

Of particular importance in H.R. 3651 is section 5 which directs the Secretary of Labor to undertake a study of institutional and other arrangements giving rise to involuntary retirement. The long-term consequences of retirement trends raise important questions of public policy. These trends have been toward mandatory retirement, early retirement, and retirement at higher benefit levels. We are attempting to solve the economic aspects of aging through retirement rather than employment. Retirement is often a substitute for the job creation which results from healthy economic growth. Retirement frequently conceals unemployment. Early retirement is often a device to spread the number of jobs in an industry.

Do we want an ever-increasing number of older, potentially productive people not working? Do we want an aging person to have some alternatives—full-time employment, part-time employment, full-time retirement?

Economist John T. Dunlop of Harvard, speaking at the 1965 NCOA Seminar on Automation, Manpower, and Retirement Policy, said:

On the basis of the vast differences among the aging, policies permitting wide diversities in retirement among individuals would appear appropriate. On philosophical grounds, after a lifetime of developing an individuality, it would appear that older workers would prefer more than a few standardized options relating to the timing, form and extent of retirement.

There are currently about 18 million persons aged 65 and over. Approximately one-fifth of these are employed. This one-fifth receives one-third of the total aggregate income received by all persons aged 65 and over. Many of the remaining retired four-fifths need and want jobs. They need and want jobs for economic and psychological reasons. Retirement is not the answer for all of them.

The Bureau of Labor Statistics modest but adequate budgets for older individuals and couples are met only by those persons aged 65 and over who have a private pension in addition to their social security benefits, yet only 15 percent of persons aged 65 and over are receiving private pension benefits.

In summary, we endorse the principle of legislation prohibiting discrimination in employment of workers age 45 to 65, particularly where that legislation provides for remedial action to assist positively the older workers, and where the legislation provides for a study of involuntary retirement. This legislation is especially important at this time of high employment, when, as the Council of Economic Advisers has told us, in order to control inflation, we must assist the hard-core unemployed through special programs rather than through any further stimulation of the national economy.

Mr. DENT. Thank you, Mr. Sprague.

I notice in earlier statements you referred to the fact the worker between the ages 45 and 65 finds oftentimes his only recourse is the public community relief rolls, or relatives, or spending of any savings that he may have.

Mr. SPRAGUE. Yes, sir.

Mr. DENT. Have you ever in your studies made an attempt to get from State governments a breakdown of the age bracket of the relief cases carried by a particular State?

Mr. SPRAGUE. No; I never have.

Mr. DENT. From the facts that are known to some of us, we note relief cases are usually family units made up of two or more children.