During the 50 years in which The Gerontologist has been publishing, the politics of aging in the United States has undergone distinct changes. The political behavior of older individuals has remained largely the same even though different birth cohorts have succeeded each other in populating the ranks of older people. But the politics of policies on aging—the organized interest and advocacy groups active in this arena, the tenor of public discourse about older people as beneficiaries of policies on aging, the national political agendas regarding public old-age benefits, and the broader U.S. political economy—have changed substantially over these five decades.

Now, in the contexts of the aging of the baby boom and concerns about reducing large federal fiscal deficits (annual and cumulative), the politics of U.S. policies on aging may change substantially from those of yesterday and today. Is there a possibility of future intergenerational political conflict over taxes and expenditures for the major old-age benefit programs? If so, what might prevent or mitigate it?

Key Words: Entitlement reform, Generational political conflict, Old-age policies, Politics of aging

During the 50 years in which The Gerontologist has been publishing, the politics of aging in the United States has undergone distinct changes. The political behavior of older individuals has remained largely the same even though different birth cohorts have succeeded each other in populating the ranks of elderly voters. But the politics of policies on aging—the organizational players in this arena, the tenor of public discourse about older people as beneficiaries of policies on aging, the political agendas regarding public old-age benefits, and the broader U.S. political economy—have changed substantially over these five decades.

Now, in the contexts of the aging of the baby boom and large federal deficits (annual and cumulative), the politics of U.S. policies on aging may change substantially from those of yesterday and today. Is there a possibility of future intergenerational political conflict over taxes and expenditures for the major old-age benefit programs?

The U.S. Ideological Context

In sorting out different ideological approaches to issues of social risk—such as illness, unemployment, and poverty—Danish sociologist Gøsta Esping-Andersen has singled out the United States as the closest nation–state embodiment of Homo Liberalismus, whose ideal is to pursue his personal welfare.
The well-being of others is their affair, not his. . . . His ethics tell him that a free lunch is amoral, that collectivism jeopardizes freedom, that individual liberty is a fragile good, easily sabotaged by sinister socialists or paternalistic institutions. Homo liberalisimus prefers a welfare regime where those who can play the market do so, whereas those who cannot must merit charity. (Esping-Andersen, 1999, p. 171).

Most students of American political life would agree with Esping-Andersen’s characterization of the predominant political ideology in the United States. Indeed, in his classic and influential treatise on The Liberal Tradition in America, political theorist Louis Hartz (1955) argued that historically U.S. political ideas, institutions, and behavior have uniquely reflected a virtually unanimous acceptance of the tenets of the English political philosopher John Locke, whose ideas were in harmony with the laissez-faire economics subsequently pronounced by Scotsman Adam Smith (1776/2003). In Lockean liberalism, the individual is much more important than the collective, and one of the few important functions of a limited state is to ensure that the wealth that individuals accumulate through the market is protected (Locke, 1690/1924).

This ideological context helps explain why the United States did not establish a Social Security program until the mid-1930s, decades after such programs had become commonplace as a public policy in most Western European nations.

The Rise of Collective Concern: Compassionate Ageism

The dire collective and individual effects of the Great Depression, especially the manifest failures of the free market, made possible the acceptance (though hardly universal) of Franklin Roosevelt’s New Deal programs to deal with market failures (Schlesinger, 1958). The classical liberal ideology that had characterized the American polity was temporarily submerged as a norm of activist government evolved from the New Deal, through World War II, and beyond. Both Republican and Democratic presidents maintained this norm through five decades (Altman, 2005).

The ideological bulwark of individual responsibility was overcome with Social Security’s establishment in 1935—a policy that singled out older Americans as a special group that needed to be, and was worthy of being, collectively insured against the risks associated with old age. This new norm regarding older people, embodied in Social Security, was amplified in the years that followed. From the mid-1930s through the late 1970s, the construction of an old-age welfare state was facilitated by a “compassionate ageism” (Binstock, 1983)—the attribution of the same characteristics, status, and just deserts to a heterogeneous group of “the aged” that tended to be stereotyped as poor, frail, dependent, objects of discrimination, and above all “deserving.” American society accepted the oversimplified notion that all older persons are essentially the same, and all worthy of governmental assistance, even though many of them did not fit these stereotypes (see Neugarten, 1982).

The stereotypes expressed through this ageism, unlike those of racism or sexism, were far from prejudicial to the well-being of its objects, older people. During the 1960s and 1970s, the American polity implemented the construct of compassionate ageism by creating many old-age government benefit programs, as well as by enacting laws against discrimination on the basis of old age. In those decades, just about every issue or problem affecting some older individuals that could be identified by advocates for older persons became identified as a governmental responsibility to some extent.

Medicare and Medicaid, enacted in 1965, have together provided almost all older Americans with government-financed health insurance. The Older Americans Act was legislated the same year and grew to support a nationwide network of nutritional, legal, transportation, and many other services and programs for seniors. The Age Discrimination in Employment Act of 1967 provided protection for older workers with respect to many dimensions of employment and, as subsequently amended in 1978 and 1986, has outlawed mandatory retirement at any age (except for workers with certain public safety responsibilities and high level corporate executives). The Employee Retirement Income Security Act of 1974 vastly extended the nearly nonexistent regulation of old-age pension funds and created the Pension Benefit Guaranty Corporation that provides pension benefits to retired workers if their employer pension plans fail to provide benefits. Also in 1974, culminating a 6-year lobbying effort by the Gerontological Society of America (see Lockett, 1983), the Research on Aging Act established a National Institute on Aging to fund and conduct research to improve the health of older people.
In addition to such major legislative landmarks, during these years older persons were identified as beneficiaries of myriad programs and regulations focused on broader constituencies in areas such as housing, home repair, low-income energy assistance, and mental health. For instance, The Age Discrimination Act of 1975, prohibiting discrimination on the basis of age in any programs and activities receiving federal assistance, included older persons in its protective umbrella. Near the end of the 1970s, a committee of the U.S. House of Representatives, Select Committee on Aging (1977), using loose criteria, was able to identify 134 programs benefiting older persons.

**Neoliberalism and the Emergence of “Greedy Geezers”**

By the late 1970s, after decades in which Social Security, Medicare, Medicaid, and the other old-age policies had become politically accepted as staples, the ideological pendulum swung back, away from collective concerns. Classical liberal ideology reemerged and flourished. This neoliberalism (popularly labeled as “conservatism”) once again emphasized the virtues of atomistic individualism and free-market capitalism, while also stressing the evils of “big government,” including government regulation and welfare programs. The resurgence of classical liberalism was spearheaded by the presidency of Ronald Reagan, and continued unabated through the presidency of George W. Bush. This ideological context is important for understanding public political discourse and proposals for changing old-age policies today, although it is possible that the recent enactment of the Patient Protection and Affordable Care Act (2010) may have some longer run impact in shifting the political milieu to the left.

As (the conservative) neoliberalism was reemerging, the compassionate stereotypes that had facilitated the building of an old-age welfare state did not disappear. But unflattering stereotypes emerged as competing themes of social construction in the U.S. media and in some policy circles, if not in the views of the American public. Older people came to be portrayed (one might say “socially constructed”) as one of the more flourishing and powerful groups in American society and, yet, attacked as a burdensome responsibility. Throughout the 1980s and into the 1990s, the new stereotypes, readily observed in popular culture, depicted aged persons as prosperous, hedonistic, politically powerful, and selfish. For example, “Grays on the Go,” a cover story in *Time*, portrayed older people as America’s new elite—healthy, wealthy, powerful, and “staging history’s biggest retirement party” (Gibbs, 1980). A dominant theme in such accounts of older Americans was that their selfishness was ruining the nation. A *New York Times* Op-Ed was headlined “Elderly, Affluent—and Selfish” (Longman, 1989). The New Republic (1988) highlighted this motif with a cover that displayed an unflattering caricature of aged persons, accompanied by the caption “greedy geezers.” This theme soon was echoed widely, and the epithet greedy geezers became a familiar adjective in ongoing accounts of federal budget politics (e.g., Salholz, 1990) and remains so today. A contemporary Google (2010) search of the term yields over 190,000 results. In the early 1990s, an article in *Fortune* magazine titled “The Tyranny of America’s Old” asserted that the political and economic power of greedy older people was one of the most crucial issues facing U.S. society (Smith, 1992).

**Why the New Stereotypes?**

The immediate precipitating factor for this reversal of stereotypes may have been the serious cash flow problem in the Social Security system that emerged within the larger context of a depressed economy during President Carter’s administration (see Estes, 1983; Light, 1985). A high rate of unemployment substantially reduced the payroll tax base for Social Security revenue while a simultaneous very high rate of inflation produced corresponding sharp increases in benefits through the program’s annual cost-of-living adjustments. In order to deal with a projected cash flow problem in benefit payments for Old Age and Survivors Insurance (OASI) recipients, Congress authorized the Social Security Administration to borrow from the system’s Disability Insurance and Hospital Insurance trust funds in order to help pay OASI benefits.

Two additional elements contributed importantly to the greedy-geezer image of older people. One was the “graying of the budget,” identified by political scientist Robert Hudson (1978), a tremendous long-term growth in the amount and proportion of federal dollars expended on benefits to aging citizens which at that time had come to be 25% of the budget and comparable with expenditures on national defense. Journalists quickly began to spread the word about this fact, asking who will
shoulder the “growing burden” of elderly Americans? (e.g., Samuelson, 1978). By 1982, an economist in the Office of Management and Budget had pointed up the comparison of large federal expenditures on defense and on old-age benefit programs by reframing the classical trade-off metaphor of political economy from “guns vs. butter” to “guns vs. canes” (Torrey, 1982).

Another element in the reversal of the stereotypes of old age was dramatic improvements in the aggregate status of older Americans, in large measure due to the impact of federal benefit programs. Social Security, for example, had helped to reduce the poverty rate of persons aged 65 and older from 30% in 1967 to 12% in 1984—a percentage that compared very favorably with a 21% rate for children that same year (U.S. Census Bureau, 2010).

“Intergenerational Equity” and Intergenerational Conflict

In this unsympathetic climate of opinion, the aged emerged as a scapegoat for an impressive list of American problems, and the concept of so-called “intergenerational equity”—really, intergenerational “inequity”—began to receive some prominence in public dialogue. At first, these issues of equity were propounded in a contemporary dimension.

Demographers and advocates for children blamed the political power of elderly Americans for the plight of youngsters who had inadequate nutrition, health care, education, and insufficiently supportive family environments. In an influential article, the President of the Population Association of America erroneously argued that rising poverty among children was the direct result of rising benefits to older people (Preston, 1984). One children’s advocate even proposed that parents receive an “extra vote” for each of their children, in order to combat older voters in an intergenerational conflict (Carballo, 1981). This theme of zero-sum trade-offs between children and elders remains prominent in policy discussions today, especially among economists (e.g., Sawhill & Monea, 2008).

The argument that old-age benefits are a major detriment to the health of the economy and younger generations has been persistently disseminated by Wall Street banker and former Secretary of Commerce Peter Peterson during the last three decades. In the mid-1980s, for instance, he suggested that a prerequisite for the United States to regain its stature as a first-class power in the world economy was a sharp reduction in programs benefiting older Americans (Peterson, 1987).

Widespread concerns about spiraling U.S. health care costs were redirected, in part, from health care providers, suppliers, administrators, and insurers—the parties responsible for setting the prices of care—to elderly persons for whom health care is provided. For nearly 30 years, a number of academicians and public figures—including politicians—have been expressing concern that health care expenditures on older persons would soon absorb an unlimited amount of our national resources, and crowd out health care for others as well as various worthy social causes. In a 1983 speech to the Health Insurance Association of America, Alan Greenspan asked, rhetorically, “whether it is worth it” to spend 30% of Medicare on 5–6% of Medicare enrollees who die within the year (Schulte, 1983, p. 1). Then, the governor of Colorado, Richard Lamm, was widely quoted as saying that older people have a duty to die and get out of the way for the benefit of younger people (Slater, 1984, p. 1). Not long after that, some writers proposed that old age–based health care rationing is desirable and ethically just, as well as economically necessary (e.g., Callahan, 1987, Daniels, 1988). And more recently, bioethicist Daniel Callahan (2000) argued that the National Institutes of Health stop funding research on diseases that predominantly kill people aged 65 and older.

Such concerns regarding intergenerational allocation of resources were highlighted by the efforts of an organization that called itself Americans for Generational Equity (AGE), founded in 1985 with backing from the corporate sector as well as from a handful of conservative Congressmen who led it. According to its annual reports, most of AGE’s funding came from insurance companies, health care corporations, banks, and other private sector businesses and organizations that are in financial competition with Medicare and Social Security (Quadagno, 1989). AGE’s basic view was that the large aggregate of public transfers of income and other benefits to older persons is unfair, and elderly voters would become locked in conflict with younger generations with regard to the distribution of public resources.

Although the AGE organization eventually faded from the scene, its themes of intergenerational inequity and conflict were adopted by the media and academics as routine perspectives for describing many social policy issues. They also gained currency in elite sectors of American society, and
among the Washington policy cognoscenti. For instance, the president of the prestigious American Association of Universities asserted in his keynote speech at the 1990 annual meeting of The Gerontological Society of America: “[T]he shape of the domestic federal budget inescapably pits programs for the retired against every other social purpose dependent on federal funds” (Rosenzweig, 1990).

The Specter of Intergenerational Political Warfare

As the 20th century was ending, and the predictable entry of 76 million baby boomers into the ranks of old age drew closer, various doomsayers expressed vivid and strident concerns about intergenerational political conflict. Their focus was on the potential power of self-interested older voters and organized lobbying on their behalf to dominate elections and public policy processes at the expense of younger age groups.

The prominent MIT economist Lester Thurow depicted aging boomers as a dominant bloc of voters whose self-interested pursuit of old-age government benefits (entitlements) will pose a fundamental threat to democracy:

[N]o one knows how the growth of entitlements can be held in check in democratic societies. . . . Will democratic governments be able to cut benefits when the elderly are approaching a voting majority? Universal suffrage. . . is going to meet the ultimate test in the elderly. If democratic governments cannot cut benefits that go to a majority of their voters, then they have no long-term future. . . . In the years ahead, class warfare is apt to be redefined as the young against the old, rather than the poor against the rich. (Thurow, 1996, p. 47)

(Thurow’s statement that “the elderly” will be approaching a voting majority was a considerable distortion of the facts. Even when all boomers are aged 65 and older in 2030, that age group will still be only about 23% of voting-age Americans; U.S. Census Bureau, 2009).

Although Peter Peterson has written many articles and several books in which he argues that government obligations under social insurance programs for older people must be drastically reduced, he warned that the political power of boomers may make these reforms difficult, if not impossible:

Will global aging enthrone organized elders as an invincible political titan? . . . Picture retiring boomers, with inflated economic expectations and inadequate nest eggs, voting down school budgets, cannibalizing the nation’s infrastructure, and demanding ever-steeper hikes in payroll taxes. (Peterson, 1999, p. 209)

Peterson is so concerned about the impact of boomers on politics that several years ago he established the Peter G. Peterson Foundation (2010), funded by $1 billion of his personal assets, to carry forward his message. He clearly intends to foment intergenerational conflict, given that one of his specific objectives is “organizing a youthful equivalent to the powerful lobby group for seniors, AARP” (Thomas, 2008, p. C4).

Peterson is far from alone in being concerned about the consequences of power exercised by AARP (formerly the American Association of Retired Persons). A journalist for the influential Washington Post newspaper expressed his fear as follows:

AARP has become America’s most dangerous lobby. If left unchecked, its agenda will plunder our children and grandchildren. Massive outlays for the elderly threaten huge tax increases and other government spending. Both may weaken the economy and the social fabric. (Samuelson, 2005, p. A19)

The “Senior Power” Model and Its Flaws

Implicit in the concerns of Thurow, Peterson, Samuelson, and many others about the political impact of older persons is a “senior power” model for interpreting the politics of aging. The model assumes that older people constitute a numerically large proportion of the electorate; that all of them perceive their stakes in old-age benefits similarly (regardless of their diverse economic and social situations); and that older people are homogeneous in political attitudes and voting behavior and will thereby clash sharply with younger age groups in the electoral process. The senior power model also assumes that interest groups that purport to represent older people, particularly AARP, are very influential forces that can “swing” the votes of older persons and thereby “intimidate” politicians.

Seniors as Voters

These assumptions regarding older voters, however, are contradicted by the following facts and observations that weaken the foundations on which fears of senior power are built.
Although older persons participate in elections at a higher rate than younger voters, they are far from the largest age group in the electorate; in the 2008 presidential election, for example, Americans aged 45–64 cast 38% of the vote and those aged 25–44 accounted for 36%, compared with only 16% by people aged 65 and older (Edison/Mitofsky, 2008).

Despite election campaign efforts to target older voters with “senior issues” and “senior desks,” old age benefit issues do not seem to have much impact on their electoral choices; as shown in Figure 1, in the last 10 presidential elections, all age groups except the youngest (aged 18–29) have distributed their votes among candidates in roughly the same proportions.

Old age is only one of many personal characteristics of older people with which they may identify themselves; there is little reason to expect that a birth cohort—diverse in economic and social status, labor force participation, gender, race, ethnicity, religion, education, health status, family status, residential locale, political party attachments, and every other characteristic in society—would suddenly become homogenized in self-interests and political behavior when it reaches the old-age category.

Candidates are on the ballot, not Social Security, Medicare, and other old-age policy issues; candidates usually identify themselves with their political parties, as well as a broad range of issue positions of which old-age benefits may be only one of many.

Older voters, like all voters, respond to a variety of candidate’s traits such as their personalities, appearances, career backgrounds, their performances, and even their religions, ethnicity, and race; in the 2008 election, for instance, all age groups of Whites aged 30 and older voted heavily in favor of John McCain over Barack Obama (see Binstock, 2009).

For fuller discussions and documentation of these and related matters involving the voting behavior of older Americans, see Schulz & Binstock (2008).

Nonetheless, for several reasons, the image of older persons as bloc voters swayed by “senior issues” persists. First, it helps journalists to reduce the intricate complexities of politics down to something easy to write about—a tabloid symbol. Second, and more important, politicians share the widespread perception that there is a huge, monolithic senior citizen army of voters. This perception is reinforced by the fact that a great many older citizens are generally quite active in making their views known to members of Congress, especially when proposals arise for cutting back on Social Security, Medicare, or other old-age benefits (Campbell, 2003). Hence, politicians are wary of “waking a sleeping giant” of angry older voters. They strive to position themselves in a fashion that they think will appeal to the self-interests of older voters, and usually take care that their opponents do not gain an advantage in this arena. So, even though older persons do not vote as a bloc, they do have an impact on election campaign strategies and often lead incumbents to be concerned about how their actions in the governing process, such as votes in Congress, can be portrayed to older voters in subsequent reelection campaigns. Third, the image of a senior voting bloc is marketed by the leaders of old age–based interest groups. These organizations have a strong incentive to inflate perceptions of the voting power of the constituency for which they purport to speak.

Old-Age Interest Groups

In contrast with the flawed postulate that older persons have been voting as a self-interested bloc, the senior power model has some empirical validity in its assumption that old age–based interest groups or advocacy groups—casting themselves as “representatives” of a large constituency of older voters—have some power. Although these groups have not demonstrated a capacity to swing the votes of older persons, they have played...
a role in the policy process, especially in recent years.

Since the 1960s, U.S. old-age advocacy groups have proliferated. Today there are dozens of such groups that have banded together in a 64-member Leadership Council of Aging Organizations (LCAO), a self-defined “coalition of national non-profit organizations concerned with the well-being of America’s older population and committed to representing their interests in the policy-making arena” (Leadership Council of Aging Organizations, 2010). The LCAO coalition sends letters to members of Congress and the Administration on a broad range of policy issues, conducts issue briefings and forums, holds press conferences, and comments on presidential and congressional budgets affecting older persons. However, the primary organizational goals of the respective members of LCAO are diverse. Consequently, they have been divided on a number of issues over the years—such as Medicare coverage of catastrophic hospital expenses, outlawing mandatory retirement, and elimination of Social Security’s “earnings test”—thereby limiting the group’s political effectiveness.

As discussed at some length by Schulz & Binstock (2008), by far the most powerful of these organizations is AARP, which has more than 40 million members (none of the several other old-age membership organizations claim more than two million members, and most of them have far less). AARP’s huge financial and staff resources are far larger than those of all the other old-age interest groups combined. The majority of its finances come from its extensive business operations. AARP’s annual membership dues are nominal, currently only $16.00 for a couple. The organization offers a variety of commercial services: health, prescription drug, long-term care and auto insurance; mutual funds; credit cards; and support for travel, such as hotel and automobile discounts.

AARP’s reported assets of $99 million at the end of 2008 and operating revenue of $1.08 billion, of which 60% ($653 million) came from “royalties and service provider relationship management fees” on the many products it markets to its members, especially insurance policies (AARP, 2008). This major reliance on insurance-related revenue has from time to time led critics to suggest that the organization’s participation in the politics of public policy—especially health policy—involves a substantial conflict of interest.

AARP spent $59 million of its 2008 budget on public policy research and legislative lobbying. This level of expenditure on policy activities, together with a membership of more than 40 million, makes it dominant among old-age interest groups in framing age-related policy issues and undertaking activities in the political arena. For some years, many observers have believed that AARP is among the most powerful interest groups in Washington (e.g., see Morris, 1996).

The professed role of AARP and other old-age interest groups as representatives of and advocates for older people has given them entrée into the policy process. Public officials are willing to listen to the views of such organizations and often find it useful to invite them to participate informally in policy activities. A brief meeting with the leaders of AARP and other old-age organizations enables officials to demonstrate that they have been “in touch” (symbolically) with tens of millions of older persons. Moreover, the symbolic legitimacy of old-age organizations enables them to obtain public platforms in the national media, congressional hearings, and in other age-related policy forums. Perhaps the most important form of power available to these groups is “the electoral bluff.” Although old-age organizations have not demonstrated a capacity to swing a decisive bloc of older voters, incumbent members of Congress are hardly inclined to risk upsetting the existing distribution of votes that puts them and keeps them in office.

From 1995 through 2002, AARP assumed a noticeably withdrawn public posture, in part due to two public policy advocacy episodes that antagonized some of its members and eroded some of its political standing in Washington (see Holmes, 2001). But all this changed in 2003 when Congress enacted Medicare Part D coverage of outpatient prescription drugs. According to many accounts, AARP’s endorsement of this legislation at a critical point in the process was important in enabling it to pass (see Iglehart, 2004). Two years later, in 2005, President Bush launched a vigorous campaign to reform Social Security by creating private or “personal accounts” to be financed by diverting a portion of the payroll tax revenue that presently generates funds for the public Social Security program. AARP immediately countered the President’s efforts with a $7 million nationwide campaign of television commercials and full-page color newspaper ads, raising strong objections to “privatization” of Social Security. These efforts by AARP appeared to play a large role in getting President Bush to abandon his privatization campaign.
By mid-decade, because of its role in the prescription drug legislation and its extensive campaign against privatizing Social Security, AARP had revived its reputation as a powerful interest group and, in reality, had established itself as far more of a force in the politics of old-age policies than it had been in the past. Yet, neither in its role supporting drug coverage nor in its opposition to privatization of Social Security did the organization present the issues in a fashion that even hinted at intergenerational conflict. (For more detailed discussions of these two episodes see Campbell & Binstock, in press, and Schulz & Binstock, 2008).

Is Intergenerational Political Conflict Possible? Is It Likely?

Up to now there have been no signs of intergenerational political conflict in national elections and legislative processes. Older persons have not been an old age–benefits voting bloc in national elections—the electoral arena that is most salient to those benefits. And AARP and other old-age advocacy groups have managed to conduct their lobbying on old-age issues in a fashion that avoids any apparent themes of intergenerational competition and conflict. Overall, the modern contexts of policy agendas regarding old-age benefits have yet to pit generations against each other. On the other hand, in 2010, there have been distinct signs that a changing context of policy agendas regarding old-age benefits could conceivably lead to intergenerational political conflict. Some of the elements are in place. Could intergenerational conflict emerge in the near term or over the next several decades as we become an aging society?

“Death Panels” and “Pulling the Plug on Granny”

Harbingers of the kinds of situations that could energize and solidify older people as a voting constituency have emerged in recent years. For instance, the theme of health care rationing for older Americans became especially prominent in the summer of 2009. A health care reform bill in the House of Representatives had in it a provision that expanded Medicare to cover the costs of a voluntary consultation with a physician, every 5 years, concerning end-of-life planning through living wills and health care durable power of attorney documents (see Blumenuer, 2009). Moreover, from the outset of the health care reform effort, an overarching message from President Obama was that the costs of reform would be substantially offset by savings in the Medicare program (see White House, 2009). A number of prominent Republican politicians and conservative broadcasters transformed these two themes—end-of-life planning, and savings from Medicare—into the specters of “death panels” and efforts to “pull the plug on granny.” When members of Congress returned to their districts during the summer recess to hold town hall style meetings, they faced rowdy crowds in which older persons expressed concern about rationing in the Medicare program (Blumenuer, 2009).

In September, the themes of “death panels” and “pulling the plug on granny” were culturally rati fied by a cover of Newsweek magazine that featured a picture of a “pulled plug” accompanied by a large bold headline saying, The Case for Killing Granny, to draw attention to a lead article in that issue (Thomas, 2009). Subsequently, AARP acknowledged that it faced a challenge in explaining to its members why it endorsed health care reform (Calmes, 2009).

At the time, the breadth and depth of concerns among older persons about death panels and other forms of old age–based rationing, and its political ramifications were unclear. To be sure, journalists opined that older persons would vote as a bloc in the 2010 Congressional elections against Democratic members of Congress who supported health care reform. And various national polls during the summer were eager to issue reports that seniors were against health care reform; but the headlines on these reports exaggerated their actual data (e.g., Gallup, 2009).

Perhaps the journalistic pundits will prove correct in their vision of a generational divide in the 2010 election, with seniors especially opposed to Democratic candidates because of the symbol of “death panels” and anticipated reductions in Medicare spending. But based on decades of age group electoral data, it is more likely that the distribution of older persons’ votes in the 2010 election will closely resemble the distributions within other age groups, except for the youngest cohort of voters.

There are some signs, however, that in the longer run old age–based rationing of health care could become official policy. For instance, 4 years ago, the nonpartisan Congressional Budget Office (CBO) (2006) published a report that explored analytical strategies for prospectively identifying
which Medicare enrollees are likely to be “future high-cost beneficiaries”—possibly a preliminary step for identifying those whose care might be rationed. When the CBO focuses in on finding ways to forecast which patients will be high cost, the possibility of eventual public policy to decide which older people are to live and die may seem far less remote than when proposed by bioethicists such as Callahan (1987) and philosophers such as Daniels (1988). Moreover, some geriatricians are now publicly supporting the notion of rationing within the older population. In the spring of 2009, the Institute of Medicine and the National Academy of Science (of the U.S. National Academies) organized and hosted a symposium on “The Grand Challenges of Our Aging Society.” In a speech entitled “Judicious Use of Resources,” a noted geriatrician argued that health care resources are scarce and that we need to think seriously about principles for rationing some of our health care efforts for elderly patients (Reuben, 2009).

Deficit Reduction and the Entitlement Programs

Just prior to and following the enactment of the Patient Protection and Affordable Health Care Act (2010), attention in President Obama’s Administration, the Congress, the media, and various respected public policy and scientific sources turned a great deal of attention to the general issue of reducing the long-run cumulative deficit of the federal government (which had already reached over $12 trillion and was projected to keep growing). For instance, the National Research Council and the National Academy of Public Administration jointly issued a report titled “Choosing the Nation’s Fiscal Future” (Committee on the Fiscal Future of the United States, 2010) in which it singled out the Social Security, Medicare, and Medicaid entitlement programs as essential major targets for deficit reduction reforms, including restraints on their growth and greater taxes to support them. Ben Bernanke, Chairman of the Federal Reserve, persistently expressed this view in speeches (e.g., Chan & Hernandez, 2010) and congressional testimony (Chan, 2010). If the deficit does get addressed through such reforms of entitlement programs, will intergenerational conflict be a likely consequence?

To deal with the issue of deficit reduction, President Obama established an 18-member National Commission on Fiscal Responsibility and Reform (White House, 2010), comprising six appointees by the president and six bipartisan appointees from each of the two houses of Congress. The Commission is charged with reporting its findings (if agreed to by at least 14 members) to Congress by December 1, 2010. It is a common assumption in Washington that the panel will focus on long-run ways to reduce spending on Social Security and Medicare in one way or another and perhaps ways to raise additional revenue for Social Security—although Republicans on the panel are likely to oppose new taxation for this purpose (see Calmes, 2010).

Reforming Social Security?.—There are a number of ways to reduce the future costs of Social Security that have been discussed over many years. To name just a few: raising the so-called Full Retirement Age (FRA) higher (perhaps to age 70) in keeping with increases in life expectancy; increasing the ages of “Early Retirement”; reducing the program’s annual cost-of-living adjustment to benefits, to more accurately reflect the prices of the “market basket” that older persons consume; and repealing the Senior Citizen’s Freedom to Work Act of 2000 that presently enables workers to receive full benefits when they reach the FRA, without financial penalty even if they continue to work at a high income. There are many sound arguments against each of these possible measures, and advocates for older persons and supporters of the traditional Social Security program would undoubtedly mobilize them in vigorous campaigns of opposition.

At the same time, there are ways to raise more revenue for Social Security, such as increasing the portion of the payroll tax dedicated to Old Age, Survivors, and Disability Insurance (OASDI). The latest report from the trustees of Social Security and Medicare (Board of Trustees, 2009) projects that a one percentage point increase in both employer and employee OASDI taxes would eliminate the actuarial deficit in those programs for 75 years. Another source of program income would be to eliminate or substantially raise the annual ceiling on the OASDI payroll tax (now $106,800) to generate more revenue from individuals with high salaries and wages. (This would hardly be unprecedented; the ceiling on the Medicare Part A portion of the payroll tax was raised in 1990 and then completely eliminated in 2003). Other possibilities would be earmarked taxes for the Social Security Trust Fund such as all or some portion of Estate Tax revenues, or new taxes on various
products and services. Again—as with reductions in benefits—there are many possible objections to these measures. They are almost certain to be staunchly opposed by most Republicans members of Congress, the business and financial communities, Tea Party members, labor unions, and other factions.

There is no inherent reason, however, that such measures proposed for reducing the Social Security program’s benefits and increasing its revenues would necessarily engender intergenerational conflict. For one thing, members of Congress have no incentive, and definite disincentives, to frame legislation that would engender intergenerational conflict. Few of them have electoral constituencies that are more or less generationally monolithic, and would reward them for such actions. According to a New York Times/CBS News Poll, even Tea Party members—who polled as more conservative than Republicans and strongly anti-government—“think that Social Security and Medicare are worth the cost to taxpayers” (Zernike & Thee-Brenan, 2010, p. A1).

Moreover, if a package of benefit reductions and revenue-enhancing reforms is carefully crafted and enacted relatively soon, and implemented gradually, there may be no mass reaction from younger and older voters and organizations that purport to represent them or from other potential vested interests. The Social Security Reform Act of 1983 provides an excellent illustration of this approach. Among other things, it enacted a change in the FRA for Social Security benefits, from age 65 to age 67. Yet, the change was not scheduled to begin until 20 years later, in 2003, and to take an additional 24 years to be fully implemented in 2027. This policy change—characterized by advance planning, distant start-up, and gradual implementation—elicited little outrage, unrest, or opposition, either from voters (who paid little if any attention to it) or from vested interests (such as employers, whose successors many years later would have to pay more years of payroll taxes for whatever employees they might have in the future). There is still time for such an approach to be applied to Social Security reforms before all the boomers become eligible for benefits some 25–30 years from now.

Reforming Medicare?—In the case of Medicare, the challenges of reducing its contributions to the long-run fiscal deficit and avoiding intergenerational conflict are far greater. Its costs grow quickly. Medicare was only 3.5% of the federal budget in 1990, but almost 16% in 2009 (CBO, 2009). By 2036, the proportion of gross domestic product (GDP) spent on Medicare is projected to more than triple to about 8% (Medicare Payment Advisory Commission, 2006)—one-twelfth of our national wealth, spent on one program.

The heart of the problem in spiraling Medicare costs is not the fact that the number of older people eligible for the program will double over the next 20 years. A number of studies have shown that “population aging is a relatively minor factor in the growth of health care costs in the U.S. and other industrialized nations” (e.g., see Reinhardt, 2003). Rather, the problem is expense factors in the overall system, in which costs rise much faster than the general rate of inflation. The major sources of rising costs per patient in the health care sector are: a constant stream of new and costly technologies and procedures; high rates of utilization; huge administrative costs, and unnecessarily high comparative expenses and utilization in some regions and health centers as compared with others. The consensus among analysts of the growth in U.S. health care costs is that the advance and application of medical technology is the single most important factor (CBO, 2007; Newhouse, 1992).

Consequently, efforts to contain Medicare costs—without limiting coverage for the health care of older patients—should in principle focus on reforming the health care system generally, not just Medicare. But as the recent politics of enacting the Patient Protection and Affordable Health Care Act have vividly demonstrated, there are substantial political barriers to major, sweeping health care reforms—especially because of the large financial stakes that the medical industrial complex has in current arrangements. Moreover, the larger health care arena is highly fragmented, so there is no entity “in charge” of it. In contrast, Medicare policies can be implemented more effectively because they can be centralized and carried out through concerted government policy actions. So, for the foreseeable future, attempts to contain health care costs are likely to continue focusing on limiting Medicare coverage.

If such reforms involve explicit near-term cuts in or withdrawal of Medicare coverage for selected procedures, and/or substantial more generalized cuts in Medicare reimbursements for physicians and hospitals, then a political backlash from older voters and old-age interest groups could very well emerge. To be sure, various forms of old-age-based health care rationing within the British National
Health Service have been taking place for years (e.g., see Young, 2006) without causing a political uproar. But as the politics of health care reform in the summer of 2009 illustrated, the response to such rationing phenomena within the U.S. Medicare program may be much more politically volatile. Even so, younger age groups might join older persons and old-age organizations in opposing such Medicare policies.

Can Our Understanding of the Social Contract Be Reframed?

Ultimately, the likelihood and intensity of intergenerational political conflict involving old-age benefit programs will be shaped by the answers to two questions. First, will there be enough national wealth available to redistribute to older people? Second, will the prevailing U.S. ideology in the decades ahead support a politics of collectively insuring against the risks of poverty and illness in old age? Popular support for Social Security and Medicare has been reasonably strong among all generations up to now (Campbell, 2009). Yet, a strengthening of that collective will against the vicissitudes of our national fiscal status and shifting political winds may be needed to reduce the probability of intergenerational conflict while preserving the social insurance old-age benefits.

In his book, Don’t Think of an Elephant: Know Your Values and Frame the Debate, cognitive scientist and linguist George Lakoff (2004) emphasizes the role of metaphors in framing issues, and the ongoing influence of rhetorical frameworks in the policy arena. A key challenge for our aging society is to reframe and articulate issues that help the American people appreciate the extent to which our social contract—as expressed through so-called “old-age entitlements”—actually benefits all generations.

Older people are not hermetically sealed from their families, communities, and society; neither are old-age benefits hermetically sealed from other age groups. The U.S. public needs to understand, for instance, what significant cutbacks in old-age policies could mean for the nature of family obligations and other familiar social institutions that are integral to the daily life of citizens of all ages.

What are some possible effects of major cuts in old-age benefit programs? Far more elderly persons than today would be financially dependent on their families and local institutions. Because of family financial necessities, we might see the return of three- and four-generation households, instead of preferred independent living arrangements. (In the context of our contemporary “Great Recession,” we have already seen an increase in multi-generational families in one household; Yen, 2010.) Many adult children could be financially devastated by policy changes in federal and state old-age health insurance (including Medicaid as well as Medicare) that lead them to pay expensive costs of health care and long-term care for their parents. And such responsibilities for health expenses could, in turn, limit the resources available to adult children for raising their own children.

Social Security and old-age health insurance programs are not “luxurious” government benefits for a group of Americans that are often depicted in public rhetoric as if they were a separate, selfish tribe of greedy geezers. At the same time, the evidence is clear that older people are among the tax-paying adult generations that support programs for our youth—such as children’s health insurance, public education, and many others. Effective dissemination of these broader, realistic contexts for perceiving government programs could go a long way toward heading off or moderating potential intergenerational conflict, and providing the political will to sustain essential multigenerational benefits in our aging society.

Acknowledgments

The author wishes to acknowledge the intellectual stimulation and support provided by his colleagues in the MacArthur Foundation’s Research Network on an Aging Society (John W. Rowe, Director).

References


