

The earnings projections made here and elsewhere may prove to be optimistic. Moreover, since they are estimates of future average earnings, they are of limited usefulness in consideration of the lowest wage earners within any occupation, those workers who suffer handicaps of low education and skill, physical disabilities, etc. The income maintenance problems of these marginally employed persons are magnified by old age but they exist in some measure throughout worklife as well. It is important to view their income problem as one that pervades their entire lifespan, requiring manpower and educational programs, as well as income supplements, at most stages of their lives. The broader issue of incomes of those persons who in the future retire from a lifetime of productive labor can then be considered within the context of their ever-rising earning capacities. These higher lifetime earnings obviously can support much higher levels of living in old age if we choose to view man's income claims as accruing through his lifetime rather than through his worklife. Needless to say, the shorter the worklife relative to the total lifespan, the more important becomes the lifetime income view.

LOWELL E. GALLAWAY: THE ECONOMIC IMPACT OF OASDHI ON THE AGED

We have attempted two things: (1) an evaluation of how well the income maintenance systems that were inaugurated in the 1930's have performed from the standpoint of improving the social welfare of the aged, and (2) an assessment of what the future holds with respect to the economic impact of income maintenance systems on the social welfare of the aged. On the first count, the result is optimistic, with the basic conclusion being that income maintenance systems, such as OASDHI, have made a fundamental contribution to improving the social welfare position of the aged. Such a conclusion depends primarily on the proposition that the declines in labor force activity, which have been characteristic of the elderly in the post World War II period, are essentially the result of the aged having voluntarily chosen to substitute leisure for work-related income in response to the presence of additional amounts of transfer payment income of the retirement benefit type. If such a conclusion is not accepted (i.e., if the declines in elderly labor force activity are viewed as being basically involuntary in character), it is difficult to view the historical performance of our income maintenance systems in an optimistic fashion. Rather, the strong evidence which is indicative of a consistent deterioration in the relative money income position of the aged over the past 20 years must be viewed as being symptomatic of a decline in social welfare among the aged—a decline which has not been mitigated by our income maintenance systems and, in fact, may have been worsened by them. However, there is convincing evidence to support the thesis that the changes in aged labor force activity have been primarily voluntary in character.

The assessment of the future prospects of income maintenance among the aged suggests on the one hand that the relative deterioration in the money income position of the aged will be slowed by a