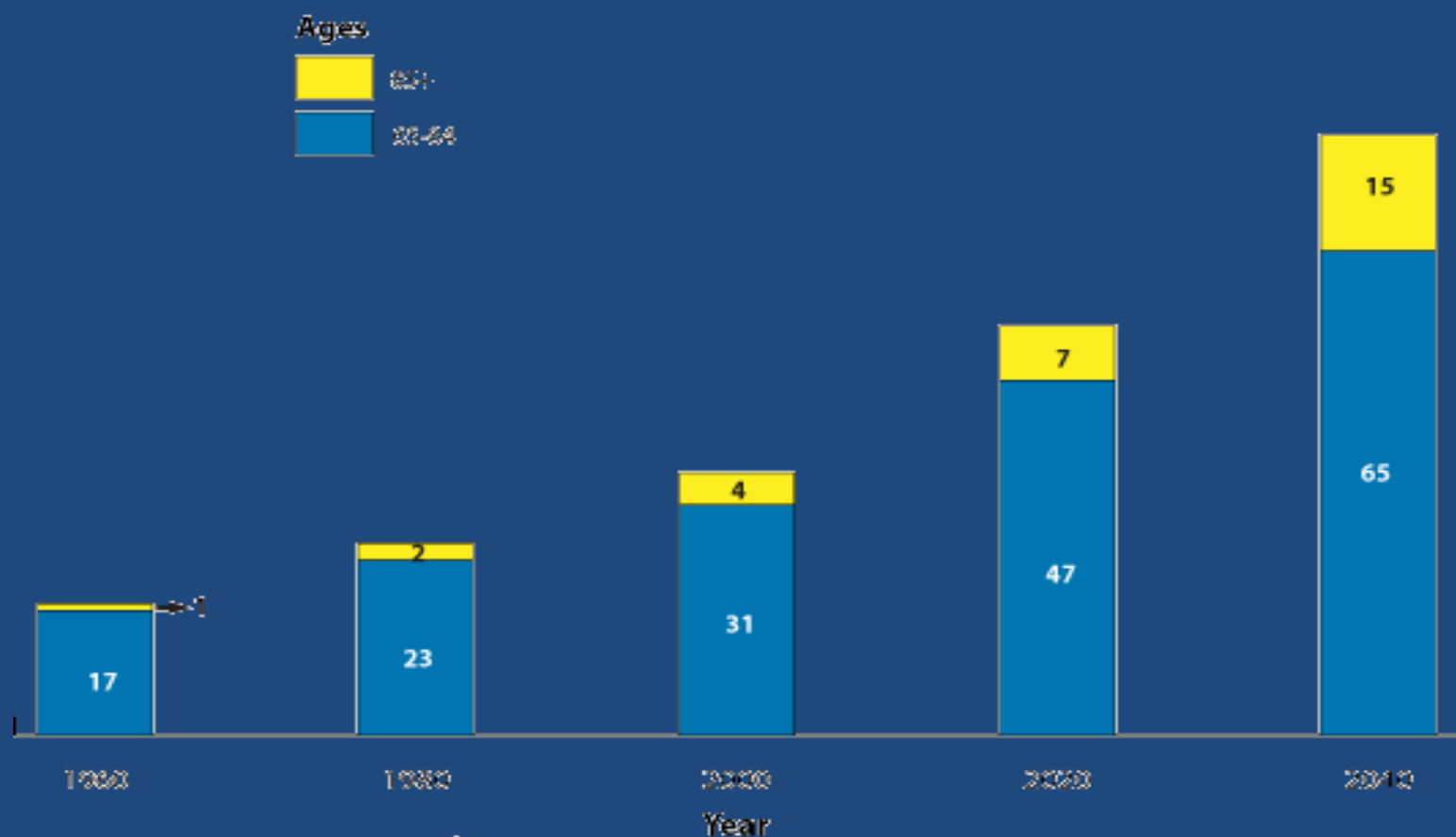
- ◎ People are living longer (good news/bad news)
- ◎ The worker-beneficiary ratio has dramatically declined. In 1935, it was 7:1. By 2050, it will be 2:1.
- ◎ Health care costs have soared, especially care for the “old old” (85+) are bankrupting Medicare.
- ◎ Ratio of elderly to children (nation’s neediest populations) has shifted dramatically since 1980.
- ◎ Demographic changes create the potential for inter-generational conflict: In 2050, elderly population will be 65% white & workforce will be more than 50% persons of color. Key: Inter-generational equity.

Number of Workers Per Social Security Beneficiary, 1970-2040



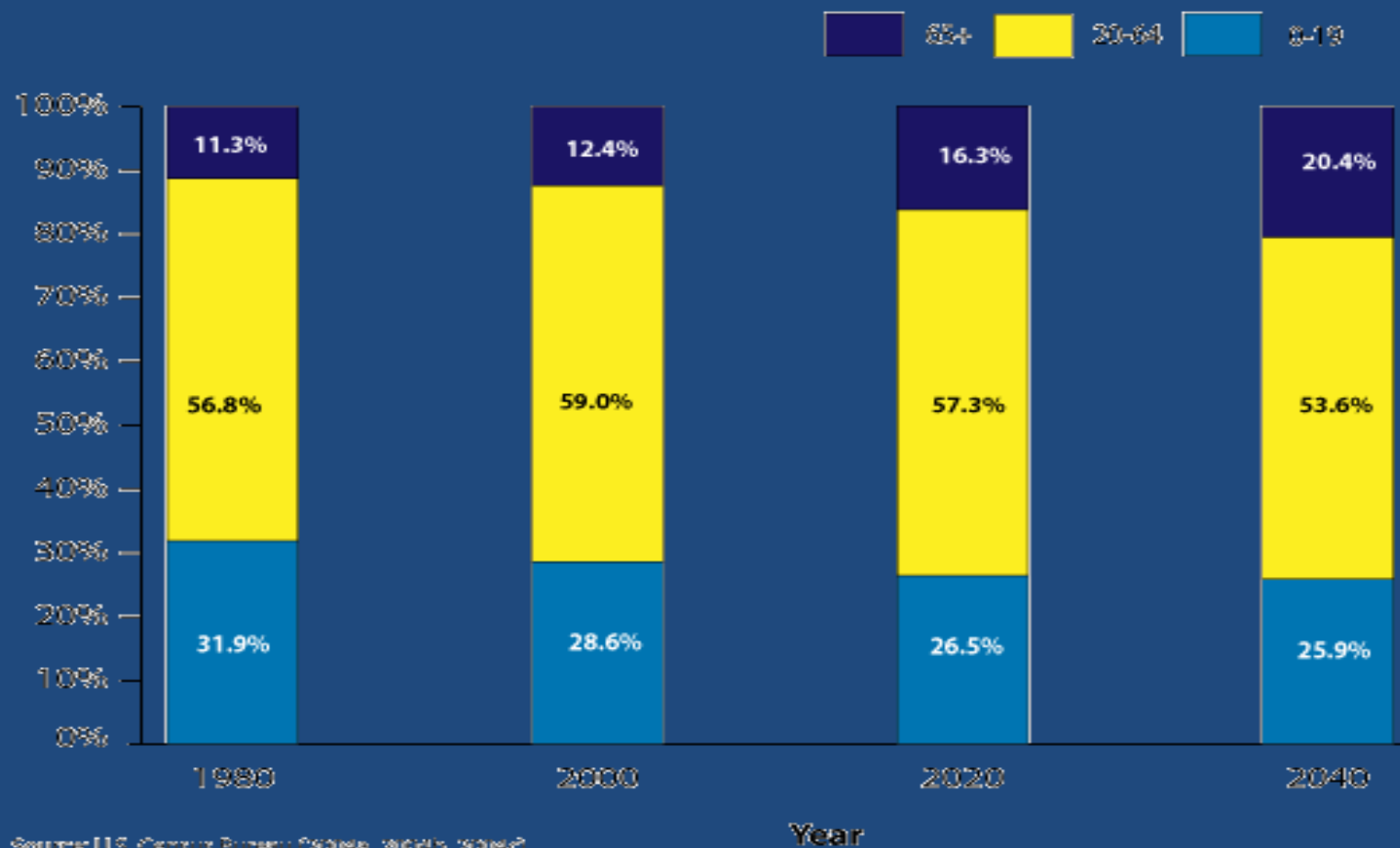
Source: Table F6.32 in Social Security Administration (2004b).

Number of Older Americans, 1960-2040 (in millions)



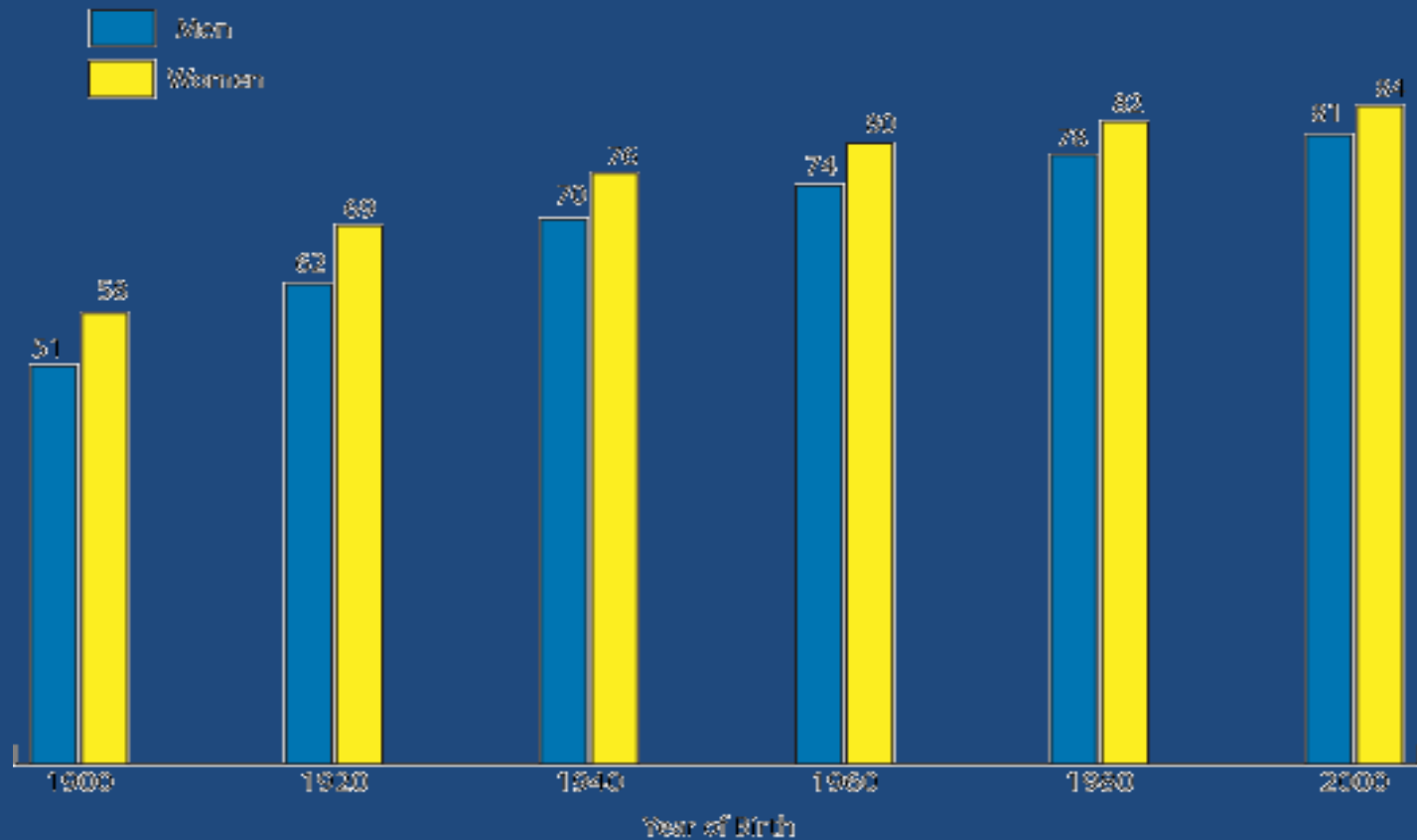
Source: U.S. Census Bureau (2007a, 2007b, 2009a).

Age Distribution of the Population, 1980-2040



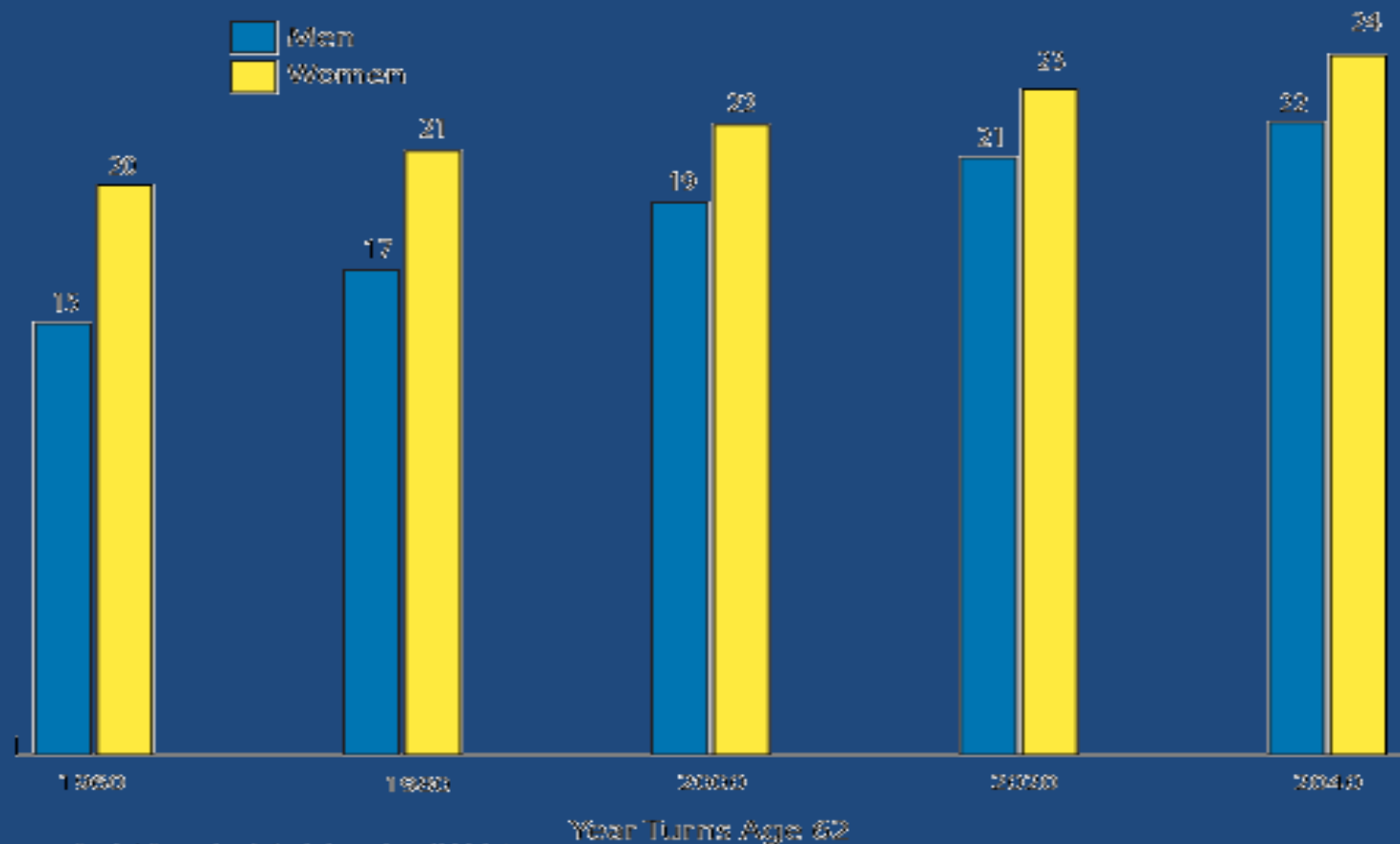
Source: U.S. Census Bureau (2000, 2007, 2008).

Years of Life Expectancy at Birth by Sex, 1900-2000

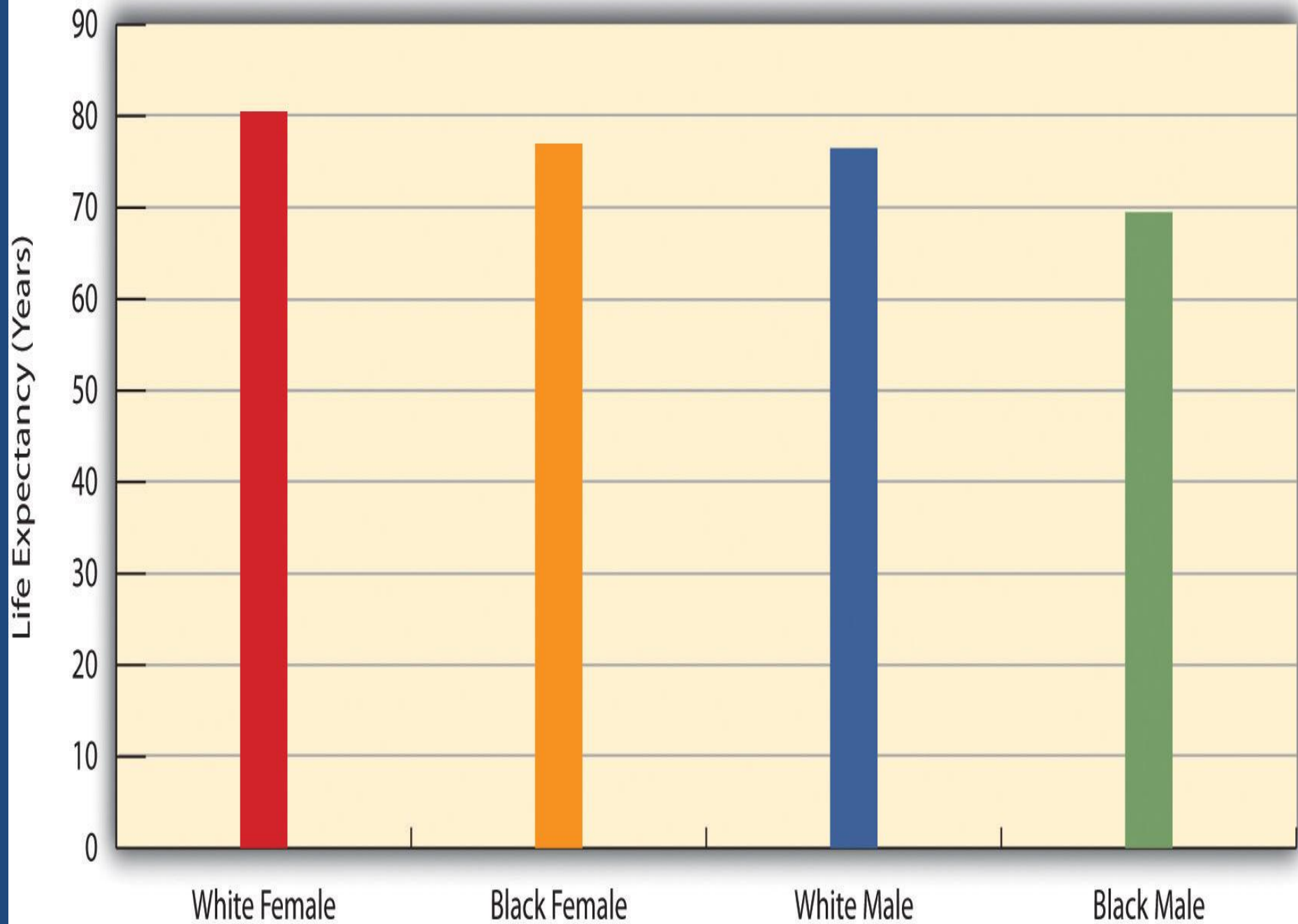


Source: Social Security Administration (2008).

Remaining Years of Life Expectancy at Age 62, 1960-2040



Source: Social Security Administration (2008c).



How to “Bailout” SS:

Different Ideas

1. Increase payroll tax
2. Make SS tax more progressive
3. Use general revenue
4. Reduce benefits
5. Raise retirement age to 69 or 70
6. Tighten definition of disability (for SSI)
7. Tax benefits at higher rate
8. Subject Benefits to a means test
9. Privatize all or part of the SS system
10. Create a 2-tiered system

Social Justice as an Inter-Generational Issue: Poverty

- Widening gap in income and wealth in US**
- Increasing intensification of poverty**
- Growing racial disparities in health, mental health, education, housing, and employment**
- Impact of economic globalization: Injustice as an increasingly worldwide phenomenon**
- Global manifestations of challenges for the elderly and intergenerational equity**



INTERESTING.
THE GAP BETWEEN
RICH AND POOR
IS NOT AS GREAT
AS WE THOUGHT

Michael Adams
31 DEC '07

Social Justice & Poverty Post-1980

- ◎ Late 1950s-1980, poverty dropped especially among the elderly (~22-23% to 11%).
- ◎ Poverty rate is 15.1%, up from 11.7% in 2000 (15 yr high). Over 46.2 M are poor.
- ◎ Since 1980, racial & ethnic minorities are 2.5 -3 times more likely to be poor.
- ◎ Today over ¼ of African Americans & Latinos. Unmarried female-headed families: 38.5%.
- ◎ Deep poverty (< 50%) is much higher among African Americans (11.9%), Latinos (10.4%) & unmarried female-headed families (14%).

Poverty Rates by Race and Hispanic Origin: 1959 to 2010

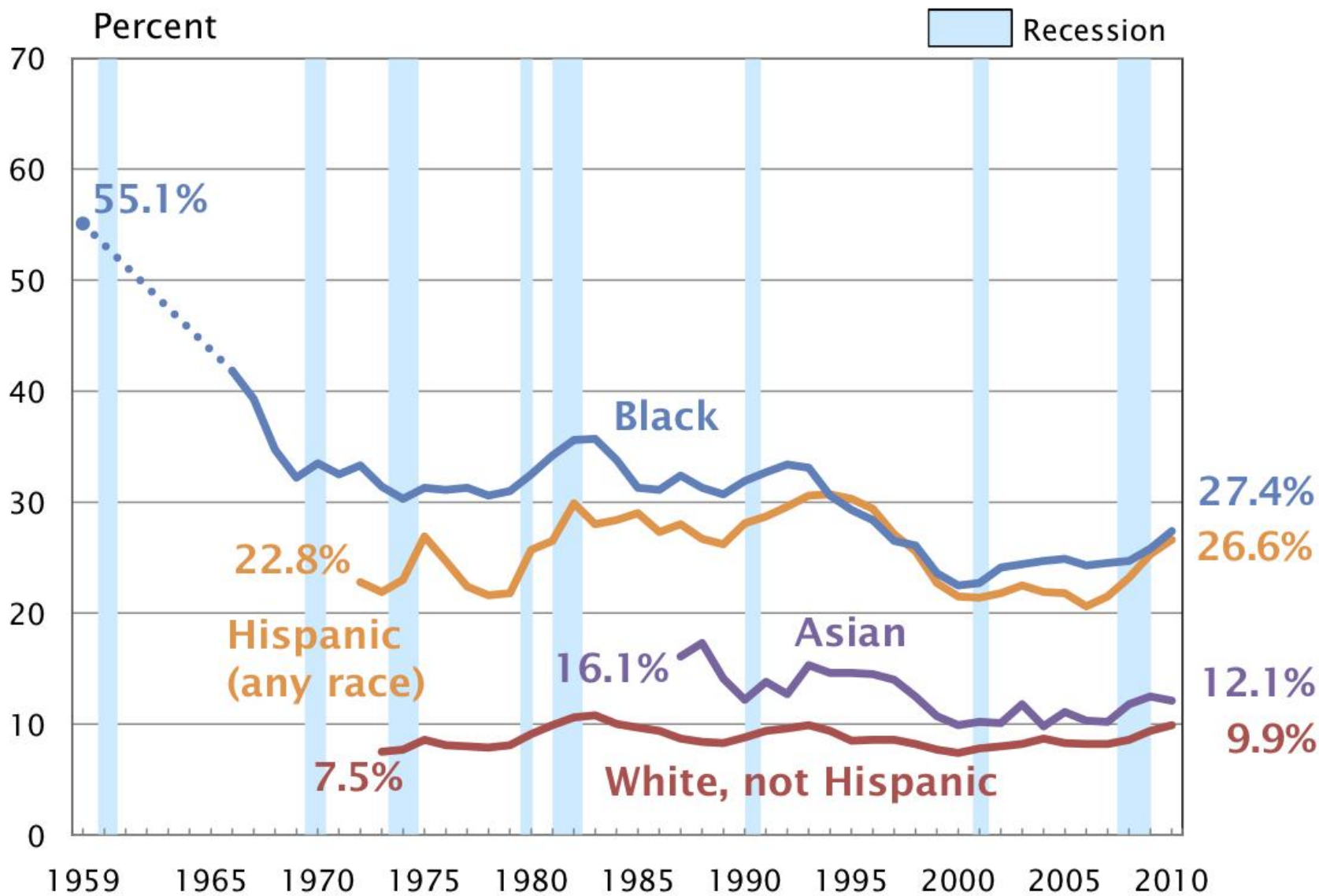
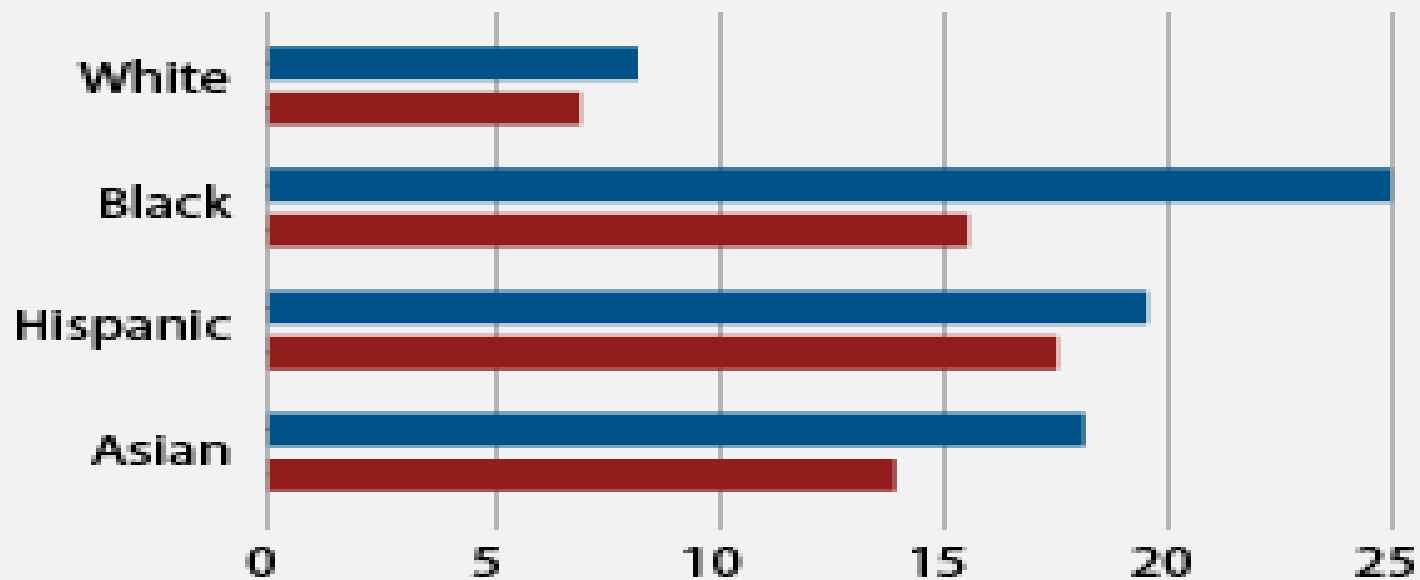


FIGURE 1

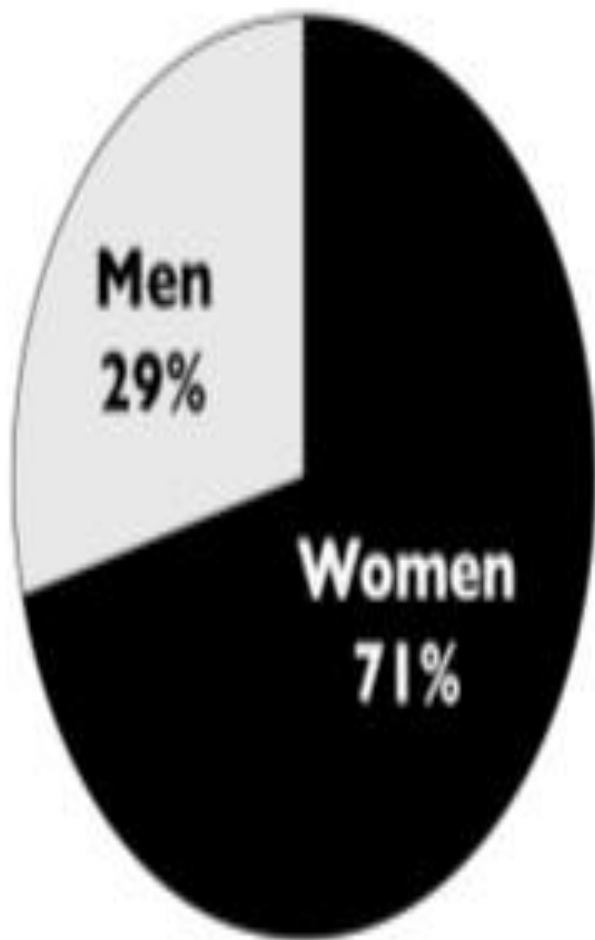
Scraping by

Percentage of seniors living at or below 100 percent of the poverty line by race

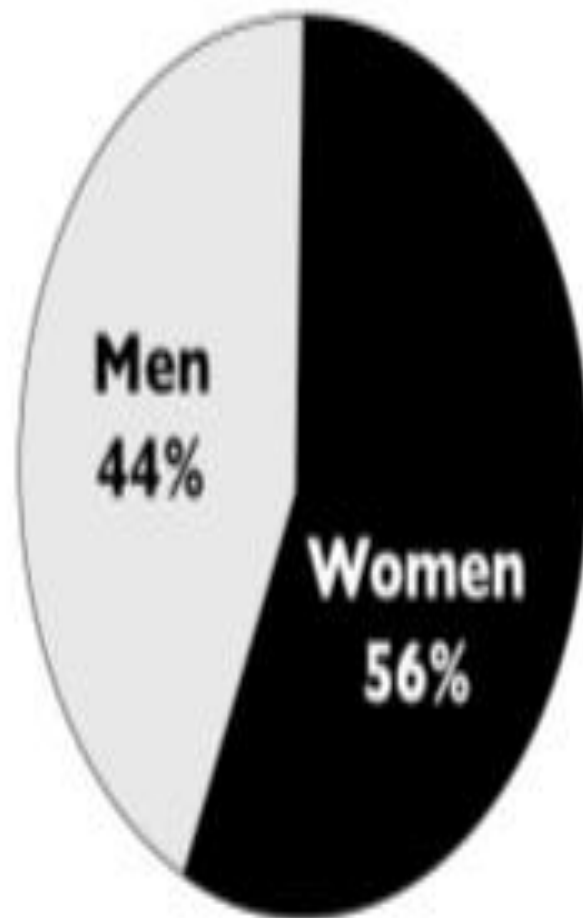
- Ages 75 and older
- Ages 65–74

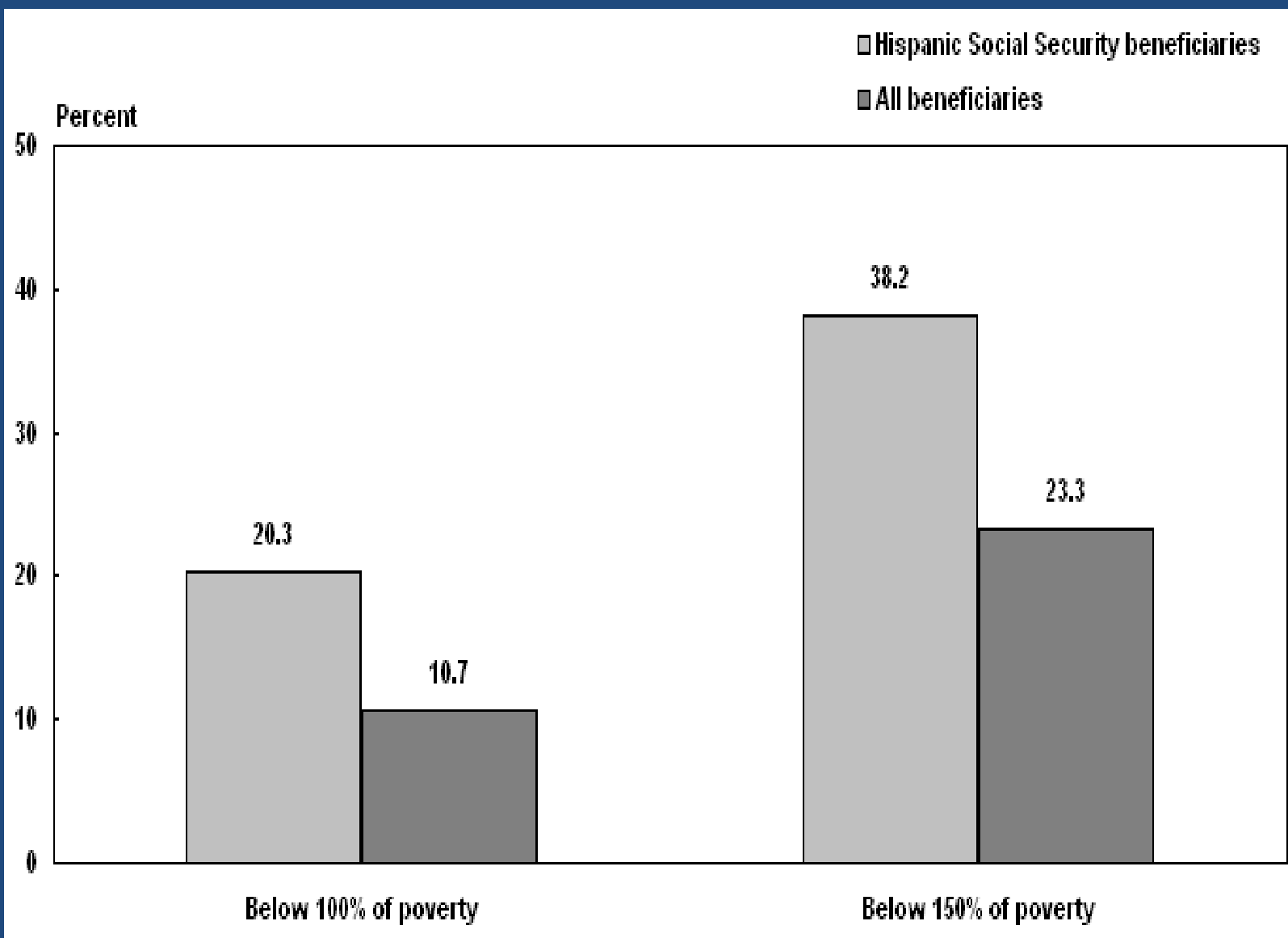


Elderly SSI Beneficiaries



Adult (age 18 to 64) SSI Beneficiaries with Disabilities





Women & Poverty

- Adult women 32% more likely to be poor.
- Elderly women and female single parents are 62% more likely to be poor.
- At every educational level, women are more likely to be poor.
- U.S. has the highest rate of poverty for female-headed households among the 22 most industrialized nations, about 3 times higher than average.

Child Poverty

- Overall rate increased to 20.7%. Highest in industrialized world.
- 35.7% of African American children
- 37.8% in Baltimore. 43% in DC among African Americans (31% in 2007)
- 1/3 of all young families in the US are poor

Unemployment & Poverty

- Official unemployment rate is now 9.1%.
- Real unemployment rate is ~16-23%.
- For African Americans it is 15.3%; For Latinos it is 12.7%; For teens 23.9%.
- Over two million people over 55 are unemployed (a record for this age cohort).
- Number of Americans receiving UI up over 200% since recession started (10 Million).
- Without UI, another 3.2 M would be poor
- W/o EITC, another 5.4 M would be poor

The Long-term Impact

- Over half of U.S. population is poor at some time before age 65, esp. when young.
- 91% of African Americans are poor at some time
- Key factors: Race, household status, education
- Individuals have 1/3 chance of escaping poverty in a given year BUT
- ~1/2 who escape poverty are poor again in 5 years.
- For those poor for 5+ years, more than 2/3 who escape poverty are poor again within 5 years.

The Real Poverty Rate

- Poverty line not adjusted since early 1960s.
- Underestimates poverty in 3 ways. It excludes:
 - Homeless persons & prisoners;
 - People “doubled up” or living with family;
- Poverty thresholds way too low, especially in high cost areas like Maryland and DC.
- If poverty line was ~\$25,000, ~1/3 of the US population would be poor (100 M).
- 75% of Americans have incomes below \$50,000/year.

Who is Most Vulnerable Today to Poverty in the U.S.?

- ◎ People of color & female headed households
- ◎ Children & elderly women, especially of color
- ◎ People with disabilities & chronic health or mental health issues
- ◎ Immigrants & refugees, especially those from developing nations
- ◎ Individuals with low levels of education
- ◎ Young families (1/3 are in poverty)

Key: Each of the above factors increases the likelihood of poverty in individuals/families

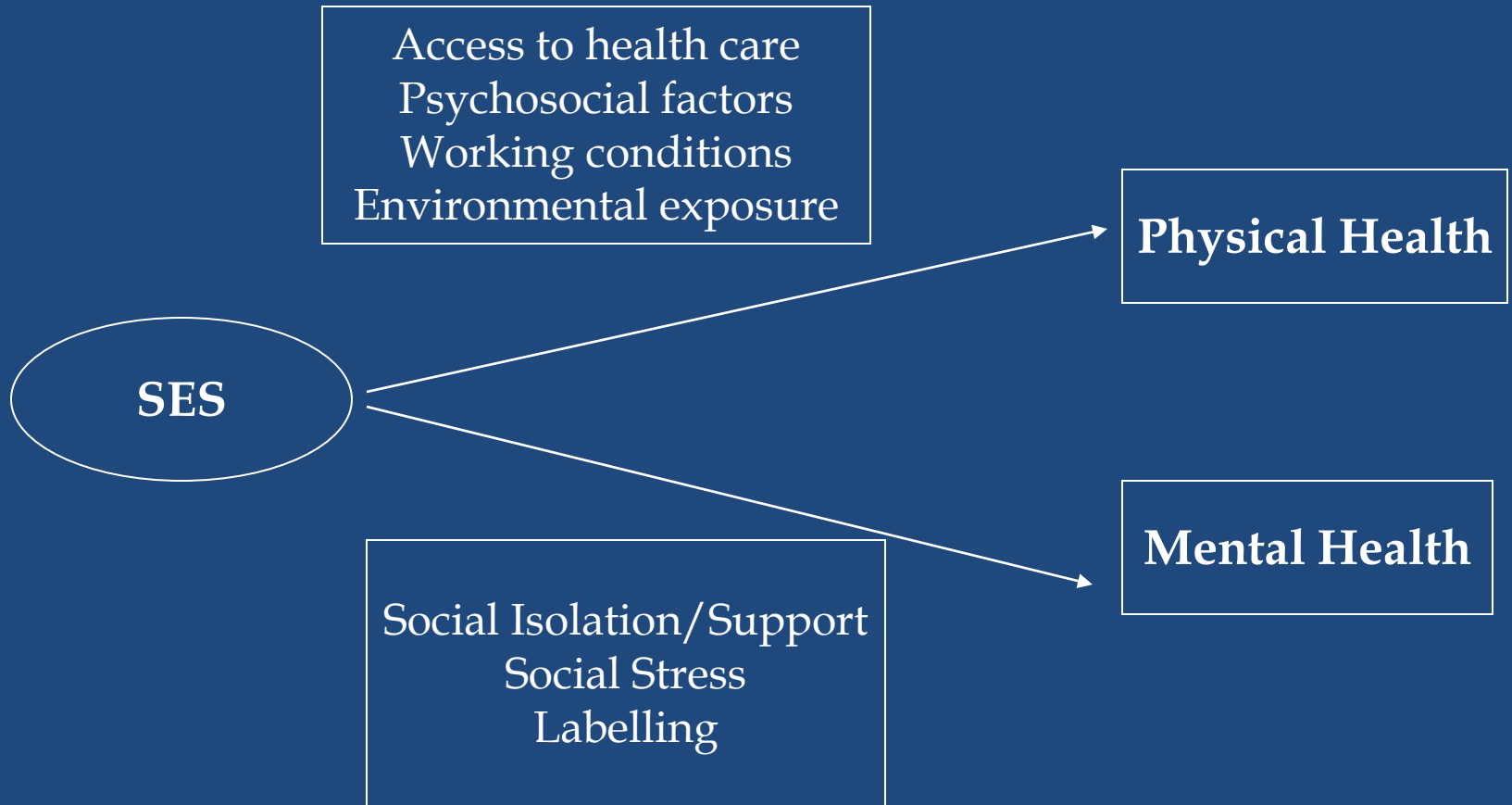
Social Justice & Health & MH Care: Medicare & the Elderly

- **~43 M elderly Americans w/14% of budget**
- **~1/2 recipients earn below 200% of poverty**
- **Costs will increase dramatically: Implications.
Funding crisis in less than 10 years**
- **Lack of LTC & comprehensive drug coverage**
- **Greater cost problem for recipients over 85**
- **Medicaid is largest source of income for
elderly in nursing homes**

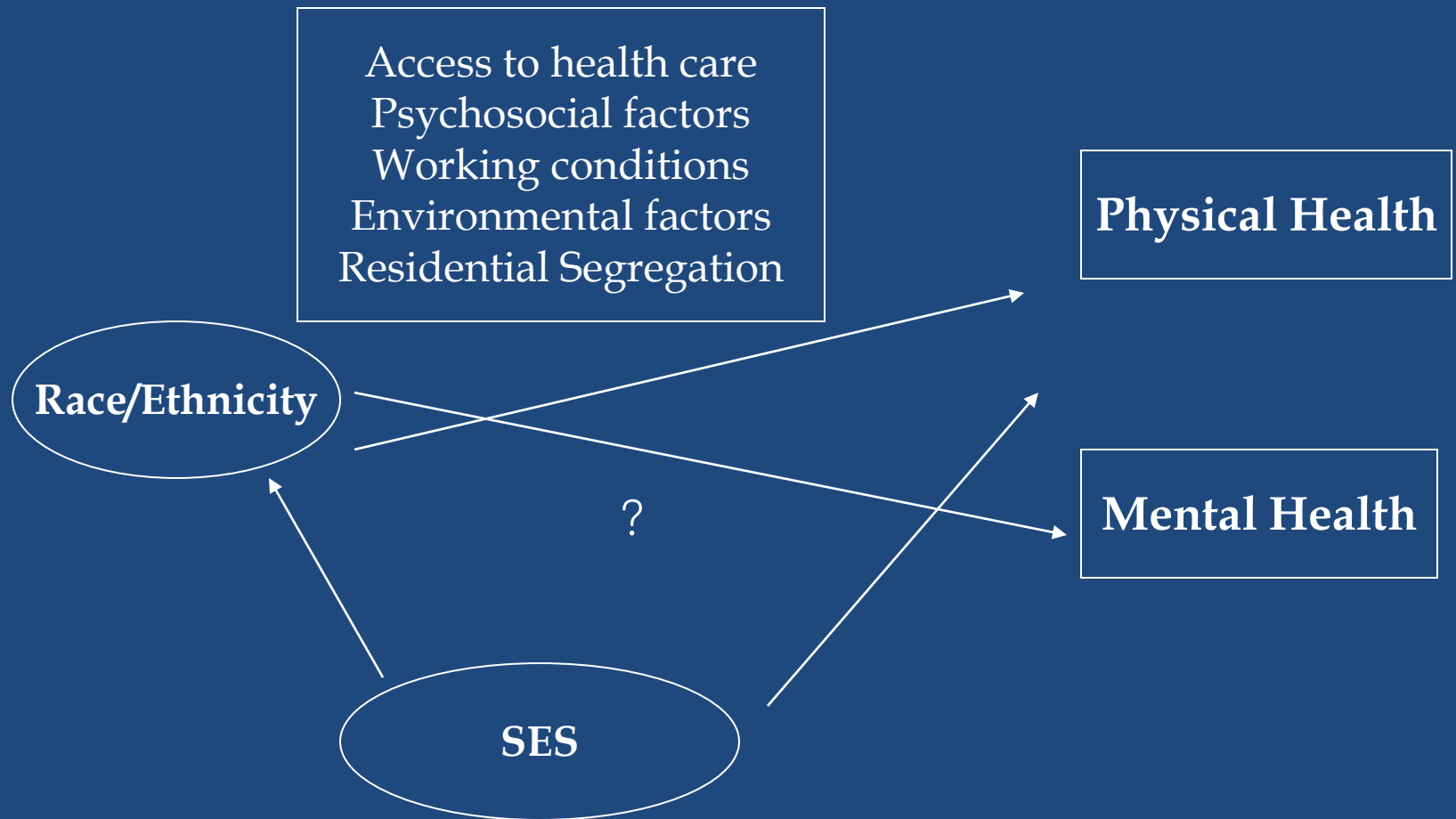
Broader Inequalities in Health and Mental Health in the U.S.

- ▣ Different groups are differentially affected by certain health & mental health problems due to:
 - Race/ethnicity, age, gender, socioeconomic status, geographic location, occupation, & sexual orientation
- ▣ Health & mental health disparities have a reciprocal relationship with inequalities in other domains, e.g.
 - Social, political, and economic conditions
 - Education
 - Housing
 - Environmental pollution

Inequalities in Health & Mental Health



Inequalities in Health & Mental Health



Obstacles to Social Justice in Health & Mental Health Care

- **Absence of Care**
- **Accessibility**
- **Accountability**
- **Affordability**
- **Allocation**
- **Appropriateness**
- **Quality of Care**

Social Justice & Absence of Care

- ▣ Post-Hospitalization/Rehabilitation Care
- ▣ Preventive Programs
- ▣ Long-Term Care for Chronic Illness
- ▣ Oral Health/Dental Care
- ▣ Mental Health Care: Stigma & Limitations
- ▣ Prescription Drugs & Medical Equipment
- ▣ Discrimination in Coverage v. Gays & Lesbians
- ▣ Lack of Portability of Insurance Coverage
- ▣ Lifetime Caps in Benefits

Social Justice & Access to Care

- ▣ Maldistribution of Health Care Providers Especially in Rural Areas
- ▣ Lack of Preventive, Primary Care & Public Health
- ▣ Lack of Programs for Women, Gays, & Racial Minorities and w/Cultural & Language Sensitivity
- ▣ Denial of Care Because of: Pre-Existing Conditions; Immigration Status; Differences in States' Medicaid Coverage and Eligibility Rules
- ▣ Loss of Insurance Due to Unemployment and Fiscal Cutbacks (State Gov'ts, Corporations)

Affordability of Care

- **Lack of Health Insurance (~50 million)**
- **Millions have inadequate Health Insurance**
- **Reliance on Employer-Sponsored Insurance**
- **High Deductibles and Co-Payments**
- **High Cost of Prescription Medications**
- **High Cost of In-Home After Care**
- **High Transportation Costs**
- **State Cutbacks of Medicaid and SCHIP**

Appropriateness of Care

- ▣ Differential coverage due to employment status, income, geographic location, age, gender, race
- ▣ Lack of research on different health issues and needs of women & persons of color.
- ▣ Relationship between health/mental health disparities and other manifestations of inequality including socio-economic status, social isolation/support, stress
- ▣ Variations in quality of health/mental health care across populations, age cohorts, regions.

Promoting Social Justice in Health & Mental Health Policy

- ▣ Hold vulnerable groups harmless
- ▣ Emphasize mutuality, reciprocity, humanity
- ▣ Focus on prevention
- ▣ Stress multiple forms of care at multiple levels via multiple points to facilitate access.
- ▣ Create democratic participation at all levels.

Enhance Access

- **Create government-funded health care facilities, especially in inner cities and rural areas.**
- **Provide incentives to develop private facilities**
- **Provide incentives for health care providers to practice in under-served areas**
- **Link provision of health care to established institutions**
- **Utilize advanced technology to increase access to diagnostic centers and facilitate coordinated care.**

Expand Care

- ▣ Extend coverage to include MH & Dental Care
- ▣ Eliminate ban on pre-existing conditions & lifetime caps on expenditures
- ▣ Add LTC and post-hospitalization coverage
- ▣ Provide domestic partner coverage
- ▣ Make employer-sponsored insurance portable
- ▣ Create more satellite and primary care clinics
- ▣ Use greater variety of health care professionals
- ▣ Promote more self-care through public education and expanded use of technology

Increase Affordability

- Provide subsidies or tax credits for purchase of private health insurance
- Have gov't provide insurance (like Medicare)
- Create nat'l health care system (like VA, military)
- Link provision of health care to other systems (e.g., school-based health care, employment)
- Cap costs of payments/insurer profits/drugs, etc.
- Purchase drugs in bulk from other providers

Allocate Health & Mental Health Resources More Equitably

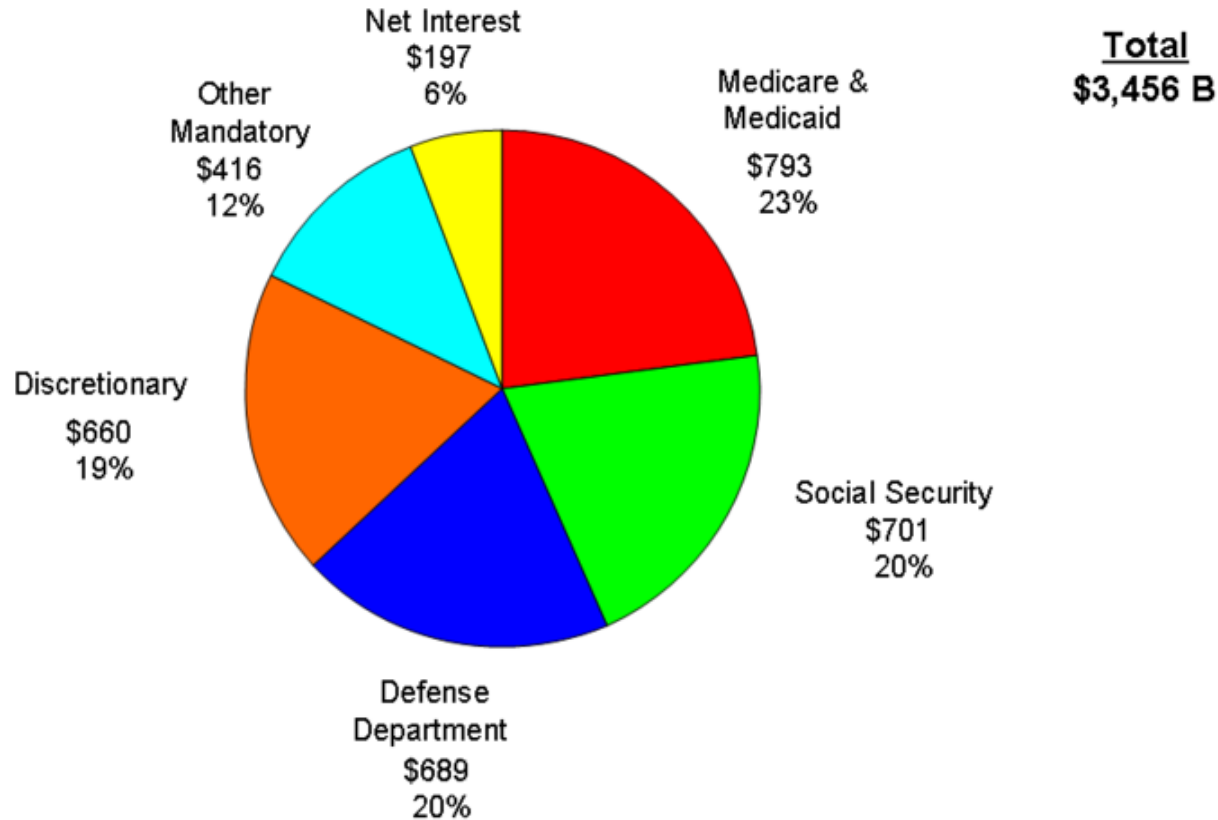
- ▣ Create universal health care system for all
- ▣ Prioritize needs of most vulnerable populations
- ▣ Focus on primary & emergency care provision
- ▣ Invest in programs for underserved pops.
- ▣ Create mental health parity
- ▣ Address structural causes of disparities
- ▣ Restrict access to tertiary care facilities
- ▣ Create means test for Medicare & other benefits
- ▣ Spend more on public education
- ▣ Introduce administrative efficiencies

Creating a Socially Just Society for All: Two Difficult Challenges for Policy in the 21st Century

1. Applying justice concepts based on individual rights to group needs & concerns in social policies
2. Reconciling conflicting views of social justice in a diverse society

The Budget & Social Justice

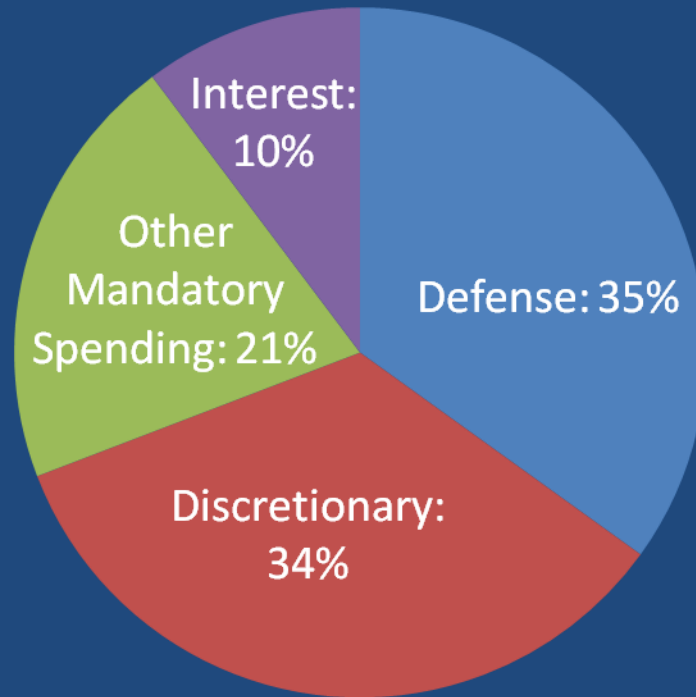
U.S. Federal Spending – Fiscal Year 2010 (\$ Billion)



Source Data: CBO Historical Tables

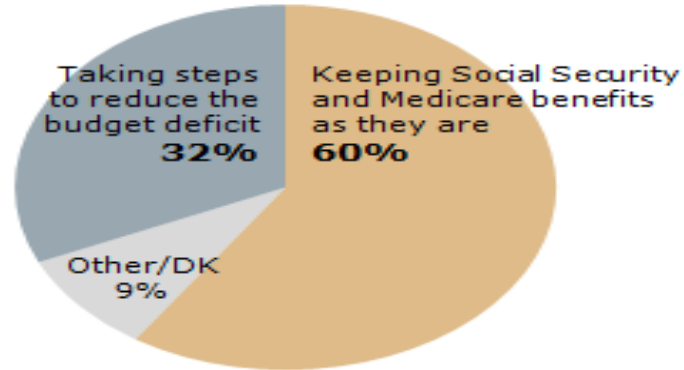
A Revised View of the Federal Budget

Removing SS & Medicare from the 2010 Budget

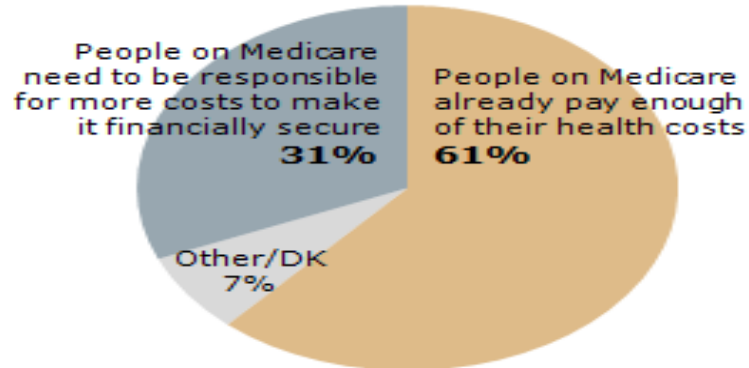


In Entitlement Debate, Most Want to Maintain Benefits

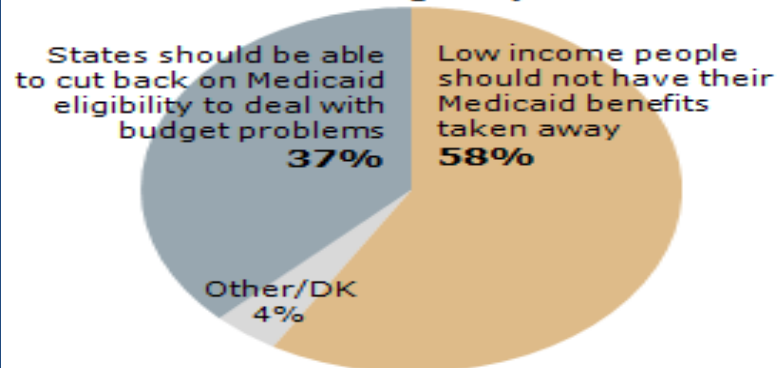
Which is more important ...



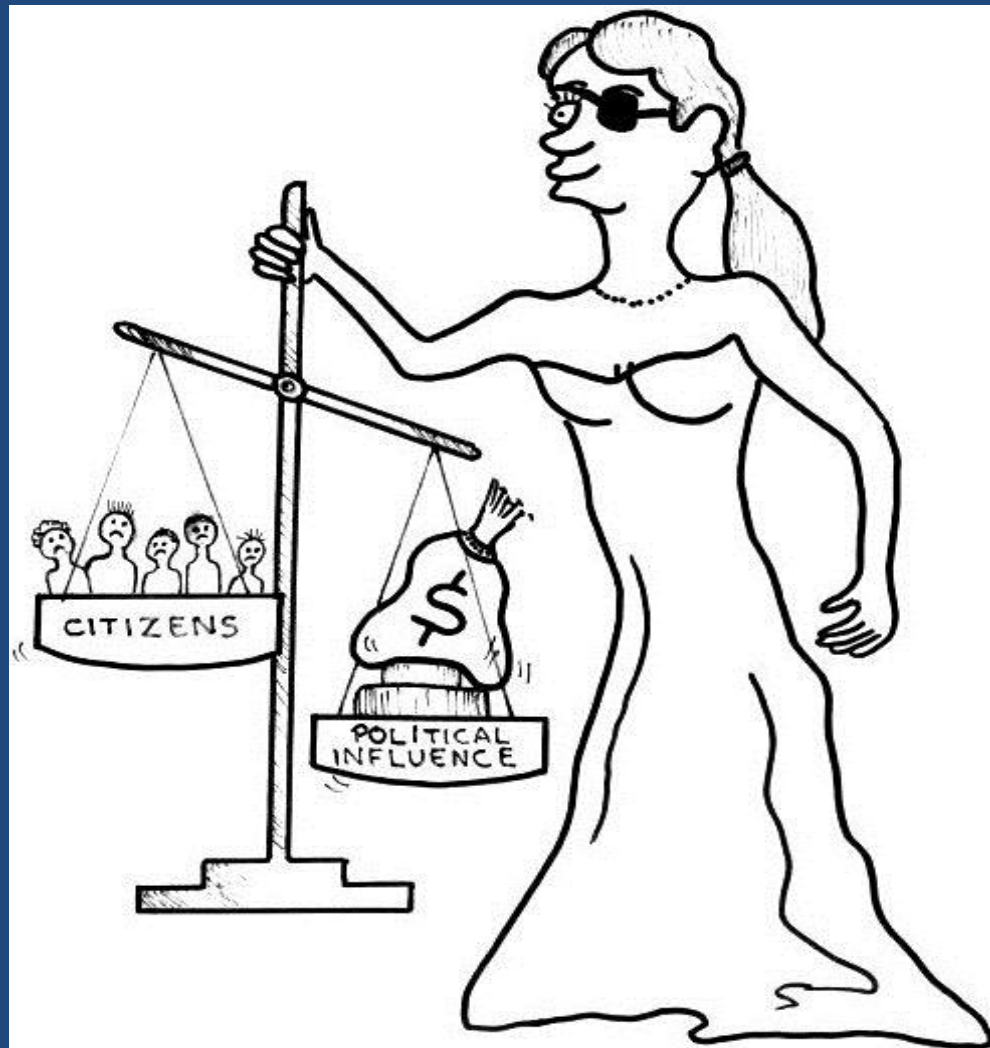
Dealing with Medicare Costs



States and Medicaid Eligibility



The Challenge of Creating A Socially Just Society



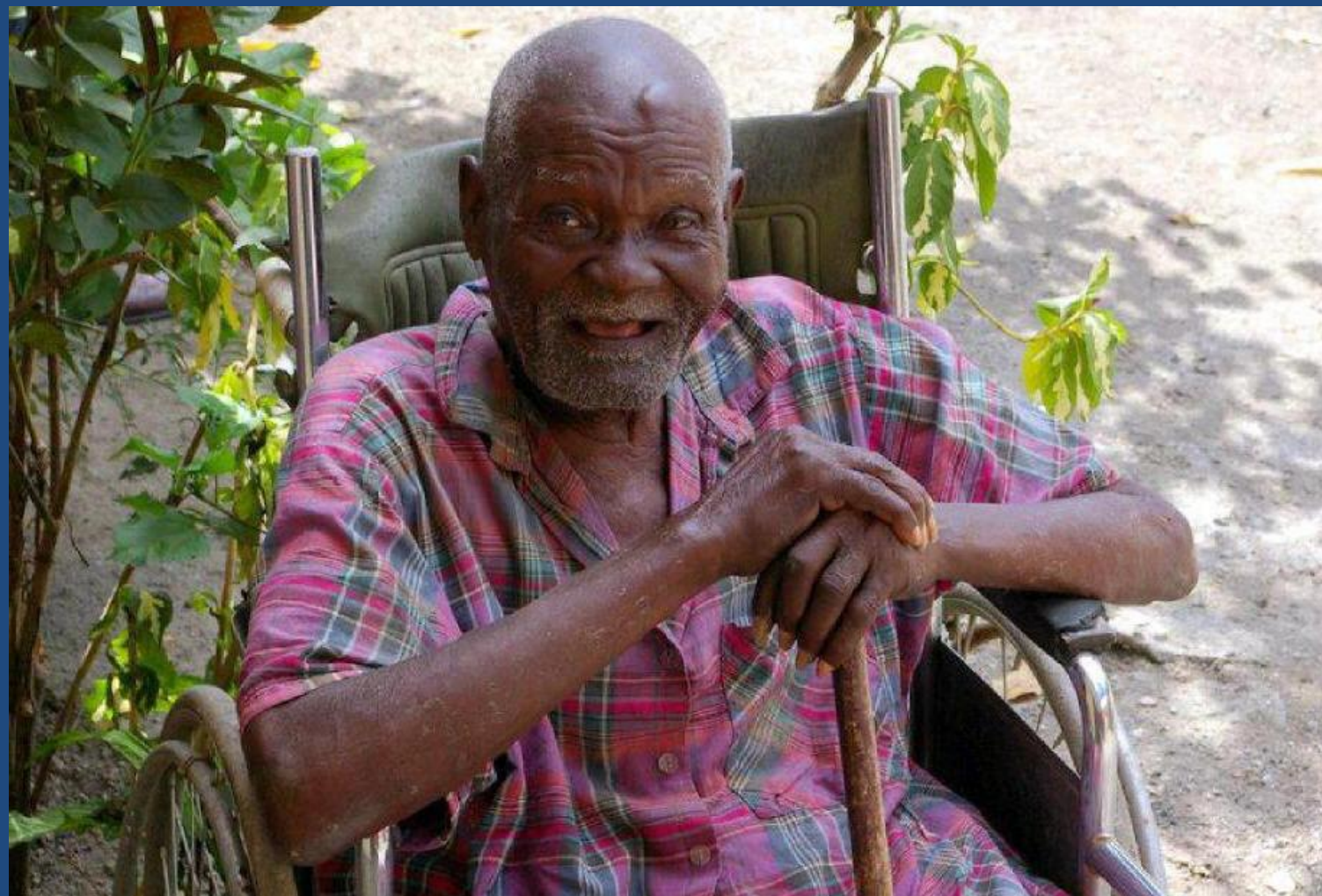
Social Justice & Social Policy: A Synthesis for the 21st Century

- **Hold vulnerable groups harmless**
- **Recognize collective responsibility & interdependence (nationally & globally)**
- **Focus on prevention**
- **Stress multiple forms of helping & access**
- **Emphasize universal rights and unique needs**
- **Promote greater democratic participation**

The Alternatives: Despair



Or Greater Well-Being



**THANK YOU FOR YOUR
ATTENTION**

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