

grandparent program. Public Law 89-73, 89th Congress, dated July 14, 1965, creating the Administration on Aging and section 202 specifying the functions of the AOA provide the authority for the Administration to participate with OEO in this program. The specific agreement between these two agencies is set forth in a letter of memorandum between them dated June 30, 1965, and in a subsequent memorandum of agreement dated December 3, 1965.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) It is estimated that approximately \$3,100,000 of the \$5,400,000 allotted for the program will be paid to impoverished older people; that \$1,600,000 will be paid in salaries to supervisory personnel; and that \$500,000 will be paid for nonwage and salary items. As indicated in the table above, there will be an estimated aggregate contribution of \$375,000 by local sponsors.

(b) The program provides 200 new supervisory positions and 2,500 placements of older persons. It is anticipated that a considerable number of these people will continue to have employment by the sponsoring organizations or by similar agencies.

(c) Not applicable.

(d) Almost the entire expenditure for the program should be reflected in employment and increased purchasing power of the wage and salary recipients.

(e) It is expected that there will be at least three notable non-economic effects: (1) improved personality development, social participation, and life satisfaction for the recipients of the services; (2) a knowledge on the part of the foster grandparents that they still have a contributory, hence, a useful place in society; and (3) recognition on the part of professional personnel that low-income, lay older persons have the interest, energy, and skills to provide significant services to other people.

(f) No observance of differentials as yet.

(g) Not measurable except that 86 percent of the allotment of \$5,400,000 or \$4.9 million represents a new contribution to the GNP and to aggregate national income and purchasing power.

10. *Economic classifications of program expenditures*

Not applicable; the program was not in operation during 1965.